THE IMPLEMENTATION OF THE BALANCED SCORECARD FOR SERVICE DELIVERY PERFORMANCE: THE CASE OF GAUTENG METROPOLITAN MUNICIPALITIES

by

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DECLARATION

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I **Chantal Banga Mbala** declare that the research entitled:

"The Implementation of the Balanced Scorecard for Service Delivery Performance: The Case of Gauteng Metropolitan Municipalities" is my own work and all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

I further declare that I have not previously submitted this work, or part of it, for examination at UNISA for another qualification or at any other higher education institution.

29 February 2016

SIGNATURE: C. BANGA MBALA

DATE

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ABSTRACT

This qualitative study set out to investigate the extent to which the Balanced Scorecard (BSC) has been implemented for service delivery by South African Metropolitan Municipalities. The Ekurhuleni Municipality, City of Johannesburg (CoJ) and City of Tshwane (CoT), which together form the Gauteng Metropolitan Municipalities (GMMs), were used as multiple cases for this study.

A good performance management system should cover activities relevant to the adoption of a performance measurement tool such as the BSC, which was developed by Kaplan and Norton in 1992. These two authors published a framework integrating different components of performance management and measurement system, namely strategy, vision, mission, objectives, measures, targets and strategic initiatives. In short, the BSC framework is the key for its successful implementation, which is evaluated according to the achievement of targets. The problem addressed in the study was the lack of a proper performance management system, as well as the poor design and inappropriate manner of implementing the BSC by the GMMs.

The objectives of the study were to examine principal elements such as performance management activities, performance measurement framework, design and implementation of the BSC following the original framework developed by Kaplan and Norton (1992), as well as its impact on the outcomes of service delivery performance. Objectives, measures, targets and initiatives were the core elements for evaluating the municipalities' performance management, as well as their implementation of the BSC. Moreover, the attainment of targets was the key for examining performance outcomes or the impact of the BSC on service delivery performance. In order to reach the above-mentioned objectives, a literature and document review, including municipalities' policies and annual reports, were conducted for collecting relevant data. This review involved content analysis, and data were presented in the form of tables and charts. Finally, credibility, transferability, dependability and confirmability were used to measure the validity and reliability of the findings.

The results showed that the performance management (PM) activities of the GMMs were not adequate for implementing the BSC. Naturally, the selection of measures and targets was catered for through the policy of the Ekurhuleni Municipality, as well as the City of Johannesburg (CoJ). However, the setting of objectives, selection of measures, and setting of targets were all part of the performance management framework of the City of Tshwane (CoT). The BSC was intended to be used as a performance measurement framework for the Metropolitan Municipalities of Johannesburg and Tshwane. Nevertheless, the instrument was poorly implemented by these municipalities. Although the BSC was not adopted by the Ekurhuleni Municipality, the principal activities integrated into the BSC framework were implemented for its service delivery. In addition, during the 2011-2012, 2012-2013 and 2013-2014 financial years, the achievement status of targets was not determined for the Ekurhuleni Municipality. This was also the case for the CoT during 2011-2012. However, the full-achievement, non- achievement, partial-achievement and over-achievement of targets were well defined for the City of Johannesburg during all three financial years under study. In the same way, such finding was indicated only for the two last financial years for the City of Tshwane.

The findings of the study indicated that the implementation of the BSC within the Metropolitan Municipalities of Johannesburg and Tshwane did not comply with its original framework. This is due to the lack of an adequate performance management system, which in turn affects performance measurement. Before adopting a performance measurement framework, there should be an appropriate performance measurement system in place to ensure its success. Consequently, future research should focus more on the investigation of standard requirements for measuring performance, especially in the public sector.

KEYWORDS: Balanced Scorecard, Balanced Scorecard framework, initiatives, objectives, performance management, performance measurement framework, performance measures, performance outcomes and targets.

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ABBREVIATIONS

AC: Achieved

Achs: Achievements

BSC: Balanced Scorecard

CoJ: City of Johannesburg

CoT: City of Tshwane

Dev: Developing

EM: Ekurhuleni Municipality

EMM: Ekurhuleni Metropolitan Municipality

GMMs: Gauteng Metropolitan Municipalities

INI : Initiatives

Is: Indicators

KPI: Key Performance Indicator

KPIs: Key Performance Indicators

LGA: Local Government Authority

LGAs: Local Government Authorities

ME: Measures

Mis: Mission

NA: Non-Achieved

N/A: Not Available

N/D: Not Disclosed

OB: Objectives

Outc: Outcomes

Outp: Outputs

O/A: Over-Achieved

P/A: Partially Achieved

Pers: Perspectives

PM: Performance Management

PMS: Performance Management System

PMSs: Performance Management Systems

POs: Performance Outcomes

SALGA: South African Local Government Authority

Str: Strategy

TA: Targets

Vis: Vision

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CHAPTER 1
INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

The Balanced Scorecard (BSC) has drawn attention all over the world, specifically with the challenges faced by the public sector in relation to service delivery (Wisniewski & Olafsson, 2004:602). In fact, since the late 1970s, much literature on performance management (PM) has promoted the concept of performance measurement (Masango, 2000:66). Certainly, Kgechane (2013:12) recognised the existing relationship between these two concepts. Even though they are still appropriate, performance management systems (PMSs) remain nonexistent in many organisations (Dirks & Wijn, 2002:408). This makes the adoption of a performance measurement tool even more challenging. Therefore, there is an increasing need for PM to implement balanced approaches for measuring performance (Franco & Bourne, 2003; Greatbanks &Tapp, 2007:847).

In spite of the above concern, several models and frameworks were developed in order to measure performance in an unbiased manner (Franco & Bourne, 2003; Greatbanks &Tapp, 2007:847). A balanced set of performance measures are offered by these models and frameworks, of which the BSC is one.

The BSC is among the most advanced techniques applied in measuring organisational performance (Namezi & Ramazani, 2003; Chen, Yi-Feng, Wu-Chen, Tung Cheng & Hao-Chen, 2010; Luft, 2009:307). Moreover, it is adopted by many organisations throughout the world as their PMS (Abdullah, Umair, Rashid and Naeem, 2013:134). Above all, the tool may be advantageous to organisational performance.

Indeed, the positive impact of the BSC on performance measurement has been advocated by Stan and Albright (2004). Similarly, Abdullah, Umair et al. (2013:134) confirmed that 57% of organisational performance throughout the world has been

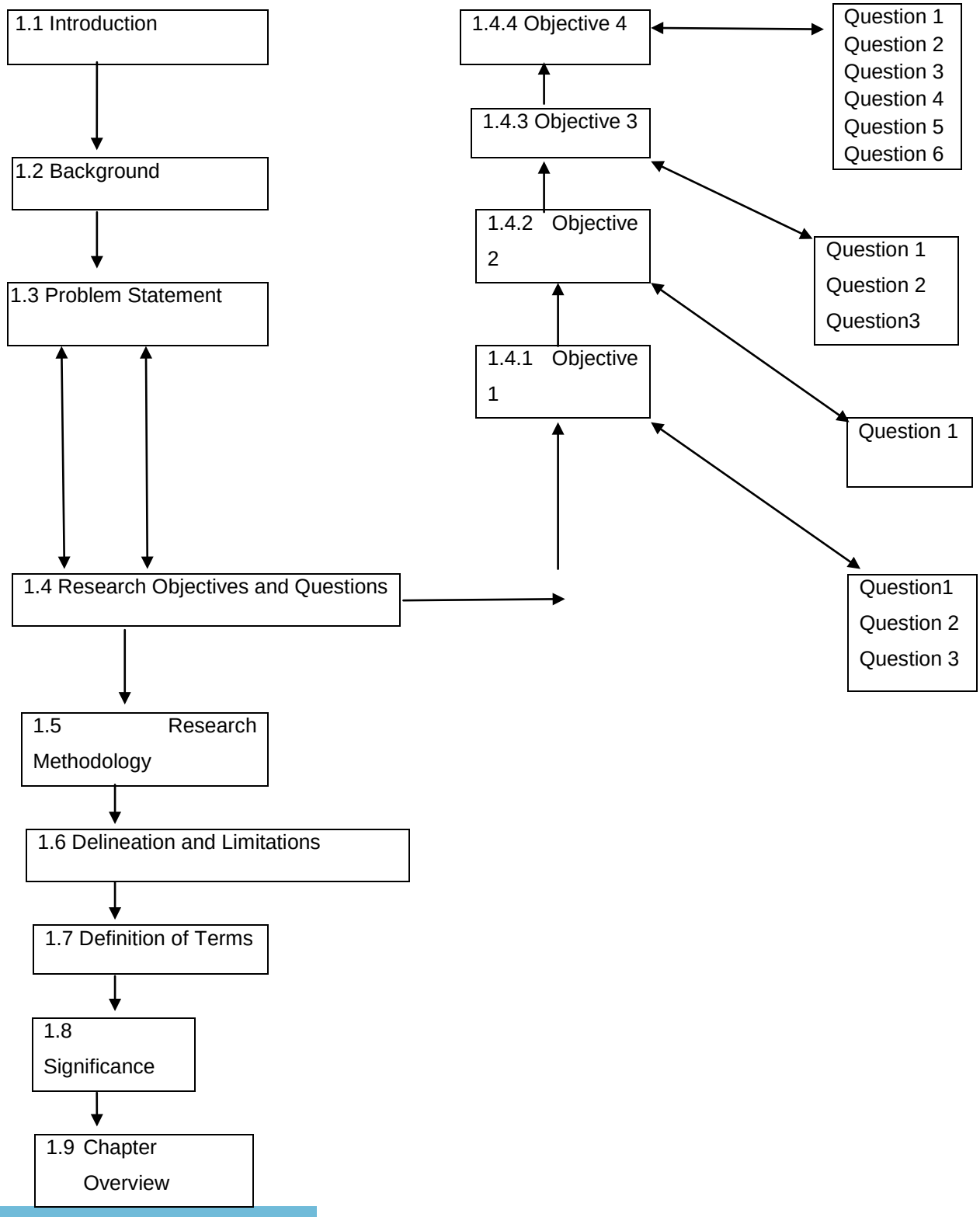
improved by using the BSC. In contrast, Zauskiene and Valanciene (2010) contended that the BSC is ineffective when measuring performance.

While the above argument may be true, Kaplan (2001:357) stated that the development of the BSC is still necessary. This is because; now more than ever, it helps to overcome the deficiencies that have been observed in the traditional accounting system. Furthermore, the BSC model improves the quality of performance information (Hoque & Adams, 2011:312), which seems to be crucial for assessing performance outcomes.

With regard to the above literature, this study explores the implementation of the BSC for service delivery performance in the Gauteng Metropolitan Municipalities (GMMs). The possibility of the adoption of the BSC is tied to the performance management systems, as well as performance measurement frameworks, of these municipalities. The study highlights the fundamental steps for implementing the BSC, which include the following: setting objectives, selecting measures, setting targets, and adopting strategic initiatives which are part of its original framework. Finally, this study examines the impact of the BSC on the performance outcomes of the municipalities under investigation.

The layout of this chapter is summarized in figure 1.1 below.

Figure 1.1: *Structure of Chapter One*



1.2 BACKGROUND INFORMATION

Success will only be achieved by organisations that acknowledge the role of performance measurement (PM) in enhancing organisational performance. In this regard, Ukko, Tenhunen and Rantanen (2007:39) indicated that the delivery of consistent information is one of the most important objectives of performance measurement. In addition, finance played a central role in the ancient performance measurement system (Kaplan & Norton, 1992). Similarly, financial measures were the initial focus of traditional management (Betianu & Briciu, 2011:20). Chenhall and Langfield (2007:266) also highlighted the attention given to such measures by management accounting. Nevertheless financial measures have been criticised by numerous authors, such as Norreklit (2000:65), Bourne (2005:101), Nixon (2005), Niven (2006:3), Budde (2007:515), and Hoque and Adams (2011:312).

Indeed, the abovementioned authors argued that financial measures suffer from a lack of focus. In other words, these measures lack effectiveness with regard to future organisational performance (Norreklit, 2000:65; Bourne, 2005:101; Nixon, 2005; Niven, 2006:3;Budde, 2007:515; Hoque & Adams, 2011:312). Similarly, Niven (2006:3) and Sheldrake (2011:80) were convinced that monetary measures alone are no longer adequate, not only for organisational processes, but also for modern business management.

In today's world, the complexity of business environments requires organisations to develop tools that are highly effective in measuring performance. According to Ittner and Larcker (1998:205), in order to fill the gap in traditional performance measures, organisations have developed new performance measurement systems. This resulted in the development of the BSC by Kaplan and Norton (1992), which includes both financial and non-financial measures. Biswas (2013:89) stated that the BSC comprises four segments, namely: financial, customer, internal business processes, and learning and growth. These are significant for modern organisations, even though the initial focus was more on for-profit organisations.

The BSC was originally designed for the private sector (Kaplan, 2001:357), and this principle was supported by Grigoroudis, Orfanoudaki and Zopounidis (2010:105). However, the implementation of the BSC is not restricted to this sector only, and now includes the public sector. In this regard, Weikart, Chen and Sermier (2013:217) acknowledged the use of the BSC in the public sector by various government agencies. For example, the BSC has been implemented by local government authorities (Loppolo, Saija & Salomone, 2012: 629).

The diverse purposes for which the BSC is used in the public sector have been extensively studied by a number of authors, such as Niven (2003:27), McAdam and Walker (2003:885), Wu, Tsai, Shih and Fu (2010:449) and Greiling (2010:534). Its benefits for this sector have been highlighted by Kaplan (2001), while Reshitaj and Tikhonova (2013:7) demonstrated its disadvantages. Nonetheless, the BSC has achieved international recognition. Furthermore the improvement of the public service delivery performance remains the major benefit of the tool.

With regard to the origin of the BSC, it has been globally acknowledged as an American tool developed by Kaplan and Norton in 1992. This obviously means that several organisations in America have used the BSC (Niven, 2011). However, the tool has also reached all other continents of the world (Kaplan & Norton, 1992; Kaplan & Norton, 1996; Niven, 2003; Abdullah, Umair et al., 2013:134).

To illustrate this, more recent studies, such as those conducted by Greiling (2010) and Ramirez (2011) have presented and discussed the use and implementation of the BSC by European organisations, such as in Germany (Greilling, 2010). At the same time, the instrument has been used in Asia by Japanese and Chinese organisations (Aoki & Hasebe, 2012; Zhang & Li, 2009). Similarly, Hoque and Adams (2011) recognised the adoption of the tool by numerous Australian organisations. Naturally, however, the implementation of the BSC is not limited to these locations.

Another example is the acceptance and use of the BSC by African organisations. Etim

and Agara (2011:64) advocated the introduction and adoption of the model by Nigerian organisations. In a similar vein, the BSC has been used to assess Ghanaian and Libyan banks' performance (Yahaya, 2009). Furthermore, Otieno (2010:22) supported its impact on Kenyan commercial banks. It may therefore be concluded that the BSC is a powerful tool for organisations situated on the African continent.

Particularly in the Republic of South Africa, the BSC has been implemented and used by several industries (Tseng, 2010); corporations (Kraus & Lind, 2010; Creamer & Freund, 2010); small and medium enterprises (SMEs) (Rompho, 2011); banks (Al-Najjar & Kalaf, 2012); universities (Philbin, 2011) and even local government (Sharma & Gadenne, 2011). With regard to the implementation of the BSC by local government in South Africa, Jessa (2012:2) avowed that the delivery of results on the Integrated Development Programme (IDP) is the means for measuring the municipal performance of South African local government. This is specified in the Municipal Systems Act 32 of 2000 and the Service Delivery Budget Improvement Plan (SDBIP), as specified in the White Paper on Local Government (1998).

Akinboade, Kinfack and Mokwena (2012:183) stated the following: *"The municipalities are the basic units of government in South Africa. They provide basic services to the community"*. Furthermore, Dzansi and Dzansi (2010:995) asserted that "*Municipal service delivery is a major concern in South Africa"*. In truth, the South African Constitution has mandated municipalities to deliver services such as water supply, electricity supply, sewage collection and disposal, refuse removal, municipal health services, municipal roads, storm-water drainage maintenance, street lighting, public education, municipal parks maintenance, recreational areas, disaster recovery management, housing, child care facilities, local tourism, municipal planning, and municipal by-laws (Portfolio, 2008; Dlodlo, Olwal & Mvelasep, 2012:1; Municipal Service Delivery, 2011).

Naturally, people's lives are influenced directly or indirectly by the abovementioned facilities (Dlodlo et al., 2012: 1). Therefore, the aim of service delivery performance is to

provide not only quality service, but also to satisfy the basics needs of South African citizens (Dlodlo et al, 2012: 1).

Another aspect that may also be of concern to the Republic of South Africa is the growing pressure that is apparent in the public sector, not only for modernising and improving service delivery performance, but also for increasing the liability of stakeholders (Hood, 1995; Guthrie & English, 1997). Local authorities are obviously affected by such pressures. In response to the pressures faced by local authorities, Ammons and Rivenbark (2008:304) suggested the use of performance measures, which will certainly have an impact on programme decisions, as well as service delivery.

The selection of performance measures may only be done through a performance measurement system, since it involves the selection and inclusion of fundamental measures (Ammons & Rivenbark, 2008:304). Moreover, performance measurement should provide valuable information about the most important dimensions of performance (Rantanen, Kulmala, Lonnqvist & Kujansivu, 2007:417).In order for this to be achieved, information about performance should be collected and analysed, which will result in performance outcomes.

Indeed, performance outcomes may be viewed as a mirror reflecting the state of organisational performance. Furthermore, these outcomes are sources of corrective measures for further organisational performance (Hogget et al., 2012:560). For this purpose, the measurement and reporting of performance has been observed amongst several local government authorities (LGAs) (Ammons & Rivenbark, 2008:304). Scholars have naturally assumed that the main objective of such information is not only the control of decision making processes, but also the upgrading of service delivery performance. With this in mind, improving service delivery is the continual hope not only of local government in general (Wisniewski & Olafsson, 2004:602), but also of South African government in particular (Dlodlo et al., 2012:1).

Equally important is the need for regulations for service delivery performance to be

provided by local authorities (Wisniewski & Olafsson, 2004:602-603). However, the same authors acknowledged the lack not only of precise requirements for managing and delivering services, but also ways for measuring its effectiveness and efficiency (Wisniewski & Olafsson, 2004:602-603). Accordingly, the South African Local Government Systems Act of 2000 obligates all municipalities to develop a performance management system which has an impact on these services (*Performance Management: Mopani District Municipality*). This will definitely improve the effectiveness of municipalities' service delivery.

However, the enhancement of municipal efficiency may require some practice. Thus, according to Ramuvhundu (2012:2), the management structure within municipalities has introduced some innovative techniques, such as the BSC, which has been adopted as a supportive tool for the performance management systems of municipalities (Ramuvhundu, 2012:2). Furthermore, the BSC model has been approved as a point of departure for the municipalities' planning process (TIDP, 2006-2011:138-139). Therefore, although the BSC is used by the public sector for several purposes, its role in assessing organisational performance outcomes is one of the most important one. Nevertheless, the adoption and implementation of the BSC remains problematic.

1.3 PROBLEM STATEMENT

The expansion of the performance culture has required the introduction of a performance management scheme (Pilbeam & Corbridge, 2010:290), and performance measurement is a significant component thereof (Fryer, Antony & Ogden, 2009:480). In this regard, an appropriate performance management system may lead to better performance measurement systems. However, Dirks and Wijn (2002:408) alleged that organisations suffer from the lack of a proper performance management system, and the literature seems to suggest that the difficulty experienced in identifying and developing such systems is ongoing. This is a subordinate problem of this study.

With this concern in mind, Maltz, Shenhar and Reilly (2003:188) recommended the development of models for measuring performance. One such model, the BSC, is the most effective performance measurement tool (Hogget et al., 2012:560). Furthermore, Kaplan and Norton (1993) confirmed that management is provided with an inclusive framework through the BSC. Despite this, however, organisations still experience challenges with this tool.

The key problem of this study is that organisations fail not only to properly adopt the BSC, but also to implement it effectively, based on the original framework developed by its inventors, Kaplan and Norton, in 1992 (Barnabe, 2011:447; Coe &Letza, 2014:74). In short, Barnabe (2011:447) considered the design and functioning of the BSC as two major problems of the tool. Similarly, Coe and Letza (2014:74) revealed that poor design and ignorance about the implementation process have led to the failure of the BSC.

The research objectives and associated questions of this study are presented below.

1.4 RESEARCH OBJECTIVES AND QUESTIONS

This study aimed to explore the implementation of the BSC by GMMs. The following research objectives and their associated research questions will guide the examination:

1.4.1 Objective 1

The first objective of this study was to examine the extent to which the performance management system of GMMs can facilitate the implementation of the BSC. The following research questions will help to achieve this objective:

***Question 1*:** How is performance management organised in GMMs?
***Question 2*:** What are the activities of performance management in the GMMs?

***Question 3*:** Which activities of the performance management of GMMs comply with those applied for the BSC?

1.4.2 Objective 2

The second research objective was to identify the performance measurement framework adopted by the GMMs. The following question is related to this objective:
***Question 1*:** What performance measurement framework has been adopted by GMMs?

1.4.3 Objective 3

The third objective of this study was to determine the extent to which the implementation of the BSC by GMMs complies with Kaplan and Norton's (1992) original framework. This took into account not only the fundamental stages integrated into the BSC framework, but also an assessment of the balance between them. The following research questions are associated with this objective:

***Question 1*:** How is the BSC adapted by GMMs?
***Question 2*:** What steps are observed by the GMMs when implementing the BSC?
***Question 3*:** To what extent are the different stages of the BSC balanced?

1.4.4 Objective 4

The fourth and last research objective was to observe the impact of the implementation of the BSC on the outcomes of service delivery performance. In this regard, targets were the main elements for measuring performance outcomes. Thus, this objective was associated with the following questions:

***Question 1*:** How many targets were set by each GMM?
***Question 2*:** How many targets were achieved by each GMM?
***Question 3*:** How many targets were not achieved by each GMM?

***Question 4*:** How many targets were partially achieved by each GMM?

***Question 5*:** How many targets were over-achieved by each GMM?

***Question 6*:** What is the impact of the BSC on the achievement of targets set by the GMMs?

Providing answers to all these questions was important, since it helped to obtain a better understanding of the implementation of the BSC in relation to other supportive aspects, such as its framework, as well as performance management, which significantly contribute to the successful achievement of municipal service delivery performance. Furthermore, the articulation between the research objectives and questions is demonstrated through methodology (Clough &Nutbrown, 2012:24).

1.5 RESEARCH METHODOLOGY

According to Brynard and Hanekom (2006:35-36) and Creswell (2014:3), subsequent processes indicating actions and sequence, such as identifying the target population, collecting data, analysing and interpreting data, as well as determining the quantitative or qualitative nature of data, are encompassed by research methodology. Based on the research questions discussed in the previous section, this study was qualitative in nature. In addition GMMs were the target population and were selected as units of analysis in this study, in order to explore the performance management activities, performance measurement framework, BSC framework and performance outcomes of these organisations. To collect data in this study, the researcher conducted a literature review, as well as consulting relevant documents, specifically the GMMs' policies and annual reports. Content analysis was done during the data analysis phase, and charts were used to present and interpret the findings of the study.

1.6 DELINEATION AND LIMITATIONS OF THE STUDY

According to Collis and Hussey (2003:128), delineation refers to the particular area on which a study is focused. To emphasise this, Lehner (1996:100) assumed that proper

delineation of research is the basis for the successful achievement of any study. This study identified four main focus areas, namely performance management, performance measurement framework, adoption of the Balanced Scorecard framework, and performance outcomes.

Indeed, management and measurement cannot be separated (Sheldrake, 2011:77). In other words, managers may not be able to manage their business without measuring it. In this regard, a performance management system is the core of any performance measurement system. Therefore, the discipline of performance management, especially its activities and measurement, will be integral to this study.

The BSC was introduced by Kaplan and Norton in 1992 as a strategic performance measurement system (Braam & Nijssen, 2011:1). In the same way, Sheldrake (2011:99) indicated that the concept "Balanced Scorecard" has become synonymous with performance measurement for organisations. Performance measurement may be considered as the main role of the BSC. Thus, a BSC study cannot be conducted without considering the aspect of performance measurement frameworks.

While the BSC is generally used as a performance management and measurement tool in most private and non-profit organisations, this study focused only on the local government of the Gauteng Province in South Africa. For local government functions, the Gauteng province is divided into three metropolitan municipalities and two district municipalities. These districts are in turn divided into seven local municipalities. The GMMs were the focus of this study, which included the following: Ekurhuleni Metropolitan Municipality (EM), City of Johannesburg (CoJ) Metropolitan Municipality, and City of Tshwane (CoT) Metropolitan Municipality.

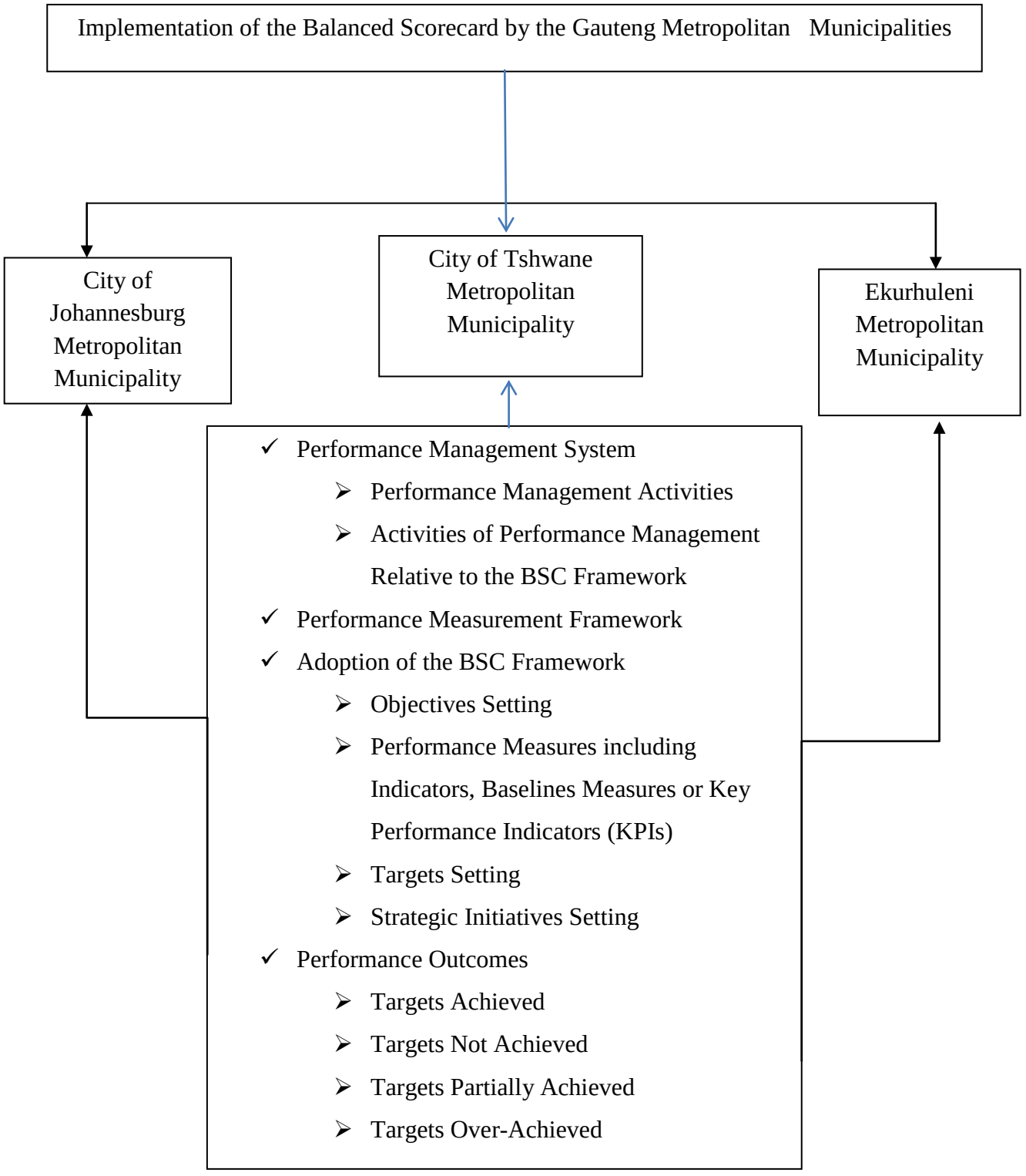
The study was conducted within these three metropolitan municipalities according to four levels, the first two of which are the performance management systems and performance measurement frameworks adopted by each metropolitan municipality. In this regard, the study emphasised these two concepts within the GMMs, since

they are inseparable. Furthermore, although the BSC is implemented for several purposes, this study was restricted to its implementation for service delivery performance. Therefore, the third level focused on the implementation of the BSC for service delivery performance by each Metropolitan Municipality, which covered three financial years: 2011-2012, 2012-2013 and 2013-2014.

Although the original BSC framework integrates strategy, vision, mission, objectives, measures, targets and strategic initiatives, this study focused more on the setting of the four last elements of this framework. Therefore, objectives, measures, targets and initiatives were the basis for exploring the implementation of the BSC. This allowed the researcher to determine the extent to which the stages followed by the GMMs when implementing the BSC comply with its original framework.

The fourth level focused on the impact of the BSC implementation on service delivery performance outcomes. This included the results of targets which were achieved, not achieved, partially achieved or over-achieved. In this regard, the figure below presents these delineations.

Figure 1.2: *Delineation and Limitations of the Study*



This study experienced difficulties and challenges during the data collection stage. This was due to the dissimilarity between the components of each GMM's service delivery. These service delivery components differed from one GMM to another, and also for each year under examination. Therefore, this resulted in a large amount of data in general for the Ekurhuleni and Tshwane municipalities, as well as the City of Johannesburg. This presented a challenge for the researcher, who had to reduce data in order to conduct an appropriate analysis. Moreover, conclusions drawn from the collected and analysed data were applied specifically to the GMMs – however, there is a need for further research to be conducted in other municipalities, which may have different results.

1.7 DEFINITION OF TERMS

- **Balanced Scorecard:** The broad definition of the BSC provided by Kaplan and Norton (1992) is that it is a performance measurement framework which allows managers to look at their business performance from various perspectives, such as financial, customer, internal business, and innovation and learning. While this may be true, from an economic perspective, the BSC is a tool of management, where the emphasis is on enhanced performance (Hoque & Adams, 2011:311). Yuan and Chaochang (2009) define the BSC as a management decision instrument which has been designed to be a corporate performance measurement tool. It therefore plays an important role in transforming an organisation's mission and strategy into a balanced set of integrated performance measures. Another definition given by Betianu and Briciu (2011:20) is that the BSC is a strategic management system capable of handling the entity's activities, depending on its vision and strategies.

- **Measurement:** Sheldrake (2011:77) defines measurement as the action of measuring something; ascertaining the size, amount, or degree of something by using an instrument or device; or assessing the importance, effect, or value of something. It is a dynamic management tool, as well as a feedback mechanism.

- **Performance:** This is an integrated framework for clarifying, communicating and managing strategy implementation (Drury, 2004:999). According to van Dooren, Bouckaert and Halligan (2015:20), outputs and outcomes of activities are defined as performance.

- **Measuring Performance:** This refers to the methodical compilation of data by examining and listing performance associated with its issues (van Dooren et al., 2015:7).

- **Performance Management:** According to van Dooren et al., (2015:20), this is the type of management that integrates and uses performance information for decision making. Furthermore, from a political and managerial perspective, it is viewed as a social phenomenon (van Dooren et al., 2015:13).

- **Performance Measurement:** This is a process which includes the collection, procedures, consolidation and distribution of data and information, thereby enabling the successful implementation of performance reviews, incentives and rewards, strategy improvement, forecasting, as well as budgeting and the setting of targets (Waal, 2013:5-6).

1.8 SIGNIFICANCE OF THE STUDY

The study may make a contribution to the literature in the following two fields of research:

- Firstly, it will contribute to management accounting literature, by highlighting the role and importance of the BSC's implementation in effective performance outcomes.

- Secondly, this study will contribute to the growth of not only economic, but also municipal literature, by showing that the BSC is an effective performance management

tool.

The following users may benefit from this research:

- Municipality professionals who are concerned with the development and implementation of performance management systems and practices, including the following: Manager Support Services, Director Municipal and Social Services, Chief Financial Officer, Corporate Governance, Director Infrastructure and Utilities, Municipal Manager, as well as the Manager Economic Growth (City of Matlosana, 2011:255).

- The users of accounting reports.

- Decision makers such as economists, managers of companies, stakeholders in companies, and old and new investors, by gathering supplementary information that will be more readily accessible for decision-making purposes.

- Investment analysts, by using the balanced scorecard to assess information supplied to them.

- Auditors, by being able to rely more on the reasonable presentation of financial and non-financial statements.

This study was of particular significance because the BSC is essential to organisational performance, since it produces outcomes, which are valuable in determining the areas that have performed well and those which have not. This is beneficial for municipal decision makers when they are seeking to improve service delivery performance.

It was expected that the conclusion of this study will be of great interest and benefit to economists and accountants who are concerned with the expansion of the performance management tool in general, as well as to local government officials in particular. The data collected in this study will assist them in reviewing tools for organisational

performance. The data will also help in enhancing the understanding of those economists and financial institutions that are entrusted with promoting the BSC as a performance management and measurement instrument. In addition, according to the researcher, who scrutinised the implementation of the balanced scorecard for service delivery performance, there have not been many empirical studies conducted in this area thus far. However, this study intends to fill this gap.

1.9 CHAPTER OVERVIEW

Chapter 1 focused on the introduction and background information, as well as providing an overview of the study.

Chapter 2 is dedicated to the theoretical framework of the study. The chapter presents key factors for implementing the BSC. This includes performance management, performance measurement, the BSC framework, as well as its performance outcomes. With regard to the BSC structure, the different stages of its implementation, such as setting objectives, selecting measures, setting targets and adopting strategic initiatives, are discussed in this chapter. In short, the contents of this chapter constitute the core for the data collection in this study.

Chapter 3 presents the literature review based on the BSC. It begins with the different activities of performance management in the public sector, followed by the performance measurement framework, and then focuses on the implementation of the BSC in non-profit organisations, as well as its outcomes in this area.

Chapter 4 discusses the methodology employed in this study, including the research approach and design, research paradigms, as well as the research methods. The procedures for data collection and data analysis are also presented in this chapter. In addition, the target population and criteria for determining the reliability and validity of research findings are discussed in this chapter.

Chapter 5 presents the collected data related to performance management, performance measurement frameworks, the GMMs' scorecards, as well as the performance outcomes of service delivery. The data for each GMM is presented in detail, and then combined and reduced for analysis purposes. Finally, these findings are discussed according to the research objectives of the study.

Chapter 6 is the final chapter in the study, and provides conclusions and recommendations based on the research findings. The chapter concludes by suggesting areas for future research.

The next chapter will present the literature review on the balanced scorecard.

CHAPTER TWO
THEORETICAL FRAMEWORK

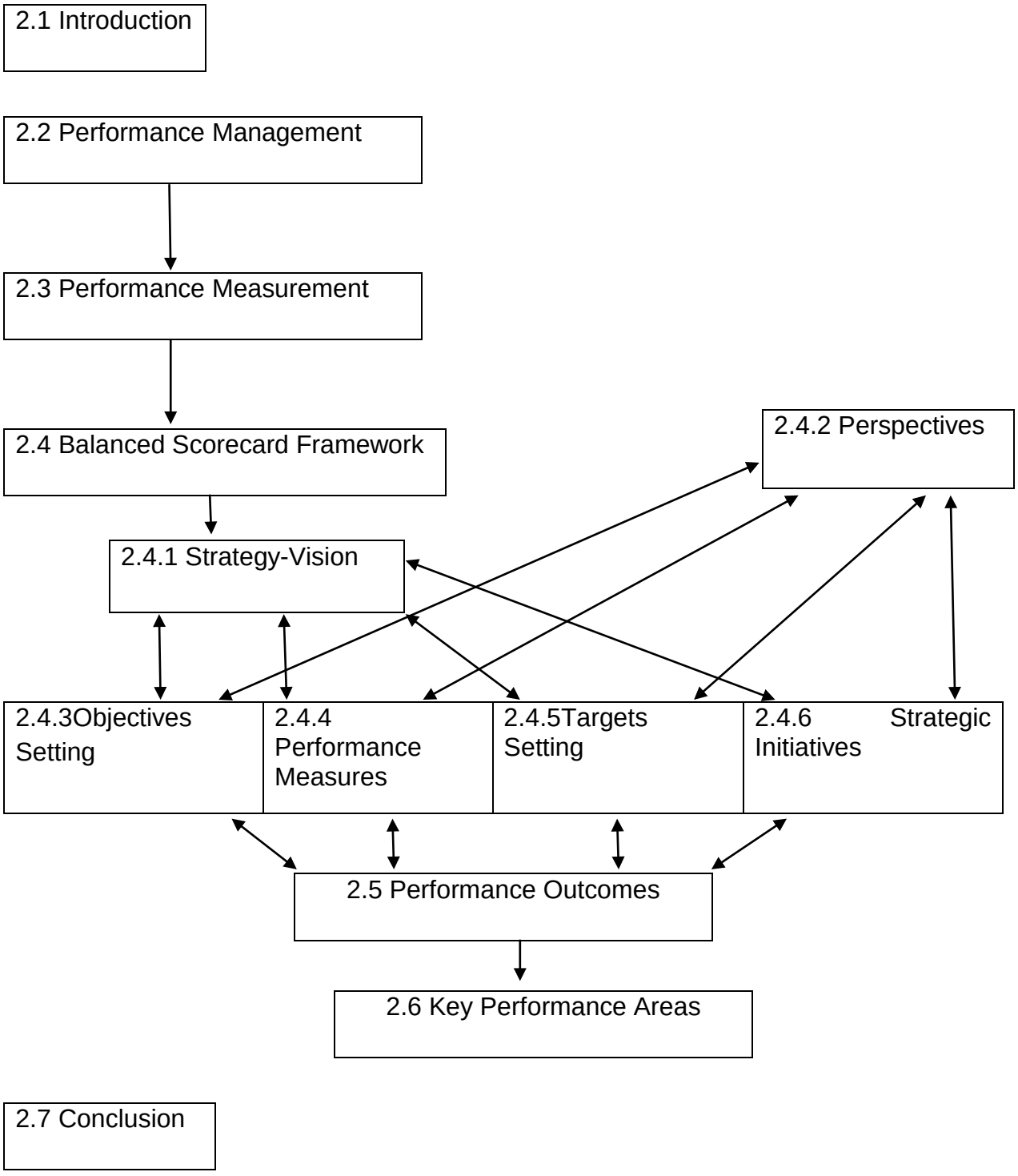
2.1 INTRODUCTION

In order to address the objectives of this study, this chapter aims to present the theoretical framework for the implementation of the Balanced Scorecard (BSC) method. The purpose of adopting these theories in this study is to describe how the Balanced Scorecard is adapted and implemented within organisations. The theories are presented according to different aspects associated with the BSC's performance.

In fact, performance management (PM) is the sole technique for the adoption of a performance measurement framework such as the BSC. For this reason, the chapter employs a theoretical approach to performance management. In addition, theories related to performance measurement are discussed in this chapter, as well as issues related to the BSC framework, which include each step of its implementation. Lastly, theories that are relevant to performance outcomes are presented in this chapter. The next section presents theories related to performance management.

The overall view of the chapter is presented through the below structure:

Figure 2.4: *Structure of Chapter Two*



2.2 PERFORMANCE MANAGEMENT

Brudan (2010:111) asserted that performance is dealt with by means of the overarching process of performance management. In fact, performance management (PM) refers to those various endeavours designed to ensure organisational effectiveness and efficiency (Storey, 2002:321). According to this statement, Nielson (2013:3) believed that the management of a performance system affects not only organisational performance, but also the behaviour of organisations. Nevertheless, the limitations of PM have been highlighted by Maltz, Shenhar and Reilly (2003:188). These authors criticised the single construct of a performance management system (PMS). Similarly, Nielson (2013:3) contended that there is a significant difference in terms of designing its schemes. Accordingly, the design of PM, when linked to strategy, allows for a mutual reinforcement between the two (Storey, 2002:322).

According to Gimbert, Bisbe and Mendoza (2010:477), organisations use PM for effective strategy implementation. Indeed, through PM, organisational strategy is broadly linked to organisational activities (Storey, 2002:322). Moreover, the creation of a model assimilating rational activities such as the setting of targets, selection of measures, as well as definition of rewards, is among the key roles played by PM (Storey, 2002:322). In spite of this, McAdam, Hazlet and Casey (2005:268) gave more prominence to target-setting than the other activities associated with PM.

The establishment of targets is one of the main activities which facilitate the functioning of strategy (Niven, 2002). In this regard, the measurement of these targets is not only an activity of PM (Williams, in Cameron & Sewell, 2003:244), but also one of the fundamental elements of performance measurement (Poister, Pasha and Edwards, 2013:627). Certainly, the equal importance of assessing strategy and ensuring targets is derived from PM (Chan, 2004:206). The author assumed that it is the unique method to achieve this objective. In short, the clarification of organisational targets is supported by the PMS (McAdam, Hazlet and Casey, 2005:268). However, Ferreira and Otley (2009:267) assumed that the setting of objectives is the starting point of PM.

The setting of objectives has been long established as a fundamental requirement for organisational performance control (Ferreira and Otley, 2009:267). In a similar vein, Earlier Otley and Berry (1980) stated that objectives are used to evaluate performance. In spite of this, Storey (2002:323) supported the notion that the weaknesses of PM are highlighted by its exclusive focus on specific types of objectives and measures. Nonetheless, PM is helpful in suggesting actions related to performance issues at each organisational level (Yadav and Dabhade, 2013:49). For example, at the operational level, the PMS is linked to operational management, in order to achieve departmental or group objectives (Brudan, 2010:113). Another aspect emphasised by Gunasekarana, Patelb and McGaughey (2004:333) is that the setting of objectives is influenced by performance measurement and metrics.

2.3 PERFORMANCE MEASUREMENT

Harbour (2009:1) made the following statement: "*You cannot understand, manage or improve what you do not measure".* Similarly, the performance management (PM) principle is based on measuring what can be managed (Weber & Thomas, 2005:4). For this reason, authors such as Muchiri, Pintelon, Gelders and Martin (2010:2), as well as Weber and Thomas (2005:3), affirmed that *"performance measurement is a fundamental principle of management"*.

According to Brudan (2010:110), two key processes are connected to performance. The author labelled these procedures performance management (PM) and performance measurement. In truth, these two concepts cannot be separated from each other. Likewise, Neely and Adams (2000) acknowledged that the performance measurement system is a part of the performance management system (PMS). Above all, performance measurement is the unique component of PM (Biron et al., 2011:1295). Consequently, both PM and performance measurement are the standards for modern organisational performance (Brudan, 2010:115). The different roles played by performance measurement are as important as those played by PM.

The major functions of performance measurement have been discussed by numerous authors, such as Ittner and Larcker (1998:205), who suggested that it facilitates the development of strategic plans. Similarly, the system has to include strategic planning and management (Wilson, Hagarty and Gauthier, 2003:63). Likewise,Maltz et al. (2003:199) supported the link between the performance measurement system and organisational strategy, targets and objectives. Furthermore, the role played by performance measurement and metrics in establishing objectives is acknowledged to be significant (Gunasekarana, Patelb and McGaughey, 2004:333). However, according to Ittner and Larcker (1998:205), the system ensures the evaluation of the achievement of organisational targets.

While the above statements may be true, another view has been expressed by Gimbert et al. (2010:480). They stressed that performance measurement gathers, proceeds and analyses quantified performance information, which is in turn presented in a form that enables its assessment. In support of this view, Wisniewski and Olafsson (2004:603) emphasised that the requisite performance information binds a PMS together. Moreover, in order to evaluate outcomes, Dirks and Wijn (2002:409) suggested the measurement of the organisation's actual achievements.

Brudan (2010:111) pointed out that evaluating outcomes is one of the activities of performance measurement, whereas measuring performance results from effective PM (Maltz et al., 2003:189). These authors affirmed that the measurement of outcomes is an indicator for organisational success. Therefore, desired outcomes follow the comparison between target achievements and predetermined standards (Ittner and Larcker, 1998:205). The importance of the gaps between these two was highlighted by Weber and Thomas (2005:3). They were ultimately persuaded that these breaches are significant for performance measurement, since they are indicators that can be used when filling gaps. Above all, performance assessments, as well as the resilience of alternative proposed actions, are also functions of performance measurement (Gunasekarana, Patelb and McGaughey, 2004:333).

In order to measure performance, organisations have used performance measurement systems (Rodriguez, Saiz and Bas, 2009:104). Indeed, quantitative measurement was initially the only tool used for measuring organisational performance (Neely & Adams, 2000; Radnor & Barnes, 2007:393). Gimbert et al. (2010:480) suggested the combination of monetary and non-monetary measures as components of such methods. In this regard, Radnor and Barnes (2007: 393) emphasised that performance measurement systems generate the same contribution and productivity. Maltz et al. (2003:199) consequently suggested a simple, dynamic and flexible technique for measuring performance, believing that this would be helpful for future enhancements of the method.

The performance pyramid is one of those flexible techniques used by Lynch and Cross (1991). According to Wedman (2010:51), the examination of performance complications, as well as the identification of performance improvement interventions, is the main role played by this conceptual framework. Furthermore, Wedman assumed that the performance pyramid remains the driver of needs valuation. However, in the case of the Performance Prism (PP), measurement is driven by stakeholder desires (Ndlovu, 2010:8-9). Fitzgerald, Johnston, Brignall, Silvestro and Voss (1993) and Fitzgerald and Moon (1996), on the other hand, view performance dimensions, standards and rewards models as techniques for performance measurement. Nevertheless, Ndlovu (2010:10) stated the following: "*The application of the frameworks has not been standard across companies and industries in terms of both the choice of framework and interpretation of key assumptions the frameworks make"*. It appears that most of frameworks have focused on financial measures. Thus, Ndlovu (2010:11) recommended the examination of alternative options for a standard model of non-financial performance measurement, especially within the South African context.

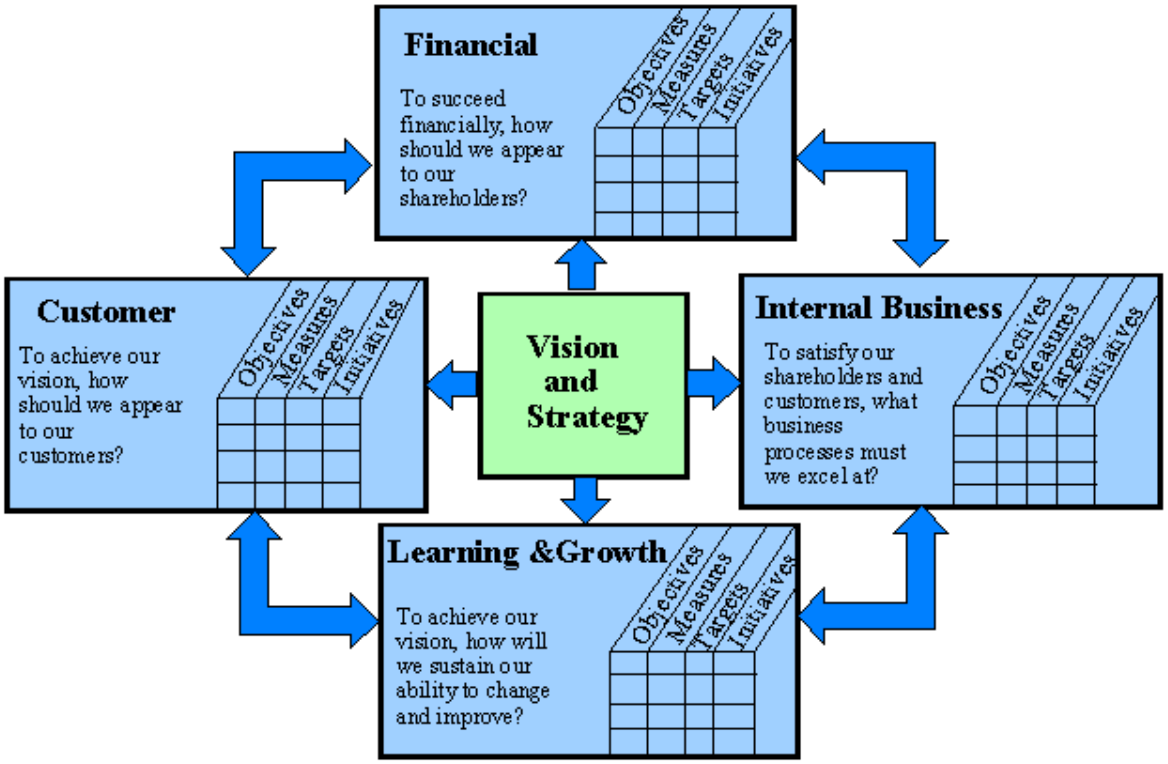
However, Maltz et al. (2003:188) raised other concerns in this regard. For instance, they recognised the lack of frameworks to measure performance within organisations. In response to this, Kaplan and Norton (1992) proposed the BSC. Similarly, Voelpel, Leibold and Eckhoff (2006:51) suggested the use of the BSC as a management tool on

the one hand, and on the other hand as a measurement instrument. Conversely, Success Dimensions seems to be the best solution to problems associated with measurement (Shenhar and Dvir, 2007). Nevertheless, both of them have some shortcomings (Maltz et al., 2003:189). Despite this, Hogget, Medlin, Edwards, Tilling and Hogg (2012:559) perceived the BSC as an effective performance measurement tool. According to Kaplan and Norton (1992: 71), the implementation of the BSC makes organisational performance development. The following section presents the BSC as a performance measurement system, as well as providing the framework for its implementation.

2.4 THE BALANCED SCORECARD FRAMEWORK

Maltz et al. (2003:189,190) and Kaplan and Norton (1993:134) stated that "*The Balanced Scorecard is a multi-dimensional framework"*, which presents a probable sequence of phases for its implementation (Storey, 2002:326). Indeed, the structure of the BSC may also help to explain its successful functioning. The figure below presents the BSC framework.

Figure 2.2: *Kaplan and Norton's Balanced Scorecard framework*



* Adapted from Kaplan & Norton 1996. *The Balanced Scorecard*. Harvard Business School Press: 9. Original from HBR Jan/Feb 1996, p. 76.

The above figure shows all the components of a BSC framework. It presents all the perspectives of the tool, as well as questions related to each perspective. Firstly, the financial perspective dwells in the framework (Johanson, Skoog, Backlund and Almqvist, 2006:844). In addition, the organisation's long-term objectives are sustained by it (Angela, 2012:17). There is a direct link between this arena and the learning, growth and quality perspective (Čaníková and Schneider,2011:38). However, according to Betianu and Bricu (2011:22), this approach essentially challenges the relationship between internal processes and customer relations.

According to Isoraite (2008:19), the customer perspective leads to the achievement of the organisation's vision. In addition, this perspective is supportive in terms of developing a customer-oriented strategy (Valečková, 2009:1155-1156). Similarly, Kaplan (2008:1261) suggested the incorporation of objectives for desired customer outcomes into this approach. Through this layer, not only the outcomes related to value

propositions delivery are taken into account (Huang, (2009:211), but also the identification of the weight and significance of customer satisfaction (Hogget et al., 2012:560).

Internal business processes are often classified as mission-oriented (Isoraite, 2008:19). In other words, they are focused on the organisation's mission. Furthermore, the special functions of state authorities, as well as various organisational issues, are represented through this perspective (Stefanescu and Silivestru, 2012:10). According to Bible, Kerr and Zanini (2006), the learning and growth perspective is the driver, not only of the enhancements, but also the achievements of other perspectives. Similarly, Kaplan and Norton (1992) emphasised its importance in ensuring strategic success, which it does to a greater extent than the other layers.

According to this structure, the first step is to set objectives, followed by the selection of measures. The third step involves the establishment of targets, followed by the identification of initiatives that should be taken to achieve the objectives or targets. In this regard, the selection of measures must be suited to the established objectives. In the same way, the set targets have to be linked to the selected measures. Furthermore, the chosen initiatives should depend on the set targets. In addition, objectives, measures, targets and initiatives must be set at each level, as required by the BSC structure. Therefore, there should be an equilibrium between objectives, measures, targets and initiatives within each layer, which will in turn provide a balanced view for all perspectives. All these elements are not only consecutive phases, but are also key for successful implementation of the BSC.

According to Isoraite (2008:20), the implementation of the BSC involves the definition of the organisational vision and strategy as the starting point. This is followed by the translation of the organisation's mission and strategy into tangible objectives and measures. Indeed, strategies, goals, and measures are supposed to be cascaded down throughout the organisation, as indicated by Kaplan and Norton (1996, 2001a, b). Thereafter comes the measurement of each strategic initiative (Wenisch, 2004:6). In

order to provide a better understanding of the BSC model, Isoraite (2008:18) summarised the framework as facilitating the translation of organisational strategy and vision into performance objectives, measures, targets and initiatives, as shown in Figure 2.2 above. Therefore, the performance measurement of these elements should be quantified (Betianu and Briciu, 2011:26).

In fact, the structure of a multiplicity of measures is offered by the BSC (Maltz et al., 2003:189-190). These measures include not only financial, but also strategic and non-financial performance measures (Grigoroudis, Orfanoudaki and Zopounidis, 2010:104). Moreover, Budde (2007:515) acknowledged their linkage to the organisation's strategy, which is the one of the organisational success dimensions. Ultimately, these various measures are intended to evaluate the achievement of organisations (Maltz et al., 2003:188).When it comes to the design of the BSC, the abovementioned measures are usually encompassed within the four different perspectives (Coe &Letza, 2014:65-66). In light of this, the construction of a BSC does not ensure the development of organisational performance (Isoraite, 2008:27).

According to Kaplan and Norton (1993), the BSC framework aims to present a variety of performance measures. They also postulated that organisational strategy should be converted into a logical set of the cited measures. In addition, the BSC assists organisations by not only reminding them about critical strategic issues that they face, but also offering necessary feedback on progress towards their achievement (Isoraite, 2008:27). The author gives an example in the following terms: "*in order to continuously improve strategic performance and results, the BSC offers feedback about not only the internal businesses but also external outcome".* In other words, the BSC narrates not only the story of organisational performance, but also the implementation of a strategy (Wilson et al., 2003:63).

The following sub-sections discuss the components of the BSC framework.

2.4.1 Organisational Strategy, Vision and Mission Setting

The implementation of the BSC does not start with the selection of measures (Kaplan, 2008:1261), but rather with a definition of the organisational vision and strategy, as recommended by Isoraite (2008:20). Theoretically, the organisation's shared vision is represented throughout the BSC (Johanson, Skoog, Backlund and Almqvist, 2006:843) at the same time that the application of the organisational strategy is achieved through the BSC (Othman, 2008:261). With reference to Othman, Voelpel et al. (2006:47) indicated that from the established strategy, a scorecard is subsequently developed. In short, organisational vision and strategy are inextricably linked to the BSC (Wenisch, 2004:22).

In fact, the vision for the future of an organisation should be defined by the strategy (Mintzberg, 1994). In this regard, the BSC provides organisations with direction for their missions (Othman, 2008:260). Dirks and Wijn (2002:417-418) presumed that strategy is determined by not only the mission, but also the market. Thus, when establishing their vision, organisations should develop their mission according to the prescriptions of the market (Dirks and Wijn, 2002:417-418). Maltz et al. (2003:189) highlighted an important issue, namely that the lack of organisational vision, values and technology is an obstacle for organisational strategy in the short term. Thus, they suggested its observation and evaluation in the long term. In addition, the link between strategy and vision is supported by Isoraite (2008:27). However, strategy remains the basis of the BSC (Dirks and Wijn, 2002:417-418).

Bible, Kerr and Zanini (2006) acknowledged the central position of strategy in performance measurement processes. With regard to the significance of strategy, Kaplan (2008:1259) revealed that the choice of customers is defined by it, even if it does not guarantee the fulfilment of all customers' expectations. Likewise, strategy plays a significant role in determining relevant value propositions, in order to gain customers' loyalty (Kaplan, 2008:1259).

In spite of the above statement, organisational success is possibly improved by the formulation of strategy, as well as its diligent implementation (Bible et al., 2006). However, according to Sharma (2009:7), organisational performance and strategy reflect its success. Kumar (2010:300) supported this view by stating the following: "*If there is a lack of focused strategy, nothing will help".* Likewise, Valečková (2009:1159) declared that "*Without tenderable strategy nowadays are many companies convicted for doom".* Moreover, the success of strategy is not assured by the expansion of any model (Othman, 2008:261).

Thus, strategy and vision are the core of the BSC framework. The instrument may not be implemented without referring to these two elements, which means that the other components of the BSC, such as its different perspectives, have to be connected to strategy and vision.

2.4.2 Perspectives of the Balanced Scorecard

Kaplan and Norton (1992) developed a framework which includes four distinct perspectives, namely financial, customers, business processes, and learning and growth. The details regarding each of these perspectives will be provided in chapter three of this study. Above all, the application of these perspectives directs organisations towards measurement (Voelpel et al., 2006:47). Furthermore, four main stages must be followed in each perspective, namely the definition of objectives, selection of measures, identification of targets, and establishment of strategic initiatives.

2.4.3 Objectives Setting

Shahin and Mahbod (2007:2228) acknowledged that the setting of objectives is one of the primary stages that organisations have to undergo. In addition, these objectives have to be constantly derived from organisational goals (Drucker, 1954:126-129). In this regard, Shahin and Mahbod (2007:229) highlighted the integration of a timeframe into the organisational goals, not only for achieving objectives, but also for providing a

framework that is able to support the monitoring of further progress by analysts. This will obviously lead to the satisfaction of organisational needs (Storey, 2002:321).

With regard to the timeframe, Roxanne (2005) emphasised that the development of a realistic action plan, followed by the inclusion of intermediate objectives and strategies to achieve them, are similar activities supported by the timeframe. Moreover, with regard to the selection of strategic objectives in the BSC, Betianu and Bricu (2011:20) classified these objectives as quantitative and qualitative. Therefore, these strategic objectives are monitored by the BSC performance measurement method (Sharma, 2009:7).

In fact, the success and failure of the BSC implementation depends on the setting of strategic objectives (Shahin and Mahbod, 2007:229), which are expected to be linked to the performance standard (Shahin and Mahbod, 2007:228). Similarly, Brudan (2010:118) claimed that such objectives possibly affect performance. In this regard, Huang (2009:209-216) conceded that the BSC makes a holistic outlook of organisational performance and its strategic objectives more probable.

Another aspect regarding the setting of objectives is that they must be well-defined, detailed and concrete, in order to avoid vagueness (Shahin and Mahbod, 2007:228). Indeed, authors have assumed that unambiguous objectives will be effortlessly measurable. The description of objectives drives the organisation's efforts in allocating assets and focusing on their success (Shahin and Mahbod, 2007:2228). Furthermore, Pilbeam and Corbridge (2010:298) demonstrated the extent to which the precision in setting objectives affects the success or failure of the BSC.

In spite of this, Kaplan (2008:1261) asserted that customers and employees' voices are reflected through an organisation's strategic objectives. While this may be true, Roxanne (2005) considered the achievement of employees' tasks to be the main benefit of objective setting. Conversely Kaplan (2008:1261) believed that through the setting of objectives, organisations offer value propositions to their customers. Moreover, Shahin

and Mahbod (2007:229) highlighted the issue of the attainability of objectives.

According to Shahin and Mahbod (2007:228), the balance between the degree of attainability, challenge and aspiration is attributed to the setting of objectives. In fact, authors have observed that the set objectives were achievable, but not realistic in practice. This is due to the incompatibility of actions (Brudan, 2010:118). Therefore, Shahin and Mahbod (2007:228) proposed the setting of not only attainable, but also realistic objectives, thereby making their achievement much easier (Shahin and Mahbod, 2007:229).

In respect to the above authors' statement, Sanger (2013:185) acknowledged the growing role played by performance measurement in ensuring the achievement of organisational objectives. For this purpose, such accomplishment has to be evaluated (Shahin and Mahbod, 2007:229), and may only be feasible through measurement. In this regard, Maltz et al. (2003:189,190) and Kaplan and Norton (1993:134) declared the following: *"The BSC framework translates an organisation's strategy into specific measurable objectives".*

According to Kaplan (2008:1261), organisations should describe their objectives before selecting performance measures. Of course, when taken together, objectives and measures enjoy mutual support, which is relied upon throughout the organisation (Williams, in Cameron and Sewell, 2003:244). Nonetheless, Storey (2002:323) was concerned about the risk taken in focusing only on certain performance objectives and measures. In response to this concern, Stefanescu and Silivestru (2012:6) recommended the establishment of specific indicators for every objective. Indeed, the interdependence amongst these objectives and their indicators has been accepted by these authors. Moreover, this makes the achievement of organisational objectives much easier (Huang, 2009:209-216). In the same way, the establishment of objectives and measures assists organisations in achieving desirable levels of performance (Brudan, 2010:111).

Isoraite (2008:20) was concerned about the selection of appropriate objectives and measures, which can be useful for developing the organisational vision and strategy. In response to this concern, Hogget et al. (2012:560) suggested that the development of appropriate measures should be related to the priorities of the organisational strategic plan. In essence, Brudan (2010:111) supported the interrelationship between these priorities, as well as their alignment. The author‘s view was that this assists organisations in achieving a desirable level of performance. Huang (2009:209-216) recognised the powerful role of the BSC in setting objectives, with their appropriate measures. Therefore, set objectives and their dependable measures are keys to the success or failure of the BSC (Pilbeam and Corbridge, 2010:298). The following sub-section deals with performance measures.

2.4.4 Performance Measures (Indicators (Is))

The link between performance measures and organisational strategy is a main feature of the Balanced Scorecard (BSC) (Otley, 1999:374-375).Voelpel et al. (2006:46) elucidated that measures are drawn from a predefined strategy, followed by the selection of strategic short- and long-term performance indicators using a scorecard (Othman, 2008:260). Various authors, such as Kaplan and Norton (1992, 1996), Norreklit (2000:68), Othman (2008:260), Fryer, Antony and Ogden (2009:484) and Muchiri et al. (2010:3) acknowledged the existence of a strong correlation between performance measures and performance indicators (PIs). For this reason, they are simply called performance indicators.

According to Cox, Issa and Ahrens (2003:142), the definition of PIs can be presented either by quantitative outcomes or qualitative measures. To this end, the developers of the BSC included both quantitative and qualitative measures (Kaplan and Norton, 2001, part 1:1). Naturally, the existing performance gaps between actual and needed performance may be identified through the appropriate definition of both quantitative and qualitative measures (Muchiri et al., 2010:2). The same authors assumed that these indicators offer possible clues for progress towards closing the gaps.

In truth, quantitative and qualitative measures can be viewed as financial and non-financial measures (Hogget et al., 2012:560). Correspondingly, Kaplan and Norton (1992) and Muchiri et al. 2010:3) referred to financial measures as 'lagging indicators', while non-financial measures are branded 'leading indicators'. Norreklit (2000:68) referred to lag indicators to outcome measures and lead indicators as performance drivers. Another important point is that leading and lagging indicators manage the performance of the maintenance functions (Muchiri et al., 2010:3). Several authors have highlighted the significant influence that leading indicators have over lagging indicators. Overall, the assortment of financial and non-financial measures remains the core of the BSC (Norreklit, 2000:65). Thus, Kaplan (2008:1263) suggested that essential financial and non-financial measures are able to lead organisations to success.

According to Norreklit (2000:65), the abovementioned measures differentiate the BSC from other strategic performance measurement systems, since they are also included in a logical measurement system (Voelpel et al. 2006:46). However, according to Dirks and Wijn (2002:424), measures are valued by organisational practice. Conversely, value is generally created by the interrelationships with other tangible and intangible assets (Kaplan, 2008:1256). In light of this, Coe and Letza (2014:65-66) proposed the integration of a maximum of four or five measures into each box of the BSC.

Shahin and Mahbod (2007:228) affirmed that PIs are only those which are able to measure the improvement of certain goals to their achievement. With this purpose in mind, Hogget et al. (2012:559) recommended the collection of information from these indicators. In this regard, additional views have been expressed by Rodriguez et al. (2009:104) and Kaplan (2008:1259). On the one hand, Rodriguez et al. believed that performance indicators may provide very important information regarding the existing relationships between them. This facilitates the revision of the planned objectives associated with these indicators, as well as the enhancement of the decision-making process. On the other hand, Kaplan (2008:1259) asserted that performance measures are more concerned with the satisfaction and loyalty of customers.

In terms of the role of the BSC in measuring organisational performance, there are crucial aspects that should be taken into account. The following are the different elements of performance measures considered in this study:

2.4.4.1 Financial Measures

Kaplan and Norton (1992) affirmed that financial measures are derived from the financial perspective. The net outcomes, management of assets, return on investment, as well as its percentage, are key variables of financial measures (Kaplan and Norton, 1992). As a result, organisational financial performance is essentially linked to the monetary perspective (Mendes, Santos, Perna and Teixeira, 2012:21).

2.4.4.2 Non- Financial Measures

According to Kaplan and Norton (1992 and 1996), the customer, business process and learning and growth perspectives generate non-financial measures. Mendes, Santos, Perna and Teixeira (2012:21) listed the following key measures for the customer perspective: customer capture, satisfaction, retention and loyalty, as well as market share and profitability. Moreover, these are also valuable indicators to measure the internal business process (Mendes, Santos, Perna and Teixeira, 2012:21). On the other hand, the learning and growth perspective measures organisational procedures, human capital, and information and management systems (Kaplan and Norton, 1992). Consequently, such measures enhance organisations' value (Mendes et al., 2012:21).

2.4.4.3 Key Performance Indicators (KPIs)

Northcott and Taulapapa (2012-167) suggested that the selection of Key Performance Indicators (KPIs) is one of the central elements of the BSC. In truth, they are selected in each perspective of the tool (Arnaboldi, Lapsley and Steccolini, 2015:9; Mendes, Santos, Perna and Teixeira, 2012:25, 27). Accordingly, these indicators also have a

cause and effect relationship with expected performance outcomes (Arnaboldi, Lapsley and Steccolini, 2015:9).

2.4.4.4 Baseline Measures

The gathering of historical information regarding previous projects constitutes a baseline (Cox et al., 2003:143). Likewise, Alfeld (1988) assumed that the average regarding past performance is defined by a historical baseline. Thus, the data collected from current measures forms part of the mentioned baseline (Cox et al., 2003:143). The combination of current and baseline measures substantiates historical measures as a point of reference for future performance dimensions (Alfeld, 1988). However, Cox et al. (2003:143) believed that such amalgamation would stimulate change for future improvements.

While the above discussion may be valid, Harbour (2009:2) highlighted another aspect. He declared that the description of baselines is the foundation for measuring performance. As a result, the evaluation of the success and failure of measurement systems is adapted by potential baselines measures (Griffin & Page, 1993). Nevertheless, targets strongly determine organisational achievement or lack thereof (Yang, Macnab, Yang and Fan, 2015:166).

2.4.5 Target Setting

Ukko, Tenhunen and Rantanen (2007:47) perceived the setting of targets as an ideology of performance measurement. However, Zhang (2012:2) contended that the relationships between strategic targets and performance measures cannot actively be encouraged by the BSC. Nevertheless, Pilbeam and Corbridge (2010:298) stated that "*measuring performance against the key targets informs judgements on which areas are doing well and which are doing less well".* In this regard, Storey (2002:322) emphasised that not only set objectives, but also targets, ensure the accomplishment of what organisations aim to achieve.

According to Brudan (2010:111), the setting of objectives and targets is the foundation of organisational performance evaluation. Furthermore, Ukko, Tenhunen and Rantanen (2007:47) affirmed that strategic objectives are supported by operational targets. In addition, targets are set during the planning phase (Dirks and Wijn, 2002:409). These authors emphasised that during this stage, organisations can adjust their activities according to the targets set. However, on the one hand, external changes are not taken into account by the set targets (Othman, 2008:261), and on the other hand, Kaplan and Norton (2010) recognised the current complexities involved in the setting of targets for the chosen measures. Therefore, Storey (2002:322) suggested that efficiency and effectiveness need to be considered when setting objectives and targets. Finally, the identification of strategic initiatives for the attainment of these objectives and targets may be equally important.

2.4.6 Strategic Initiatives

The central focus of the Balanced Scorecard (BSC) is its strategic aspects, which are allied to balanced performance measurement systems (Wenisch, 2004:6). Some of the strategic initiatives of the instrument, according to Kaplan and Norton (2001c:147), include the following: progress of strategy, conversion of strategy into working stipulations, grouping of the organisation with its strategy, translation of vision into tangible goals, and organisational planning. Furthermore, these aspects include certain principles and processes of the BSC, which may lead to effective performance outcomes.

2.5 PERFORMANCE OUTCOMES

In order to obtain the desired results, Hogget et al. (2012:559) suggested that suitable performance measurements need to be developed. In this regard, Fryer, Antony and Ogden (2009:484) asserted that performance indicators do not only identify performance measures, but also performance outcomes. Equally important is the fact that the development of performance indicators has to produce outcomes (Hogget et al.,

2012:559). Above all, Maltz et al. (2003:189) recommended the combination of both quantitative and qualitative outcomes.

In support of the above statement, Cox et al. (2003:142) declared that a performance measurement system may offer quantitative or qualitative outcomes in terms of performance. Therefore, a good Balanced Scorecard (BSC) ought to encompass a combination of the aforementioned outcome measures (Norreklit, 2000:68). Howevver, this would still not be sufficient to assess performance (Sharma, 2009:7). In light of this, Hogget et al. (2012:559) recommended not only the examination of performance outcomes, but also its use for predicting essential requirements.

In fact, outcomes constitute information about performance. Authors such as Taylor (2011:7) emphasised that the performance dimension usually drives performance information. Information gathered from performance measurement clearly demonstrates the healthy (or unhealthy) performance of a strategy (Dolence and Norris, 1994:63). Conversely, tangible information is necessary to support the understanding of the organisation's interests (Biron et al., 2011:1295). Likewise, Sharma (2009:7) recognised that information prioritises the need to focus more on customers' satisfaction. However, it focuses more on envisaged organisational expectations (Biron et al., 2011:1295).

Performance information pays more attention not only to the existing problems faced by organisations, but also to the nature of these concerns (Dolence and Norris, 1994:63). In addition, these authors suggested that prospective solutions related to organisational challenges are also subjects of performance information (Dolence and Norris, 1994:63). Therefore, information provides a choice of actions that can be taken for different outcomes (Dolence and Norris, 1994:63).

Information on performance may be used for various purposes, but primarily to support decision making (Taylor, 2011:7). However, according to Poister, Pasha and Edwards (2013:626), it is helpful in improving performance. Leroux and Wright (2010:576)

affirmed that such information largely support public management, while Moynihan (2008) supported all these authors by stating that performance information assists public managers and decision makers to improve performance. Moreover, performance data needs to be correctly collected and then analysed (Hogget et al., 2012:559). Such assessment facilitates the description of corrective actions for future performance (Hogget et al., 2012:560). Thus, the BSC has the potential of providing relevant information to the management of any given organisation (Rodriguez et al., 2009:104).

Brudan (2010:114) highlighted the difficulties associated with the reporting of information. In this regard, Fryer et al. (2009:485) maintained that a comprehensive set of performance measurement reports should be kept. This is helpful for users to gain a better understanding in this regard (Fryer et al., 2009:485). Therefore, Fryer et al. (2009:484) proposed the auditing of outcomes as the best practice for interpreting results, since it substantiates the validity and reliability of performance information.

According to Wing, Guo, Li and Yang (2007:366), reporting only outcome measures seems to be inappropriate for a comprehensive performance measurement system. In other words, performance measurement should not be restricted to such activity, but must also provide performance results. Hogget et al. (2012:560) commented that these results can also be measured quantitatively, and acknowledged the reliability of these dimensions. However, the use of a single performance measurement tool produces vague results (Maltz et al., 2003:189). Correspondingly Biron, Farndale and Paauwe (2011:1294) complained about the inconsistency of performance results. Furthermore, authors such as Yang, Macnab, Yang and Fan (2015:166) supported the notion of performance outcomes being evaluated in terms of target achievements.

With regard to target setting, Brudan (2010:111) highlighted two activities of performance management (PM). The first is monitoring the achievement of targets, and the second is taking action based on performance outcomes. In contrast, PM ensures the achievement of organisational missions and goals (Bhattacharya, 2011:13). Bhattacharya also stressed the significant role played by performance management in

improving the effectiveness of organisations. Indeed key performance areas (KPAs) are the focal points for such enhancement.

2.6 KEY PERFORMANCE AREAS

Once performance results have been obtained, management should establish key performance areas that need to be improved (Amaratung and Baldry, 2002:219). Storey (2002:325) claimed that a benefit of the BSC is that it 'guards against sub optimisation', because the organisation has to consider all key measures collectively, thereby protecting itself against the common tendency to focus on improvements in one area while neglecting, for a time at least, performance in other areas. KPAs differ from one organisation to another, as indicated by Joseph, Hendricks and Frantz (2011:10).

2.7 CONCLUSION

In order for any performance measurement system to be implemented, there should be a performance management system (PMS) in place. Performance management (PM) and performance measurement are not only related, but also mutually dependent. Moreover, they are sometimes viewed from the same perspective. In this regard, the BSC is mainly considered to be a performance measurement instrument, which requires the existence of an organisational PMS for its execution.

Every performance measurement system can have its own structure, offering different ways for its successful implementation. Therefore, the BSC presents a framework which integrates consecutive stages that need to be followed for its success. Although strategy, vision and mission are the fundamental elements of the tool's design, the setting of objectives, measures, targets and initiatives are the processes needed for its implementation. In this regard, the selection of measures is the most significant step in the BSC framework, since measures are the core of performance outcomes. These outcomes or results provide valuable information for organisational management.

The theories introduced in this chapter are reviewed and discussed in chapter three of this study, which focused on the literature review.

CHAPTER THREE
LITERATURE REVIEW

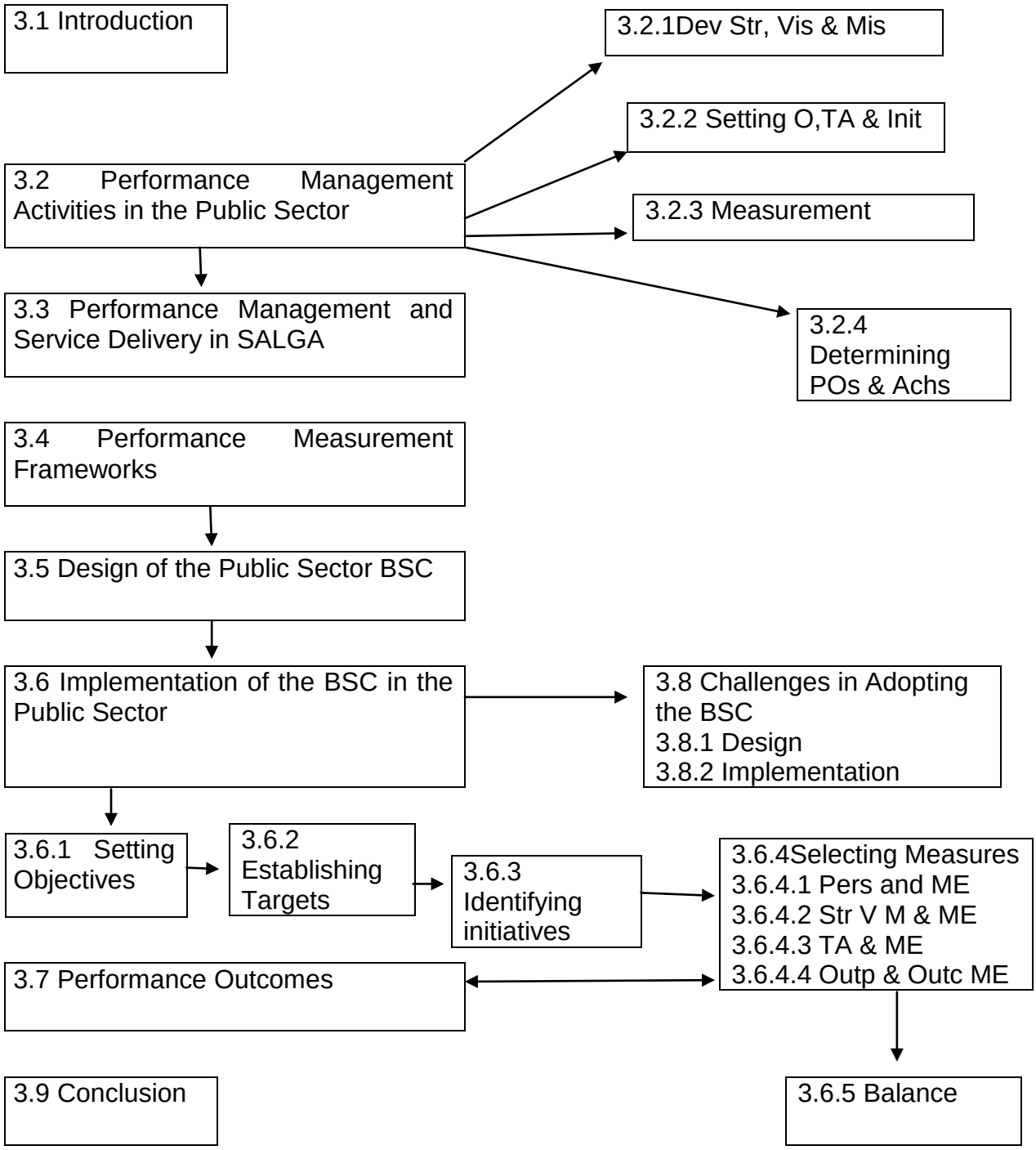
3.1 INTRODUCTION

The literature review in this chapter outlines the implementation of the Balanced Scorecard (BSC) and addresses the role of various factors presented in chapter two as components of the theoretical framework. The chapter also discusses the functioning of the BSC in relation to the original framework developed by its inventors, Kaplan and Norton (1996:76). For the purpose of this study, the literature review addresses performance management practices, organisational performance measurement frameworks, as well as the role played by each component of the BSC framework when it is implemented. The outcomes generated by such implementation are also dealt with in this chapter. In addition, the literature review with regard to the mentioned features of the study focuses on the public sector in general.

Theories related to all aspects of this study, including performance management, were discussed in Chapter two. The following section examines performance management practices and activities that need to be considered when implementing the BSC in the public sector.

The chapter is structured as follow:

Figure 3.5: *Structure of Chapter Three*



3.2 PERFORMANCE MANAGEMENT ACTIVITIES AND PRACTICE IN THE PUBLIC SECTOR

Brudan (2010:111) acknowledged the frequent correlation between performance features and performance management (PM). Naturally, comprehensive performance management deals with organisational performance in a detailed manner (Mafini, Pooe and Nqcobo, 2014:1539). For this reason, it is viewed as a strategic instrument or set of techniques for improving organisational performance (Curtis, 1999:264; Mafini et.al, 2014:1539). In order for this to be achieved, however, PM may require a set of activities which can support its practices.

PM includes four major aspects, namely the expected level of performance, measurement of performance, communication or reporting of performance information, as well as the use of such information (Carroll and Dewar, 2002:413). In contrast, Bouckaert and Halligan (2008:15) and Sarrico, Rosa and Manatos (2012:274) have reduced these four aspects to three, namely measurement, incorporation and use, thereby making PM more refined (Sarrico et.al, 2012:274). However, management, measurement and performance value are subjects of PM (Sarrico et.al, 2012:273). Brudan (2010:111) classified the sub-processes of PM as follows: definition of strategy, setting of targets, execution of strategy, and measurement of performance.

In spite of the above classification, Otley (1999: 365-366; 378) recommended a performance management (PM) framework emphasising five different aspects, including objectives, strategies and plan, targets, feedback and rewards. However, Kaplan and Bower (1999:1) contended that strategy and mission are assumed to be elements of a PMS. In this regard, scholars have even emphasised that strategy remains the starting point of the PM process (Kaplan and Bower, 1999:1). In contrast, Radnor and McGuire (2003:246) suggested that vision is one of the key elements of the process. Furthermore, the questions that are integrated into the framework proposed by Otley constitute the process for the implementation of PMS (Otley, 1999: 365-366; 378),

although numerous contributions have recently been made to this original design, in order to enhance the PM framework.

To conclude the above discussion, Ohemeng (2009: 112) suggested that a few or all of these mentioned aspects should be compulsory parts of the PMS. Each aspect of PM may be taken into account, depending on the purpose of its use. Furthermore, PM practices are extremely advantageous for the public sector in terms of enhancing organisational performance (Poister, Pasha and Edwards, 2013:625). The next section will look at the activities and practices associated with performance management.

3.2.1 Developing Strategy, Vision and Mission

According to Ferreira and Otley (2009:264), the starting point of the process of PM involves the formulation and implementation of strategies and plans. In this regard, Niven (2006:9) suggested that strategy should be clearly expressed, in order to enable a better understanding of the actions that organisations must take on a daily basis. In other words, it must be aligned with the organisation (Milkovich, Newman and Gerhart, 2014:43). Niven (2006:9) affirmed that this leads to successful organisations. Consequently, Heimdahl (2010:4) considered strategy to be fundamental to organisations' success.

Gimbert, Bisbe and Mendoza (2010:477) confirmed that the success of strategy implementation is based on using performance management systems. However, Biron, Farndale and Paauwe (2011:1294) highlighted the contradictory outcomes of its efficacy, as revealed by other studies. Nevertheless, organisational strategy has to become the meeting point of PM (Kaplan and Bower, 1999:1).

Above all, the process of PM is helpful in assisting with the successful implementation of organisational strategies and plans (Ferreira and Otley, 2009:277). In addition, Kumar (2010:300) assumed that the disregarding of strategy does not make any positive contribution to organisations. Another important fact is that strategy itself demonstrates

an organisation's direction (Ferreira and Otley, 2009:270). In other words, such direction determines what an organisation is striving towards. Therefore, other factors may be involved that will facilitate this achievement. Mendes, Nunes and Teixeira (2014:929) thus suggested that mission, vision, and values are key elements for strategy implementation.

Sheldrake (2011:87) emphasised that the integration of the mission and vision is vital when formulating and analysing an inclusive strategy, although these two factors are approached from different perspectives. As an illustration, Kaplan and Bower (1999:1) advocated, on the one hand, that strategy defines the actions to be taken in order to avoid the failure of the organisational mission and purpose. On the other hand, however, Ferreira and Otley (2009:267) considered vision to be a supportive element of strategy success. Nevertheless, Rajesh, Pugazhendhi, Ganesh, Ducq and Koh (2012:271) found that elements such as vision and mission are critical to the PM process.

According to Ittner and Larcker (2001) and Verbeeten (2008:430), measurement, setting of targets, as well as the setting of strategies for the achievement of these targets, must be included in the organisational PMS. In addition, identifying, measuring, developing and aligning performance with strategic targets are different activities involved in the continual process of PM (Aguinis, 2007). In contrast, Ferreira and Otley (2009:267) acknowledged that purposes and objectives are essential to the implementation of PM. As a result, these processes are advantageous, since they help organisations to improve their performance. However, the confirmation of this statement remains inadequate (Poiste et al., 2013:625). Nevertheless, these processes may be seen as the most important components when adopting a PMS. In addition, although Bouckaert and Halligan (2008:15) referred to them as practices and activities of such system, they may also to keys to its success. Their statements also highlight the importance of organisational objectives (Ferreira and Otley, 2009:270).

3.2.2 Setting of Objectives, Targets and Strategic Initiatives

According to Otley and Berry (1980), the setting of objectives is the principal condition for performance assessment. In contrast, however, Poister et.al (2013:627) affirmed that target setting is a part of measuring performance. Similarly, Santiago (2014:1572) suggested that targets are the main feature of evaluating performance. Likewise, numerous writers, such as Ferreira and Otley (2009:271); Varma et al. (2008a: 3); Ohemeng (2009: 112); Ittner and Larcker (2001); Otley (1999) and Stringer (2007) declared the following:" *Target setting is a critical aspect of performance management".* In spite of this, initiatives have made a significant contribution to the development of performance management in the Reykjavik municipality, as stated by Wisniewski and Ólafsson (2004:607). This may indicate that strategic initiatives are also part of PM. Accordingly Brudan (2010:111) asserted that objectives and targets are fundamental to achieving the mentioned purpose.

Identifying objectives is one of the main elements of PM (Ferreira and Otley. 2009:267). In addition, the setting of targets is a flexible part of the PM process (Pilbeam and Corbridge, 2010:290).Pilbeam and Corbridge (2010:290) considered PM to be a flexible process, since it is capable of delineating organisational targets, in order to support the setting of objectives and their relative measures. Nevertheless, PM loses sight of its policy objectives when it focuses only on the targets set (Arnaboldi, Lapsley and Steccolini, 2015:15). Even though McAdam, Hazlet and Casey (2005:268) are convinced that PM is a useful system for describing organisational targets, according to Northcott and Taulapapa (2012-168), financial objectives are the main intention of the PM process.

Another important aspect is that the clarification of organisational targets is supported by the PMS (McAdam et.al, 2005:268). In this regard, the measurement of these targets set is not only an activity of PM (Williams, in Cameron & Sewell, 2003:244), but also one of the fundamental elements of performance measurement (Poister et.al, 2013:627). However, Radnor and McGuire (2003:258) and Ferreira and Otley

(2009:271) asserted that the setting of targets is one of the key elements of PM. Once again, the balance between assessing strategy and achieving targets is derived from PM (Chan, 2004:206).

Besides the above emphasis, targets also need to be aligned (Aguinis, 2007). This involves not only the selection of targets, but also their related standards, transmission and assessment (Varma et al., 2008a: 3; Ohemeng, 2009: 112). However, evidence has shown that the analysis of the relationship between target setting and other aspects of the PMS has failed (Ferreira and Otley, 2009:271). On the contrary, targets and the necessary outputs for their attainment are defined by PM (Curtis, 1999:263). This is one of the important roles that PM plays within organisations.

In contrast to Curtis (1999:263), Poister et.al (2013:625) stated that in the public PM, achievement objectives and targets are the focus of performance evaluation. Another contribution of PM is the guarantee of the effectiveness and efficiency of target achievement (Mafini et.al, 2014:1539). McAdam et.al (2005:268) emphasise that measuring performance against identified objectives is promoted by performance management.

3.2.3 Measurement

According to Radnor and McGuire (2003:246), measurement involves the assessment of performance. For this reason, researchers and practitioners are concerned about the measurement and indicators of organisational performance (Gunasekarana, Patelb and McGaughey, 2004:333). On the one hand, measuring performance is a key element of organisational PM (Brudan, 2010:110), and on the other hand, it is a part of PM processes (Brudan, 2010:111). However, there is interchangeability between performance measurement and management (Radnor and McGuire, 2003:246). Nevertheless, Chan (2004:206) recognised the differences between them, even though both performance management and measurement are correlated with performance (Brudan, 2010:110).

The overall organisational performance represented by combined measures remains a necessity for the organisation's efficiency (Cruz and Marques, 2014:91; Hood, 1991). Indeed, the notion of efficiency as a ratio is related to outputs and inputs (Cruz and Marques, 2014:91; Hood, 1991). In truth, quantitative and qualitative measures are used to pursue both inputs and outputs (Curtis, 1999:263-264). Although this is risky for public services (Arnaboldi et al., 2015:2; Cuganesan et al., 2014), the combination of measures still persists.

Curtis (1999:263-264) stated that through measurement, PM establishes a portfolio of quantitative and qualitative measures. The PM of local government not only sets but also depicts and inspects the data collected through quantitative performance measures (Walker and Andrews, 2015:102). Likewise, Simons (1995: 71) and Norman (2002: 619) declared the following: "*What gets measured gets managed"* and *"You get what you inspect, not what you expect"*. In short, Mwita (2000:21) presumed that PM measures are supple elements. This may require apposite activities for effective performance.

According to Walker and Andrews (2015:119) andJohnsen (2005), PM practices entail the application of measurements regarding performance. These practices are means for developing public agencies (Walker and Andrews, 2015:119; Johnsen, 2005). In the same way, Arnaboldi et al., (2015:2) admitted that through its activities, PM provides an assortment of services enabling the expansion of performance measurement. With this purpose in mind, PM activities should follow the steps related to measurement.

Kureshi (2014:31) suggested that performance measurement processes appropriate for the public sector include: the gathering of data for the description of principles, metrics, and baselines, as well as the performance information model. However, these activities seem to be demanding. Authors have also suggested that such an inclusive process is rightly linked to competitiveness. In light of this, such a measurement process has to be firmly connected to strategic visions and objectives (Modell, 2012:476).

3.2.4 Determining Performance Outcomes and Achievements

Curtis (1999:263-264) and (Walters, 1995b, back cover) indicate that PM is helpful in describing outcomes. Brudan (2010:111) emphasised that PM focuses on identified, tracked, and stated performance results by means of performance indicators. Likewise Poister et al., (2013:626) state that outcomes of clarified targets need to be monitored and managed, which leads to a well-built performance rest. This assists in administering the performance of organisations (Radnor and McGuire, 2003:246). However, it is the path towards organisational performance enhancement (Poister et al., 2013:626). Therefore, PM may take actions in response to outcome measures (Radnor and McGuire, 2003:246).

According to Poister et al., (2013:625), organisations aim to view the input of PM to their performance at an advanced echelon. This may only be feasible, however, through the evaluation of performance outcomes in terms of achievements. In light of this, Arnaboldi et al., (2015:15) supposed that the overall governance and management panache are subjects for the focus of targets, as well as the requests for their accomplishment. In contrast, the PM process also deals with the attainment or non-realisation of objectives (Pilbeam and Corbridge, 2010:290). In a similar fashion, the concern related to the achievement of primary and secondary objectives is a culture developed by PM (Mwita, 2000:19). Analogous to this is an organisational culture for the contributions of expected outcomes (Cameron and Sewell, 2003:244). Therefore, this ensures the attainment of not only objectives, but also organisational goals (Pilbeam and Corbridge, 2010:290).

Therefore, not only comprehending but also evaluating performance within a LG context remains a crucial issue (Walker and Andrews, 2015:104; Walker et al., 2010). In the same way, the degree to which local governments have set apart their performance has not been measured by all-embracing studies concerning public PM (Walker and Andrews, 2015:102).

Nevertheless, the measurement of organisations intended for the achievement of public needs was also among the main reasons for the application of PM within non-profit organisations (Ohemeng, 2009:109). PM was used for the modernisation of government services (Radnor and McGuire, 2004: 245-246), and its exploitation was related to the improvement of service delivery (The Audit Commission, 1999). However, according to Zakaria and Zakaria (2014: abstract), the enhancement of public perceptions of government performance was the reason for its use. The reinforcement of accountability for the use of public assets, as well as the achievement of desired outcomes and enhancement of service delivery effectiveness and success (The Audit Commission, 1999) were the basis for PM.

3.3 PERFORMANCE MANAGEMENT AND SERVICE DELIVERY IN THE SOUTH AFRICAN LOCAL GOVERNMENT AUTHORITIES (SALGA)

According to Walker and Andrews (2015:101), from the global perspective, managing and delivery key public services are the responsibilities of local governments (LGs). Authors have listed some examples of these responsibilities as follows: caring of the helpless and aged; providing schooling; picking up debris; and maintaining roads. Since society is dependent on service delivery, they are considered as ways and means not only for their development, but also for addressing pressing social issues (Walker and Andrews, 2015:101). Therefore, authors have suggested that service delivery must be the front position of LGs.

In the Republic of South Africa, compliance with the terms and conditions for the effectiveness and efficiency of municipal service delivery was required under the Local Government: Municipal Systems Act of 2000 (Act 32 of 2000) (Phago, 2009:483). Regardless of this, colossal insufficiencies resulted in municipalities failing to accomplish their constitutional and parliamentary duties (Koma, 2010:112). Thus, in order to monitor public service delivery in the country, the application of PM as a national framework was proposed by the South African White Paper (Curtis, 1999:261).

In addition, the author assumed that this plan prioritises metropolitan needs, which should be the focus of the provincial local government. (Phago, 2009:483).

The PM framework can be considered as a substantial supportive tool for the functioning of municipalities (Curtis, 1999:261). Indeed, such structure is among various governmental procedures followed for municipal improvement (Kroukamp, 2012:103). The aim of PM is to guarantee the responsibility of municipalities regarding the procedures adopted, not only for the delivery of improved service, but also for monetary worth (EThekwini Municipality, 2008:15).For this purpose, it must be the municipalities' first and foremost concern (Kgechane, 2013:118).

In the same way, when taken as the main concern, it makes a significant contribution to the development of service delivery (Kgechane, 2013:120). Likewise, Pilla and Subban (2007:60) believe that it will richly assist municipalities in their role of managing communities effectively. Nevertheless, Cameron and Sewell (2003:250) have observed deficiencies in performance management projects. For instance, difficulties in terms of their implementation were experienced in the Matlosana Municipality, and these difficulties were related to time-frames (Kgechane, 2013:119). Another observation was the dysfunctional state of municipality PMS (Kgechane, 2013:122). However, it was also found that the PM concept is innovative for the country in general, and particularly for non-profit organisations (Cameron and Sewell, 2003:250). Despite this, PM is a legal requirement for municipalities (Kgechane, 2013:118), and this view is supported byPhago (2009:483). Moreover, in order to ensure efficacy in developing municipalities, Curtis (1999:260) suggested the adaption of PM to the South African context.

The Integrated Development Plan (IDP) is central to the management of municipal activities in the Republic of South Africa, since it prioritises metropolitan needs, which should be the focus of the provincial local government (Phago, 2009:483). Thus, clarifying implementation processes, ensuring the observance of legislation, promoting responsibility and intelligibility, and connecting the IDP, SDBIP, and budget with performance management are the purposes of the PM framework (eThekwini

Municipality, 2008:3). Furthermore, Kgechane (2013:121) suggested that municipal management, as well as their activities, should be planned, scheduled and resourced in an appropriate manner. This may involve some, if not all, general activities being applied for PM.

According to Van Dijk (2007:50), the planning of political administrative vision, as well as organisational values, is set within PM. The vision statement, as already mentioned, deals more with the long-term improvement of the municipality (Van Dijk, 2007:50). However, according to Kroukamp (2012:103), the endorsement of strategies to ensure the move of municipalities to service delivery quality is correspondingly significant. Cameron and Sewell (2003:246) proposed the integration of objectives, measures and targets, not only into the municipal performance management system, but also into the IDP. However, this seems to be insufficient. Nevertheless Van Dijk (2007: 50) suggested the compilation of priorities, strategic objectives, targets and measures, which must be clearly linked to organisational PMS and budget system.

Pilla and Subban (2007:52) and Van Dijk (2007: 52) declared that: *"Performance is monitored in terms of objectives".* The aim of establishing strategic objectives in the PMS was the improvement of municipalities' performance (Pilla and Subban,2007:58; Department of Provincial and Local Government (2008:8).It was also suggested that objectives should not only be specified along with their priorities, but also their strategic initiatives, as well as a pecuniary plan(EThekwini Municipality, 2008:12).

In spite of the above statement, the setting of targets will only be feasible after the development of key performance indicators (KPIs) (eThekwini Municipality, 2008:31). To this end, the PM framework must translate organisational targets into departmental and divisional targets, which will facilitate performance measurement and evaluation against approved targets (Pilla and Subban, 2007:59). The measurement of targets should be done numerically, statistically and periodically (eThekwini Municipality, 2008:31). This allows for the continuous observation of targets and indicators in term of performance impact, efficiency and effectiveness (EThekwini Municipality, 2008:15).

There must, at any rate, be a link between targets and key performance areas (KPAs) (Van Dijk, 2007:50). Conversely, the central aspect of PM is the integration of measurable objectives with their appropriate KPIs (Pilla and Subban, 2007:60). Moreover, KPIs involve baselines, inputs, and outputs, as well as outcome indicators (Van Dijk, 2007:50). Accordingly, Cameron and Sewell (2003:244) presumed that set objectives and measures are the major practices in relation to PM.

Curtis (1999:261) highlighted another feature of the PM framework. The author suggested that it is has proven its capability by providing valuable information relative to local government authorities' (LGAs) needs (Curtis, 1999:261). In other words, the framework may provide information relevant to organisational performance, which has rightly to be distributed and approved at national, provincial and local levels (Kgechane, 2013:121). Therefore, in order to generate valuable information, the PM may incorporate basic elements, specifically objectives, indicators, targets and strategic initiatives, into the PMS and IDP. This may be crucial for determining the outcomes of performance achievement.

According to Van Dijk (2007:50), the effectiveness and efficiency of management facilitates the achievement of strategic performance objectives. Similarly, according to Pilla and Subban (2007:56, 60), the selection of measures connected to targets ensures the accomplishment of the organisational plan in general, as well as expected outcomes in particular.

In order to develop the necessary capability for measuring and managing performance, Kgechane (2013:120) suggested that municipalities describe it in an appropriate way. This is a regular situation observed in most of the LGs (Heinrich, 2015:4). According to Kgechane (2013:118), PM is profitable to municipalities in terms of the renovation and development of their service delivery. Heinrich (2015:4) avowed that designing PMSs is a difficult task for the sector. Therefore, such a situation may affect not only municipalities' performance, but also their measurement. Municipal PM may thus

require more efforts to rectify such problems, and there is consequently a need to adopt a framework that is capable of measuring performance.

3.4 PERFORMANCE MEASUREMENT FRAMEWORKS

Akbar, Pilcher and Perrin (2012:264) and Gianakis (2002) stated the following: "*Managing and measuring performance has been one of the key drivers in the reform of the public sector*". This led to the adoption of up-to-date management instruments for the enhancement of organisational accountability (Chan, 2004:204). Moreover, the development of a variety of new frameworks attempted to support business organisations with regard to the collection and implementation of measures (Medori and Steeple, 2000:520) which are equally applicable to non-profit organisations (Kennerley and Neely, 2002).

According to Kennerley and Neely (2002:147), the expansion of innovative measurement frameworks and methodologies has been rapidly evolving in the field of performance measurement. These include the following: Capital Asset Pricing Model (CAPM) (Connor and Korajczyk, 1986:385); Balanced Scorecard (Kaplan and Norton, 1992); SWOT (Phillips, 1999:180); Supply Chain Management (SCM) (Gunasekarana, Patelb and McGaughey, 2004:333); Suggested environmental indicators, according to the PSR framework (Lundberg, Balfors and Folkeson, 2009:1020-1021); SCOR-BSC framework (Kanda and Deshmukh,2009:719-720); customer relationship management (CRM) scorecard (Kim and Kim, 2009); ''Check'' step in the PDCA cycle (Fukushima and Peirce, 2011:33); ADJUST (Sezenias, Faemakis, Karagiannis, Diagkou and Glykas, 2013); Decision-oriented performance measurement (DPM) framework (Le and Ahn, 2014); VM System Performance Measurement (Lacerda, Ensslin and Ensslin, 2014:143-144); QM practices (Zhang and Linderman, 2014: 103); and the Balanced Success Model (BSM) (Harold and Thenmozhi, 2014:48).

It has been observed that some performance measurement frameworks are more popular than others. For instance, in order to analyse operation management control

systems, Otley (1999:363) suggested the use of the Economic Value Added, as well as the Balanced Scorecard, while the ISO 9000: quality management systems and total quality management; benchmarking; balanced scorecard; Charter Mark; and business excellence models were the five frameworks adopted by McAdam and Saulters (2000: S653). On the other hand, Kennerley and Neely (2002:147) have selected the balanced scorecard, performance prism, economic value-added, economic profit, activity-based costing, and self-assessment techniques. In contrast, the tableaux-de-board, balanced scorecard and performance prism were the performance measurement frameworks which were preferred by Gimbert et al., (2010:477).

Although the above literature presents different performance measurement frameworks, it can be observed that the BSC has been frequently adopted. For this reason, it has been acknowledged as the most popular and innovative tool for measuring performance (Kennerley and Neely, 2002:147). In agreement with this, on the one hand, Ridwan, Harun, An and Fahmid (2013:103) advocated that the tool has been espoused by more than 50% of the Fortune 500 organisations, and on the other hand, thousands of organisations from Wealth 1000 were connected to it (Harold and Thenmozhi, 2014:32). In addition, the BSC was initially conceived as a performance measurement tool and used by the private sector (Rasoolimanesh, Jaafar, Badarulzaman and Ramayah, 2015:157). However, its popularity soon attracted the attention of the public sector, and was implemented by this sector in the last decade of the 20th century and first decade of the 21st century (Arnaboldi et al., 2015:9). According to Stefanescu and Silivestru (2012:2), the nature of the BSC framework is anticipatory.

3.5 DESIGN OF THE PUBLIC BALANCED SCORECARD

Grigoroudis, Orfanoudaki and Zopounidis (2010:104) acknowledged the adoption of the BSC by public administrations and organisations worldwide. Similarly, Rahman and Chin (2013:1672) advocated its extensive approval by this sector. In truth, the BSC was adapted by the public sector due to the difficulties related to its implementation within this area (Kaplan, 2001:360). Thus, organisations were motivated to geographically

rearrange their BSC frameworks (Kaplan, 2001:361) (the adapted framework for the public sector is presented in Figure 3). In contrast, Dreveton (2013:132) found that further refinement of the BSC framework was not necessary. Funck and Larsson (2014:3) acknowledged the suppleness of the tool, since it has been demonstrated to be effective for adaptation not only to a variety of circumstances, but also to different kinds of organisations, such as private and municipal organisations, as well as government agencies and state councils.

In a similar vein, Madsen and Stenheim (2014: 122) were convinced that the BSC is an example of a management concept which can be interpreted, enacted and implemented in several ways. Likewise, public sector BSCs have not been adopted from other sectors as they are, but are rather designed particularly to fit organisations in this sector (McAdam, Hazlet and Casey, 2005:261). To emphasise this, Funck and Larsson (2014:3) and Kaplan and Norton (1996b) claimed that the BSC fits very well in public organisations.

The BSC framework was presented in chapter two of this study, which demonstrated that the tool encompasses six elements, namely strategy and vision, as well as the financial, customer; internal business, and learning/growth perspectives (Kaplan and Norton, 1992). Analogous to this, Betianu and Bricu (2011:20) emphasised that the units' activities of management depend on organisational vision and strategies. However, organisational mission and values are associated with strategy (Heimdahl, 2010:4).

Kaplan and Norton (2001) and Rasoolimanesh et al., (2015:157) introduced a modified BSC for the public sector, in which the mission and vision are situated at the top of its framework. In contrast, Chan (2004:207) and Nieplowicz (2014:94) indicated that the BSC reforms focus more on its perspectives. To emphasise this, Greatbanks and Tapp (2007:870) demonstrated that the scorecard's perspectives were not closely related to the four dimensions of the original BSC. In a similar manner, recent studies, such as those conducted by Ellangovani and Kamalanabhan (2014:10), Macnab, Yang and Fan

(2015:171) and Macnab et al. (2010), have also explored the conversion of BSC layers. While the above concerns may be valid, Madsen and Stenheim (2014: 122) nevertheless avowed that the original framework remains the basis for successful implementation of the BSC.

Above all, vision has been replaced by mission in the readjusted public sector BSC (Kaplan, 2001:361), while on the other hand, the public sector BSC has to select perspectives that are suited to their priorities, since for-profit and non-profit organisations do not have the same needs (Ngomuo and Wang, 2015:186). Authors believe that areas must be selected in order to achieve competitive advantages for organisations. However, such selection should meet the needs of key stakeholders (Pucek and Špacek, 2014:152).

In this regard, authors such as Atkinson (2006:1448-1449); Ganesh, Ducq and Koh (2012:272), Funck and Larsson (2014:9), Fakharian, Danaei and Hematian (2014:42), and Rajesh et al., (2012:271) affirmed that some non-profit organisations' BSCs have adopted the number and labels of the generic layers. In contrast, Chan (2004:207) suggested the modification and integration of new layers. Such alteration involved not only the label of the areana, but also the number of perspectives which would be best suited to public sector organisations (Ellangovani and Kamalanabhan, 2014:10). However, Yang, Macnab, and Fan (2015:171) highlighted the importance of implementing the BSC, rather than maintaining the common layers tags. Henceforth, vision, mission and perspectives may be considered to be fundamental to designing the BSC, but may not be part of its implementation. Nevertheless, the design and implementation of this instrument remains the basis for its approval.

3.6 IMPLEMENTATION OF THE BALANCED SCORECARDIN THE PUBLIC SECTOR

Chan (2004:207) accepted the significance of the BSC's implementation in this area in general and governments in particular. Nonetheless, Greatbanks and Tapp (2007:850) supported the notion that the public sector does not have experiential facts related to

the implementation of the BSC. Likewise, Rahman and Chin (2013:1673) declared the following: *"There has been a lack of comprehensive BSC studies in the public sector".* However, numerous authors, such as Kaplan (2001:360); Niven (2003); Niven (2006); Micheli and Kennerley (2005:131); Papenhausen and Einstein, 2006); Isoraite (2008:20); Pereira and Melao (2012:922); Ridwan, Harun, An and Fahmid (2013:103); Funck and Larsson (2014:3); Ellangovani and Kamalanabhan (2014:12); and Arnaboldi et al., (2015:9-11-12), have gradually presented its implementation within the sector in different areas, including education, health, transport, tourism and so on.

The implementation of the BSC evoked the identification of objectives and strategic perspectives, as well as the selection of measures after setting appropriate targets (Khalifeh and Sivabalan, 2014:39). Previously, however, objectives, measures and targets, as well as strategic initiatives, were suggested to be included in each perspective (Kaplan and Norton, 1996:76). In support of this, Ngomuo and Wang (2015:185) added that: "*The strategic objectives, the performance measures to track these objectives, the targets for achievement against each objective and initiatives that are closely related and in coherence with the vision and strategies of the organization"*. Thus, objectives, measures, targets and strategic initiatives within the BSC framework refer to the different steps for its implementation. In particular Greatbanks and Tapp (2007:850) specifically recommended such modification in terms of its implementation process and subsequent plan. Therefore, the following sub-sections discuss the implementation of the BSC according to its original framework.

3.6.1 Setting Objectives

In order to implement the setting of objectives, Kaplan and Bower (1999:3) and Chan (2004:207) supported their position at the top of the scorecard. For this reason, Huang (2009:216) claimed that the setting of objectives is the most influential aspect of the tool. Moreover, Betianu and Bricui (2011:20) acknowledged the establishment of strategic long-term and short-term objectives as its main benefit.

Another way in which to undertake the setting of objectives involves the definition of concrete objectives, which must be associated not only with the mission of the organisation, but also with its customers and communities (Kaplan and Bower, 1999:1). In contrast, Rajesh et al., (2012:271) believed that objectives have to be allied with the organisational vision and targets. On the other hand, Kureshi (2014:34) indicated that they should be aligned with organisational strategy. These are the most significant inputs to the BSC (Funck and Larsson, 2014:9). Accordingly, it is inevitable that strategic objectives will contribute towards the performance standard (Shahin and Mahbod, 2007:228).

Another aspect raised by Kaplan (2008:1261) is that organisational strategic objectives are expressed through the four perspectives of the BSC. This has been supported by Rajesh, Pugazhendhi et al., (2012:272). In this regard, Wilson, Hagarty and Gauthier (2003:56) stated that strategic themes such as innovation, customer management, operations excellence and corporate citizenship are the focus of internal process objectives. However, Santiago (2014:1571) highlighted the inclusion of a maximum of five achievable objectives in each perspective. Furthermore, Mendes et al., (2014:929) asserted that the causal connection of these perspectives is based on set objectives. Above all, the establishment of organisational objectives within the customer perspective delivers a value proposition to customers (Kaplan, 2008:1261). He affirmed that the way in which different value propositions are created and delivered is reflected by the objectives set in the process perspective.

These abovementioned objectives must not only be multiple and competitive, but also achievable (Chenhall, 2003). For this purpose, Ferreira and Otley (2009:264) suggested the setting of key organisational objectives and the definition of procedures, as well as ways, for the achievement of each objective. In this regard, organisations are considered to have satisfactory objectives (Otley, 2008). Another aspect is that on the one hand, the establishment of targets follows from objectives, and on the other hand, objectives are the continual focus of set targets (Radnor and McGuire, 2003:256).

Therefore, they suggested the representation of key organisational objectives, as well as priorities, through the setting of targets (Mendes et al., 2014:928).

3.6.2 Establishing Targets

Papalexandris, Ioannou, Prastacos, and Soderquist (2005:220) emphasised that the establishment of targets is accepted as being one of the basic activities of the BSC. Similarly, targets are clarified by the BSC (Atkinson, 2006:1454). In addition, the selection of appropriate targets contributed towards the intensity of the expected performance (Khalifeh and Sivabalan, 2014:39); Kaplan and Norton, 2007). In spite of this, strategic targets have been elucidated and assimilated across departments (Northcott and Taulapapa, 2012:169). However, according to Mendes et al., (2014:928), in Administration Service (PAS), targets were the tools used by management in order to improve service delivery. On the other hand, Radnor and McGuire (2003:256) found that the call for a significant enhancement of service delivery was not supported by targets. However, the setting of performance targets in governments has become not only a rigid obligation, but also a priority for the delivery of various services (Yang et al., 2015:166-167). In addition, the process of setting targets is followed by the establishment of strategic initiatives (Papalexandris et al., 2005:221).

According to Reed and Buckley (1988), a target is useful for breaking down the intended strategy into particular management activities. In the same way, empowering the functioning strategy is among the most important roles played by target setting (Papalexandris et al., 2005:220; Niven, 2002). With the BSC, even unclear targets established in organisational mission statements are translated into a strategic roadmap (Davis and Albright, 2004: 138). In this regard, the BSC should clearly set targets (Atkinson, 2006:1454). Furthermore, it is necessary to determine targets even if they are concrete and incremental (Mendes et al., 2014:929; Crown, 2003; Dubois, 2012), and they have to be cheekily rearranged (Mendes et al., 2012:25, 27). It is equally important for key organisational objectives and their priorities to be represented by targets (Mendes et al., 2014:928).

Mendes et al., (2014:930) suggest that a sensitive examination is required when evaluating the impact related to target values in the BSC. This will drive the determination of envisaged target standards. Radnor and McGuire (2003:256) indicate that this will make them more appropriate. A lower perception of performance affects the setting of targets, as well as their achievement, in an undesirable manner (Poister et al., 2013:627). For this reason, there should be a link between the establishment of performance targets and the assessment of performance (Merchant, Stringer and Shantapriyan, 2015:34). Consequently, the number of facts revealed by the above statements, as well as the way in which organisations neglect the inclusion of targets in their BSC led Mendes et al., (2014:928) to conclude that the architects of the original BSC have failed to offer clear guidelines for not only setting targets, but also assigning weights to each of them.

Northcott and Taulapapa (2012-167) stated that non-profit organisations should provide information about strategic target performance. Regrettably, however, targets were not chequered up (McAdam et al., 2005:268), due to the fact that the numerous targets established generate target ambiguity, which has a negative relationship with performance (Poister et al., 2013:627; Boyne and Gould-Williams, 2003). This may involve their achievements and non-achievements. Letza (1996:68) rightly argued that targets stimulate the eventual accomplishment of organisational processes. In contrast, research usually concentrates more on outcomes related to targets than on processes concerning their establishment (Merchant et al., 2015:34). These authors suggested that there is a gap between an organisation's needs and the reality through the target-setting process (Merchant et al., 2015:22).

3.6.3 Identifying Strategic Initiatives

According to Brudan (2010:110), a journey needs to be undertaken from the perception of action to the achievement of desired outcomes. Of course, performance reflects the progress of this journey, as well as its outcomes (Brudan, 2010:110). Wisniewski and

Ólafsson (2004:606) emphasised that organisations should develop strategies and actions for the provision of communal objectives.

The introduction of the BSC was supported by various established initiatives (Greatbanks and Tapp, 2007:863). However, the scrutiny of the performance echelons was the consequence of these initiatives (Mendes et al., 2014:929). Naturally, a set of action plans can be designed to guide the organisation in a coordinated and integrated fashion (Santiago, 2014:1575). Likewise, Mendes et al., (2014:929) alleged that the continued focus on increasing organisational quality was the basis for establishing initiatives.

Indeed, strategic initiatives refer to activities undertaken by organisations, which in turn lead to the achievement of fixed targets (Papalexandris et al., 2005:221). In contrast, the understanding of major strategic directions is not guaranteed by the established list of prioritised actions (Dreveton, 2013:133). However, Papalexandris et al., (2005:218) emphasised that the development of promising strategies is vital, since different initiatives are taken to overcome impediments faced at the BSC implementation stage. However, the organisation performance achievement should not be done only through scorecards (Greatbanks and Tapp, 2007:863). On the other hand, Rasoolimanesh et al., (2015:158) brought a new insight in this regard, by stating that desired outcomes generate strategic plans.

Equally important in relation to the above statement, Mendes et al., (2012:25, 27) suggested that the necessity for aligning strategy is revealed by strategic initiatives. Likewise, Reed and Buckley (1988) indicated that specific managerial actions can be interpreted from the determined strategy (Atkinson, 2006:1454). However, existing strategic initiatives have to be closely scrutinised, analysed and revised before they can contribute towards target achievement (Papalexandris et al., 2005:221). These authors rightly suggested the modification of targets with their respective initiatives, not only when it is necessary to do so, but also when funding and capital are accessible.

In this regard, authors have recommended that initiatives should be arranged in an ascending manner, for example from short-term initiatives to long-term ones. This means that targets, frequency, initiatives, and budgets are encompassed by a single stage, which is advantageous for establishing new strategic initiatives (Papalexandris et al., 2005:221). Nevertheless, Nieplowicz (2014:99) placed more emphasis on the selection of measures in relation to strategic initiatives and actions.

Evidence of the existing relationship between indicators and initiative has been revealed by Nieplowicz (2014:99). The author indicated that one measure and four actions were apportioned in order to enhance the efficiency of the school sports infrastructure. On the one hand, the first and second actions were performed by the Department of Sport and Tourism and Department of Education, and on the other hand, the Departments of Education and Municipal Sports and Recreation realised the two last actions. Finally, the scheduling of strategic initiatives is powerfully associated with the choice of appropriate measures.

3.6.4 Selecting Measures

According to Wisniewski and Ólafsson (2004:604-605), central government has instructed public sector organisations to define and report performance indicators (PIs).Likewise, Santiago (2014:1574) suggested that measures have to be reported. This led municipal governments to develop several performance measures (Chan, 2004: 216,219).Othman (2008:261) stated that these measures seem to be obtainable, and Santiago (2014:1574) emphasised that the range of such indicators must be modest, accessible and achievable. In this regard, the finding presented by Northcott and Taulapapa (2012:169) acknowledged that the measures were reduced, expressive and manageable. Nevertheless, the appropriate selection of measures is not only a significant task, but also a daunting one (Santiago, 2014:1572).

In order to evaluate their organisational performance in terms of finances, customer satisfaction, operating efficiency, innovation and change, and employees, most public

governments have selected measures (Chan, 2004:204). In contrast, Akbar et al., (2012:281) assumed that the motivation is based more on conformance than performance. However, according to Taylor (2011:4), measures were rather used for the decision making process in Australian government bodies. On the contrary, compliance with fundamental government regulations was the main reason for the use of measures. According to Santiago (2014:1571), performance measures were used as a guide for the implementation of organisational strategic planning, as well as for providing a report about critical outcomes. Consequently, organisations have to consider those measures that are most appropriate to the BSC structure (Grigoroudis et al., 2010:105).

3.6.4.1 Financial and Non-Financial Measures

The BSC involves the integration and selection of inclusive measures (Santiago, 2014:1574). In other words, it is important to choose additional operational measures that are able to stimulate organisations' growth and future performance, in order to fill the gap of traditional measures based on past performance(Kaplan and Norton, 1996a:8; Chan, 2004:213). To emphasise this, Northcott and Taulapapa (2012:169) claimed that financial measures are completed by operational ones.

Hogget et al. (2012:560) admitted that the BSC goes beyond financial measures, in order to deliver a wider variety of performance indicators. In this regard, performance measures are considered to be strategically set (Northcott and Taulapapa, 2012:169). While financial measures are driven by past performance, future performance is driven by non-financial measures (Northcott and Taulapapa, 2012:169). Indeed, according to Dodor, Gupta and Daniels (2009:1), the combination of both lag and lead performance measures has increased the popularity of the BSC. Furthermore, Gatti (2015:123) suggested that the appropriate functioning of the BSC requires the calculation of its different measures. This may be feasible through the layers of the tool.

3.6.4.2 Perspectives and Measures

According to Kaplan and Norton (1996), through the BSC, measures are selected within inclusive areas. This view was shared by Wilson et al., (2003:54) and Davis and Albright (2004: 138). In particular, specific measures were selected from the four perspectives in order to satisfy stakeholders (Wisniewski and Ólafsson, 2004:607). However, according to Nieplowicz (2014:94), not only measures but also objectives were identified from the City of Lublin's BSC perspectives. Conversely, Chan (2004:219) supported Kaplan and Norton (1996) by demonstrating that performance measures were developed according to all five perspectives within the 14 municipal governments for the purpose of innovation and change. In addition, strategy is translated simultaneously into a set of monetary and non-monetary measures (Chan, 2004:205).

3.6.4.3 Strategy, Vision, Mission and Measures

According to Chan (2004:205), financial and non-financial measures are the connection point for the formulation and implementation of organisational strategy. In other words, the translation of strategy is associated with different measures provided by the BSC. Similarly, McAdam et al., (2005:270) and Budde (2007:515) agreed with Chan. Evaluating performance and redefining strategy and measures is a dynamic role of the BSC (Letza, 1996:74-75). The selection of measures should be done after the determination of strategy (Kaplan, 2008:1259). In spite of this, successful strategy does not depend on selected measures (Kaplan and Norton, 2000). Furthermore, strategy should not be linked to measures only, but must also integrate mission (Chan, 2004:213). This is one way to validate the correlation between indicators and organisational mission (Chan, 2004:205).

Through the BSC, organisational mission and strategy are translated into a balanced set of integrated performance measures (Chan, 2004:206). For this reason, Chan (2004:205) acknowledged the link that exists between strategy, mission and measures. Northcott and Taulapapa (2012:169); Kloot and Martin (2000); Chan (2004); and Niven

(2006) stated that measures are connected to organisational mission and strategy. As previously mentioned, Chan (2004:205) acknowledged the relationship between strategy, mission and measures, but also encouraged the inclusion of organisational objectives in this regard. Thus, the assessment and future improvement of government strategy depend on these features (Weikart, Chen and Sermier, 2013:221). However, taken as a whole, mission and objectives are not associated with measures (Kaplan, 2001:353). In contrast, filling the gap between mission and strategy, together with their daily related operational measures, is a useful function of the BSC (Chan, 2004:207-208; Kaplan, 2001).

- ***Objectives, Measures and Key Performance Indicators (KPIs)***

Kaplan and Norton (1996) stated that organisational objectives, encompassing financial and nonfinancial metrics, should be reflected by measures. For this reason, Shahin and Mahbod (2007:228) suggested that every objective that is established must be measurable. There are two categories of objectives, namely primary and secondary (Rasoolimanesh et al., 2015:157; Atkinson, 2006; Kloot and Martin, 2000). The main primary objectives that are reflected are precedent performance indicators, while prospect performance indicators are reflected through secondary objectives (Rasoolimanesh et al., 2015:157). This may enable the selection of past as well as future performance measures.

In fact, objectives set through the BSC are linked to their appropriate measures (Huang, 2009:209-216), and this is done in an articulate manner (Kaplan and Norton, 1993:134). According to Sharma (2009:7), strategic objectives, along with their indicators within the BSC, allow the monitoring of organisational performance. However, it is risky to focus only on certain performance objectives and measures (Storey, 2002:323).

According to Mendes et al., (2012:25) the identification and analysis of measures is important for monitoring strategic objectives. The BSC is integrally controlled and assessed in this fashion (Mendes et al., 2012:25). Furthermore measurement and

metrics play a significant role in defining objectives, assessing performance and determining potential actions (Gunasekarana et al., 2004:333). This may help strategic initiatives to reach these objectives.

Kaplan and Norton (1996); Wilson et al., (2003:54) and Davis and Albright (2004: 138) assumed that key measures are chosen through the four different perspectives of the BSC. This may be regarded as the supportive nature of the tool. To emphasise this, Huang (2009:209) stated the following: *"the BSC integrates financial measures with other key performance indicators to create perspective that incorporates both financial and non-financial aspects".* However, Franco-Santosa, Lucianettib and Bourne (2012:81) suggested that other systems, such as budgeting and activity-based costing systems, do not satisfy the precondition of having such measures.

At any rate, developing not only KPIs, but also assessing resources, is facilitated by the setting of realistic objectives (Shahin and Mahbod, 2007:229). In the same way, the adopted generic BSC of the Australian Navy has set strategic objectives, as well as key performance indicators (KPIs) (Kureshi, 2014:35). For instance, the National Health Service (NHS) used waiting lists for patients who required health care treatment as its KPIs (Arnaboldi et al., 2015:12). Moreover, Grigoroudis et al. (2011:117) suggested the understanding of both established strategic objectives and chosen KPIs.

- ***Strategic Initiatives and Measures***

Local initiatives have been monitored and controlled by innumerable measures selected by organisations at the micro and programmatic level (Kaplan, 2001:353). Similarly, Wisniewski and Ólafsson (2004:607) correlated the projected lists of service initiatives to performance indicators. They discovered the intermittent lucidity between them, which in turn affected the visibility of relative priorities. In contrast, Greatbanks and Tapp's (2007:864) study found more transparency in the relationship between the different scorecard measures. This has been proven by Nieplowicz (2014:99-100).

Nieplowicz 's study showed that two measures and one action was defined for the description and execution of a system for selecting sports talents, while three measures and one action were selected for the enhancement of the system of sports competitions in schools.

With regard to the weakness of the transparency linkage observed by Wisniewski and Ólafsson (2004:607), Kaplan and Bower (1999:33) have already suggested regular progress evaluation, as well as planning for future initiatives in order to reinforce areas of improvement. According to Wisniewski and Ólafsson (2004:607), initiatives have contributed significantly to the development of performance management in the Reykjavik municipality. In this regard, the mentioned linkage between initiatives and measures was based on the BSC framework (Greatbanks and Tapp, 2007:864). This relationship should not be limited to initiatives only, but be extended to objectives and priorities as well, in order to present a balanced view. Therefore, it is necessary to plan for and evaluate those initiatives that can strengthen perspectives (Kaplan and Bower, 1999:33).

Besides strategic initiatives and their relative indicators, there is another element known as a baseline, which also seems to be essential when measuring performance.

- ***Baseline Measures***

A baseline can be viewed as a perfect and quantifiable measure. The starting of a trend is noticed by a baseline -on the one hand, this means that organisational performance is tracked from the baseline measure, which is acquired from the preceding year to the target in the current year. On the other hand, the non-existence of a baseline in the former period should be specified. Moreover, it becomes accessible at the end of every period (eThekwini Municipality, 2008:29). According to Radnor and McGuire (2003:256), the baseline target is inadequately stated. They recognised the lack of understanding related to the selection of baselines associated with the development and establishment

of targets (Radnor and McGuire, 2003:254). Consequently, there is a need to set strategic targets, which must be done after selecting measures (Chan, 2004:206).

3.6.4.4 Targets and Measures

Letza (1996:74) stated that measures should be associated with overall organisational strategic targets. The selection of measures associated with their relative targets contributes towards the understanding and definition of organisational processes (Radnor and McGuire, 2003:258). This seems to assume the existing correlation between measures and targets, which are elements of the BSC (Kaplan and Norton, 1996:72). Nevertheless, this tool lacks the ability to vigorously reproduce the relationship between them (Zhang, 2012:2).

According to Santiago (2014:1572), the selection and design of indicators are influenced by targets. As discussed earlier, this seems to be in contrast to Chan's (2004:206) view that the expansion of measures should precede target setting. Thus, it may not be feasible for targets to have an influence on measures if the latter are selected before the former. In this case, measures will probably have power over targets. Analogous to Chan, the value obtained for each performance measure defines targets (Mendes et al., 2014:929).

A target should also be identified by a measure (Santiago, 2014:1572).In the same vein, Mendes et al., (2014:929) asserted that the value of each performance measure defines targets. In addition, extendable targets assist the leading performance measures, while the inflexible ones support the lagging indicators (Papalexandris et al., 2005:220-221). Moreover, Yang et al., (2015:166) acknowledged the complexity involved in measuring targets. In this regard, Davis and Albright (2004:150) witnessed the implementation of the BSC in a group of bank branches, and revealed that financial performance was enhanced positively by a targeted financial measure.

The setting of targets and measures are fundamentals of the BSC (Mendes et al., 2014:928). On the one hand, this remains a non-understandable process (Radnor and McGuire, 2003:254), and on the other hand, it is difficult to reach consensus for this reason (Herath et al., 2010). This is due to the lack of comprehensive guidelines, not only for setting targets, but also for measuring them (Mendes et al., 2014:928). In order to solve this problem, Papalexandris et al., (2005:221) made the following suggestion: *"Due to lack of experience with this type of target setting process, it is advisable to proceed by trial and- error where practice combined with experience ultimately will lead to a final selection of targets".* At the same time, general documents related to public target setting have been published recently by governmental agencies (Mendes et al., 2014:928). This seems to make it easier and more practical.

Mendes et al., (2014:928); Irwin (2002) and Souza and Cordeiro (2010) explained that from each perspective of the BSC, appropriate performance indicators are selected, which are evaluated with their pre-set targets. During this time, disproportionate information should be abolished (Mendes et al., 2014:928). In addition, through the examination of targets and indicators, Arnaboldi et al., (2015:12) revealed that targets were used more effortlessly than measures. This may indicate that selecting measures is a more difficult task than setting targets. According to Santiago (2014:1572), purpose, target, measurement, category, and intended user are the five suggested characteristics of a high-quality indicator. These are elements driving a particular outcome.

3.6.4.5 Output Measures and Outcome Measures

Radnor and McGuire (2003:258) indicated that the designation of measures has to be appropriate not only to the process, but also to vital outcomes. Similarly, Yang, Macnab et al., (2015:167) and Roper et al. (2004) emphasised that in public R&D, financial support measures were pre-evaluated and focused on valuable outcomes offering social knowledge. To emphasise this, Chan (2004:209) and Levetan (2000) valued outcomes measures over output measures. The reason for several municipal organisations selecting output measures rather than outcome measures was due to

their focus on monetary and efficiency performance. Yang, Macnab et al., (2015:166) and Poister (2003) highlighted the importance of understanding the role of each type of measure. They asserted that planned actions or deliverables are outputs, while their results, effects or benefits produced are outcomes.

Jaffe (2011) acknowledged the complexity in assessing and measuring the outputs and outcomes of non-profit organisations. Similarly, Yang et al., (2015:166) and Jaffe (2011) stressed that non-profit organisations, such as research institutions, face challenge in measuring and evaluating outputs and outcomes. Likewise, Wilson et al., (2003:55-56) stated the following: *"several outputs contribute to a single outcome".* In agreement with this, Yang et al., (2015:166) stated that outcomes measures are relative to the expected organisational targets to be measured.

In spite of the above, the public sector has paid more attention to output measures than to outcome measures (Yang et al., 2015:166; Marr and Creelman, 2011). This is perilous, even though it has been found that output measures are easier to use than outcome measures (Yang et al., 2015:166). In truth, measures should be harmoniously related to the expected performance outcomes. In this regard, various authors have alleged that expected outcome measures are supported by output measures.

3.6.5 Balance

The identification of balance within a BSC involves numerous factors in different situations (Barnabe, 2011:448). For example, the equilibrium between assorted perspectives is a requirement (Abdullah, Umair et al., and 2013: 137). In addition, Johanson, Skoog et al. (2006:843-844) stated that this is not only a fundamental aspect, but is also a subtle question when implementing the BSC. The BSC perspectives themselves involve other aspects that should be considered when setting scales.

Internal and external perspectives need to be balanced in order to evaluate the existing challenges of an organisation against its own past performance (Letza, 1996:74-75).

From this statement, Heimdahl (2010:4) affirmed that the equilibrium between these two perspectives is referred to by the BSC. While this may be true, Johanson, Skoog et al. (2006:843-844) expressed another opinion, requiring such symmetry at financial and non-financial level. Likewise, Ellangovani and Kamalanabhan (2014:10) emphasised that the equilibrium of non-monetary layers is as important as monetary ones. At the same time, there is a need to balance short- and long-term layers (Abdullah, Umair et al., and 2013:137). The BSC includes a number of these mentioned perspectives.

Recently, authors such as Barnabe (2011:448) and Ngomuo and Wang (2015:185) acknowledged the significance of balancing the four perspectives of the BSC. In an earlier study, Kaplan and Norton (1992) assumed the accomplishment of such symmetry through various measurements of financial performance, operational performance, performance for the customer, and learning and innovation. Similarly, Ellangovani and Kamalanabhan (2014:10) supported the same application on the adopted perspectives, such as patients, employees and processes, as well as finances. However, Johanson, Skoog et al. (2006:843-844) declared the following: *"see the evidence that the word "balanced" does not mean that the four perspectives are equally important".* This may indicate that not all of the perspectives are needed. As discussed in sub-section 3.7.4 of this chapter, organisations are free to select the number of their layers, as many as they need to fulfil their organisational objectives.

In contrast, Fryer, Antony and Ogden (2009:491) suggested that a balance should be established between long and short-term objectives. Conversely, Betianu and Briciu (2011:26) supported the reflection of such symmetry through medium and long-term objectives, while Tjader, May et al. (2014:615) are convinced that not only short-term, but also long-term objectives are factors related to the equality of the BSC. Moreover, Ngomuo and Wang (2015:185) supported this view by evoking a different aspect. They suggested the balancing of short-term and long-term targets.

According to Zhang (2012:2), longer-term performance is not taken into account by organisations, since they focus more on the short-term performance. Nevertheless,

reflections as well as actions are subjects of such equivalence (Abdullah, Umair et al., and 2013:137). Therefore, objectives, targets and strategic initiatives are important aspects that should be taken into account when evaluating the balance between components of the BSC framework. Again, all these mentioned elements are involved in organisational activities, thereby leading to a particular focus on outcomes, which in turn will increase the potential for efficiency, as well as performance enhancement (Yang, Macnab et al., 2015:166).

3.7 PERFORMANCE OUTCOMES

Moynihan and Pandey (2010:849) acknowledged the omnipresence of the ‘‘performance’’ and ‘‘outcomes’’ concepts within modern governance. According to Shipley (2009:73), focusing outcomes and achieving outcomes are important roles played by government. However, Santiago (2014:1573) maintained that outcomes do not necessarily reflect performance, but simply results, and performance drivers cannot be measured without measuring their outcomes. This may constitute an obstacle for evaluating organisational achievement. Roxanne (2005) highlighted the effectiveness of outcomes when measuring achievement.

In fact, the satisfaction of electorates’ desires is a way of measuring efficiency and effectiveness (Kaplan and Bower, 1999:1). Similarly, McAdam and Saulters (2000:S652) and Neely (1998) stated the following: “*In this context, effectiveness can be considered to refer to the extent to which customer requirements are met, and efficiency is the measure of how economically the organization’s resources are utilized when providing a given level of customer satisfaction”.* This shows that the satisfaction of citizen expectations, as well as the attainment of healthier outcomes, is a necessity for governments (Shipley, 2009:73). Furthermore, the attained outcomes should be clearly proven by government executives (Akbar et al., 2012:264; Osborne and Gaebler, 1992). Moreover, outcomes in LGOs seem to be warranted through the execution of the BSC (Northcott and Taulapapa, 2012:169).

Measuring achievement through the BSC requires representing the established and estimated outcomes by each perspective (Wilson et al., 2003:54). Specifically, the desired organisational outcomes are described through the financial and customer perspectives (Papenhausen and Einstein, 2006:16). Similarly, Rahman and Chin (2013:1674) considered both financial and user/citizen layers as the outcome perspectives. However, according to Letza (1996:74-75), outcomes are based on defined strategy and measures.

Above this, the expected strategy achievement has to be described before creating measures (Kaplan, 2008:1261). In this regard, McAdam and Saulters (2000: S655) suggested that reviewing actual measures assists in the development of balanced measures. In contrast, Rahman and Chin (2013:1674); Chai (2009) and Kaplan (2001) assumed that mission and vision are driven by citizen satisfaction in the public sector. At the same time, the focus in non-profit organisations is more on instantaneous outcomes than long-term vision (Jarrar and Schiuma, 2007:5). This seems to be an irregularity.

According to Chan (2004:206), organisational achievement and performance in terms of its missions and objectives is complemented by the establishment of well-composed measures. This will ensure not only the achievement, but also the enhancement of organisational outcomes. However, the achievement of visions and targets is the conception of the BSC for future investment (Rasoolimanesh et al., 2015:157). Nevertheless, organisational activities should be aligned with the achievement of its targets (Yang, Macnab et al., 2015:166).

Another aspect of achievement has been raised by Wisniewski and Ólafsson (2004:605), who stated that financial achievement remains the eventual target for the private sector, but is not necessarily the main objective of the public sector (Kaplan, 2001:360). Conversely, for non-profit organisations, the definition of annual objectives and targets, together with their relative performance measures, enables the examination of their potential achievement (Mendes et al., 2014:929). Therefore, the necessity for

measuring the achievement of objectives and targets is also applicable to government (Moynihan and Pandey, 2010:849; Brudney, Hebert and Wright, 1999; Moynihan, 2008).

In addition, the achievement of these strategic objectives depends on strategic initiatives, which are critical success factors (Modell, 2012:476). Equally, there is a need to develop actions plans or strategic initiatives for constant target enhancement in terms of quality (Mendes et al., 2012: 25, 27). Nevertheless, Pucek and Špacek (2014:166) suggested that there should be a connection between target achievement and incentives. Accordingly, regardless of its potential achievements and outcomes, the BSC is subject to a variety of ongoing problems (Kureshi, 2014:35-36), which are relevant to both privateand public organisations (Micheli and Kennerley, 2005:131).

3.8 CHALLENGES IN ADOPTING THE BALANCED SCORECARD IN THE PUBLIC SECTOR

Driving organisations to perform is the key of the BSC (Mooraj et al., 1999:481). Greatbanks and Tapp (2007:870) acknowledged various interests of this instrument. This has been demonstrated in secondary hospitals, where performance management was introduced through this instrument (Ellangovani and Kamalanabhan, 2014:12), thereby affirming its efficacy. However, its efficacy is somewhat limited (Walsh and Lok, 2008). In contrast, Radnor and McGuire (2003:252) and Mooraj et al. (1999:481) assumed that there is insufficient evidence of the benefits of the BSC, since complications may not often arise (Modell, 2012:478). Nonetheless, the BSC is not exempt from dilemmas and constraints (Othman, 2008:259; Barnabe, 2011:447). As a result, 70 percent of the BSC performance in non-profit organisations does not succeed (Neely and Bourne, 2000:3).

In fact, the BSC problems are mainly caused by its inappropriate design and execution (Neely and Bourne, 2000:3; Isoraite, 2008:20; Barnabe, 2011:447; Kureshi, 2014:32). Radebe (2013:56); Kureshi (2014:35); Ahn (2001) and Gatti (2015:127) agreed with this

view. Similarly, LGAs have experienced such complication more than for-profit organisations (Wisniewski & Olafsson, 2004). Consequently, difficulties that have remained undetected at the design stage are the cause of failure at the implementation stage (Gatti, 2015:127). Thus, Kureshi (2014:35-36) suggested the need for careful attention when developing and implementing the BSC.

3.8.1 Problems related to design

Despite the fact that the introduction, construction and adjustment of the BSC in non-profit organisations since 1992 have been generally successful (Funck and Larsson, 2014:5), numerous problems associated with the development of the BSC have been observed (Dreveton, 2013:133). For example, the tool was difficult to use in government hospitals (Ellangovani and Kamalanabhan, 2014:10), and was espoused in a poor manner (Modell, 2012:482). Contrary to the view of Funck and Larsson (2014:10), the use of the BSC did not help organisations to clarify strategy. The same authors asserted that this was the reason for the rejection of the BSC. Therefore, Othman (2008:259) suggested that the BSC should be supported by a planning scenario, which will greatly assist the implementation of strategy. In addition, the stating of the vision and mission were problematic.

The findings of Ferreira and Otley (2009:267) revealed that organisations lack a clear definition of vision and mission. Although mission and vision are usually perfectly stated (Ferreira and Otley, 2009:267), mission statements remain unclear (Ferreira and Otley, 2009:267). Moreover, the vision relative to basic questions regarding the organisational mission and performance is sometimes lost (Arnaboldi et al., 2015:17). This is due to the focus on managerial targets. Therefore, unclear vision and mission may determine the way in which PMSs function within these organisations (Greatbanks and Tapp, 2007:849-50; Ferreira and Otley, 2009:267). Furthermore, Kureshi (2014:36); Brown (2007) and Bititci et al. (2005) have recognised the most excellent implementations of the BSC. Nevertheless, numerous authors, such as Radnor and McGuire (2003:252); Moullin (2004); Mwijuma, Omido, Garashi, Odera and Akerele (2013:147); Northcott

and Taulapapa (2012:169) and Dreveton (2013:131) have strongly supported the existence of several aspects hindering particularly the application of the BSC in non-profit organisations. As an example, incomplete execution was among these issues (Kureshi, 2014:34). With this in mind, the next sub-section outlines some of the difficulties faced when implementing the tool.

3.8.2 Problems related to implementation

Kureshi (2014:32) and Johnson et al. (2002) acknowledged the power in driving performance by adopting a system for its execution. According to Barnabe (2011:451-452), several processes of the BSC can go wrong during implementation. Analogous to this, the execution process has reportedly been mishandled by government (Pucek and Špacek, 2014:159). Nevertheless, Arnaboldi et al., (2015:10) considered the BSC to be out of fashion. Thus, in order to overcome such failure, they proposed the substitution or coupling of the BSC with other models (Barnabe, 2011:451-452).

According to Pucek and Špacek (2014:158), the understanding of the correlation between particular objectives is a great challenge. However, according to Funck and Larsson (2014:10), the relationship between objectives and strategy is problematic for municipalities and hospitals. Moreover, they alleged that connecting objectives to strategy, as well as evaluating their outcomes, is also demanding. In addition, Rajesh, Pugazhendhi et al., (2012:272) revealed that the most problematic task is the development of strategic objectives, as well as their inclusion in the appropriate BSC perspective. On the contrary, the identification of strategic targets is one of the fundamental problems of the BSC's application (Letza, 1996:74-75).

Likewise, determining the inclusive strategic targets of an organisation is not frequently successful (Letza, 1996:74). In this regard, Kureshi (2014:36) observed that the majority of targets are set in an illogical manner. Moreover, on the one hand, organisations suffer from the verification of targets set (McAdam et al., 2005:268), and on the other hand, the obsession by management to achieve targets leads to the unsucessful

implementation of the tool (Arnaboldi et al., 2015:17). Papalexandris, Ioannou et al., (2005:220) agreed that connecting targets to their prior selected measures remains a significant dilemma.

The implementation of a performance measurement system has become difficult due to the wrong decisions being made about performance measures (Neely and Bourne, 2000:2). This has been emphasised by Letza (1996:74-75) with regard to designing and implementing the BSC. The author asserted the following:"*wrong things were measured as right"*. This is one of the mistakes that were observed by Letza (1996:74-75). Furthermore, Kureshi (2014:35) asserted that the creation of right indicators still points to the best-performing organisations.

In the study conducted by Ittner and Larcker (2003), five mistakes were identified when designing non-financial measures, especially the lack of a link between measures and strategy, lack of a cause-and-effect relationship between measures and the measured activity, setting of wrong performance standards and targets, doing wrong measurements, as well as the application of several measures. However, Kureshi (2014:34; 36) noticed complications related to setting objectives, measures and targets at the design stage of the BSC. In truth, even the measurement of some indicators selected from the original BSC model is affected by these problems (Gatti, 2015:127).

Anthony and Govindarajan (1998) found that non-financial measures and financial results were weakly correlated. This was the most significant difficulty faced when implementing the BSC. However, according to Wisniewski and Ólafsson (2004:606), the measurement of intangibles is practically complex. Often, organisations do not implement the BSC due to the challenge faced in selecting appropriate KPIs (Northcott and Taulapapa, 2012:168). In this regard, the authors acknowledged the absence of a causal relationship between KPIs. Similarly, Kureshi (2014:35-36) demonstrated that service benefits are not correlated with performance indicators. For this reason, Nørreklit (2000, 2003) and Nørreklit and Mitchell (2007) rejected the validity of the cause and effect linkage of the BSC components.

In addition, measuring and monitoring performance were the difficulties faced by the preponderance of municipalities (Funck and Larsson, 2014:10-11). This led these organisations to discard the tool (Funck and Larsson, 2014:11). This led to the adoption of more effective instruments for supporting organisations, hence the BSC remains as unsteady a tool as the others (Funck and Larsson, 2014:11). Thus, organisational management should fully support the implementation of the BSC (Pucek and Špacek, 2014:166), since it is the key for enhancing its processes.

In conclusion, measuring the components of the BSC is not an easy task, but rather a challenging one. The abovementioned concerns are among the top ten difficulties related to the implementation of the BSC (Kureshi, 2014:34; 36). Atkinson et al. (1997) criticised the BSC for being imperfect, since it does not provide ways and means for measuring performance. Similarly, guidelines enabling the eventual measurement of performance in both for-profit and non-profit organisations have not been provided by existing studies (Micheli and Kennerley, 2005:125; (Boland and Fowler, 2000).To this end, the public sector needs to be aware of ways in which to develop these measures (Grigoroudis et al., 2011:117).

3.9 CONCLUSION

This chapter presented the literature review related to performance management (PM) activities, as well as BSC design and implementation. The literature showed that PM undertakings have dealt with strategy aligned with vison and mission statements, which are fundamental elements of the BSC framework. In addition, the setting of objectives and targets, as well as their measurement, are components of PM tasks, which are similar to the stages followed when implementing the BSC according to the original model. However, the establishment of strategic initiatives, which is one of the phases of BSC implementation, is not taken into account by organisational PM. Moreover, PM ensures the definition of performance outcomes and achievements, which is the main point of using the BSC. In the end, achievement is evaluated mainly in terms of objectives and targets.

CHAPTER FOUR
RESEARCH METHODOLOGY

4.1 INTRODUCTION

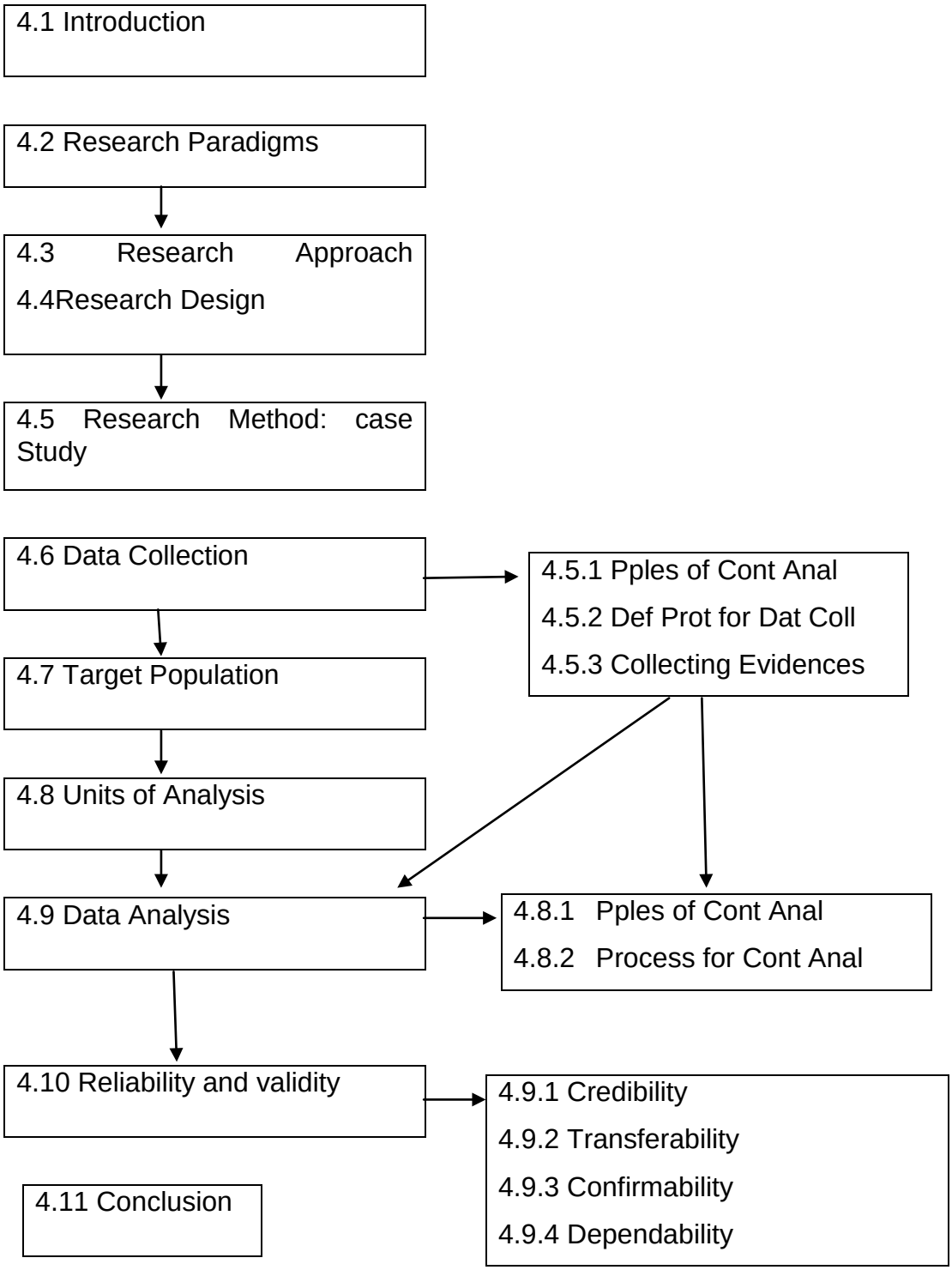
Chapter four deals with the research design and strategies employed in collecting, analysing and interpreting the data in this study, in order to address the research problem and achieve the research objectives of this study. The secondary problem of this study was the lack of proper performance management (PM) (Dirks and Wijn, 2002:408) and a performance measurement framework within organisations (Cuthbertson and Piotrowicz, 2011:584), while the main problem was the failure of the BSC's adoption and implementation (Kureshi, 2014:32), due to poor design (Dreveton, 2013:133) and processes for its implementation in the government (Pucek and Špacek, 2014:159).

In light of the above statement, the main objective of the study was to explore the implementation of the BSC by Gauteng Metropolitan Municipalities (GMMS). The secondary objectives were as follows:

1. To examine the extent to which the performance management system of GMMs may facilitate the implementation of the BSC.
2. To determine the performance measurement frameworks of GMMs.
3. To determine the extent to which the implementation of the BSC by GMMs complies with the original BSC framework developed by Kaplan and Norton in 1992.
4. To observe the impact of the implementation of the BSC on service delivery performance outcomes.

This chapter starts with a discussion of the research approach and design, followed by a look at the philosophy of a worldview. The remainder of the chapter contains the sub-sections of research methodology, which include data collection, analysis, discussion and interpretation, as well as validation of the data.

Figure 4.6: *Structure of Chapter Four*



4.2 RESEARCH PARADIGMS: REALISM

"A paradigm is a model or framework for observation and understanding which shapes both what we see and how we understand it" (Babbie, 2007:32). "*Scientific research paradigms are overall conceptual frameworks within which some researchers work, that is, a paradigm is a world-view or ``a set of linked assumptions about the world which is shared by a community of scientists investigating the world''* (Deshpande, 1983:101). Guba and Lincoln (1994) defined a paradigm as follows: "*A paradigm may be seen as a set of beliefs that deals with ultimate or first principles".* Indeed, these authors are convinced that these beliefs are accepted as the truth, which cannot be proven conventionally, and there are no basic criteria that allow for the elevation of one paradigm over another. Moreover, recent studies by Hennink, Hutter and Bailey (2011:16), Creswell (2014:5), and Matthews and Ross (2010:27) have argued in favour of diverse research paradigms.

Hennink, Hutter and Bailey (2011:16) believed that positivism and interpretivism are the two main paradigms in research. This view differs from Healy and Perry (2000:118), who identified four paradigms, namely positivism, critical theory, constructivism, and realism. Likewise, Creswell (2014:5) presents four advanced paradigms as follows: post- positivist, constructivist, transformative, and pragmatic. Thus, the four paradigms mentioned by Healy and Perry, as well as Creswell, are similar but have different names. The first paradigm uses quantitative methods (Hennink, Hutter & Bailey, 2011:16), while the last three paradigms use qualitative methods, as affirmed by Healy and Perry (2000:119), which are appropriate to qualitative research.

Matthews and Ross (2010:27) claimed that "*positivism is an epistemological position which asserts that knowledge of a social phenomenon is based on what can be observed and recorded rather than subjective understandings"*. Scientific research using quantitative methods through a survey is dealt with by the positivist paradigm (Bailey, 2007:51). This was supported by Creswell (2014:7), who confirmed the causal

relationship of outcomes through such paradigms. However, the different paradigms used in qualitative research are discussed below.

"*The term critical theory is a blanket term denoting a set of several alternative paradigms including but not limited to neo-Marxism, feminism, materialism and participatory inquiry*" **(**Guba & Lincoln, 1994). Here the emphasis is placed on the incorporation of historically situated structures by social realities (Healy & Perry, 2000:119). Conversely, authors such as Healy and Perry (2000:120), as well as Bashir, Afzal and Azeem (2008:42), have discussed the constructivism paradigm.

Bashir, Afzal and Azeem (2008:42) explained the term 'constructivism' as follows: *Constructivism in social perspective is defined as the view that all knowledge and therefore all meaningful reality, is contingent upon human practices, being constructed in and out of interaction between human beings and their world, and developed and transmitted within an essentially social context".* Equally important, Creswell (2014:8) presumed that the constructivism paradigm emphasises the understanding of the surrounding world of individuals. Healy and Perry (2000:120) thus concluded that such a paradigm is appropriate for social science research.

In spite of the above, the main feature of the realism paradigm, according to Healy and Perry (2000:120), is the discovery of a real world or phenomenon, regardless of its imperfections. In the same way, Creswell (2014:10) believed that real actions, situations and consequences are the focus of the realism paradigm. However, the discovery of the reality about a phenomenon remains the core of the realism paradigm. Thus, this study does not intend to confirm the cause- and-effect relationship of the research results, neither is it concerned with the historical situation, and it is not intended to understand the world where people live or work. Rather, it seeks to discover the existing reality in implementing the BSC within GMMs. Therefore, it is considered as part of the realism paradigm. In addition, every paradigm encompasses various components.

Ontology, epistemology, and methodology are included in each paradigm (Healy and Perry, 2000:118). The philosophy of ontology refers to the nature of social reality explored by researchers, as stated by Hesse-Biber and Leavy (2011:6). Epistemology defines the person who is qualified to be an investigator (Hesse-Biber and Leavy, (2011:6). Healy and Perry (2000:118) also explained that methodology refers to the use of different techniques by investigators in order to discover a truth.

Since this study falls within the realism paradigm, discussions about the ontology, epistemology, and methodology of the paradigm are brought to mind. In this case, ontology is based on the reality of a fact, including its imperfections, and for its epistemology, the research results are most likely to be the truth (Healy & Perry, 2000:119). The same authors proposed case studies and convergent interviewing as different methodologies of this paradigm. In this study, a case study was chosen, and the reasons why it was chosen will be discussed in the next section of this chapter.

Moreover, scientific paradigms list two theoretical developments, namely deductive and inductive approaches (Perry, 1998:785). The author presumed that the deductive approach tests theories, while the inductive approach builds theories. The positivist paradigm is considered to be deductive, while the inductive approach represents phenomenological paradigms (Easterby-Smith et al., 1991:24) which, according to Guba and Lincoln (1994), encompass critical theory, constructivism and realism. Therefore, an inductive approach was followed in this study, since it fell within the phenomenological paradigm, namely realism.

The conflict paradigm has been discussed in detail by Babbie (2007:33), who suggested two echelons of paradigms, namely micro and macro. The focus of the macro-level is on organisations in general, while the micro-level is related to social issues of individuals or small groups. Consequently, the paradigm for this study was pursued at macro-level, since its focus is not on individuals or small groups, but rather on GMMs in general. The next section focuses on the research method used in this study.

4.3 RESEARCH APPROACH: QUALITATIVE

Research is viewed as an activity for academics **(**Kothari, 2006:1). To clarify this statement, Matthews and Ross (2010:8) state the following: "*Research is identified as a process or practice by which we can extend our knowledge or find the answers to our question".* Thus, the articulation between research objectives and questions asked in the research field is demonstrated through methodology (Clough & Nutbrown, 2012:24). Indeed, the hidden reality is discovered through the mentioned practice (Kothari, 2006:2). Accordingly, the coherent association between the research question(s) and issues such as data collection, analysis and interpretation is part of a research design (Hartey, 2004:326: Yin, 2003a:19-21).

With regard to the above, Creswell (2014:3) stated that **"***research approaches are plans and the procedures for research that span the steps from broad assumptions to detailed methods of data collection, analysis and interpretation".* To be specific, quantitative, qualitative, and mixed methods are the three alternative research approaches (Creswell, 2014:3). On the one hand, quantitative approaches are more focused on random sampling and the use of numbers (Devlin, 2006:53; Creswell, 2014:4), while qualitative approaches, on the other hand, are concerned with the description and understanding of the phenomenon or event being studied, as it relates to human experience (Bashir, Afzal & Azeem, 2008:35; Cooper & White, 2012:7). Creswell (2014:4) explained that mixed methods deal with the combination of quantitative and qualitative approaches. This study does not use numbers or random sampling - in contrast, it is concerned with the description and understanding of the BSC application in GMMs, and thus is considered to be a qualitative approach. In addition the choice of research design is discussed in the following section.

4.4 RESEARCH DESIGN: DESCRIPTIVE

Another insight has been given by Cooper and White (2012:2), who acknowledged the complexity of research in different disciplines. For example, the importance of research

in social science has been demonstrated by Pole and Lampard (2002:21). For a better understanding of the term 'social science', Babbie (2007:87) has defined the concept 'science' as follows: "*Science is an enterprise dedicated to finding out".* At the same time, Matthews and Ross (2010:13) associated social science with organisational events such as local and central government, and clubs such as charities, schools, football teams, etcetera. Accordingly, this study is a part of social research, since it concerns the Gauteng Metropolitan Municipalities, which are part of local government.

In addition to the above discussion, Babbie (2007:87) distinguished three purposes of social research, namely exploration, description, and explanation. The author explained that explorative research entails the exploration or examination of a new interest or subject of study. Descriptive research refers to the observation and description of situations and events (Babbie, 2007:88; Renusonand and Host, 2009:139), while explanatory research deals with the explanation of a situation or problem under investigation (Babbie, 2007:89; Renuson and Host, 2009:139). Moreover, Rensuson and Host (2009:139) assumed that an explanatory study may or may not implicate the causal relationship.

In this regard, the accuracy and precision of descriptive research in terms of causal relationships has been emphasised by Babbie (2007:89). The three abovementioned purposes do not seem to be satisfactory for Robson (2002), who decided to add a fourth purpose; namely "improving". Renuson and Host (2009:139) emphasised that the improvement of a certain aspect of the phenomenon under examination is the concern of this purpose. Therefore, the purpose of this study is descriptive because it observes, portrays and describes the implementation of the BSC by GMMs. Furthermore, time is also a significant factor in research.

In fact, designing a study involves time. Babbies (2007:102) distinguishes between cross-sectional and longitudinal studies in research design. The implementation of the first option involves the observation or cross-sectional examination of a sample, population or phenomenon at one point in time, while with the second option, the same

phenomenon can be observed over an extended period. This study is therefore not only descriptive, but also longitudinal, because the implementation of the BSC was scrutinised for the periods of 2011-2012, 2012-2013 and 2013-2014. Once again, it can be noted that appropriate material such as annual reports or trade magazines contain comparable information related to organisations. For this reason, policies and annual reports of GMMs were chosen as the material for this study. The next section explores the different paradigms in research.

4.5 RESEARCH METHOD: MULTIPLE CASE STUDY

The identification of a methodology leads to the selection of diverse methods of data collection and analysis. The use of different techniques to gather and analyse data are called research methods (Petty, Thomson & Stew, 2012: 380). The components of these methods were listed by Creswell (2014:5) as follows: questions, data collection, data analysis and interpretation, as well as validation. However, Catanzaro (1988), Robson (1993), and Marshall and Rossman (1995) emphasise that choosing such methods depends on the objectives of the study.

There are several methods for qualitative research (Marshall, 2011:3). Recent studies by Creswell, Hanson, Clark and Morales (2007:237); Petty, Thomson and Stew (2012:378); and Creswell (2014:12) acknowledge the existence of five alternative fields for qualitative research, namely narrative research, phenomenology, grounded theory, ethnography, and case study. Their processes have also been discussed by Creswell et al. (2007:237). Additional contributions were made by Liamputtong (2013), who states that oral stories, life stories and bibliographical research, as well as memory work, are components of the narrative research method.

Marshall (2011:17) distinguishes grounded theory, ethnography, and case study from other qualitative methods. The author believes that they are major strategies. Creswell (2014:14) gives a brief insight into each of these methods, stating that grounded theory is a field of sociology; ethnology is derived not only from anthropology but also from

sociology; and case studies are not limited to specific fields, but can be used by various fields. Furthermore, according to Creswell (2014:4), interviews and qualitative case studies are principal methods for qualitative approaches. The author asserts that open-ended questions are the fundamental elements of interviews. He assumes that case studies can be conducted where there is a need for an in depth analysis of a case under study (Creswell, 2014:14). Indeed, this study is not a part of sociology or anthropology, but studies a particular phenomenon within an organisation. In other words, it is an organisational study. For this reason, the case study method has been chosen for this study, as previously mentioned

Creswell (2012:97) stated that the case study is a qualitative research method. In contrast, Stake (2008:119) disagrees by claiming that it is not a methodology, but rather a type of study. Likewise, Hartley (2004:323) is persuaded that it is not part of research methodology, but is rather a research strategy. The important fact, according to Kohlbacher (2006:3), is that it is widely applied, not only in research on organisations, but also by the social sciences.

According to Hartley (2004:326), there are two categories of case study, namely a single case study and a multiple case study. In the view of Stake (2008:128), intrinsic, instrumental and collective methods are three methods of case study research. Intrinsic case studies focus on the development of one's own issues, contexts, and interpretations, and it is a thick description of a case. Creswell (2012:99) argues that a single or instrumental case study deals with one bounded case, while e multiple case studies investigate more than one case. This study will examine the implementation of the BSC in GMMs. GMMs comprise three metropolitans, namely Ekurhuleni Municipality, City of Johannesburg, and City of Tshwane. Therefore, multiple or collective case studies was the proper choice of method for this study since similarities and differences between these cases may be revealed in the research findings.

Studies by Babbies (2007:298), Yin (2009) and Hartley (2004:326) assumed that a qualitative case study should be explanatory, descriptive or exploratory. The meaning of

these concepts was explained earlier in section two of this chapter. For the purposes of this study, the descriptive case study method was followed. In this regard, Eisenhardt (1989:534-535) and Yin (1981:58) contended that case studies can be done using a quantitative approach, qualitative approach, or both. Patton and Appelbaum (2003:60) advocated that the qualitative approach is often the most predominant. Since this study uses the qualitative approach, qualitative case studies were applied.

The flexibility of case studies has been advocated by Renuson and Host (2009:138). In this regard, numerous researchers, such as Yin (1994), Creswell, Hanson, Clark and Morales (2007:247), Gibbert, Ruigrok and Wicki (2008:1469-1472) and Renuson and Host (2009:137-138), have presented various procedures for the application of case studies. Designing, conducting and analysing the evidence of case studies, as well as the development of conclusions, recommendations and implications, are the processes suggested by Yin (1994). The simplest one was proposed by Gibbert, Ruigrok and Wicki (2008:1469,-1472) which includes sampling, coding, and assessing the validity of results. According to Renuson and Host (2009:137-138), six stages are involved, namely designing the case study, preparing data collection procedures, defining protocols for data collection, collecting evidence, analysing, and reporting. Since using case studies is acknowledged as a flexible method, this study has adopted the procedures recommended by Renuson and Host (2009:137-138), and implemented them according to the needs of the study. The collection of data is the focus of the next section.

4.6 DATA COLLECTION

As mentioned earlier, this study adopted Renuson and Host's (2009:137-138) model for implementing the case studies. The process of this model is presented below.

4.6.1 Preparing Data Collection Procedures

- **Literature Review**

Bowen (2009:28) declared that "*Researchers typically review prior literature as part of their studies and incorporate that information in their reports"*. Initially, this study reviewed literature on the implementation of the BSC. For the purposes of this study, implementing the BSC is associated with performance management, performance measurement frameworks, the BSC framework, and o performance outcomes of the GMMs'service delivery. Another feature is that theories are important elements that drive research (Renuson and Host, 2009:140).

Renuson and Host (2009:139) referred to theory as the frame of reference. Thus, theories need to be prepared and reviewed. From the literature, a theoretical framework was initially developed in chapter two and used as a frame of reference to direct the research. It contained crucial elements for the study, and was a strategy used to avoid any deviation. The theoretical framework comprised the components of features that are related to the implementation of the BSC, such as performance management and performance measurement. The BSC framework itself was a part of this theoretical framework, since it contains significant constituents for its implementation, as well as outcomes that result from the implementation of a BSC. In addition, documents were reviewed in order to identify elements that should be analysed.

- **Document Review**

According to Bowen (2009:30), situations require observations that may be contained in documents. This may generate questions that should be answered as a part of the research. Thus, policies and annual reports of GMMs were chosen as the main

documents for this study. Indeed, these two research materials were selected in order to collect adequate data to answer the research questions.

Annual reports were chosen for the following reasons: they are potential resources for studies based on observation, as advocated by Bowen (2009:27), and are also valid documents (Bowman, 1984:63). The policies and annual reports of each studied metropolitan were collected from the metropolitan's website, since such information is available in the public domain.

4.6.2 Defining protocols for data collection

Collective case studies require similarities between the studied cases (Stake, 2013). This author recommended the planning, organisation, and individual study for each case. Policies and annual reports of each studied metropolitan were examined individually. Thus, this study selected four similar cases for each GMM, namely the performance management system, performance measurement framework, BSC framework, and performance outcomes. These are the fundamental elements of this study. Furthermore, the paragraphs below describe the different parameters that were focused on in order to ensure homogeneity between each GMM under investigation.

With regard to the policies of the three GMMs, the focus was more on their performance management systems. The examination was based on the disclosure of activities relative to those performed when implementing the BSC. The aim here was to determine whether or not these systems can facilitate the implementation of the BSC, as well as to determine whether or not the BSC was adopted as a performance measurement framework. When collecting data from the annual report, the focus was mainly on service delivery performance, because the implementation of the BSC was reported through this section. This permitted the researcher to collect data relative to the basic elements pertaining to the BSC framework, as well as the performance outcomes of service delivery.

According to Stake (2013), the study of a case requires an in-depth observation of its functioning and activities. This study has cautiously observed the functioning and activities of the performance management systems of each metropolitan included in this study. This is because a performance management system may lead to the development of a good performance measurement framework. Certainly, performance management may facilitate not only the perfect adoption of the BSC, but also the success of its implementation. Furthermore, the BSC framework was referred to because it contains significant elements or procedures for its implementation. This is the core of the tool. Lastly, performance outcomes are also mentioned because the impact of the BSC on service delivery performance is visible through its outcomes.

As mentioned in the sub-section above, the policies and annual reports of the GMMs were the only sources for collecting data in this study. The purpose of collecting data from the GMMs' policies was to examine their performance management systems, as well as performance measurement frameworks. Specifically, annual reports were collected for two purposes, namely describing the implementation of the BSC, and its impact on service delivery performance outcomes.

The elements to be examined, analysed and interpreted later on are contained in the four basic aspects the study, which are: performance management involves activities of performance management systems, and activities relative to those of implementing the BSC, notably: setting objectives, measures, targets, and strategic initiatives. The performance measurement framework was also focused on in combination with performance management because the literature review in chapter two of this study advocated that it cannot be separated from performance management (Brudan, 2010:110), is a part of performance management (Neely & Adams, 2000), and is a unique constituent of performance management (Biron, Farndale & Paauwe, 2011:1295).

Therefore, there are five elements of performance management: setting objectives, setting measures, setting targets, setting strategic initiatives, and the performance

measurement framework. The BSC focuses on the four elements contained in its framework, namely objectives, measures, targets, and strategic initiatives. These four are the variables of the BSC that will be investigated. The following are the five variables of performance outcomes: number of targets, number of targets achieved, number of targets not achieved, number of targets partially achieved, and number of targets overachieved.

4.6.3 Collecting evidence

According to Yin (2003), identical procedures for each case are required. This includes data collection, presentation of data, data analysis, as well as their interpretation. To emphasise this, Stake (2013) suggested the integral presentation of data of multiple case studies. In order to comply with Stake‘s requirement, the data collected in this study were presented in an intact manner and attached as appendices. In addition, Stake (2013) stated that *“data from a multiple case study usually will come mostly from these cases studied”.* As a result, data were collected from the cases under investigation themselves.

Ryan and Bernard (2000:785) proposed the creation of a matrix that will help to fill a set of qualitative data. Therefore, three tables were created to present data in this study. Only data related to the research variables were collected and presented in the fashioned matrices. Thus, with regard to all the cases studied within the GMMs, identical tables were created to present the collected data of each metropolitan. This was not exclusive to any of the metropolitans. In other words, matrices were the same regardless of what the existing variables of one or two cases were missing, in comparison with the one or two other cases. The first table was created to present data about the GMMs’ performance management, the second presented data which corresponded to the BSC framework, and the third was created to present the performance outcomes of service delivery.

4.6 TARGET POPULATION

Blumberg, Cooper and Schindler (2005) define a population as the total collection of elements about which a researcher wishes to make some inferences. However, according to Burns and Bush (2006), it is a group that the study is interested in knowing something about. Thus, Gauteng Metropolitan Municipalities were used as the target population of this study, namely Ekurhuleni Municipality, the City of Johannesburg, and the City of Tshwane. Moreover the sample consisted of the entire population.

4.7 UNITS OF ANALYSIS

The units of analysis in research refer to the elements that have to be examined (Babbies, 2007:95). Graneheim and Lundman (2004:106) understood units of analysis to be the various objects of investigation, which may be individuals, organisations, programmes, a person, etc. Likewise, Babbies (2007:96) listed them as follows: individuals, groups, organisations, social interactions, social artefacts, or any product of social beings or their behaviour. This study has chosen performance management, performance measurement framework, BSC framework, and performance outcomes of GMMs as units of analysis. Thus, in order to ensure homogeneity between these units of analysis, performance management activities, the BSC performance measurement tool, the main stages of the BSC implementation integrated into its framework, as well as the target achievement status of each GMM, were used as the parameters of this study.

South Africa has a large number of municipalities. On a provincial level, the Gauteng province has three metropolitan municipalities, namely: Ekurhuleni Municipality, the City of Johannesburg, and the City of Tshwane. However, this study assumes that, viewed together, these metropolitans give a fairly accurate picture of Gauteng Metropolitan Municipalities. As the population of the study is so small (less than 100), they were all examined, and there was therefore no need for sampling them.

4.8 DATA ANALYSIS

To analyse a document, it must be examined, assessed and interpreted (Bowen, 2009:32). Bowen (2009:32) further claimed that it involves the fundamentals of content and thematic analyses. According to Grbich (2007:16), thematic analysis processes consist of collecting raw data, and then segmenting, categorising and bonding them, before interpreting them. The content analysis process is based on the categorisation of data according to the questions of the study (Bowen, 2009:32). According to Berg (1998), words, phrases, theories, topics, concepts or other characteristics may be the content components. The use of content analysis is greatly acknowledged in research methods, as indicated by Guthrie, Petty, Yongvanich and Ricceri (2004:290), and also in document analysis **(**Elo & Kynga, 2008:108). Therefore, the choice for the data analysis in this study is content analysis, because it analyses policies and annual reports of GMMs. In addition, this study intended to categorise data according to the research questions.

4.8.1 Principles of Content Analysis

- **Quantitative, Qualitative or Mixed Methods Content Analysis**

Studies by Hepherd and Achterberg (1992) and Zhang and Wildemuth (1996:5) acknowledge the existence of quantitative, qualitative or mixed methods content analyses. As specified earlier in the chapter, this study is a qualitative approach, and qualitative content analysis was therefore conducted. Qualitative content analysis has been defined by Hsieh and Shannon (2005:1278) as *"a research method for the subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns".* The role of qualitative content analysis was described as follows: It may create theories; its selected sample depends largely on the research questions; it is more descriptive; and it regularly reveals patterns, themes, and categories to social reality (Zhang & Wildemuth, 1996:1-2).

Another reason for the application of qualitative content analysis is that this study has a descriptive purpose.

- **Inductive and Deductive Content Analysis**

According to Elo and Kynga (2008:109), there are two processes of content analysis, namely inductive and deductive content analysis. Deductive content analysis is used in quantitative approaches, while qualitative approaches apply inductive content analysis (Elo & Kynga, 2008:109). Similarly, Zhang and Wildemuth (1996:1) affirmed that the main characteristic of qualitative content analysis is the fact that it is inductive. Thus, since this study has adopted a qualitative approach, an inductive content analysis process will be used.

In the case of inductive content analysis, raw data generates coding categories, as mentioned by Moretti et al. (2011:421) and Krippendorff (2004:173).In addition, the description of a specific phenomenon, as well as theory testing, is not dealt with inductively, according to Zhang and Wildemuth (1996:3). These authors also state that inductive content analysis is helpful in developing theories.

- **Conventional Qualitative Content Analysis, Directed Content Analysis, and Summative Content Analysis**

Conventional qualitative content analysis, directed content analysis, and summative content analysis are the three different approaches of qualitative content analysis (Hsieh & Shannon, 2005). These authors explain that conventional qualitative content analysis forms coding categories directly from the raw data. The grounded theory method is mostly used in this approach. However, in the case of direct content analysis, coding (categories) is derived from theory, which leads to the collection of data. In other words, data are collected according to the created categories or coding. The validation of the theoretical framework is the purpose of this approach. Finally, words or manifested content is counted in summative content analysis, and then extended to

include latent meanings and themes. Although the quantitative principle is used in this approach, Hsieh and Shannon (2005) conclude that it remains a qualitative content analysis, because categories are used inductively.

In this study, both conventional qualitative content and summative content analyses were used, since categories and sub-categories were formed from raw data and then integrated into the BSC framework. Furthermore, these subcategories were counted in order to determine the equilibrium between these sub-categories or elements of the BSC.

- **Manifest or Latent Content**

Manifest or latent content is a critical element in qualitative content analysis (Graneheim & Lundman, 2004:106; Zhang & Wildemuth, 1996:1). The difference between these two concepts is that manifests content analyses perceptible aspects of a phenomenon, while latent content analyses the relationship aspect of a phenomenon (Graneheim & Lundman, 2004:106). According to these authors, the depth of the interpretation of manifest and latent content depends on the extent of the abstraction.

- **Manual or Automatic Content Analysis**

Sjøvaag and Stavelin (2012:219) state that there are two ways of implementing qualitative content analysis: manually, for instance in the form of tables, or automatically, such as charts. However, it is also feasible to combine these two techniques. as revealed by Lewis, Zamith, and Hermida (2013:34). Thus, both manual and automatic content analyses were chosen for this study. Tables were used as a manual tool in order to present the collected data, while charts were used in order to automatically analyse the data presented through tables. Above all, manual content analysis was used because it is still considered to be superior by Sjøvaag and Stavelin (2012:219), while charts make the interpretation of findings easier.

4.8.2 Process for Content Analysis

Studies by authors such as Hoskins and Mariano (2004); Elo and Kynga (2008:113); Weber (1990:13); Burnard (1996); and Guthrie and Mathews (1985:251) reveal that there is no linear guideline for conducting content analysis. This is why it is considered to be a flexible method. Nevertheless, some technical recommendations have been provided by Harris (2001:194); Weber (1990:13); Downe-Wamboldt (1992:314-315); Lewis, Zamith, and Hermida (2013:36); McMillan (2000) and Riffe et al. (2005).

Since there is no single way to conduct content analysis, the processes followed in this study encompass the following: selecting the units of analysis; selecting material for content analysis; categorisation; requirements for the disclosure of content; reducing the size of the data; conducting descriptive analysis; interpreting results; reporting results; assessing reliability and validity; and providing recommendations.

- **Selecting the Units of Analysis**

The choice of units of analysis is critical in content analysis, as highlighted by Graneheim and Lundman (2004:106). The units of analysis in this study are performance management, performance measurement framework, BSC framework, and performance outcomes of GMMs, as discussed in the section above.

- **Selecting Material For Content Analysis**

Annual reports and other corporate documents are mostly used in content analysis, according to Duriau, Reger, Michael and Pfarrer (2007:14), as well as Bowman (1982, 1984). As mentioned in section 4.5 of this chapter, policies and annual reports constituted the material that was used for this study. These documents are published on each metropolitan municipality's website, since they are in the public domain.

- **Categorisation**

The fundamental characteristic of qualitative content analysis is the development of categories (Graneheim & Lundman, 2004:107). In this study, categories were created. Krippendorff (1980) defines a category as "*A group of content that shares a commonality".* Downe-Wamboldt (1992:317) presumes that the development of categories relies on the researcher's objectives. Thus, categories were created according to the objectives of this study.

Data, previous related studies and theories are adequate sources to develop categories, according to Zhang and Wildemuth (1996:3). However, these authors suggest that categories can also be created from raw data when theories are missing. As discussed in the previous sub-section, this study conducted a conventional qualitative content analysis, which means that categories were created from the raw data found in the annual reports and policies of the GMMs.

A question involving "what" is mostly answered by a category (Krippendorff, 1980). For categories to be created in this study, the questions included the following: "What activities similar to the implementation of the BSC were disclosed in the GMMs' policies?"; "What is the performance measurement framework of each GMM?"; "What are the components of the BSC framework contained in the GMMs' scorecards?"; and "What is the impact of the implementation of the BSC on the targets set by GMMs?" In this study, categories were created to respond to the concerns regarding the implementation of the BSC.

Zhang and Wildemuth (1996:4) asserted that multiple categories can also be created, Krippendorff (1980) rephrases this statement as follows: "A *category often includes a number of sub-categories or sub-subcategories at varying levels of abstraction. The sub-categories can be sorted and abstracted into a category or a category can be divided into sub-categories*". This study identified three categories, namely: performance management, BSC framework, and performance outcomes. Each of these

categories comprised sub-categories. Performance management has four sub-categories: setting objectives, setting measures, setting targets, and performance measurement frameworks. Objectives, measures and targets are the three sub-categories of the BSC framework of GMMs. In terms of performance outcomes, the five sub-categories include the number of targets, targets achieved, target not achieved, targets partially achieved, and targets overachieved.

Lincoln and Guba (1985) and Patton (1987) portray categories as being either internally homogeneous or externally heterogeneous. According to Patton (1987), homogeneous categories consist of the same things, while heterogeneous categories refer to many different kinds of things. The categories in this study were homogeneous, because they consisted of the same kind of things, namely performance management, BSC framework, and performance outcomes for all GMMs.

Krippendorff (1980) also distinguishes exhaustive categories from mutually exclusive ones. The author explains them in this way: "*No data related to the purpose should be excluded due to lack of a suitable category and no data should fall between two categories or fit into more than one category*. In the raw data collected for this study, not all the case studies contained all the sub-categories. Some were disclosed, while others were missing. In other words, what was disclosed in one metropolitan was missing in another metropolitan. In order to meet the requirement of categorisation, no category or sub-category was excluded due to the lack of disclosure in the report. Thus, all categories and their sub-categories were taken into account, and their evidence was presented according to their disclosure or lack of disclosure. The requirement of disclosure is discussed in the next sub-section.

Table 4.1: ***Categories and sub-categories developed for content analysis***

Sub-categories	Categories		
	Performance Management	**Balanced Scorecard**	**Performance Outcomes**
01	Setting objectives	Objectives	Number of targets
02	Setting measures	Measures	Number of targets achieved
03	Setting targets	Targets	Number of targets not achieved
04	Setting initiatives	Initiatives	Number of targets partially achieved
05	Performance measurement framework		Number of targets overachieved

- **Requirements for the Disclosure of Content**

Duriau, Reger, Michael and Pfarrer (2007:14) assume that content analysis also consists of the observation of the content of organisational disclosures. Similarly, Yongvanich and Ricceri (2004:285-286) acknowledge the disclosure of a variety of information in the annual reports of organisations. In this study, categories and sub-categories found in the policies and annual reports of GMMs were reported in full, while those that did not appear were reported as 'not disclosed' (N/D). The table below shows the requirements for the disclosure of content from the GMMs' policies and annual reports.

Table 4.2: ***Conditions Requirement for the Disclosure of Contents***

Sub-Categories	Category A: Performance Management	
	Requirement for disclosure	**Requirement for non-disclosure**
Setting Objectives	If setting objectives is disclosed in the policies, it will be reported fully in collected data.	If setting objectives is not disclosed in the policies, then it will be reported as not disclosed (N/D) in collected data.
Setting Measures	If setting measures is disclosed in the policies, it will be reported fully in collected data.	If setting measures is not disclosed in the policies, then it will be reported as not disclosed (N/D) in collected data.
Setting Targets	If setting targets is disclosed in the policies, it will be reported fully in collected data.	If setting targets is not disclosed in the policies, then it will be reported as not disclosed (N/D) in collected data.
Performance Measurement Framework	If the performance measurement framework is disclosed in the policies, it will be reported fully in collected data.	If the performance measurement framework is not disclosed in the policies, then it will be reported as not disclosed (N/D) in collected data.
Category B: BSC Framework		
Objectives	If the objectives of each service delivery are	If the objectives of each service delivery are not disclosed in the

	disclosed in the annual report, then the number of objectives disclosed will be reported in collected data.	annual report, then they will be reported as not disclosed (N/D) in collected data.
Measures	If the measures of each service delivery are disclosed in the annual report, then the number of measures disclosed will be reported in collected data.	If the measures of each service delivery are not disclosed in the annual report, then they will be reported as not disclosed (N/D) in collected data.
Targets	If the targets of each service delivery are disclosed in the annual report, then the number of targets disclosed will be reported in collected data.	If the targets of each service delivery are not disclosed in the annual report, then they will be reported as not disclosed (N/D) in collected data.
Category C: Performance Outcomes		
Number of Targets	If the number of targets of each service delivery is disclosed in the annual report, then the number of targets will be reported in collected data.	If the number of targets of each service delivery are not disclosed in the annual report, then they will be reported as not disclosed (N/D) in collected data.
Number of Targets Achieved	If the number of targets achieved in each service delivery is disclosed in the annual report, then it will be reported in collected data.	If the number of targets achieved in each service delivery are not disclosed in the annual report, then it will be reported as not disclosed (N/D) in collected data.
Number of Targets	If the number of targets not	If the number of targets not

Not Achieved	achieved in each service delivery is disclosed in the annual report, then it will be reported in collected data.	achieved in each service delivery are not disclosed in the annual report, then it will be reported as not disclosed (N/D) in collected data.
Number of Targets Partially Achieved	If the number of targets partially achieved in each service delivery is disclosed in the annual report, then it will be reported in collected data.	If the number of targets partially achieved in each service delivery are not disclosed in the annual report, then they will be reported as not disclosed (N/D) in collected data.
Number of Targets Overachieved	If the number of targets overachieved in each service delivery are disclosed in the annual report, then it will be reported in collected data.	If the number of targets overachieved in each service delivery are not disclosed in the annual report, then it will be reported as not disclosed (N/D) in collected data.

The above table gives details regarding the requirements for content disclosure. Moreover, it is important to emphasise that any service not delivered by a metropolitan municipality will be reported as not available (N/A) in terms of the sub-categories of the BSC, as well as performance outcomes. Since the sub-categories of each metropolitan municipality contain a large amount of data, it was necessary to undertake the reduction of the data size.

- **Reducing the Size of Data**

Lewis, Zamith, and Hermida (2013:37-38) suggested that too large data should be reduced. Thus, in this study, data collected on the service delivery performance of each metropolitan municipality were firstly presented in full. This allowed the researcher to obtain a broad view of the gathered data, as well as a better understanding. The

grouping of the summary presented in each table was done in order to reduce the size of the data. This was helpful, since it made the analysis and interpretation phases much easier.

- **Conducting a Descriptive Analysis**

According to Lewis, Zamith, and Hermida (2013:44), descriptive analyses help to identify all of the unique sources and the proportion of the overall sources that they represent. This study described in detail the way in which the BSC has been implemented by GMMs, by examining different annual reports published for the three financial years under investigation.

- **Interpreting Results**

The personal and theoretical understanding of a studied phenomenon is embodied by interpretation (Zhang & Wildemuth, 1996:5). Thus, the development of aspects of interpretation is fundamental in qualitative approaches (Kohlbacher, 2006). For this reason, the case study (Simons, 2009) and qualitative content analysis (Zhang & Wildemuth, 1996:6), as qualitative methods, are viewed from an interpretive perspective. In addition, new theories and new models may be derived from the findings of such approaches (Zhang & Wildemuth, 1996:11). They assume that previous studies have also had an impact on gathering and discussing research results in collective case studies.

According to Kohlbacher (2006), categories are appropriate sources for the interpretation of qualitative content analysis. Therefore, in this study, interpretation is based on categories and sub-categories developed in the analysis stage.

- **Reporting Results**

Reporting qualitative content analysis results is not an easy process (Zhang & Wildemuth 1996:5). Miles and Huberman (1994) suggest the inclusion of matrices, graphs, charts, and conceptual networks to display results. According to Patton (2002), research objectives contribute towards the form and extent of the reporting of findings. Denzin (1989) emphasises the existence of an equilibrium between the description and interpretation of findings. It is therefore necessary for findings to be presented through matrices in a descriptive way, in order to facilitate the interpretation.

4.9 RELIABILITY AND VALIDITY

Bashir, Afzal and Azeem (2008:38) made the following statement: *"Because a paradigm is a world view, spanning ontology, epistemology and methodology, the quality of scientific research done within a paradigm has to be judged by its own paradigm's terms".* They claim that there is a need for credibility and truth in any research approach. In this regard, Lincoln and Guba (1985) and Babbie (2007:143) identify reliability and validity as measurement tools in research. Furthermore, Lincoln and Guba (1985) emphasise that these two concepts reinforce the trustworthiness of research findings. According to Bashir, Afzal and Azeem (2008:35), trustworthiness, rigour and quality in qualitative paradigms are assessed through reliability and validity. However, with a quantitative approach, the quality of research is evaluated through validity, reliability, and objectivity (Zhang & Wildemuth, 1996:6). Since this study adopted a qualitative approach, reliability and validity were taken into account.

According to Bashir, Afzal and Azeem (2008:39), reliability is applicable to any research approach. According to Babbie (2007:143), it refers to the same findings being produced by the same data collected more than once for the same phenomenon under investigation. Reliability consists of the demonstration of data and findings, and also examines their trustworthiness (Polit & Beck, 2004).

Babbie (2007:146) and McMillan and Schumacher (2006) refer to validity as the extent of the similarities between the explanations of a phenomenon and its reality. Description and explanation are the core elements of validity in qualitative research (Bashir, Afzal & Azeem, 2008: 40). In this regard, validity aims to ensure that explanations of a phenomenon match with its description. In fact, description refers to the real world. In addition, research findings can validate existing theories (Zhang & Wildemuth, 1996:11).

Triangulation is another way of establishing reliability and validity (Bashir, Afzal & Azeem, 2008:43; Creswell, 2003; McMillan & Schumacher, 2006). Patton (2001) affirms that triangulation combines methods. In the same way, Bashir, Afzal and Azeem (2008:42) evoke the mixture of quantitative and qualitative methods, such as observation, interviews and recordings, as methods for triangulation. According to Barbour (1998), this is very difficult- it is easy to mix paradigms, but not methods.

Validity and reliability are also related to the fundamental steps of a methodology, including data collection, coding or categorisation, analysis of content, and interpretation of results **(**Duriau, Reger, Michael & Pfarrer, 2007:8). Bashir, Afzal and Azeem (2008:35) state that *"Validity in qualitative research means the extent to which the data is plausible, credible and trustworthy; and thus can be defendedwhen challenged".* According to Petty, Thomson and Stew (2012:381-384); Lincoln and Guba (1985); and Graneheim and Lundman (2004:107-108), the quality of qualitative research is classified as truth or credibility, neutrality or conformability, consistency or dependability, and applicability or transferability.

4.9.1 Credibility

Tracy (2010:842) refers to the credibility of a qualitative study in terms of the trustworthiness, verisimilitude, and plausibility of the research findings. These rely on the capability and endeavour of the investigator (Bashir, Afzal & Azeem, 2008:38; Lincoln & Guba, 1985).

Zhang and Wildemuth (1996:8) and Bradley (1993:436) explain that the evaluation of the validity of the real world under investigation is the main role of credibility. In order to achieve this, integrity of data representation is required (Thomas & Magilvy, 2011:152). Morrow (2005) stated that the adequacy of findings is related to the integrity of the data. From this, interpretations will be verified against raw data, as indicated by Thomas and Magilvy (2011:152).

Elo and Kynga (2008:112) suggest the use of appendices and tables to demonstrate the relationship between data and findings. According to Bowman (1984:63), annual reports by themselves are already sufficient to prove the validity of data, because much time has been spent on preparing, writing and presenting such documents. For this study, tables were used to present the relationships between data and findings. In addition, the policies and annual reports of GMMs were attached in full as appendices.

4.9.2 Transferability

In qualitative research, the term 'transferability' means that the research findings of a specific study can be applied to another context (Lincoln & Guba, 1985:290; Zhang & Wildemuth, 1996:6). To establish transferability, Thomas and Magilvy (2011:153) state that researchers should describe the population, demographics and geographic boundaries of the phenomenon under investigation. For this study, all these elements were described in detail. The description of the population was briefly provided in chapter one, and then in more detail in section 4.6 of this chapter, while demographics and geographic boundaries were mentioned in chapter one of this study.

4.9.3 Confirmability

The ease of access and transparency of data for the readers is the focal point of confirmability (Richards, 2009:160). Thomas and Magilvy (2011:154) and Holliday (2013:5) suggested that for this reason, data should be presented in full. Therefore, the gathered data will be presented in a comprehensive manner in chapter five.

According to Zhang and Wildemuth (1996:6-7) and Bradley (1993:437), from the presentation of the data, research findings can be confirmed or reviewed by other readers. This is a way of checking confirmability (Thomas & Magilvy, 2011:154; Holliday, 2013:5). In this regard, however, the findings of this study have not been reviewed by other readers due to time constraints. Therefore, the data are presented in full and the raw data are presented as appendices, in order to be re-examined by potential researchers who are willing to embrace a similar topic.

According to Zhang and Wildemuth (1996:6-7), audits are a better way of checking confirmability. They emphasise that audits are based on research data, findings, interpretations and recommendations. They also suggest raw data, field notes, theoretical notes and memos, coding manuals, categorisation manuals, process notes, etc. as materials for auditing. Although the annual reports of GMMs have been reviewed by the auditor-general, their examination has not been taken into account by this study, since it did not comply with the research objectives. Above all, the time factor was also a limitation in this regard. Nevertheless, the collected data and appendices will always be available for a further audit.

4.8.4 Dependability

According to Richards (2009:160) and Zhang and Wildemuth (1996:6), dependability refers to the processes followed to conduct the study. Thomas and Magilvy (2011:153-154) list them as follows: the description of research objectives and research methods; discussion of the selection of participants; description of data collection; description of the analysis process; explanation for the reduction and transformation of data into analytical form; and the discussion and reporting of findings. All these processes were followed when conducting this study. In this regard, the research objectives were discussed in chapter one of this study, while all processes related to the research methods were mostly discussed in this chapter.

According to Thomas and Magilvy (2011:153-154), the determination of appropriate techniques for ensuring the reliability and validity of data are also processes to be followed to verify dependability. Accordingly, this study considered the four different criteria used to ensure the quality of qualitative research.

In addition, researchers can use audit techniques to determine dependability, as stated by Zhang and Wildemuth (1996:6-7). The consistency of research processes and findings are verified by using materials such as raw data, field notes, theoretical notes and memos, coding manuals, process notes, and so on.

4.10 CONCLUSION

In this chapter, a description of the research methodology applied in gathering data to solve the research problem was provided. Multiple case studies were identified as the research method and discussed, in order to explain why this method was chosen. The sources of data collection were also mentioned, such as the literature and document review. In this regard, the researcher emphasised that the annual reports of different cases under investigation were used as material to collect primary data. Gauteng Metropolitan Municipalities (GMMs) were identified as the target population. In addition, qualitative content analysis was identified as the appropriate technique to analyse data, and was then described in detail. Finally, techniques to evaluate reliability and validity were discussed, as well as credibility, transferability, dependability and confirmability. In the next chapter, collected data is presented, analysed, discussed and interpreted according to the theoretical framework discussed in chapter two, and the findings are reported.

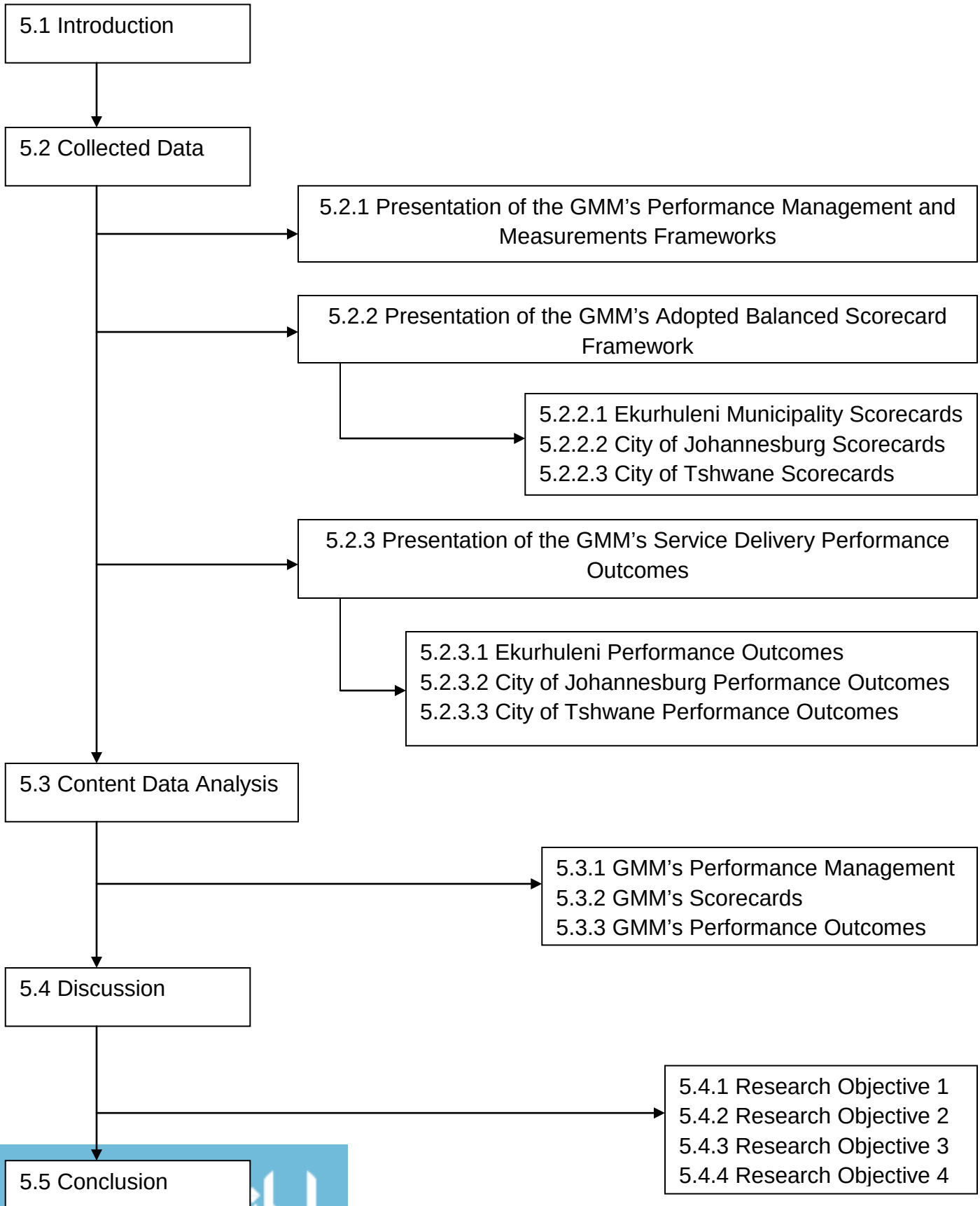
CHAPTER FIVE

REASEARCH FINDINGS AND DATA ANALYSIS

5.1 INTRODUCTION

This chapter presents the collected data related to the implementation of the Balanced Scorecard for service delivery performance of the Gauteng Metropolitan Municipalities. Policies such as the Integrated Development Plan (IDP) Review of the GMMs, as well as their annual reports covering the financial years 2011-2012, 2012-2013 and 2013-2014, were the sources for data collection. The examination, analysis, discussion and interpretation of collected data were on the one hand based on performance management activities, and on the other hand, on the original BSC framework proposed by Kaplan and Norton (1996), as well as performance outcomes. Tables are used to present the collected data, while the analysis was conducted using charts. Thus, the tables and charts were adequate for the better understanding of not only the collected data, but also its summary. In the same way, the findings will be the basis for the conclusions and recommendations that will be presented in the next chapter.

Figure 5.7: *Structure of Chapter Five*



5.2 COLLECTED DATA

Before collecting data, an in-depth examination of the content of the GMMs' policies and annual reports was done. The study followed two phases for collecting data: the first phase was based on the collection of data from the GMMs' policies which was related to different performance management activities. These activities should be similar to those applied for the implementation of the BSC. The second phase focused more on the four most important elements of the BSC, namely objectives, measures, targets and initiatives. Accordingly, these four elements were the basis for data collection related to both the performance management and scorecards of the GMMs. Furthermore, the achievement status of targets, such as targets set, targets achieved, targets not achieved, targets partially achieved, and targets overachieved were keys for collecting data on the GMMs' performance outcomes. All collected data are presented in the next sub-sections without comments. Appropriate comments will be associated with further analysis and discussion in sections 5.3 and 5.4 of this chapter.

5.2.1 Presentation of the GMMs' Performance Management and Measurement Frameworks

Data was collected from the Integrated Development Plan Review for each metropolitan municipality under study in general, and in relation to performance management in particular. Each table was divided into three main columns: activities of performance management (first column), activities related to those which apply when implementing the BSC (second column), and the GMM's performance measurement framework (third column). In addition, the second column was divided into four other columns in relation to the four main implementation steps of the BSC framework. In short, each table shows the different activities applied, as well as those that are not applied by the Ekurhuleni Municipality (EM), but which also determine the performance measurement framework of the municipality.

***Table 5.3**: Performance Management and Measurement in the Ekurhuleni Municipality*

Performance Management Activities	Activities related to those of the BSC implementation				Performance Measurement Framework
	Setting Objectives	**Setting Measures**	**Setting Targets**	**Setting Strategic Initiatives**	
Implementation of the IDP The annual SDBIP, populated with Key Performance Indicators (KPIs), setting measures and targets, is an integral part of the PMS and must be annually approved and adopted by council	Not disclosed	Setting measures is a part of the PMS	Setting targets is a part of the PMS	Not disclosed	Not disclosed

The contents of the above table were derived from ***Appendix A*** of this study.

***Table 5.4**: Performance Management and Measurement in the City of Johannesburg*

Activities of Performance Management	Activities related to those of the BSC implementation				Performance Measurement Framework
	Setting Objectives	Setting Measures	Setting Targets	Setting Strategic Initiatives	
It is a conscious commitment to translate strategy into action and drive performance improvement. The City's performance management is not only about the setting and measurement of desired outcomes and activities of an organisation, but also the continuous review of its performance against set indicators and targets, to allow for continuous improvement of the system.	Not disclosed	Setting measures is a part of the PMS	Setting targets is a part of the PMS	Not disclosed	Balanced Scorecard

The contents of the above table are derived from ***Appendix B.***

***Table 5.5**: Performance Management and Measurement in the City of Tshwane*

Activities of Performance Management	Activities related to those of the BSC implementation				Performance Measurement Framework
	Setting Objectives	Setting Measures	Setting Targets	Setting Strategic Initiatives	
Planning for performance management: priority setting, setting objectives, setting Key Performance Indicators, setting targets, reviewing Key Performance Indicators, developing and monitoring framework.	Setting objectives is a part of the performance management framework	Setting Key Performance Indicators is a part of the performance management framework	Setting targets is a part of the performance management framework	Not disclosed	Balanced Scorecard

Appendix C was the source of the contents of the above table.

5.2.2 Presentation of the GMMs' Adopted Balanced Scorecard Framework

As mentioned in the above three tables, the BSC was adopted as a performance measurement framework by the Cities of Johannesburg and Tshwane, but not by the Ekurhuleni Municipality. Nevertheless, a similar table to the original BSC framework was created for the purpose of data collection, in order to comply with the main phases for its implementation. The created table incorporated objectives, measures, targets and initiatives. Therefore, it consisted of five columns containing the following elements: First, the number of items, second, service delivery, incorporating each of its components and sub-components, together with their included services. The third column was reserved for the financial year 2011-2012, while 2012-2013 was represented by the fourth column, and the fifth one dealt with data for 2013-2014. In turn, each of these financial years was divided into four columns as follows: objectives; measures; targets; and initiatives.

The labels for these elements were presented as: **OB** = objectives, **ME** = measures, **TA** = targets and **INI** = initiatives, **ND**= Not Disclosed and **NA**= Not Available. The label **N/A** was applied for not only when any GMM did not deliver any service, but also for when the total figure of collected data was not available. **ND**= Not Disclosed was used when a municipality delivered a service, but any researched step of the BSC implementation was not reflected in the annual report. This concerned every service delivery performance of each GMM, as well as each financial year. In addition, Key Performance Indicators, baselines and indicators were the various measures taken into account by different BSCs.

After a detailed inspection of the contents of service delivery performance disclosed in the GMMs' annual reports, the following data were produced:

5.2.2.1 Ekurhuleni Municipality Scorecards

Table 5.6: *Possibility for Adoption of the BSC Framework by Ekurhuleni Municipality*

Nr	SERVICE DELIVERY	2011-2012				2012-2013				2013-2014			
	COMPONENT A: BASIC SERVICE	**OB**	**ME**	**TA**	**INI**	**OB**	**ME**	**TA**	**INI**	**OB**	**ME**	**TA**	**INI**
01	Water Service/ Water Provision	11	7	10	N/D	7	7	6	N/D	4	4	4	N/D
02	Sanitation Provision Service/ Waste Water	N/D	N/D	1	N/D	2	2	2	N/D	N/D	N/D	N/D	N/D
03	Energy/Electricity	19	20	18	N/D	4	4	5	N/D	5	5	5	N/D
04	Waste Management	13	6	13	N/D	3	3	3	N/D	3	3	3	N/D
05	Human Settlement/Housing	6	4	4	N/D	4	4	4	N/D	4	4	3	N/D
06	Free Basic Services and Indigent Support	N/D	N/D	N/D	N/D	N/D	N/D	N/D	N/D	N/D	N/D	N/D	N/D
	TOTAL	49	37	46	N/A	20	20	20	N/A	16	16	15	N/A
	COMPONENT B: ROAD TRANSPORT												
07	Roads Service	21	19	18	N/D	5	5	5	N/D	4	4	3	N/D
08	Transport Service	9	6	8	N/D	1	1	3	N/D	3	3	2	N/D

09	Storm Drainage/ Storm Water	N/A	N/A	N/A	N/A	2	2	3	N/D	N/D	N/D	N/D	N/D
	TOTAL	30	25	26	N/A	8	8	9	N/A	7	7	5	N/A
	COMPONENT C: PLANNING AND DEVELOPMENT												
10	City Planning/ Planning Policy Objectives	11	4	10	N/D	4	4	4	N/D	4	4	4	N/D
11	Local Economic Development	9	6	9	N/D	5	5	10	N/D	5	5	10	N/D
12	Institutional Strategy M & E and Research	14	9	13	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	TOTAL	34	19	32	N/A	9	9	14	N/A	9	9	14	N/A
	COMPONENT D: COMMUNITY AND SOCIAL SERVICES												
13	Arts/Culture/Libraries/Museums/Galleries/Zoos and Theatres	21	15	19	N/D	4	4	4	N/D	2	2	2	N/D
14	Environmental Research Management	19	16	17	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D
15	Cemeteries and Crematoriums	N/A	N/A	N/A	N/A	3	3	3	N/D	3	3	3	N/D
16	Child care/Aged Care/ Social Programs	N/A	N/A	N/A	N/A	4	4	3	N/D	4	4	4	N/D
	TOTAL	40	31	36	N/A	11	11	11	N/A	9	9	9	N/A
	COMPONENT E: ENVIRONMENTAL PROTECTION												
17	Pollution Control	N/A	N/A	N/A	N/A	1	1	2	N/D	2	2	2	N/D

18	Biodiversity/Landscape and Coastal Protection	N/A	N/A	N/A	N/A	4	4	3	N/D	2	2	1	N/D
	TOTAL	N/A	N/A	N/A	N/A	5	5	5	N/A	4	4	3	N/A
	COMPONENT F: HEALTH												
19	Clinics	N/A	N/A	N/A	N/A	5	5	4	N/D	4	4	4	N/D
20	Health and Social Development	10	9	10	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D
21	Ambulance Service	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	2	N/D
22	Health Inspection	N/A	N/A	N/A	N/A	2	2	2	N/D	2	2	2	N/D
	TOTAL	10	9	10	N/A	7	7	6	N/A	7	7	8	N/A
	COMPONENT G: SAFETY AND SECURITY												
23	Police Metropolitan	14	12	13	N/D	3	3	3	N/D	2	2	2	N/D
24	Fire Service	N/A	N/A	N/A	N/A	5	5	5	N/D	3	3	3	N/D
25	Service Statistics for Disaster Management	N/A	N/A	N/A	N/A	6	N/D	4	N/D	N/A	N/A	N/A	N/A
26	Disaster and Emergency Management Policy/ Other Disasters Management and Control of Public Nuisances	16	14	13	N/D	1	1	1	N/D	1	1	1	N/D
	TOTAL	30	26	26	N/A	15	9	13	N/A	6	6	6	N/A
	COMPONENT H: SPORT AND RECREATION												

27	Sport and Recreation	N/D	N/D	N/D	N/D	5	5	5	N/D	2	2	1	N/D
	TOTAL	N/A	N/A	N/A	N/A	5	5	5	N/A	2	2	1	N/A
	COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES												
28	Executive Council	N/A	N/A	N/A	N/A	N/D	N/D	N/D	N/D	N/D	N/D	N/D	N/D
29	Financial Service	37	21	35	N/D	8	8	8	N/D	5	5	5	N/D
30	Human Resources Management and Service	9	5	6	N/D	8	8	8	N/D	5	5	5	N/D
31	Marketing and Information Communication and Technology (ICT)/Communication	24	14	24	N/D	6	6	6	N/D	5	5	4	N/D
32	Customer Relations Management	9	1	8	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
33	The Legislature	N/D	N/D	N/D	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34	Facilities/ Property/ Legal/Fleet/Risk Management and Procurement Services	29	14	27	N/D	8	8	8	N/D	5	5	5	N/D
35	Internal Audit	12	3	12	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D
	TOTAL	120	58	112	N/A	30	30	30	N/A	20	20	19	N/A

The table presented above was derived from ***Appendices D, E and F.*** Objectives and indicators were identical and taken from the same perspective.

5.2.2.2 City of Johannesburg Scorecards

Table 5.7*: Johannesburg Scorecards*

	SERVICE DELIVERY	**2011-2012**				**2012-2013**				**2013-2014**			
		OBJ	**MEA**	**TAR**	**INIT**	**OBJ**	**MEA**	**TAR**	**INIT**	**OBJ**	**MEA**	**TAR**	**INIT**
	COMPONENT A: ECONOMIC GROWTH												
	A1 Provide a Resilient Livable Environment												
01	SMME and Entrepreneurship Support	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	4	4	N/D
02	Attraction Retention and Expansion of Investment in the City	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	1	1	N/D
	Land Management and Acquisition	N/A	N/A	N/A	N/A	N/D	1	1	N/D	N/A	N/A	N/A	N/A
	Transit Development	N/A	N/A	N/A	N/A	N/D	7	7	N/D	N/A	N/A	N/A	N/A

	Priority Area Planning and Implementation	N/A	N/A	N/A	N/A	N/D	3	5	N/D	N/A	N/A	N/A	N/A
	Integrated Planning Policy Development and Standard Setting	N/A	N/A	N/A	N/A	N/D	4	6	N/D	N/A	N/A	N/A	N/A
03	Sector Diversification, Productivity, Competiveness Support	N/A	N/A	N/A	N/A	N/D	6	7	N/D	N/A	N/A	N/A	N/A
04	Leveraging on City-Owned Assets	N/A	N/A	N/A	N/A	N/D	3	3	N/D	N/A	N/A	N/A	N/A
05	Multi Levels Skills/ Develop a City Skills Strategy Focused on the Skills Supply/ Demand Chain,	N/D	3	4	N/D	N/D	3	3	N/D	N/A	N/A	N/A	N/A
06	Develop a Dynamic Entrepreneurial Spirit, Competitiveness, Innovation and Increased Investment through SMM Support	N/A	N/A	N/A	N/A	N/D	3	3	N/D	N/A	N/A	N/A	N/A
07	Resuscitation of Declining and Decaying Economic Nodes (Including Inner-City Regeneration/ Transform the Inner-City Through Implementation of the Inner City	N/D	1	1	N/D	N/D	2	2	N/D	N/A	N/A	N/A	N/A

	Urban Development Zone (UDZ) Taxes Incentives												
08	Area Based Economic Initiatives	N/A	N/A	N/A	N/A	N/D	3	3	N/D	N/A	N/A	N/A	N/A
09	Support the Information and Communications Technology Sector	N/D	2	2	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10	Support the Emergence and Growth of the BPO Industry	N/D	1	3	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	Develop and Operationalise a Regional Equity Fund	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
12	Catalyse Opportunities for BEE Through Creative Public Private Partnership/ Maximise the Economic Opportunity for BEE Firms	N/D	3	4	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
13	Work with Stakeholder to Roll out a Dirang Ba Bohle (DBB) Finance Institution that Enables SMMEs Including Cooperative	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
14	Number of EPVVP Jobs Created Through Implementation of Pex and Capex Projects	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

	TOTAL	N/A	13	17	N/A	N/A	35	40	N/A	N/A	5	5	N/A
	COMPONENT B: HUMAN AND SOCIAL DEVELOPMENT												
	B1 Agriculture and Food												
15	Access to Food /A City Where None Go Hungry	N/A	N/A	N/A	N/A	N/D	7	7	N/D	N/D	N/D	N/D	N/D
16	Urban Farmer Support	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	3	3	N/D
	Healthy Lifestyle/	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	1	1	N/D
	Long and Healthy Life for all	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	5	5	N/D
17	Single Window for Poor and Vulnerable	N/A	N/A	N/A	N/A	N/D	9	9	N/D	N/A	N/A	N/A	N/A
	TOTAL B1	N/A	N/A	N/A	N/A	N/A	16	16	N/A	N/A	8	8	N/A
	B2 Health												
18	Non-Communicable Diseases: Management of Chronic Diseases of Lifestyle	N/D	6	6	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
20	Environmental Health Promotion Programme	N/D	2	2	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
21	Strengthen District Health System Through Primary Health	N/D	16	16	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

	Care Expansion												
22	HIV AIDS Prevention	N/D	4	4	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
23	Treatment Care and Support	N/D	5	5	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
24	Tuberculosis Control Programme	N/D	3	3	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
25	Non-Communicable Diseases Child and Youth Health Programmes	N/D	8	8	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
26	Non-Communicable Diseases Women and Maternal Health Programme	N/D	6	6	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
27	Communicate Diseases	N/D	2	2	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
28	Environmental Pollution Prevention and Reduction	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
29	Monitoring of Waste Management Compliance at Business Premises	N/D	5	5	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	TOTAL B2	N/A	58	58	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	B3 Social Development												
30	City Social Package Programme	N/D	4	4	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

31	Vulnerable Groups Support Programme	N/D	9	9	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
33	Displaced Persons Support	N/D	13	13	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34	Early Childhood Development	N/D	10	10	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
35	Anti- Xenophobia and Common Citizenship Programme	N/D	10	10	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
36	Youth and Women Skills Development and Enrichment Programme	N/D	13	13	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37	NGO Support	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	TOTAL B3	N/A	60	60	N/A	N/A	1	1	N/A	N/A	N/A	N/A	N/A
	B4 Community Development												
38	Public Library Education Support Programme	N/D	6	6	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
40	Public Arts, Heritage, Culture and Theatrical Development Programme	N/D	5	5	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
41	Sports and Recreation Development Programme	N/D	3	3	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
42	Public Spaces Rehabilitation	N/D	4	4	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

	TOTAL B4	N/A	18	18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	B5 Emergency Management Services												
43	Early Emergency	N/D	4	4	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
44	Emergency Prevention Programme	N/D	2	2	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
45	Primary Community Based Emergency Response	N/D	4	4	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
46	Emergency Compliance	N/D	4	4	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
47	Emergency Reporting Improvement Programme	N/D	6	6	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
48	Emergency Dispatch	N/D	2	2	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
49	Rapid Response	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50	Incident Management	N/D	3	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	TOTAL B5	N/A	26	24	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	B6 Johannesburg Metropolitan Police Department												
51	Crime Prevention	N/D	5	5	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
52	Johannesburg City Safety	N/D	3	3	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

	Programme												
53	Licensing and Traffic Management	N/D	4	4	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
54	By-Law Enforcement	N/D	3	3	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
55	Reduction of Fraud and Corruption	N/D	3	3	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	TOTAL B6	N/A	18	18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	B7 Safer City												
56	Winning Back the Streets	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	1	2	N/D
57	Improve the Quality of Policing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	2	2	N/D
58	Creating a Law Abiding and Regulated City	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	1	1	N/D
59	Creating a Safe and Secure City A safe, Secure, Resilient City that Protects Serves Builds and Empower Communities	N/A	N/A	N/A	N/A	N/D	28	29	N/D	N/D	1	1	N/D
	TOTAL B7	N/A	N/A	N/A	N/A	N/A	28	29	N/A	N/A	5	6	N/A
	TOTAL B	N/A	180	178	N/A	N/A	45	46	N/A	N/A			N/A
	COMPONENT C: GOOD												

	GOVERNANCE												
	C1 Financial Sustainability/ Revenue and Customer Management												
61	Internal Audit Strategy and Plan to Perform Risk Based Assurance and Consulting Services Directs at Improving the Effectiveness	N/D	2	2	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
62	Revenue Completeness	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	1	1	N/D
63	Expenditure Management	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	1	1	N/D
64	Capital Project Management	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	9	9	N/D
65	Financial Sustainability/	N/D	4	4	N/D	N/D	9	9	N/D	N/A	N/A	N/A	N/A
68	Assurance, Consulting and Advisory Services and Strategy Directed/	N/D	2	2	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
69	On-going Clean Audits/ Internal Audit Strategy Plan to Perform Risk Based Assurance and Consulting Services	N/D	2	2	N/D	N/A	N/A	N/A	N/A	N/D	1	0	N/D
70	Improved Customer Experience When Interfacing with the City/	N/D	2	2	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

71	Citizen Care	N/D	1	2	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
72	To Increase Revenue Collection	N/D	3	3	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
73	Promote the City Wide Corporate Governance Practices /	N/D			N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
74	To Provide Risk management Consultancy Services Through the Implementation of the Approval Enterprise	N/D	2	2	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	TOTAL C1	N/A	18	19	N/A	N/A	9	9	N/A	N/A	12	11	N/A
	C2 Engaged Active Citizenry												
75	Human Capital Development and Management	N/A	N/A	N/A	N/A	N/D	7	9	N/D	N/A	N/A	N/A	N/A
76	Citizen Participation Empowerment	N/A	N/A	N/A	N/A	N/D	4	5	N/D	N/D	1	2	N/D
77	Community Based Planning and Budgeting	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	1	1	N/D
	TOTAL C2	N/A	N/A	N/A	N/A	N/A	11	14	N/A	N/A	2	3	N/A
	C3 Enabling Smart City Initiatives/Governance Cluster												
78	Strategic Communications and	N/A	N/A	N/A	N/A	N/D	2	2	N/D	N/A	N/A	N/A	N/A

	Marketing												
79	Gauteng City Region Institutionalisation	N/A	N/A	N/A	N/A	N/D	1	1	N/D	N/A	N/A	N/A	N/A
80	Integrated Planning M &E	N/A	N/A	N/A	N/A	N/D	1	1	N/D	N/A	N/A	N/A	N/A
	Targeting Deprived Spaces	N/A	N/A	N/A	N/A	N/D	1	1	N/D	N/A	N/A	N/A	N/A
81	Access and Connectivity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	N/D	1	N/D
82	Integrated Intelligent Smart Technology	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	2	2	N/D
83	Strategic Relations	N/A	N/A	N/A	N/A	N/D	1	1	N/D	N/A	N/A	N/A	N/A
84	Innovation and Knowledge Sharing	N/A	N/A	N/A	N/A	N/D	1	1	N/D	N/A	N/A	N/A	N/A
85	Governance Risk and Compliance	N/A	N/A	N/A	N/A	N/D	7	7	N/D	N/A	N/A	N/A	N/A
	Project Finance Help Desk	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Financial Discipline	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Financial Strategy	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Enterprise-Wide Governance Regularity Process	N/D	1	4	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
86	Compilation of Valuation Roll 2013	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

	TOTAL C3	N/A	5	8	N/A	N/A	14	14	N/A	N/A	2	3	N/A
	C4 Strategy Policy Coordination and Relations												
87	Integrated Development Plan IDP and Budget	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
88	Business Planning	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
89	SDBIP	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
90	Intergovernmental Planning	N/D	1	3	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
91	Community Based Planning and Outreach	N/D	1	5	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
92	Performance Monitoring and Evaluation System: Group Monitoring and Evaluation Project	N/D	5	5	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
93	Performance Monitoring and Evaluation System: Induction Project	N/D	2	2	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
94	Performance Reporting Annual Report Project	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
95	Performance Reporting Midyear Report Project	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

96	Performance Reporting Quarterly Report Project	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
97	Performance Reporting SDBIP Reporting Project	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
98	Strengthen Performance Management System: Functioning of the Johannesburg Performance Audit Committee (JPAC)	N/D	2	2	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
99	Control Systems to Ensure Effective Auditing of Performance Information	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
100	Johannesburg 2040 GDS Mainstreaming	N/D	3	3	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
101	Corporate Information	N/D	3	3	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
102	Provide International and Local Strategic	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
103	Strategic Research	N/D	3	3	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	TOTAL C4	N/A	29	35	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	C5 Corporate and Shared Services												
104	Human Capital Management	N/D	4	3	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

105	Occupational Health, Safety and Employee Wellness	N/D	2	2	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
106	Labour Stability	N/D	2	2	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
107	Protocol	N/D	3	3	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
108	IGR	N/D	2	2	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
109	Fleet Contract Management	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
110	Facility Management and Maintenance	N/D	2	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
111	Administrative Efficiency	N/D	1	4	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
112	Strategic Relations	N/D	2	2	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
113	International Relations	N/D	3	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
114	Special Projects	N/D	3	3	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	TOTAL C5	N/A	25	24	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	C6 Group Communication and Tourism Performance												
115	To ensure Effective Legal Support to Departments	N/D	5	5	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
116	Ensure Legal Compliance	N/D	3	3	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
117	Ensure Effective and Efficient Committee Support to the	N/D	4	5	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

	Mayoral												
118	Stage High Profile Events that Show Case the City as a World Class	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
119	Proactively Executive Public Relations Programmes that Inform the Public about the Development	N/D	6	6	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
120	Execute Above the Line (ATL) Advertissments that Show Case City of Johannesburg Delivery Successes	N/D	3	3	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
121	Execute Interactive Experiental Marketing Activities as Platforms	N/D	1	1	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	TOTAL C6	N/A	23	24	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	TOTAL C	N/A	100	110	N/A	N/A	34	37	N/A	N/A	16	17	N/A
	COMPONENT D: SUSTAINABLE SERVICES												
	D1 Resource Sustainability												
124	Urban Water management	N/A	N/A	N/A	N/A	N/D	10	10	N/D	N/D	3	3	N/D

125	Biodiversity Conservation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	1	1	N/D
126	Air Quality	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	1	1	N/D
127	Climate Change and Energy Diversification	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	N/D	1	N/D
128	Integrated Waste management	N/A	N/A	N/A	N/A	N/D	4	5	N/D	N/D	2	2	N/D
129	Greenways and Mobility	N/A	N/A	N/A	N/A	N/D	9	10	N/D	N/A	N/A	N/A	N/A
130	Shift to Low Carbon Economy	N/A	N/A	N/A	N/A	N/D	8	8	N/D	N/A	N/A	N/A	N/A
	TOTAL D1	N/A	N/A	N/A	N/A	N/A	31	33	N/A	N/A	7	8	N/A
	D2 Sustainable Human Settlements												
133	Alleviation of Living Environment Deprivation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	1	1	N/D
134	Sustainable Human Settlements	N/A	N/A	N/A	N/A	N/D	9	9	N/D	N/A	N/A	N/A	N/A
135	Sustainable Human Settlements Urbanisation Plan (SHSUP)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	3	3	N/D
136	Priority Areas (CORRIDORS/Nodes)	N/D	N/D	N/D	N/D	N/A	N/A	N/A	N/D	N/D	1	1	N/D
137	Transit Oriented Development	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	2	2	N/D
138	Rea Vaya BRT Roll Out Phase 1B	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	1	1	N/D

139	Rea Vaya BRT Roll Out Phase 1C	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	1	1	N/D
140	Housing Opportunities in Integrated Sustainable Human Settlments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	3	3	N/D
141	Gravel Roads	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	1	1	N/D
142	Implementation of the Inner City Road Map	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	3	5	N/D
	TOTAL D2	N/A	N/A	N/A	N/A	N/A	9	9	N/A	N/A	16	18	N/A
	TOTAL D	N/A	N/A	N/A	N/A	N/A	40	42	N/A	N/A	23	26	N/A

Appendices G, H and I were the basis for the contents of the above table. Key Performance Indicators (KPIs) were appropriate measures for the City of Johannesburg.

5.2.2.3 City of Tshwane Scorecards

***Table 5.9**: City of Tshwane Scorecards*

	SERVICE DELIVERY	2011-2012				2012-2013				2013-2014			
	COMPONENT A: BASIC SERVICE	**OBJ**	**MEA**	**TAR**	**INIT**	**OBJ**	**MEA**	**TAR**	**INIT**	**OBJ**	**MEA**	**TAR**	**INIT**
01	Water Provision/ Potable Water	N/D	N/D	1	N/D	N/D	1	2	N/D	N/A	N/A	N/A	N/A
02	Sanitation Provision Service/ Solid Waste Removal / Waterborne Sanitation	N/D	N/D	1	N/D	N/D	1	1	N/D	N/A	N/A	N/A	N/A
03	Energy/Electricity	N/D	N/D	1	N/D	N/D	1	1	N/D	N/A	N/A	N/A	N/A
04	Basic Service Provision	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	4	4	N/D
05	Sustainable Services Provisions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	2	2	N/D
06	Mobility Optimisation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	3	3	N/D
07	Waste Management/ Solid Removal	N/D	N/D	2	N/D	N/D	2	2	N/D	N/A	N/A	N/A	N/A
08	Human Settlement/Housing/ Formalisation of Informal Settlements/ Upgrading and Development of Informal Settlements	N/D	N/D	1	N/D	N/D	1	1	N/D	N/D	3	3	N/D
		N/A	N/A	6	N/A	N/A	6	7	N/A	N/A	12	12	N/A

	TOTAL												
	COMPONENT B: ROAD TRANSPORT/ ECONOMIC GROWTH												
09	Roads Service	N/D	N/D	2	N/D	N/D	1	1	N/D	N/A	N/A	N/A	N/A
10	Transport Service	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	Storm Drainage	N/D	N/D	2	N/D	N/D	1	1	N/D	N/A	N/A	N/A	N/A
	TOTAL	N/A	N/A	4	N/A	N/A	2	2	N/A	N/A	N/A	N/A	N/A
	COMPONENT C: PLANNING AND DEVELOPMENT/ DEVELOPMENT AND JOB CREATION												
12	City Planning	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	N/D	N/D	N/D
13	Local Economic Development	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	N/D	N/D	N/D
14	Institutional Strategy M & E and Research	N/D	N/D	N/D	N/D	N/A	N/A	N/A	N/A	N/D	N/D	N/D	N/D
15	Job Creation / Job Intensive Economic Growth	N/D	N/D	2	N/D	N/D	1	1	N/D	N/D	2	2	N/D
	TOTAL	N/A	N/A	2	N/A	N/A	1	1	N/A	N/A	2	2	N/A
	COMPONENT D: COMMUNITY												

	AND SOCIAL SERVICES												
16	SMME Support and Enterpreneurship Development	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	1	1	N/D
17	Social Cohesion	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	2	2	N/D
18	Poverty and Inequality	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	1	1	N/D
19	Education	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	1	1	N/D
20	Indigent Support	N/D	N/D	2	N/D	N/D	2	2	N/D	N/A	N/A	N/A	N/A
	TOTAL	N/A	N/A	2	N/A	N/A	2	2	N/A	N/A	5	5	N/A
	COMPONENT E: HEALTH												
21	Health	N/D	N/D	1	N/D	N/D	1	1	N/D	N/D	1	1	N/D
	TOTAL	N/A	N/A	1	N/A	N/A	1	1	N/A	N/A	1	1	N/A
	COMPONENT F: SAFETY AND SECURITY												
22	Safety/ Public Safety	N/D	N/D	3	N/D	N/D	2	2	N/D	N/D	2	2	N/D
	TOTAL	N/A	N/A	3	N/A	N/A	2	2	N/A	N/A	2	2	N/A
	COMPONENT G: SPORT AND RECREATION												

23	Sport and Recreation	N/A	N/A	N/A	N/A	N/D	N/D	1	N/D	N/A	N/A	N/A	N/A
	TOTAL	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A	N/A	N/A	N/A
	COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES/ PARTICIPATORY DEMOCRACY AND BATHO PELE												
24	Customer Care	N/D	N/D	N/D	N/D	N/D	1	1	N/D	N/A	N/A	N/A	N/A
25	Financial Service/ Financial Management	N/D	N/D	1	N/D	N/D	1	1	N/D	N/D	1	1	N/D
26	Human Resources Management and Service	N/D	N/D	N/D	N/D	N/D	N/D	1	N/D	N/A	N/A	N/A	N/A
27	Ward Committees	N/D	N/D	1	N/D	N/D	1	1	N/D	N/D	1	1	N/D
28	Developing Smart City Infrastructure	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/D	1	1	N/D
29	Institutional Governance	N/D	N/D	N/D	N/D	N/D	N/D	1	N/D	N/D	1	1	N/D
	TOTAL	N/A	N/A	2	N/A	N/A	3	5	N/A	N/A	4	4	N/A

The above table was derived from ***Appendices J, K and L.*** The City of Tshwane's measures were based on baselines.

5.2.3 Presentation of the GMMs' Service Delivery Performance Outcomes

In this study, performance outcomes are represented by various achievement statuses of targets, such as: full achievement, partial achievement, non-achievement, and over-achievement. Thus, this section covers the presentation of the target achievement status of each service delivery performance displayed in the annual report. In this section, service deliveries were abridged, focusing only on their components. In other words, all detailed service deliveries presented in the previous tables of this chapter were integrated into their relevant components, in order to make further analysis easier. Therefore, the performance outcomes of each GMM were presented in a table divided into four main columns representing the following: service delivery components; the financial year 2011-2012; the 2012-2013 financial years; and the 2013-2014 financial years. Each financial year column was sub-divided into five lines labeled as follows: Targets Set=**T**; Targets achieved=**AC**; Targets not achieved=**NA;** Targets partially achieved=**P/A,** and Targets over-achieved=**O/A**. In addition, **N/D** and **N/A** remain applicable, as mentioned in section 5.2 of this chapter.

5.2.3.1 Ekurhuleni Performance Outcomes

Table 5.10: *Ekurhuleni performance Outcomes*

SERVICE DELIVERY COMPONENTS	2011-2012					2012-2013					2013-2014				
	TA	AC	NA	P/A	O/A	TA	AC	NA	P/A	O/A	TA	AC	N/A	P/A	O/A
Component A: Basic Service	46	N/D	N/D	N/D	N/D	20	N/D	N/D	N/D	N/D	15	N/D	N/D	N/D	N/D
Component B: Road Transport	26	N/D	N/D	N/D	N/D	9	N/D	N/D	N/D	N/D	5	N/D	N/D	N/D	N/D
Component C:Planning and Development	32	N/D	N/D	N/D	N/D	14	N/D	N/D	N/D	N/D	14	N/D	N/D	N/D	N/D
Component D: Community and Social Services	36	N/D	N/D	N/D	N/D	11	N/D	N/D	N/D	N/D	9	N/D	N/D	N/D	N/D
Component E: Environmental Protection	0	N/D	N/D	N/D	N/D	5	N/D	N/D	N/D	N/D	3	N/D	N/D	N/D	N/D
Component F:Health	10	N/D	N/D	N/D	N/D	6	N/D	N/D	N/D	N/D	8	N/D	N/D	N/D	N/D
Component G:Safety and Security	26	N/D	N/D	N/D	N/D	13	N/D	N/D	N/D	N/D	6	N/D	N/D	N/D	N/D
Component H:Sport and Recreation	ND	N/D	N/D	N/D	N/D	5	N/D	N/D	N/D	N/D	1	N/D	N/D	N/D	N/D

Component I: Corporate Policy offices and Other Services	112	N/D	N/D	N/D	N/D	30	N/D	N/D	N/D	N/D	19	N/D	N/D	N/D	N/D

The table presented above was derived from ***Appendices D, E and F***

5.2.3.2 City of Johannesburg Performance Outcomes

Table 5.11: *City of Johannesburg Performance Outcomes*

SERVICE DELIVERY COMPONENTS	2011-2012					2012-2013					2013-2014				
	TA	AC	NA	P/A	O/A	TA	AC	NA	P/A	O/A	TA	AC	NA	P/A	O/A
A. ECONOMIC GROWTH															
Provide a Resilient Livable Environment	17	1	4	2	2	40	27	10	1	N/A	5	4	1	N/A	N/A
TOTAL	17	1	4	4	4	40	27	10	1	N/A	5	4	1	N/A	N/A
B. HUMAN AND SOCIAL DEVELOPMENT															
B1Agriculture and Food	N/A	N/A	N/A	N/A	N/A	16	6	3	2	5	8	7	1	N/A	N/A

B2 Health	58	44	6	8	N/A	N/A	N/A	N/A	N/A	N/A	6	N/D	N/D	N/D	N/D
B3 Social Development	60	27	8	9	15	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
B4 Community Development	18	7	0	0	11	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
B5 Emergency Management Services	24	10	9	1	4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
B6 Johannesburg Metropolitan Police Department	18	4	1	7	5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
B7 Safer City	N/A	N/A	N/A	N/A	N/A	29	17	4	1	7	6	3	2	1	N/D
TOTAL	178	92	24	25	35	45	23	7	3	12	20	10	3	1	N/A
C. GOOD GOVERNANCE															
C1 Financial Sustainability/Revenue and Customer Management	19	4	2	2	8	9	1	1	3	2	11	5	6	N/A	N/A
C2 Engaged Active Citizen	N/A	N/A	N/A	N/A	N/A	14	3	7	3	1	3	2	1	N/A	N/A
C3 Enabling Smart City Initiatives/Governance Cluster	8	3	N/D	N/D	N/D	14	2	8	2	N/A	3	1	2	N/A	N/A
C4 Group Strategy Policy Coordination and Relations	35	19	1	N/D	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

C5 Group Corporate and Shared Services-	24	6	16	N/D	N/D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
C6 Group Communication and Tourism Performance	24	6	11	0	6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	110	38	30	2	14	37	6	16	8	3	17	8	9	N/A	N/A
D. SUSTAINABLE SERVICES															
D1 Resource Sustainability	N/A	N/A	N/A	N/A	N/A	33	8	7	9	5	8	3	6	N/A	N/A
D2 Sustainable Human Settlements	N/A	N/A	N/A	N/A	N/A	9	4	4	1	N/A	18	6	9	N/A	N/A
TOTAL	N/A	N/A	N/A	N/A	N/A	42	12	11	10	5	26	9	15	N/A	N/A

Appendices G, H and I were the basis for the contents of the above table.

5.2.3.3 City of Tshwane Performance Outcomes

Table 5.12: *City of Tshwane Performance Outcomes*

SERVICE DELIVERY	2011-2012					2012-2013					2013-2014				
	TA	AC	N/A	P/A	O/A	TA	AC	N/A	P/A	O/A	TA	AC	N/A	P/A	O/A
Component A: Basic Service	6	N/D	N/D	N/D	N/D	7	0	0	3	4	12	9	2	0	0
Component B: Road Transport	4	N/D	N/D	N/D	N/D	2	0	0	0	2	N/A	N/A	N/A	N/A	N/A
Component C:Planning and Development/ Economic Growth and Job Creation	2	N/D	N/D	N/D	N/D	1	0	0	0	1	3	1	2	0	0
Component D: Community and Social Services/ Sustainable Communities	2	N/D	N/D	N/D	N/D	2	1	0	0	1	5	2	3	0	0
Component E:Health	1	N/D	N/D	N/D	N/D	1	0	0	0	1	1	0	1	0	0

Component F:Safety and Security	3	N/D	N/D	N/D	N/D	2	0	0	1	1	2	2	0	0	0
Component G:Sport and Recreation	N/A	N/A	N/A	N/A		1	0	0	0	1	N/A	N/A	N/A	N/A	N/A
Component H: Corporate Policy offices and Other Services/ Governance	1	N/D	N/D	N/D	N/D	5	3	1	0	1	4	2	2	0	0

The above table was derived from ***Appendices J, K and L.***

5.3 CONTENT DATA ANALYSIS

In chapter four of this study, the concept of content analysis was discussed in detail. This section presents the content analysis of collected data. As mentioned in the previous chapter, summative content analysis was conducted. For this reason, the presentation of the data included a summation of all service deliveries integrated into each component. This was a way of reducing the volume of the data, in order to proceed to its analysis. However, this did not concern the data collected for metropolitan municipalities. Above all, only the total sum of each of these service delivery components was the subject of data analysis. Furthermore, the analysis of performance management, balanced scorecards and the performance outcomes of GMMs was covered in this section.

5.3.1 GMMs' Performance Management

The following table is derived from **Tables 5.1, 5.2** and **5.3.** It presents the GMMs' performance management. Since the presentation of such data was not only the subject of summation, but was also sufficiently clear, the researcher proceeded in a straight line to its interpretation in section 5.4.

Table 5.13: *Performance Management and Performance Measurement Framework of Gauteng Metropolitan Municipalities*

Ekurhuleni	Johannesburg	Tshwane
Setting Objectives: Not disclosed Setting Measures: is a part of the PMS Setting Targets: is a part of the PMS	Setting Objectives: Not disclosed Setting Measures: is a part of the City PMS Setting Targets: is a part of the City PMS	Setting Objectives: is a part of the performance management framework Setting Measures: is a part of the performance management framework Setting Targets: is a part of

Setting Strategic Initiatives: Not disclosed Performance Measurement Framework: Not disclosed	Setting Strategic Initiatives: Not disclosed Performance Measurement Framework: BSC	the performance management framework Setting Strategic Initiatives: Not disclosed Performance Measurement Framework: BSC

Regarding the implementation of the BSC for service delivery by GMMs, the study found the following:

- **Ekurhuleni Municipality**

The performance management system of the Ekurhuleni Municipality provided for activities such as selecting measures and setting targets, while the setting of objectives and strategic initiatives were not part of this system. Out of four main activities for implementing the BSC, only the provision for two was mentioned in the Municipality's policy. The findings also indicated that the BSC was not adopted as a performance measurement framework by this Metropolitan Municipality.

- **City of Johannesburg**

Although the City of Johannesburg has made provision for the adoption of the BSC, activities related to its implementation, such as the setting of objectives and strategic initiatives, were not provided for in the policy of the City. Out of the four main components of the BSC framework, only two were stated in the City's policy, namely the selection of measures and setting of targets.

- **City of Tshwane**

According to the above table, out of the four main steps for implementing the BSC, only three were cited in the policy of the City of Tshwane. These three included the setting of

objectives, measures, and targets. The setting of strategic initiatives was not displayed in its policy. The BSC was provided to be used as a performance measurement framework for this Municipality.

5.3.2 GMMs' Scorecards

As referred to earlier in this section, the study conducted a summative content analysis. For this to be achieved, the number of objectives, measures, targets and initiatives were counted. Only the total of their summation was used for final examination. Likewise, the total of each component of service delivery was the core for data analysis. Those that were not disclosed or not available were considered as a zero during the calculation. The study proceeded to summative content analysis through charts, in order to explore the existing balance or imbalance between the components of the BSC. Although these charts included percentages, they were not taken into account, since the study was based on qualitative research. However, this may be used by other readers who are willing to verify the reliability and validity of the data.

Figure 5.8: *Analysis of Ekurhuleni Municipality Scorecards*

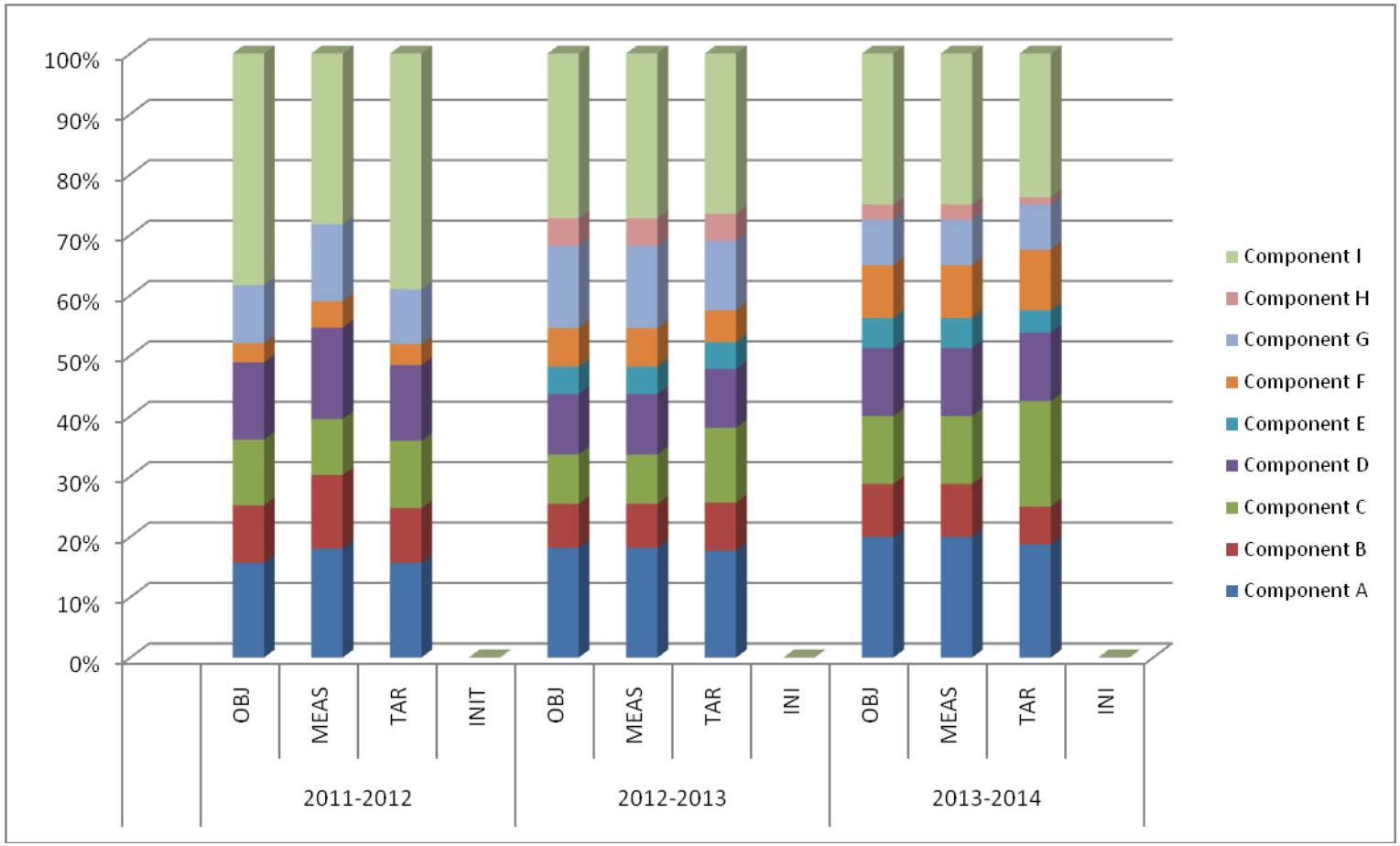
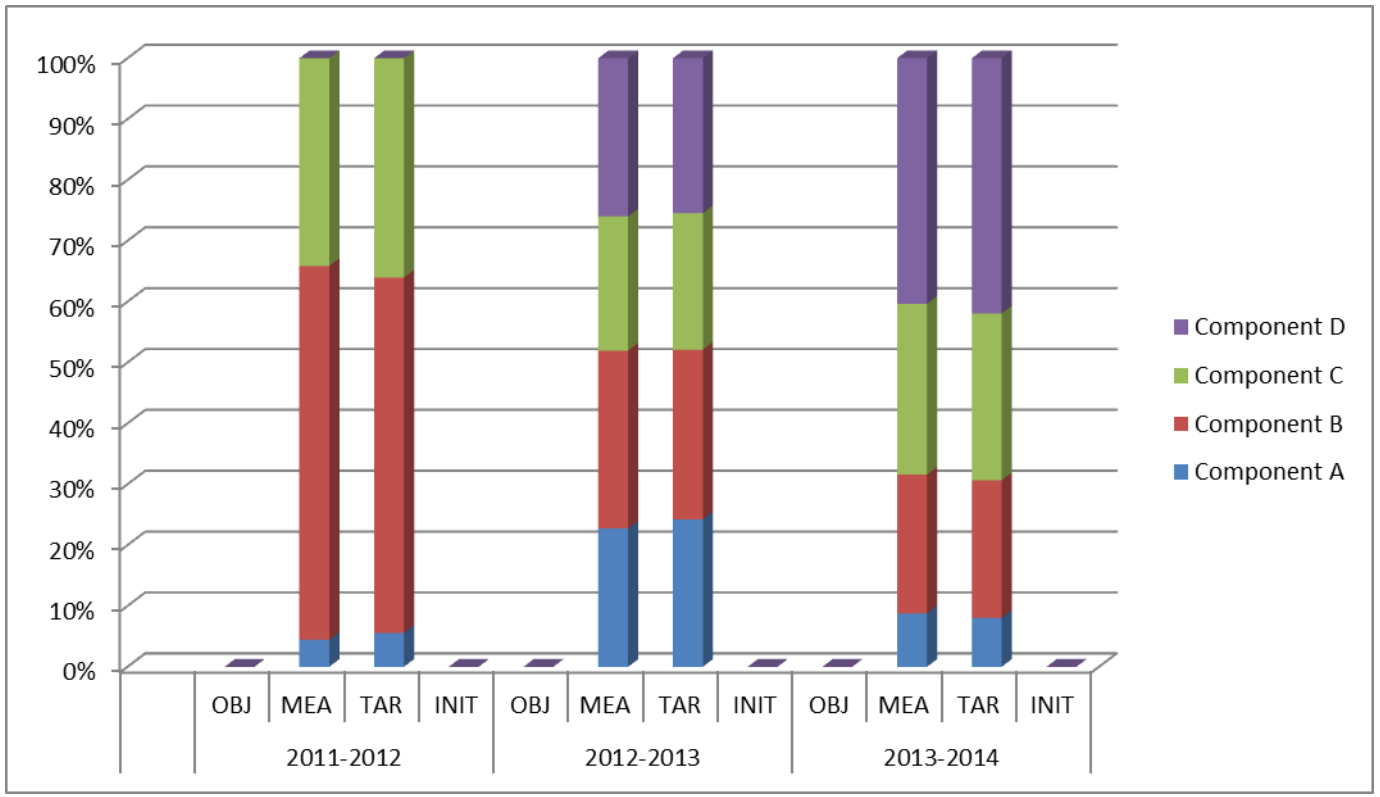


Figure 5.8 shows that during the financial year 2011-2012, selected measures of **Component A** were higher than objectives and targets set. Similarly, this was the case for **Components B, D, F** and **G**. In contrast, regarding **Components C** and **I**, objectives and targets were higher than measures. Nevertheless, objectives and targets set for **Components A, B, C, D, F, G** and **I** were fairly balanced. In short, there was a balance between objectives, measures and targets for **Components B, C, D, and E**. In spite of this, measures and targets of **Component G** were balanced and more poorly set than objectives. However, these elements were imbalanced for **Components A** and **I.** Furthermore, not only was no result shown for **Components E** and **H,** but there was also no information on the setting of strategic initiatives.

In comparison with the previous financial year, there was an equilibrium between objectives, measures and targets for **Components A, D, E, H and I** in 2012-2013. On the one hand, objectives and measures were fairly set for **Components B and C**, but at the same time lower set than targets, while on the other hand, objectives and measures were equal and higher than the targets of **Component F**. However, they were imbalanced for **Component G**. In addition, the results for initiatives were missing for all components.

Regarding the financial year 2013-2014, objectives, measures and targets were balanced for **Components D and G**. In the case of **Components C and F**, although objectives and measures were equally set, they were all lower than their respective targets. At the same time, they were roughly higher than these targets for **Components A, B, E, H and I**. Another fact was that strategic initiatives were not set at all for this financial year.

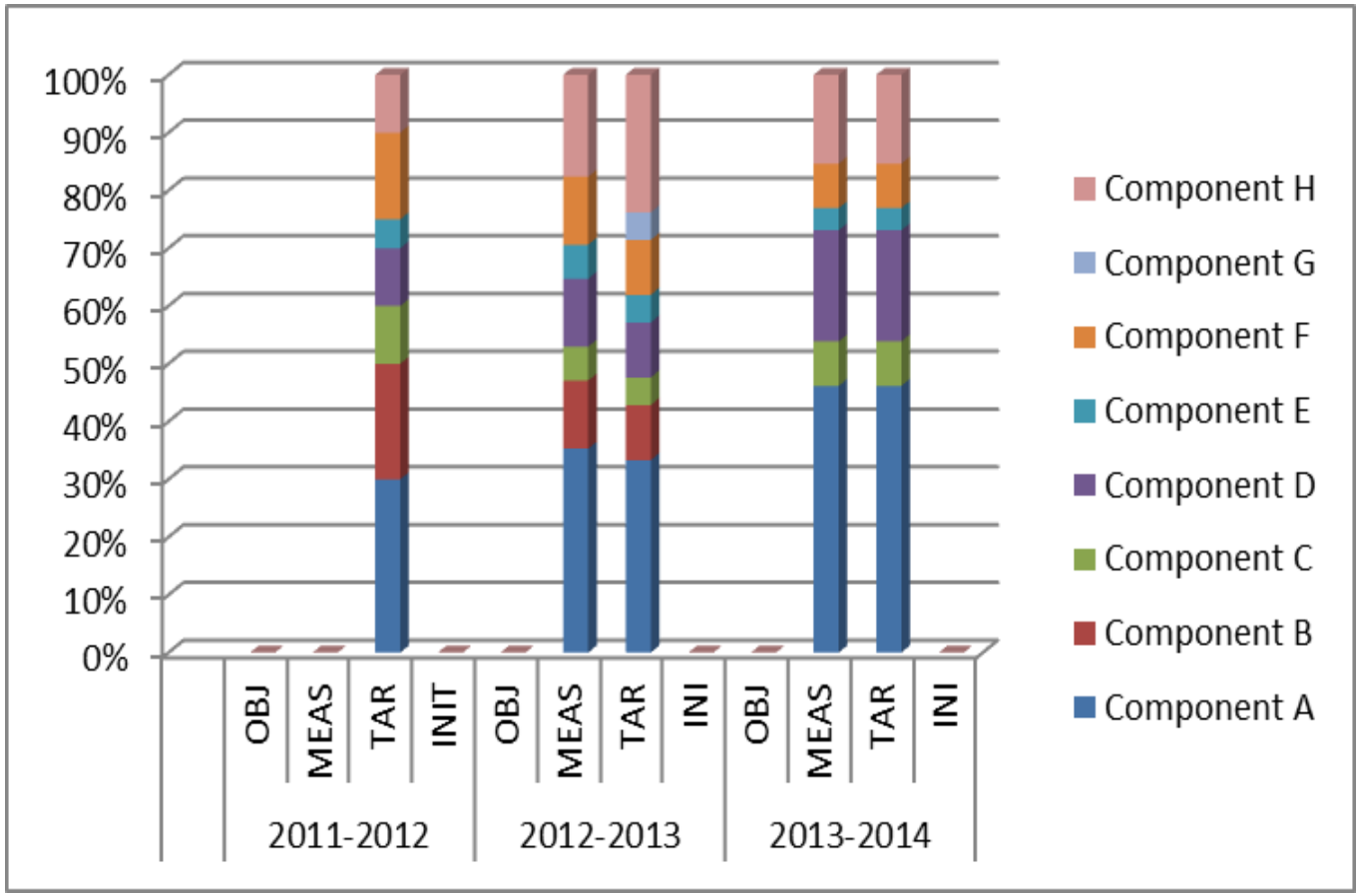
Figure 5.9: *Analysis of the City of Johannesburg Scorecards*



The above figure shows that during the three financial years under study, the City of Johannesburg did not set objectives and initiatives. Equally important, in 2011-2012, there was a considerable imbalance between the selected measures and targets for **Components A, B and C**. Notwithstanding, there was no result shown for **Component D**.

The situation for the financial year 2012-2013 was similar to the previous year. Indeed, the existing balance between measures and their relative targets was maintained for the four components. Likewise, this was the case for **Components B, C and D** in 2013-2014. At the same time, measures and targets were balanced for **Component A** during the same financial year.

Figure 5.10: Analysis of the City of Tshwane Scorecards

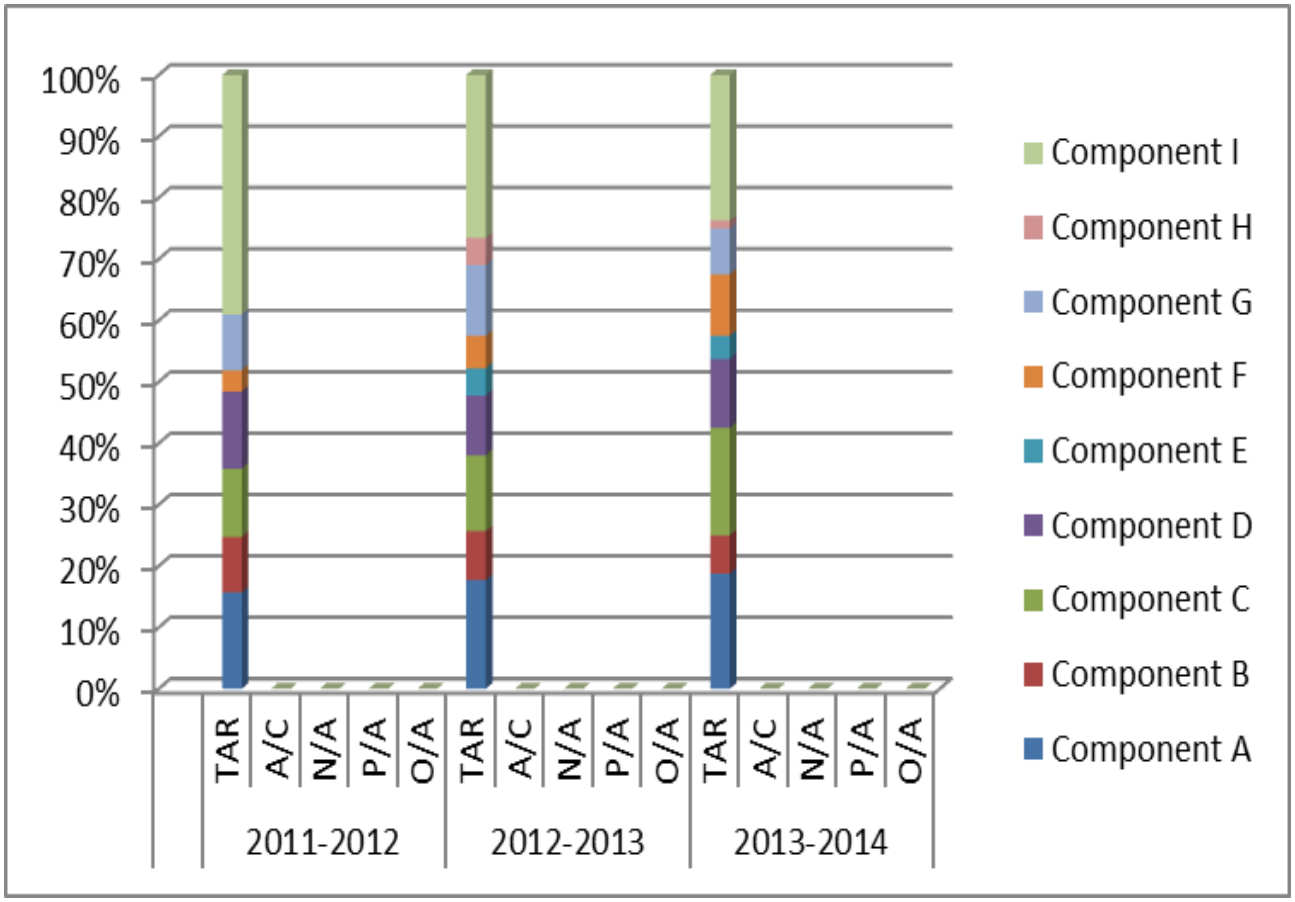


According to **figure 5.10** during 2011-2012, objectives, measures and initiatives were not established for all components. Targets were set only for **Components A, B, C, D, E, F** and **H,** but not for **Component G**. This was in contrast to the financial year 2012-2013, where measures and targets were equally set for **Components B, C, D, E** and **F,** while they were approximately imbalanced for **Components A** and **H.** However, the relative measure for the target of **Component G** was missing. Moreover, there was a balance between measures and targets set for **Components A, C, D, E, F** and **H** during the financial year 2013-2014, although information regarding these elements was not available for **Components B** and **G**.

5.3.3 GMMs' Performance Outcomes

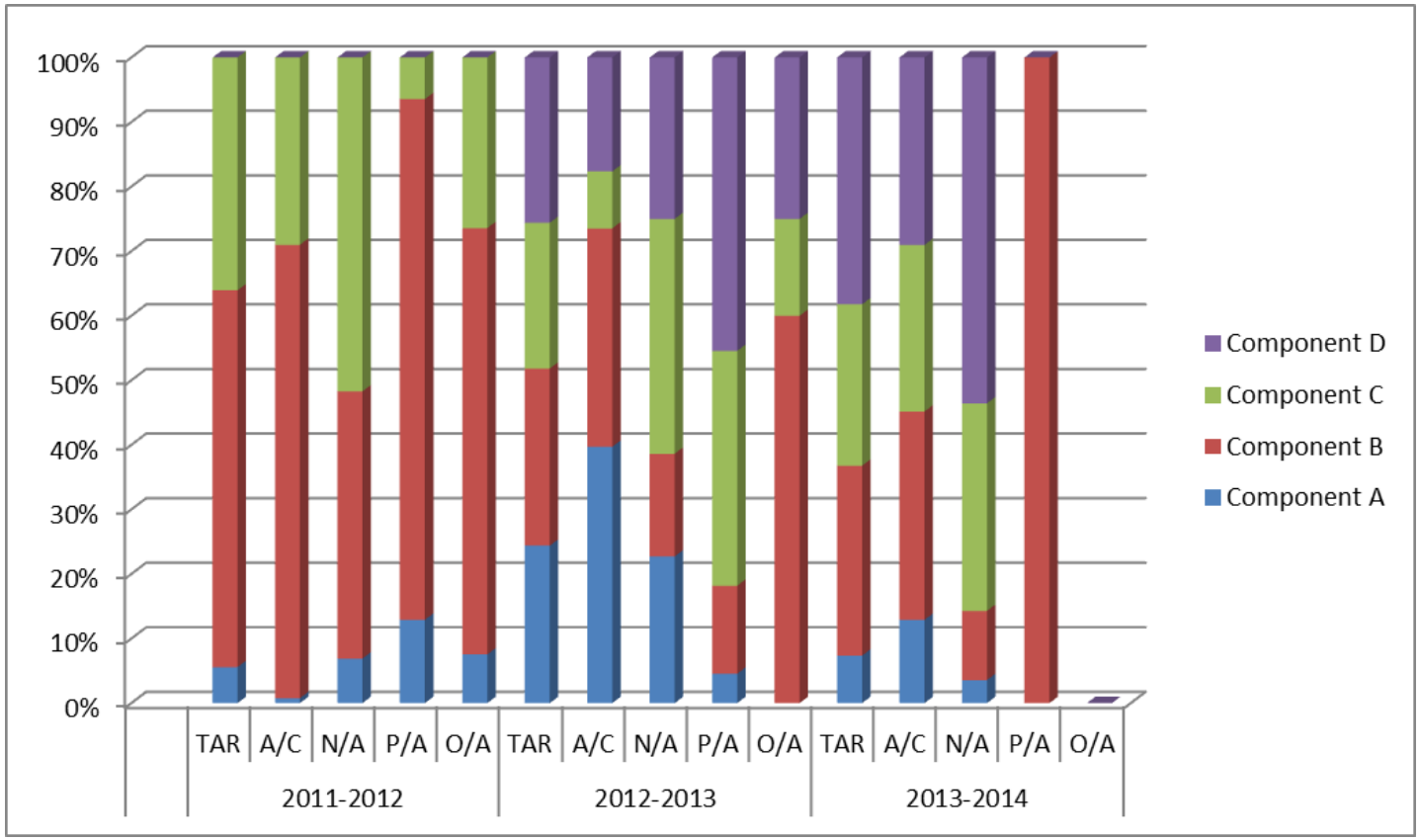
In this regard, the procedure for analysis was similar to that for the BSC implementation, as presented in the section above. However, for this section, summative content analysis was used by counting the number of targets set, fully achieved, not achieved, partially achieved, and over-achieved. The number zero was used for the data which was not disclosed. Regarding the impact of the BSC on performance outcomes, the study found the following:

Figure 5.11: *Analysis of Ekurhuleni Municipality (EM) Performance Outcomes*



The above table shows that during the 2011-2012, 2012-2013 and 2013-2014 financial years, the achievement status of targets was not determined for the Ekurhuleni Municipality. However, in the annual report, achievement was evaluated in terms of percentages, as shown in ***Appendix D.*** This was not taken into account, since such a result was not relevant to this study.

Figure 5.12: *Analysis of the City of Johannesburg Performance Outcomes*

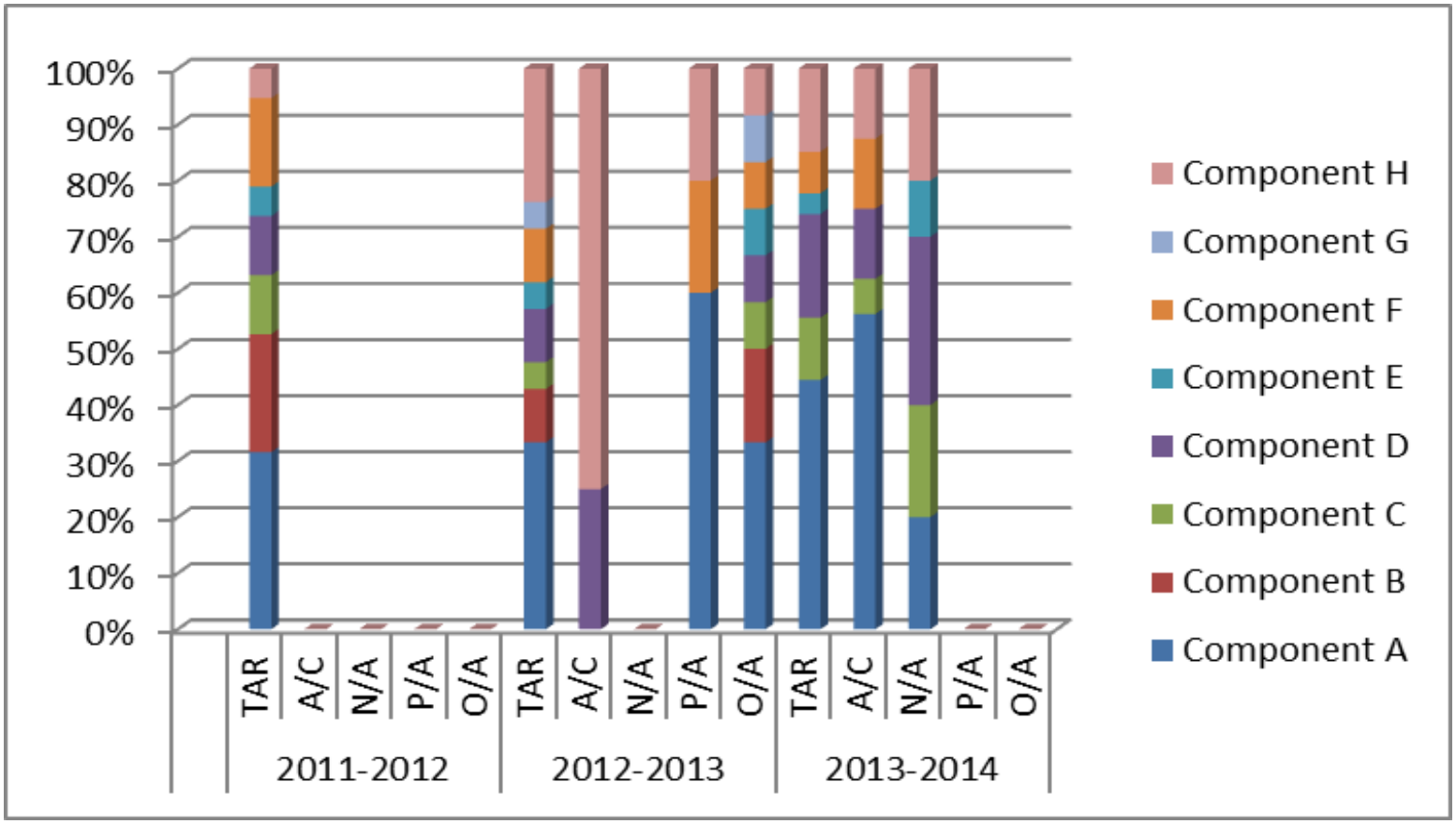


According to the above table, the full achievement of targets was realised for **Component A** during 2011-2012. At the same time, the partial achievement for **Component B** was higher than targets not achieved and over-achieved**.** Nevertheless, the non-achievement for **Component C** was considerable in 2011-2012. Accordingly, targets not attained were low, whereas the achieved, partially achieved and over-achieved targets were higher. No outcomes were shown for **Component D**.

In the CoJ during 2012-2013 for **Component A**, targets achieved were higher than targets not achieved. However, the partial achievement was lower. The result did not show any over-achievement of targets for this component. In contrast, the over-achievement of targets was remarkable for **Component B**. In fact, the non-achievement and partial achievement were lower than the achieved targets. With regard to **Component C,** the non-achievement and partial achievement of targets was higher than the over-achieved ones. At the same time, targets were fully achieved, but in a poor manner**.** In spite of **Component C**, targets set for **Component D** were mainly partially achieved. However, the non-achievement and over-achievement of targets were similar. Furthermore, the full accomplishment of targets was not significant.

The results for the financial year 2013-2014 showed that the achievement of targets was higher than the non-achievement for **Component A**. However, no targets were reported as being over-achieved and partially achieved. With regard to **Component B,** the over-achievement of targets was not defined, and there was a higher partial achievement of targets than full and non-achievement. In spite of this, the non-achievement of targets was higher than the achieved ones, while no targets were reported as partially and over-achieved for **Component C.** This was also the situation for **Component D**.

Figure 5.13: *Analysis of the City of Tshwane Performance Outcomes*



During the financial year 2011-2012, the findings for the City of Tshwane revealed that the status of target achievement was not reported for all components. However, in 2012-2013, partial target achievement was higher than over-achievement for **Component A**. At the same time, no targets were reported as fully achieved or non-achieved. For **Component B,** targets were only over-achieved. This was similar for **Components C, E and G.** With regard to **Component D,** the achievement of targets was greater than their over-achievement. Partial and non-achievement of targets was not revealed. Targets set for **Component F** on the one hand were significantly fully achieved, while on the other hand, the partial achievement of targets was higher than their over-achievement. Nonetheless, the targets for **Component H** were fully achieved. In addition, the over-achievement of targets was lower than their partial achievement.
The financial year 2013-2014 reported that there was no partial and over-achievement of targets in general. The full achievement of targets for **Component A** was higher than the non-achievement. In contrast, the non-achievement of targets was higher than the full achievement for **Components C, D** and **H.** In addition, targets set for **Component E** were not achieved. Conversely, the results showed that there was a full achievement of targets set for **Component F.**

5.4 DISCUSSION

This section discusses the research findings. The aim of this discussion is simply to verify the achievement of research objectives. For easy reading, the research objectives are discussed in through the following sub-sections:

5.4.1 Research Objective 1

The first research objective of this study was to examine the extent to which performance management systems of GMMs may facilitate the adoption of the BSC. To meet the first objective, the study examined the GMMs' performance management activities and found that these systems were not suitable for the adoption and implementation of the BSC, since some activities related to the implementation of such a

tool were not provided for by their policies. For example, setting objectives, selecting measures and establishing targets was part of Tshwane's performance management systems, while for Ekurhuleni and Johannesburg, only the selection of measures and setting of targets were provided for by the system. Since the setting of objectives is not integrated into these two municipalities, they have failed to meet the principal condition for performance assessment, as indicated by Otley and Berry (1980). However, they do fulfil the critical aspect of performance management, by establishing targets (Ferreira and Otley, 2009:271).

5.4.2 Research Objective 2

The determination of the performance measurement framework of GMMs was the second objective of this study. The study revealed that the BSC is adopted as a performance measurement framework by the Cities of Johannesburg and Tshwane. However, this is was not the case for Ekurhuleni Municipality, which besides the BSC, did not adopt any other measurement tool. The situation of Ekurhuleni confirms that organisations lack frameworks to measure performance, as suggested by Maltz, Shenhar and Reilly (2003:188).

5.4.3 Research Objective 3

The third objective of this study was to scrutinise the extent to which the implementation of the BSC by GMMs complies with the original BSC framework designed by Kaplan and Norton. As mentioned in Chapter 2, as well as sub-section 5.7.1 of this chapter, setting objectives, measures, targets and strategic initiatives are the basic elements for implementing the BSC. These phases are integrated into the BSC framework (Kaplan & Norton, 1996:76).

In order to meet the above objective, the study, through service delivery performance, examined the existence of these elements and found that not all of them were taken into account by GMMs. For example, establishing initiatives was not applied by all the

GMMs. However, only Ekurhuleni set objectives, although the BSC was not implemented for its service delivery performance. Nevertheless, the Cities of Johannesburg and Tshwane's scorecards focused only on measures and targets. Furthermore, there was an imbalance between these elements, and some of the components were missing.

According to Huang (2009:209-216), objectives set through the BSC are linked to their appropriate measures. In the same way, Santiago (2014:1572) assumed that a target should also be identified by a measure. From these statements, the irregularities of the GMMs were revealed. Another aspect is that initiatives were not set at all, although Nieplowicz (2014:99) suggested the collection of measures in relation to strategic initiatives and actions.

With regard to the above discussion, the study found that the BSC was not implemented in accordance with the original framework designed by Kaplan and Norton. Even though the same authors (Kaplan & Norton, 1993:135) offered organisations the opportunity to modify their scorecards according to their mission, strategy, technology and culture, Storey (2002:326) claims that the BSC framework remains the basic framework for its implementation. The tool cannot be implemented without the four stages being incorporated into its framework. Therefore, the success of the BSC implementation may depend on its framework.

5.4.4 Research Objective 4

The fourth research objective was to investigate the extent to which the implementation of the BSC impacts on the performance outcomes of service delivery. In order to meet the fourth research objective, the study, through an in-depth examination of the content of service delivery performance, revealed the number of targets set, number of targets achieved, number of targets not achieved, number of targets partially achieved and number of targets over-achieved.

This study observed not only the failure to reach most of the targets, but also to define the achievement status of targets. According to Moynihan and Pandey (2010:849); Brudney, Hebert, and Wright (1999) and Moynihan (2008), the necessity for measuring objectives and target achievements is common to governments that want to make improvements. In view of this, the failure to define the achievement status of targets by GMMs is a disadvantage, since it makes it difficult to determine performance success or insufficiency, which in turn will probably affect the establishment of measures for further improvements.

5.5 CONCLUSION

In this chapter, data collected from the policies and annual reports of GMMs for the financial years 2011-2012, 2012-2013 and 2013-2014 was presented. Policies were used to collect data related to the performance management systems and performance measurement framework for each GMM. In the annual reports, the focus was on the section regarding service delivery performance, because it covered the scorecards of the Municipalities under investigation.

After the presentation of collected data in section 2 of this chapter, section 3 dealt with the analysis of the data, and the findings were discussed in section 4. The analysis showed that GMMs' performance management policies did not provide for activities such as the setting of strategic initiatives at all, but provision was made for selecting measures and setting targets. The policies of Ekurhuleni Municipality and the City of Johannesburg have not made provision for the setting of objectives, while this was mentioned by the City of Tshwane. It was also revealed that the performance management systems of the Cities of Johannesburg and Tshwane were provided for in the adoption of the BSC as a performance measurement framework for these two cities, while nothing was mentioned for the Ekurhuleni Municipality in this regard.

With regard to the implementation of the BSC, the study found that in GMMs, the BSC was not implemented properly. There were some irregularities, such as an imbalance

between selected measures and targets. Indeed, some measures were either higher than targets, or the other way around. Another fact was that initiatives facilitating the accomplishment of targets were not set during the three financial years. Consequently, this has a negative impact on the performance outcomes of their service delivery.

The next chapter will offer conclusions, recommendations, as well as areas for future research.

CHAPTER SIX
CONCLUSION AND RECOMMENDATIONS

6.1 INTRODUCTION

In this chapter, the conclusion of the study and its findings are presented, and recommendations are made about the best way for organisations, such as local government authorities, to improve their service delivery performance by implementing the Balanced Scorecard. The main objective of this study was to investigate the implementation of the BSC for service delivery performance. The title of the study was intended to highlight the fact that the implementation of the BSC by Gauteng Metropolitan Municipalities (GMMs) can indeed be a valuable tool for effective performance outcomes in terms of service delivery.

The study was premised on the problem that firstly, GMMs do not have a proper management system to facilitate the adoption of the BSC. Secondly, they do not adopt the BSC design properly or implement the tool according to its original framework, which contains essential elements for its success. The researcher therefore set out to investigate how GMMs implement the BSC for effective outcomes with regard to service delivery performance.

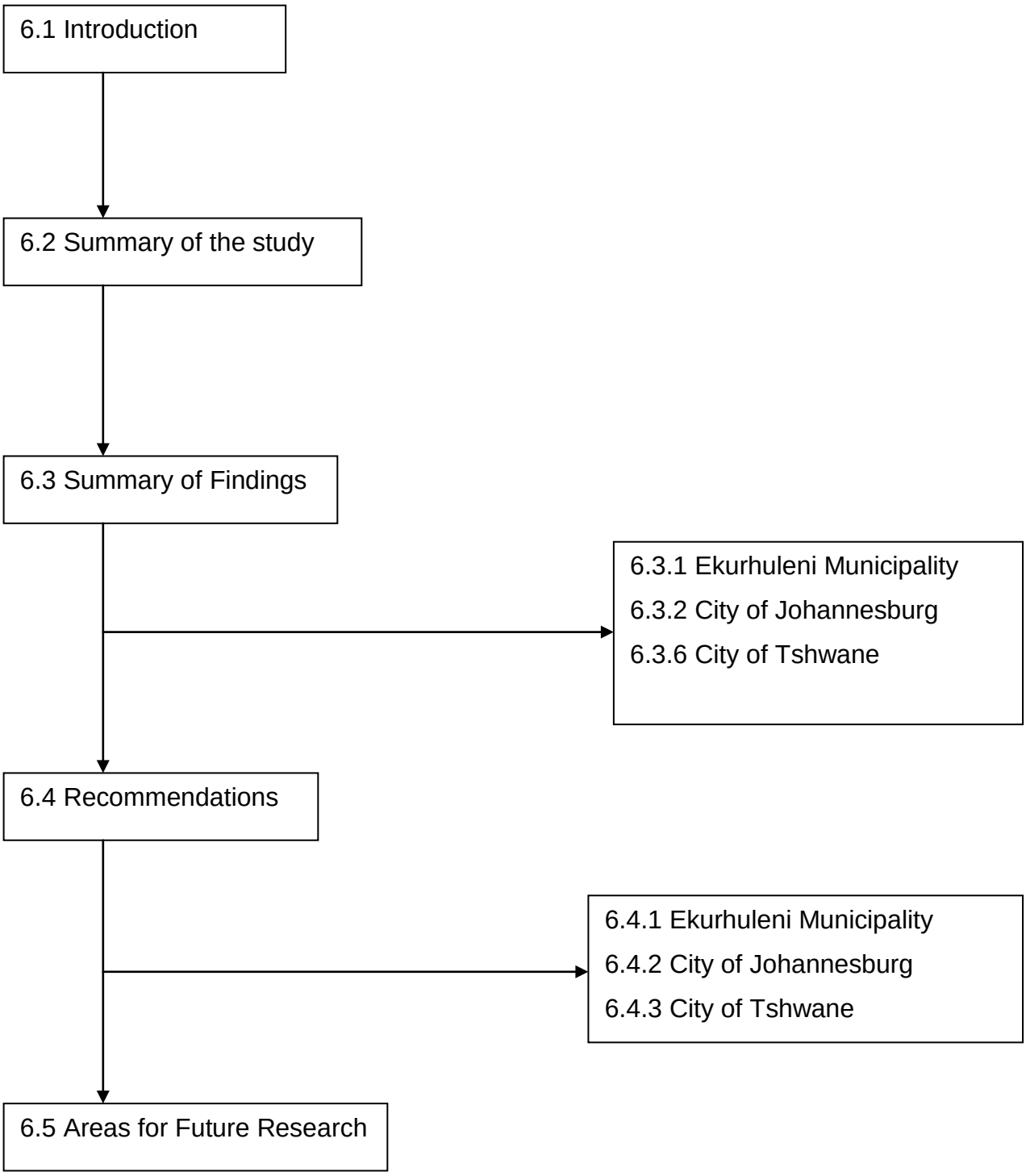
The objectives of the study were to:

1. Examine the extent to which the performance management systems of the GMMs facilitate the adoption of the BSC.
2. Define the performance measurement framework of GMMs.
3. Determine the extent to which the implementation of the BSC by the GMMs complies with the original BSC framework developed by Kaplan and Norton in 1992.
4. Observe the impact of the implementation of the BSC on service delivery performance outcomes.

Data were collected by means of primary data of published documents, such as performance management policies and annual reports for the financial years 2011-2012, 2012/2013 and 2013-2014 of each GMM (Ekurhuleni, Johannesburg and Tshwane). Data on performance management systems were presented in the form of a table which outlined the basic elements for the implementation of the BSC, as included in its framework, such as objectives, measures, targets and strategic initiatives. Collected data on service delivery performance were presented through the table in relation to the BSC framework. Another table was also created to present the performance outcomes data, which included the following: number of targets, number of targets achieved, number of targets not achieved, number of targets partially achieved, and number of targets overachieved.

The structure of this chapter is presented underneath:

Figure 6.8: *Structure of Chapter Six*



6.2 SUMMARY OF THE STUDY

The first chapter provided an orientation to the study, which encompassed the problem statement, research objectives, and research questions. In addition, a brief overview of the methodology was provided, and the delineation, limitations and significance of the study were discussed. Key terms used in the study were also defined in this chapter.

In order to address the research objectives, the study first established a theoretical framework from the literature review, which covered the main features that facilitate the implementation of the BSC. The contents of this framework constituted the content analysis in this study.

Chapter two focused on the theoretical framework, which included four key elements which were discussed as follows: In section 2.2, it was emphasised that performance management (PM) is fundamental to organisational performance, and all issues related to performance are dealt with through PM. The term 'performance management' was carefully considered in this study, since service delivery performance is the main concern of GMMs as local government authorities. This section also mentioned that the setting of objectives, measures and targets, and the achievement of target results are the various roles of PM.

Section 2.3 focused on PM and performance measurement as the two main processes connected to any performance. It emphasised that performance measurement is a part of PM and cannot be separated from it. Therefore, there should be a performance measurement framework under PM.

Section 2.4 presented an overview of the BSC framework, which includes the following elements: strategy and vision, as well as financial, customer, business process, and learning and growth perspectives. Objectives, measures, targets and strategic initiatives are also part of this framework. This section focused more on these four components of the BSC framework, which are subsequent steps for its implementation.

In a discussion on objective setting in sub-section 2.4.1, it was suggested that the setting of objectives should be the first activity to be completed by organisations before the selection of measures, which was discussed in sub-section 2.4.2. The discussion emphasised that the combination of set objectives and selected measures facilitate enhanced organisational performance. Selecting measures is the centre of the BSC, as highlighted in this sub-section.

Sub-section 2.4.3 showed that the setting of targets supports objectives. In this regard, targets and objectives are not only the basic elements for assessing organisational performance, but also drive organisational performance. It was also noted that measures set against targets determine performance outcomes. Moreover, the setting of strategic initiatives is the central interest of the BSC, as mentioned in sub-section 2.4. In section 2.5, it was mentioned that a combination of performance outcomes is generated by a good BSC. In addition, these outcomes can be measured quantitatively.

Chapter three provided an overview of PM activities and practices through the literature review in section 3.2. On the one hand, strategy and mission are suggested to be parts of a PMS, and on the other hand, particular activities, such as objectives, strategies and plans, as well as targets, must be taken into account by non-profit organisations. Furthermore, PM practices are extremely beneficial for this area in terms of the enhancement of organisational performance.

Section 3.3 focused on PM activities and service delivery in the South African Local Government Association (SALGA), and section 3.4 dealt with performance measurement frameworks. This was followed by section 3.5, which looked at the design of the public BSC. In this regard, it was emphasised that the BSC was implemented in the public sector to measure performance. In view of this, pressure for its implementation by local government authorities has also been increased. Thus, section 3.6 concerned the implementation of the BSC in the public sector in general, as well as in local government in particular.

Performance outcomes were the focus of section 3.7, while challenges in implementing the BSC in the public sector were discussed in section 3.8, and section 3.9 concluded the chapter.

The research methodology of the study was discussed in detail in chapter four. Section 4.2 indicated that the study had adopted a qualitative and descriptive research approach and design. For this reason, the realism paradigm was selected from the different research paradigms in section 4.3. This led to the choice of a case study as the research method, as mentioned in section 4.4. Finally, the procedures and protocols for data collection were discussed in section 4.5. This included the literature review, document review, as well as the collection of evidence.

Section 4.6 focused on the target population and units for analysis, followed by section 4.7, which dealt with data analysis. This section discussed the use of conventional qualitative content analysis, since categories and sub-categories were created from the raw data comprised in the policies and annual reports of GMMS. The section emphasised that only manifest contents were collected from the raw data and then analysed manually. The discussion in section 4.8 focused on the reliability and validity of the findings. Since this study adopted a qualitative approach, the criteria for the quality of qualitative research, such as credibility, transferability, dependability and conformability, were explored in order to evaluate the reliability and validity of the research findings. The final section concluded the chapter.

In chapter five, performance management and the performance measurement framework were examined through the policies of GMMs. In addition, service delivery performance and performance outcomes were discussed with reference to the annual reports of GMMs. From these policies and reports, data were collected and presented in detail in section 5.2, and after the reduction of the data size, this collected information was analysed and discussed in sections 5.3 and 5.4 respectively, according to the pre-established research objectives. This was followed by a brief conclusion in section 5.5.

6.3 SUMMARY OF FINDINGS

6.3.1 Ekurhuleni Municipality

The Ekurhuleni Metropolitan Municipality possessed a PM policy providing only for the selection of measures and setting of targets. Other activities, such as the definition of objectives and strategic initiatives to reach those objectives and their targets, were not part of the municipal policy. As such, the performance management (PM) guiding principle was not appropriate for adopting and implementing the BSC. Moreover, through its policy, it was also found that no provision was made for the adoption of a performance measurement framework. However, the set objectives, selected measures and established targets for service delivery were disclosed in the report.

In this regard, no distinction was made between objectives and indicators Therefore, the objectives and indicators were similar for the financial years of 2012-2013 and 2013-2014. Although there was a balance between the number of objectives, measures and targets for 2011-2012, some inequalities between them were also revealed. Furthermore, theperformance outcomes for service delivery in this Municipality were not reported for the financial years under study.

6.3.2 City Of Johannesburg

The policy of the City's PM made provision for the selection of measures and targets. However, the setting of objectives and strategic initiatives was not integrated into this policy. Moreover, the BSC model of Kaplan and Norton was chosen to be adopted as the City's performance measurement framework.

At any rate, the implementation of the BSC during the three financial years under study did not comply with the adopted framework. Indeed, the objectives and initiatives were not taken into account in the developed scorecard. At the same time, although measures and targets were set for different components of service delivery, there was a noticeable imbalance between them. In addition, the City had established a large

number of targets, which affected the determination of the status of target achievements.

6.3.3 City Of Tshwane

The contents of the City of Tshwane's policy showed that activities such as setting objectives, selecting measures and setting targets were incorporated into the PM framework. Nevertheless, the establishment of strategic initiatives was not provided for in this system. Furthermore, the adoption of the BSC as its performance measurement framework was mentioned in its policy. However, the tool was not implemented properly.

Indeed, none of the objectives and strategic initiatives was indicated in the annual reports for all three financial years. However, during 2013-2014, measures and targets were rightly set. As a result, there was a regular symmetry between them. In spite of this, however, some irregularities were visible during 2012-2013 with regard to the equilibrium between measures and targets, as well as the absence of measures during the financial year 2011-2012.

6.4 RECOMMENDATIONS

6.4.1 Ekurhuleni Municipality

Within the policy of performance management systems, an appropriate performance measurement system or framework has to be well-defined, as well as providing a tool for its use. The City has to develop a performance measurement framework which will also make the use and implementation of the BSC easier.

Although it is theoretically included in its policy, the Ekurhuleni Metropolitan Municipality does not espouse the BSC as its performance measurement framework. However, practically ¾ of the essential activities for its implementation, such as objectives,

measures and targets, are already applied, even though the objectives and measures are identical. Thus, this study suggests that the Municipality should adopt the original BSC framework, and that strategic initiatives should be included in this framework.

Obviously, there should be a difference between objectives and indicators. Therefore, these two concepts have to be separated from one another when reporting on them. Moreover, it is also suggested that the Ekurhuleni Municipality should indicate the outcomes of each annual target set. It should also provide the performance outcomes of each of its service delivery components, by determining whether or not each target was achieved, not achieved, partially achieved or overachieved.

6.4.2 City Of Johannesburg

The inclusion of objective setting in the City scorecard should be requisite, since it has already been listed amongst its performance management (PM) activities. The policy should also include activities such as the setting of strategic initiatives. Furthermore, as the City of Johannesburg has adopted the BSC as its performance measurement framework, it should be compulsory for the tool to be designed in accordance with its original framework, in order to facilitate its implementation.

The City should add objectives and strategic initiatives for each service delivery component to its scorecard, since selecting measures and setting targets are already included. Simultaneously, a balance between objectives, measures, targets and strategic initiatives should be achieved. The City should avoid reporting incomplete outcomes of targets set for its service delivery performance.

6.4.3 City Of Tshwane

Since the setting of objectives has been mentioned in the City policy, its implementation should be required. Moreover, strategic initiatives should be included not only in the City's policy, but also in its scorecard.

The BSC has been adopted by the City of Tshwane and the number of measures selected is in line with the targets set. It should thus be required to not only incorporate objectives and strategic initiatives in its scorecard, but also to balance them with the basic elements of the BSC.

6.5 AREAS FOR FUTURE REASEARCH

This study investigated the implementation of the BSC by GMMs, as well as its impact on service delivery performance outcomes. The findings of the study included numerous recommendations, not only for researchers, but also for managers. With regard to performance management, the study highlighted the need to investigate the concept more closely, not just in terms of policy and regulation, but also in terms of its applicability.

Secondly, as discussed earlier in the study, the aim of the BSC is to measure performance. The research findings indicated that the implementation of the BSC failed to comply with its original framework. This is due to the lack of a good performance management system, which in turn affects performance measurement.

Before adopting a performance measurement framework, there should be an appropriate performance measurement system in place, in order to ensure its success. Consequently, future research in the mentioned areas should focus more on the investigation of standard requirements for measuring performance especially in the public sector.

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APPENDICES

The following appendices are attached on disc:

1. Gauteng Metropolitan Municipalities

Appendix A: Ekurhuleni Municipality's Performance Management and Measurement Systems.

Appendix B: City of Johannesburg's Performance Management and Measurement Systems.

Appendix C: City of Tshwane's Performance Management and Measurement Systems.

2. Ekurhuleni Municipality Service Delivery Performance

Appendix D: Ekurhuleni Municipality's Scorecards and Performance Outcomes 2011-2012

Appendix E: Ekurhuleni Municipality's Scorecards and Performance Outcomes 2012-2013

Appendix F: Ekurhuleni Municipality's Scorecards and Performance Outcomes 2013-2014

3. City of Johannesburg Service Delivery Performance

Appendix G: City of Johannesburg's Scorecards and Performance Outcomes 2011-2012

Appendix H: City of Johannesburg's Scorecards and Performance Outcomes 2012-2013

Appendix I: City of Johannesburg‘s Scorecards and Performance Outcomes 2013-2014

4. City of Tshwane Service Delivery Performance

Appendix J: City of Tshwane s Scorecards and Performance Outcomes 2011-2012

Appendix K: City of Tshwane‘s Scorecards and Performance Outcomes 2012-2013

Appendix L: City of Tshwane‘s Scorecards and Performance Outcomes 2013-2014