

**TOTAL QUALITY MANAGEMENT IN A DEVELOPMENTAL
LOCAL GOVERNMENT ENVIRONMENT IN SOUTH AFRICA: A
CASE OF KWAZULU-NATAL MUNICIPALITIES**

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LOCAL GOVERNMENT ENVIRONMENT IN SOUTH AFRICA: A
CASE OF KWAZULU-NATAL MUNICIPALITIES**

BY

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DECLARATION

I declare that this dissertation is my own independent work. All the sources used have been acknowledged in the text and in the Bibliography. It has not been submitted in part or in full to any other University other than the University of Zululand and Florida Agricultural and Mechanical University.

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ABSTRACT

The need for effective and efficient local government has been at the centre of the service delivery agenda of all the three spheres of government in South Africa. The scarcity of financial resources has necessitated the development of other strategies that can assist municipalities in being more innovative and productive. The Total Quality Management concept seems to offer innovative ways of reducing costs whilst not compromising the quality of services. It encourages municipalities to continuously improve their performance. This project explores the applicability of TQM in a developmental local government context amidst economic disparities amongst all categories of municipalities in South Africa. It argues that TQM if implemented properly can lead to efficiency.

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ABREVIATIONS

ANC	African National Congress
ACDP	African Christian Democratic Party
BPR	Business Process Reengineering
CEO	Chief Executive Officer
CFO	Chief Finance Officer
COHASA	Council for Health Services Accreditation South Africa
COSATU	Congress of South African Trade Union
DA	Democratic Alliance
DBSA	Development Bank Of Southern Africa
DPLG	Department of Provincial and Local Government
ELDP	Executive Leadership Programme
FFC	Finance and Fiscal Commission
IDP	Integrated Development Plan
IFP	Inkatha Freedom Party
ILGM	Institute of Local Government Managers
ISO	International Standards Organisation
KFA	Key Focus Areas
KPA	Key Performance Areas
KPI	Key Performance Indicators
KWANALOGA	KwaZulu-Natal Local Government Association
MF	Minority Front
NPI	National Productivity Institute
LR	Labour Relations
OLG	Organised Local Government
OLGA	Organised Local Government Act

QWL	Quality of Work Life
RSA	Republic of South Africa
SALGA	South Africa Local Government Association
SALGBC	South Africa Local Government Bargaining Council
SERVQUAL	Service Quality
TASK	Tuned Assessment Skills Knowledge
TLC	Transitional Local Government
TQM	Total Quality Management
TTTQM	Transformation Through Total Quality Management
UCASA	United councils Association of South Africa
UME	United Municipal Executive of South Africa
ZBB	Zero Based Budget

CHAPTER 1

INTRODUCTION

1. THE PROBLEM AND ITS CONTEXT

1.1 THE CONTEXT OF LOCAL GOVERNMENT IN SOUTH AFRICA

There are three spheres of government in South Africa: national, provincial and local. These spheres are distinct, interdependent and interrelated (The Constitution of the Republic of South Africa, Act 108 of 1996). The shift from the use of level to sphere to describe positions of government is meant to create a state of equilibrium among government institutions in South Africa. Sphere thus denotes a more horizontal relationship, at least in theory, among spheres of government as opposed to a vertical type of structure, which suggests a hierarchical order marked by positions of power. Where “level” is used in this research project it does not suggest any power position of local government in relation to the other spheres but refers to its location in the scheme of operations.

In this study a municipality is referred to as an “organisation” as opposed to an “institution”. Organisation is preferred as it is the term widely used by local government in South Africa. Organisation denotes a number of units put together to make a whole. These units, which may be different departments with different functions and activities, are united

by the structure, by the regulations that establish them and by the policies that guide their activities. While the use of institution as opposed to organisation is the norm in public administration, one is more inclined towards the use of organisation, as it is not limiting. Institution is used often to define confined environments such as universities, hospitals and schools. Whatever the merits or demerits of both terms, this study aims to be accessible in terms of readability and proposes use of the term most familiar to South African practitioners, namely, organisation. The study on Total Quality Management and its possible use in the municipal sector is not confined to particular departments but to the municipality as a whole.

1.2 PROBLEM STATEMENT

The South African Minister of Finance, Mr Trevor Manuel, during his budget speech (2003) questioned the quality of services that the government delivers. He argued that there are a number of elements in the development of services that are often difficult to quantify but that are fundamental to the achievement of the outcomes sought. He rightfully argued that when people experience poor service delivery, or government projects fail, not only are citizens denied those services to which they are entitled but also their capacity to contribute to the furtherance of the development process is undermined. He further argued for the efficient implementation of government policies, and for courtesy, honesty and enthusiasm to enable the people to enjoy the fruits of freedom (Republic of South Africa Treasury Budget Speech, 2003).

The Minister of Finance, by implication, called for the improvement in the quality of services delivered by the public sector. He challenges the inefficiencies in the public service and thus calls for a different approach that is customer/citizen focused. Efficiency is the outcome of quality inputs resulting in quality outcomes. TQM focuses on changing the culture of the organisation's processes, systems and approaches to be in line with the organisational quality goal of customer satisfaction.

The South African local government legislation after 1994 introduced 'private sector' concepts such as performance management. The Local Government: Municipal Systems Act (2000) obliges municipalities to manage and benchmark their performance. The White Paper on Local Government (1998) introduces concepts such as sustainability, efficiency, effectiveness, affordability and viability. The White Paper on the Transformation of Public Service (1997) places significant emphasis on customer satisfaction, though more of the external customer than the internal customer. All these pieces of legislation or policies are positioning customers/citizens at the centre of service delivery. However, municipal managers and councillors do not have the capacity for the practical implementation of these new laws and government policies. Their political socialisation is different from the new democratic order and does not understand the culture of service excellence to all. TQM offers the 'how to' in enhancing and strengthening the implementation of legal obligations and objectives of developmental local government as it introduces a culture of quality and excellence.

There has been a noticeable shift from the use of "citizen" to describe the beneficiaries of municipal services to the use of the word "customer". The White Paper on the Transformation of the Public Service (1997) uses the concept of customer to define those serviced by the

public sector. Is customer an appropriate term to define the municipal clients and citizens? Clearly, municipalities service a range of people, some of whom are not residents of their municipal area such as tourists and investors. The use of the concept of customer thus appears to be more inclusive. TQM thus assists municipalities in broadening the definition of those they serve as it goes beyond citizens in its definition of customers.

In TQM customer focus is a central principle. TQM must result in customer satisfaction. TQM goes beyond the external customer satisfaction. TQM recognises employees as internal customers. TQM argues that internal customers are the core of quality results as quality happens through people. Therefore, internal customers must be satisfied too. TQM recognises that employees spend most of their waking time at work and that a conducive and happy environment must be created to enable employees to go beyond the call of duty. The concept that links productivity with employee workplace life is called quality of work life (QWL). This concept deals among other key issues with motivation of employees, workplace health and safety, staff skills development and performance management. The TQM customer focus principle will address concerns expressed by the Congress of South African Trade Unions (COSATU) that there is insufficient appreciation of the role played by workers in service delivery and those of municipal employees, while on the other hand ensuring improvement of quality services that are rendered to municipal customers.

1.2.1 MUNICIPAL INEFFICIENCIES

Most South African municipalities are inefficient. Inefficiency is meant to include the non-collection of revenue from debtors (South African Local Government Association (SALGA)

Report, 2002 and Department of Provincial and Local Government (DPLG) Quarterly Monitoring, 2001); poor quality of services (Integrated Development Plan (IDP): A Practical Guide to Municipalities, SALGA 2001); lack of a customer-focused approach to both internal and external customers; failure to make critical decisions and often an ineffective performance appraisal system (Local Government Portfolio Committee Report on the State of Municipalities: 2002). Total Quality Management (TQM) holds some promise to South African municipalities who are legally obliged to render effective and efficient services to their communities. The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), the White Paper on Local Government (1998) and the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) all point in the direction of quality services and improved quality of life in municipal communities. However, legislation by itself is inadequate to address the problem of poor service quality. TQM introduces a culture of excellence and continuous quality improvement. Notable scholars in the field of excellence in government found that:

Traditional management tolerates errors and waste...anticipating errors traditional organisations devote substantial resources to 'planned rework'. The money and time needed for this are formal cost estimates and budgets, or simply informal 'fudge factors' (Carr & Littman, 1990: 16).

1.2.2 LEADERSHIP CRISIS IN THE LOCAL GOVERNMENT SPHERE

Tensions between councillors and local government officials, the hiring of incompetent staff and weak, or incapable, political leadership all, logically, contribute to the problem of under-collection of revenues. Municipalities that have these problems spend most of their time

attempting to solve them instead of attending to the delivery of services. Labour disputes that arise from these problems often lead to the firing, or suspension, of officials usually at the cost of large amounts of money meant for service delivery. TQM offers a possible solution if implemented properly. The internal and external customer focus together with the systems and factual approaches to decision making, which are all principles of TQM, could address the human resource capacity problems and the debt recovery challenge. Carr and Littman (1990: 9) argue that: "Governments need TQM to render better services to the citizens, to tighten budgets, get and keep the best employees, and for their very survival."

Relationships between top management, councillors and the trade unions are worsening. The Congress of South Africa Trade Unions (COSATU), one of the biggest trade unions in the world, at their annual congress in Johannesburg in September 2003 voted the South African Local Government Association (SALGA), an employer body of municipalities, the worst employer. The poor management strategy of South African municipalities strongly contributes to the dissatisfaction of the internal customer, undermines efforts to deliver services, and leads to the waste of resources. Consequently the backlog in capital infrastructure grows. TQM's emphasis on quality while saving costs and satisfying the internal customer can reduce the wastage of resources by municipalities. The vote of no confidence by COSATU in SALGA clearly points to the incapacity, and thus the credibility, of leadership in this sphere of governance. A Jossey-Bass Reader, 2005 argues:

Credibility is the foundation of leadership...credibility goes far beyond employee attitudes. It influences customer and investor loyalty as well as employee loyalty (Kouzes & Posner, 2005: 35).

The suspension of senior managers (referred to as Section 57 employees in terms of the Local Government: Municipal Systems Act of 2000) is escalating. Section 57 employees are those municipal employees whose employment contracts are legislated and are not part of the collective bargaining agreements. They are often in the two top management layers. Where a municipal manager or any other senior employee is suspended, an acting allowance is payable to the person acting in his/her absence. The suspended municipal manager often gets his/her salary in full during the suspension period. In most cases, employment procedures are not followed resulting in the reinstatement of the suspended senior official. Sometimes these senior officials are paid an exit package. Examples of senior officials suspended include high profile municipal managers such as the president of the Institute of Local Government Managers (ILGM), Mr Kenny Leduma, and Ms Thoko Mashiane, the former president of ILGM, and a municipal manager of Ehlanzeni¹ District municipality in Mpumalanga province. The TQM principle of moving away from the system of detection to that of prevention will assist municipalities in preventing problems and tensions from happening in the first place.

In KwaZulu-Natal, in August 2003, Umgungundlovu District Municipality retrenched all its directors, who are one level below the municipal manager. The managers challenged the decision of council through the Commission for Conciliation, Mediation and Arbitration (CCMA) (Umgungundlovu District Municipality Report, 2003). However, the municipality has since replaced all the senior managers. Endondakusuka Municipality spent more than R1-million investigating its municipal manager who had been suspended, and paid him his salary every month during his suspension (Endondakusuka District Municipality Report, 2003). The

¹ For the sake of uniformity only, this study has capitalised the first letter of all place names in spite of, for example, the isiZulu practice of capitalising the second letter. Several languages are represented here and it was felt that the adoption of this style would render the work more readable.

directors of Endondakusuka were assigned to unfamiliar departments. The Chief Financial Officer, for example, had to head the Engineering department for which he had neither qualification nor experience. Amajuba District Municipality also suspended its municipal manager for six months on full pay, and then had to reinstate him (Department of Provincial and Local Government, KwaZulu-Natal Report, 2004). This trend indicates a serious problem with a lack of managing by fact, which is another key principle of TQM. Before a decision is taken in TQM the cause and the effect of that problem leading to the decision are analysed to assess, in this instance, the implications of both a leadership vacuum and the costs involved. Part of the problem in these decision-making processes is that the people involved are often not well informed. TQM approaches would be of assistance in this, too.

1.2.3 NON-COLLECTION AND UNDER-COLLECTION OF MUNICIPAL REVENUE

Municipalities in South Africa are collectively owed more than R24-billion of a total annual budget of about R75-billion (SALGA report: 2002). The total national consumer debtors' amount receivable, however, is estimated at R22,225-billion. Fourteen percent of that amount is estimated as receivable by KwaZulu-Natal municipalities (DPLG Quarterly Monitoring 31/12/01). Service delivery requires monetary resources. The non-collection of debt impacts negatively on service delivery and the quality of services rendered. The TQM techniques such as the cause effect diagram coupled with TQM core principles such as customer satisfaction could assist municipalities in analysing their debt problem and enable them to come up with suitable solutions.

The implementation of TQM principles in both the public and private sectors has produced improved results in terms of efficiency in debt recovery. The Polokwane municipality in the Limpopo province achieved a debt recovery of 98% through the involvement of stakeholders and through the adoption of a customer focused approach and the hiring of competent personnel (Rampedi: June 2003). A private sector example is Jaguar, the motoring industry which lost a lot of business because of lack of quality in their motor vehicles, and then regained business to the point of exceeding their own expectations after embarking on TQM (Fisher, Horine, Carlisle and Williford: 1993). The Polokwane municipality and Jaguar motoring industry respectively are both evidence of the reduction of waste and recovery. This suggests that TQM could address the problems of many municipalities and help them to turn their ailing situations around.

According to the Finance and Fiscal Commission (FFC) report (2003), municipalities differ in their ability to deliver basic municipal services. The report cites the lack of an economic base to provide income to finance the delivery of services and the lack of administrative capacity to implement the collection of revenue. The adoption and implementation of TQM principles offers an opportunity that is not necessarily a legal obligation yet in harmony with the legislative framework and can assist municipalities to generate more income. TQM goes beyond SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis but encourages innovation, and cost effectiveness through continuous improvement. It acknowledges that survival is about continuous improvement and thus municipalities will benefit from such a culture of quality in confronting and dealing with their challenges.

There is a noticeable problem of non-decision. Non-decision includes the failure of council to meet regularly, failure of council to adopt a budget, lack of credit control policies and failure to amend budgets to reflect under-collection of projected revenues. The thrust of TQM is continuous improvement (Hipkin: 2000). Problems of non-decision could be addressed if municipalities were to embrace TQM continuous improvement principle. This is so because the thrust of continuous improvement requires decision. In other words no continuous improvement can happen if no decisions are taken. Under the Republic of South African Constitution (1996), only a municipal council can exercise legislative authority, and thus only the council can fix these problems (SALGA Salary Negotiations 2002/2003). The conscious adoption of a continuous improvement principle could encourage decision making especially if it was coupled with a “score-card” that could assist municipalities to assess whether they are achieving their targets or not. Currently most municipalities, despite some adopting a performance appraisal system, still do not measure performance. This suggests that there is no culture change context within which performance appraisal takes place. TQM is offered in this study as a quality culture that needs to inform the vision, mission, systems and processes and municipal human resource capacity challenge and the way services are rendered to their customers.

1.2.4 THE NON-DECISION PHENOMENON THAT CRIPPLES FUNCTIONALITY OF MUNICIPALITIES

The problem of non-decision demonstrates the weak link among the different spheres of government in South Africa. Inefficiency is not only a local government phenomenon, but is also a problem in provincial government whose constitutional mandate is to monitor and

support the municipalities (Republic of South Africa Constitution, 1996). While the study is primarily about TQM application in the municipal sphere, evidence as presented above suggests that TQM can also be of benefit in other spheres of government. Provincial government's effective monitoring and support mechanisms can be enhanced by the application of TQM in both spheres of government. Current evidence of the number of municipalities who are not submitting their financial statements, and of those that do who accompany them with qualified audits or disclaimers, indicate the anarchy in the municipal sphere (South African Treasury Municipal Audit Report, 2003-2004). This evidence suggests that the provincial government's constitutional role is not as effective as it should be. TQM can also enhance good corporate governance culture and strengthen relations between the spheres as TQM not only recognises consumers but other critical stakeholders, such as the provincial and national spheres of government, as customers.

1.3 STATEMENTS OF HYPOTHESES

First Hypothesis: There is a relationship between the implementation of Total Quality Management principles in a developmental local government environment in South Africa and increased efficiency in the municipal sphere.

Second Hypothesis: Leadership crises in municipalities impact negatively on service delivery.

Third Hypothesis: The proper implementation of TQM improves the recovery of debt.

Fourth Hypothesis: Effective leadership eliminates the problems associated with non-decision.

Fifth Hypothesis: There is a direct link between the TQM principle of managing by fact through effective communication and improved relationships between council and its external and internal customers.

1.4 DELIMITATIONS AND LIMITATIONS OF THE STUDY

This study is not a comprehensive study of the application of TQM at municipal level but rather a study to ascertain the relevance and possible role the TQM approach could play in achieving service excellence. The study makes generalisations on TQM principles. It does not study TQM principles in detail. For example, the customer focused approach principle would require interviews with customers to ascertain their level of satisfaction with municipal services. Instead this study has focused on the municipal official documents and other spheres of government's reports and publications to assess the relevance of TQM.

The study argues that TQM leads to improved organisational performance and service excellence. From the sample chosen, there is no organisation that has consciously embarked on TQM. However, the study reveals that in bigger municipalities, some departments are

conscious of TQM and have attempted to apply it. The study has focused on these departments as a way of arguing TQM's relevance in a developmental environment. It is the impression of the study that many of the challenges municipalities face have more to do with an approach than with an unwillingness to do the right thing.

This research project is limited to the possibility of TQM at the municipal sphere of government in KwaZulu-Natal. Although other municipalities from other parts of the country have been quoted in the study, this was done for reference purposes. Attention in this study is paid to six municipal case studies in KwaZulu-Natal out of the province's 61 municipalities. While this study has attempted to cover every category of municipality, municipalities of differing capacities, some of large budgets and some of small budgets, and of differing geographic locations in terms of the urban/rural divide, the study cannot adequately claim absolute coverage of any municipality as there may be aspects that have been omitted during the study.

The roles of the different players in the municipal environment, the councillors, officials, traditional leaders, civil society and business, are not covered in detail. The principle of quality leadership was explored especially in identifying the leadership gap at municipal sphere. The research project assesses TQM relevance in a municipal environment at least at macro level. In other words TQM in this study is explored as a possible broad service excellence strategy but not necessarily as an operational technique, as this would require the study of different charts that are used as tools to measure quality performance. Tools such as cause and effect diagrams, histograms, flow charts, etc. are not discussed.

This study must thus be seen as an introduction and an exploration of one of the service excellence concepts such as TQM and not as an end in itself. It is highly recommended that more specific studies be done on TQM for any conclusive statement to be made.

1.4.1 Ethics, Credibility, Reliability and Validity of the Qualitative Research Findings

Many qualitative researchers grapple with ethical issues. This study is no exception. Institutions, municipalities, consultants, and individuals working in the organisations that are case studies may feel exposed or embarrassed by the research findings.

Breach of privacy, confidentiality, or anonymity can hurt research participants in minor or major ways. Such techniques as assigning code numbers or removing names from tape transcriptions are not foolproof means of protection in qualitative research (Morse, 1997: 41).

The study has attempted to avoid being personal but to focus on systems, processes, culture, strategy and institution. It tries not to blame individuals but to address the issues at hand. For example, some of the findings that might have a negative impact on particular individuals have been reported under critical findings. The case study municipalities are covered but compelling findings are done under critical findings. This is as best as the research could do to protect individuals that may be implicated. The people that have been interviewed who have given critical evidence are also not disclosed. There are about one hundred municipal employees that have been interviewed from all the six municipalities. Okhahlamba and Ugu municipalities are the only municipalities that have not had a problem with being named in the

interview. Okhahlamba in fact organised a workshop to be addressed by the researcher. The respondents were all very open and extremely critical of the system. Otherwise, while some respondents did not have a problem with being quoted, the overwhelming majority from the other four municipalities preferred that their identities be kept secret.

The study also makes recommendations that take into account the political, historical and cultural context of the municipalities in South Africa. In other words one might argue that the research is corrective in nature rather than being punitive. Corrective in this context refers to the process of identifying weaknesses and offering or proposing alternative solutions meant to improve the situation. The Concise Oxford Dictionary concurs. It defines corrective as “designed to correct or counteract something undesirable”. The study also attempts to be systematic. It treats each variable as a dependent variable. For example it is not enough to say that a municipality is inefficient. Areas of inefficiency must be identified. The causes must be exposed and analysed. The effect of those causes must also be identified to enable a solution or suggest an improvement that is based on a holistic and factual approach in line with TQM principles. The identification of the cause of the problem arguably can move municipalities from a culture of detection to one of prevention. This is done by recording processes and by educating personnel. When faults do occur, the root cause must be identified and the problem addressed. This is the continuous improvement process, which is the core of TQM.

While one cannot guarantee absolute protection, precautions have been taken that do not compromise the findings. Some of the recommendations by other qualitative scholars have been taken into consideration such as by generalising where a subject is likely to be confrontational. However, some of their recommendations such as omitting or changing

details, masking or creating new identities and generalising about geographic location as recommended by Morse (1997) are not appropriate to the nature of this study. The study is about proposing a different approach to the management of municipalities in South Africa. It selects live case studies to back the advanced arguments in the study. To omit or change details would jeopardise the credibility and reliability of the findings.

In order to validate the findings of the study, real names of municipalities are used in the case studies. Findings, as stated above, have been categorised for ethical and reliability purposes. Validation in this context is relative as warned by Neuman (1997: 145) “a measure can be reliable but invalid”. This note is important as official statistics are used but their validity cannot be guaranteed.

Thorne (Morse, 1997:117) warns that despite qualitative researchers’ enthusiasm about qualitative research being the key to accessing subjective realities, “the products of qualitative inquiries are not inevitably accurate, relevant, or even socially responsible”. The processes and methods of collecting data had to be in line with the key focus areas in order to ensure consistency and socially valuable results.

The study attempted to validate some of its findings by approaching ‘experts’ in the field of local government in South Africa for their comment on the key focus areas identified. This does not suggest subjectivity of the researcher but is an acknowledgement that there may be critical issues left out that might impact on the credibility of the study.

On the 20th October 2003 a meeting between the researcher and Mr Kishore Harie took place in Hillcrest, Durban. Mr Harie is an attorney by profession and heads the legal and policy unit of the KwaZulu-Natal Local Government Association (Kwanaloga). Mr Harie has nine years in the formal local government environment. Prior to becoming a councillor at the then North Central Council in Durban in 1995, he was part of the team that contributed in the drawing up of the White Paper on Local Government (1998). He has also been part of the team that drew up all the local government municipal legislation. His current job as the Head of Legal and Policy Unit enables him to advise municipalities on all legal and service delivery issues. He has also been one of the assessors for the Vuna Award, which is meant to promote service excellence at municipal level. Finally, he also sits in the provincial steering committee of performance management systems, which produced the provincial guidelines for the best practice model. Mr Harie endorsed the findings based on the key focus areas identified.

Mr Gerard Greiviling who is the Head of the Labour relations Unit at Kwanaloga was also consulted on the findings. The meeting with him was held in Durban on the 23rd October 2003. All municipal labour related matters and findings related to his field of specialisation were discussed with him to ensure the credibility and reliability of the findings. The meeting with him also enabled the study to contextualise issues and assisted in bringing up factors that would have been overlooked such as the dynamics and complex issues of the South African Local Government Bargaining Council (SALGC). Mr. Greiviling is the adviser and a specialist in Labour Relations. He holds a Masters degree in Labour Law.

However, the study is also going to be looking at the possible application of going beyond specifications and standards, which is what distinguishes TQM from other management

approaches. Richard Bellingham (2001) in his book titled Corporate Culture Change argues that for any organisation or company to embark on a meaningful change for the better, it will have to focus on three key success factors, namely capacity; commitment and culture. The study adopts these key success factors to measure the organisation's readiness to embark on TQM. TQM is quality change for survival and competitiveness.

1.5 PURPOSE OF THE STUDY

This study seeks to show that TQM is applicable in the public sector as much as it has been perceived as belonging only in the private sector. It critically investigates the relevance of TQM in the context of developmental local government in South Africa. The municipalities are a sphere of government and operate within a particular legal framework. The study analyses the South African legislation and its relevance to TQM principles or strategy.

The research project also seeks to assess the legislative fit of TQM in the municipal environment, which is highly regulated. It does this by comparing and contrasting TQM principles with government policies and laws such as the White Paper on the Transformation of the Public Service (1997), the White Paper on Local Government (1998), the Local Government: Municipal Systems Act (2000) and other relevant laws such as the Constitution of the Republic of South Africa (1996). The study hopes to reveal the benefits of TQM in a public sector environment. The relationship between TQM and other municipal processes such as the Integrated Development Planning (IDP) are explored. The study also hopes to identify gaps in the IDP process that may be addressed by TQM.

TQM originated in the private sector where companies in competition applied it in order to maximise their profits. In Japan in the 1950s and 1960s the manufacturing sector identified the concept of product quality as the way to increased profits (Basu: 2004). They in particular used TQM to prevent defective products that lead to lower profits. The case studies included in this study will show similar benefits of TQM principles in the municipal environment. The study portrays TQM as a culture as opposed to a short-term programme.

Despite its many critics TQM has grown and been adopted by service industries and organisations. The study hopes to identify inefficiencies, ineffectiveness and the lack of quality culture driven by passion to excel at municipal sphere. It thus attempts to adapt TQM into a fitting municipal concept to deliver quality services. It clearly illustrates the consequences of not applying minimum standards and going beyond specifications through case studies. Finally, the study makes recommendations on a practical theoretical framework for TQM in a developmental context.

The study finally offers proper implementation of TQM principles as the solution to increased productivity, customer satisfaction and growth. The study proposes the key principles of TQM that are timeliness in the organisation and that arguably contribute to sustainability. The Continuous Improvement principle, which is the most critical principle of TQM, is projected as the centre of sustainability in a municipal environment. TQM recognises that market environments and trends change rapidly. It also recognises that customers have choices and that it is therefore important to continuously improve upon processes and systems in order to retain old customers and attract new ones. The principle suggests that there is no state of perfection in real life. The continuous improvement principle applies to systems, standards,

processes, skills, strategy, people, services and products. It calls for organisational change (Basu: 2004).

The exploration of TQM's principle of Performance Management assists the study to interrogate each case study in terms of whether they are measuring their performance. Performance management enables the organisation to identify areas for improvement. The effectiveness of systems and processes are also measured. This is important in detecting defects and in preventing defects. Performance measurement in TQM also involves a process of analysing the causes and effects of problems. Performance management is central to strategy development of an organisation as it points in the direction where the organisation should go. It is an empirical way of assessing or evaluating the performance of the organisation.

Through the principle of the Factual Approach to Decision Making the study seeks to identify leadership shortcomings at municipal level. The principle of the factual approach to decision making calls for skilled leadership. These leaders must manage by fact rather than by subjective considerations. One purpose of this study is to attempt to introduce a different leadership style defined by the principles of quality that inform their strategy and approach to systems in a highly politicised environment. This principle argues that if TQM is implemented, then a factual approach must be adopted. For example, TQM suggests that it is not enough to know the effects of the problem or just to know what causes dissatisfaction among customers, but that it is crucial to find out the causes of the problem itself. This principle links with the cost saving strategy of TQM. In order to avoid wasting money, TQM

argues for a system of prevention rather than detection. Therefore, addressing causes enables the organisation not to treat the symptoms only, but the cause (Thompson: 2001).

Another purpose of this study is to strengthen communication at municipal level through **Effective Communication**, which is central to the application of TQM. Juran (1989), one of the founders and promoters of TQM, argues that systems and processes fail often as a result of lack of communication. Any aspect of TQM needs to be communicated so as to identify areas that need improvement especially in encouraging both internal and external customers to give feedback. This study assesses the communication strategy or system in place in each municipality through the critical analysis of data such as language profile and comparison of council written communication against literacy levels and language profile. Effective communication systems assist in the process of debt recovery.

The purpose of the study is basically to contribute towards increased efficiency at local government level. The study treats increased efficiency as a conscious and intended act that comes as a result of implementing strategies and techniques and by adopting principles that can lead to customer satisfaction and customer recognition of any improvement in a product or service, and to the elimination of defects, the minimisation of waste and the reduction of expenses (Fisher, Horine, Carlisle & Williford: 1990). This study hopes to promote TQM as a tool to help organisations change their traditional ways of doing things. TQM promotes effective communication and thus may assist in the reduction and elimination of non-decision.

1.6 SIGNIFICANCE OF THE STUDY

Du Toit, Knipe, van Niekerk, van Der Waldt and Doyle (2002) state that public managers in South Africa have a key role to play in improving the living standards of all South Africans. He encourages public managers to carry out thorough research to contribute towards reconstruction and development issues. Wessels and Pauw concur (1999). They argue that research should be an attempt to contribute to valid scientific statements that contribute to the body of knowledge in the public administration field. This study is one such contribution.

This study will benefit local government practitioners in South Africa. It offers a different innovative option to service excellence that is less threatening to the trade unions. The local government environment in South Africa is very politicised and unionised. The study develops a theoretical framework that is in harmony with the relevant legislation and at same time seeks to benefit all the stakeholders involved from the politicians and officials to the individual employee as well as organised labour.

There are seven main reasons for embarking on such a study. Firstly, there have been rapid changes at local government level in South Africa since 1995. These changes require management innovation. Municipal Managers and other senior managers at local government level will benefit from such a study.

Secondly, there is a need to demystify TQM as a pathway to service excellence and highlight its relevance in a developmental local government context.

Thirdly, TQM is a relatively new concept in South Africa even within the private sector. While the concept has been in existence for decades, its application in South Africa was undermined by racial policies that did not recognise a large segment of South African population as customers. Protectionist economic policies deprived South Africa of competition that leads private sector enterprises to employ TQM in order to survive. Municipalities are part of this historical context. They too did not treat their customers equally. Municipalities on average derive 90% of their income from own source through property rates and selling services. Municipalities are in competition with each other, with other municipalities elsewhere in the world and sometimes with the private sector. They certainly need a survival strategy. TQM seems to be one of the best strategies available.

Fourthly, *Batho-Pele*² is a customer-focused approach that was adopted as government policy in 1997, but in its implementation something went wrong. What might be missing? TQM seems to be reviving and enhancing *Batho-Pele*. TQM is implemented by choice; it is not a legal obligation. TQM can, therefore, be used to achieve the objectives of the South African Local Government Laws and Policies.

Fifthly, there is growing evidence that there is shortage of capacity at municipal level owing to rapid changes, increased demand for more and better services and the lack of human resources capable to take the process of transformation and improved services forward. The legislation especially the Local Government: Municipal Systems Act (2000) compels municipalities to measure their performance. Do municipalities have performance management systems? Do

² *Batho-Pele* is a *SeSotho* word meaning People First. The White Paper on the Transformation of Public Service (1997) is titled *Batho-Pele* as a way of promoting the indigenous cultural values that promote a people focused approach in delivering public services.

they understand the rationale behind it? If they do have performance management systems do they use them effectively as a continuous improvement tool? The significance of this study is thus to establish to what extent municipalities are complying with the legal provisions and how they may benefit from TQM.

The sixth point is that one strongly believes that TQM is a process to be learned and shared and not just a programme. The study of TQM will offer an opportunity for practitioners to network and share experiences based on their own experiences with it. In other words, this study introduces another topic for discussion by senior management, who are employed primarily to think and to search for innovative programmatic solutions in order to grow municipalities in a sustainable manner.

Finally, there is not sufficient literature on TQM applications in South African, particularly on applications in the local government sphere of the public sector. This study will contribute in this exciting field by filling a gap in the literature.

1.7 METHODS OF INVESTIGATION

The study used two forms of methods of investigation, namely primary and secondary sources. These sources are discussed below:

1.7.1 PRIMARY SOURCES

The municipal primary records such as reports, minutes and strategic documents like the Integrated Development Plans (IDP) were all extensively used. The findings of this investigation are largely based on these primary municipal sources.

The study made extensive use of official records such as legislation and Census South Africa, 1996-2004 and Gaffney's Local Government Year Book 2002-2004. These sources were especially important during the selection stage of the investigation. The rationale used in selecting the six case studies in KwaZulu-Natal was informed by the information derived from these sources. The information from the sources was also used to identify gaps and opportunities for TQM application at municipal level.

The legislation used includes the Constitution of the Republic of South Africa Act 108 of 1996, the White Paper on Local Government (1998), the White Paper on the Transformation of Public Service (Batho Pele) 1997, the Local Government: Municipal Systems Act (2000) and many other relevant pieces of legislation that impact on the local government sector.

Questionnaires were sent out to a number of municipal officials and councillors. The questionnaires were used to confirm some of the information contained in official books and to assess the challenges confronted by municipalities. They were also used to ascertain the relevance of TQM and its applicability given the unique set of challenges of a developmental local government context.

Interviews and site visits were also conducted to ensure that information that may have been omitted in questionnaires was covered and if clarity was required, it was sought. This method of investigation ensured that findings are validated and information is tested through a number of primary sources.

1.7.2 SECONDARY SOURCES

Relevant literature was consulted as a standard academic procedure to acknowledge work that had been done previously on the subject under investigation. The literature review was useful in terms of strengthening the research debate and shaping the findings of this study. The literature review critically examined the application of TQM in other countries in a similar local government environment. It also helped in contextualising the historical political developments in South Africa and the need to take into account in terms of recommendations the political context of this given country whose municipalities are being investigated.

1.8 CONCEPTUAL FRAMEWORK

This chapter unpacks terminology or concepts that are central to this study such as TQM and developmental local government. It introduces and recommends a Transformation Through Total Quality Management (TTTQM) framework that is relevant to the developmental local government sector in South Africa whose mandate is to transform the South African society at local level and to improve the quality of lives of municipal ‘citizens’ and customers.

1.8.1 DEFINING KEY CONCEPTS

The main concepts in this study are Total Quality Management (TQM) and developmental local government. TQM features a number of other concepts such as customer focus, continuous improvement, defect prevention and universal responsibility. The section below defines these key concepts:

1.8.1.1 TQM DEFINED

During the 1960s Japan went through a quality revolution. Japan realised it could not compete better in the open market as their products and services tended to be shoddy and ‘cheap’. Japan had to employ United States of America (USA) consultants whose value was not realised in their own country. The expert on TQM who was used to champion the quality movement in Japan was Dr Edward Deming. His philosophy was to make quality an organisation-wide culture (Basu, 2004; Fisher et al., 1993; Oakland, 2002).

The central focal point of TQM is quality. Oakland, like the founders of quality management such as Juran, defines quality as ‘simply meeting the customer requirements’ (Oakland, 2002: 4).

Fisher et al. define quality as:

The true war of the 90’s...without quality there is no success...it’s a desperation move, like open heart surgery; the arteries need to be

unclogged so new blood can flow into the body. The lifeblood is quality (Fisher et al., 1993: 9).

This definition may seem irrelevant and too radical for local government in South Africa, but in fact it is not if one considers the fact that there are no local citizens in the true sense of the word. There are arguably citizens of the country. The mobility at local level is very high and ratepayers and investors choose to live where they are getting the best value for their money. Municipalities need people with financial resources since on average municipalities derive 90% of revenue from own source (Trends in Intergovernmental Finances, 2000/01-2006/2007). It is therefore not a coincidence that municipalities that are better resourced and better run have improving financial positions as they attract more investment into their area of jurisdiction as in the case of ETHEKWINI municipality which has increased its revenue from R9-billion during 2002/2003 financial year to R12-billion during 2004/2005 (ETHEKWINI Executive Committee Report, October 2004).

Municipalities that lack infrastructure are battling and their property rates revenue is declining. One such example is the Big Five False Bay municipality, which is not attracting investors as it is expensive to live there and the services are inadequate. The property rates income declined by about 20% during 2003/2004 financial year (Big Five False Bay Financial Report: August 2004). This factor is further elaborated by the share of the six metropolitan councils in the total estimated budget of R86-billion. The bigger councils, i.e. the six metros, account for 58.8% of the total budget of South Africa's 284 municipalities (Trends in Intergovernmental Finances, 2000/01-2006/07: 22).

Craythorne (2003: 258) defines TQM “as an organisation-wide approach that focuses on the quality of all processes leading up to the final product or service.” Craythorne’s definition is not helpful especially to municipalities that may be too big to achieve TQM. A good example is EThekweni municipality with twenty thousand employees and a multi-billion rand budget. It can be argued that in organisations like this TQM can successfully exist in one unit and not in another. While its application in one eventually may affect the other, at a municipal level TQM cannot successfully be introduced to the whole organisation at the same time owing to its size and municipal priorities.

Oakland (2002: preface) argues that:

TQM is far wider in its application than assuring product or service quality – it is a way of managing organisations to improve every aspect of performance both internally and externally.

TQM distinguishes between an internal and external customer. This study proposes a philosophy for local government in South Africa, which it calls Transformation Through Total Quality Management (TTTQM). This theory will be elaborated further in the following chapter dealing with the theoretical framework. The TTTQM theory argues that for quality transformation to take place both internal and external customers need to be empowered. In South Africa, the customer often is confined to people outside the organisation. This excludes employees although they also are citizens and consumers of municipal services. Steenkamp and van Schoor defined customers as “those people outside and inside an organisation who consume the goods and services produced by the organisation” (2002: 23). Steenkamp’s definition of customer is adopted in this study. This definition is inclusive as it also recognises

the employees as customers. Sekoto (1999) refers to the public as primary customers. In this study, the public and suppliers/consultants are referred to as external customers.

At municipal level, it is even more appropriate to refer to employees as internal customers as they often reside in the area of jurisdiction of their municipality and consume goods and services of the municipality. Municipal employees are not exempt from paying property rates, water and electricity tariffs. They are also beneficiaries of municipal services such as waste removal, and roads and facilities maintenance.

Steenkamp et al. further argue that if the internal customers are dissatisfied, the results of production process will most likely not meet the requirements of the end consumer. The centrality of the internal customer in service excellence is evidently very important.

South Africa had racially discriminatory laws for decades, which had enormous implications for the customer. The ‘customers’ were not treated the same. The internal customers were also affected by the politics of the time. The Trade Union movement that represented the majority of the black employees was part of the political agenda to dismantle the apartheid system. Although they were in the majority, black people lived in areas that were underserviced or not serviced at all by the municipality. The white employees were often white-collar employees who were also in management positions. Given this historical background there is a need to focus on the empowerment of the employee in order to promote excellent services to all. TQM works in teams. The legacy of apartheid makes it almost obligatory for municipalities to build strong and united teams to deliver services to the people.

Empowerment of the internal employee requires a change of the working environment. Steenkamp et al. argue for the motivation of the internal customer to continuously meet the requirements of external customers. They see the quality of life of the employee as critical in meeting external customer expectations. They argue that the experience of the employee in the workplace determines the quality of service he provides. The empowerment of the internal employee involves appropriate and relevant skills development, access to information, understanding of and ability to contribute towards the organisational goal or vision, and understanding the value each individual employee adds to the organisation.

Robbins (1993) defines motivation as the willingness to exert high levels of effort towards organisational goals and aspirations, conditioned by the effort's ability to satisfy some individuals. Once the employee is empowered and motivated, the employee is likely to contribute towards the quality chain of the organisation. The employee will be in a position to identify something wrong with the process or system and will seek to remedy or improve the situation. Quality happens through people and the investment in staff members is a prerequisite to transformation outcomes and total quality management.

The external customer, like the internal customer, needs to be empowered. Access to information is part of the customer empowerment agenda. Sekoto (1999) places a lot of emphasis on the availability and access to information. He argues that no organisation can be expected to optimise service provision processes without access to timely and accurate information. He sees accuracy of records as the key to maximising service provision.

Most agendas for municipal meetings in KwaZulu-Natal, for example, are still written in English only, despite the fact that Zulu language speakers constitute more than 75% of the province's population (South African Survey, 2001). This perpetuates the apartheid agenda, which excluded black people from municipal affairs. The concepts of customer and TQM seem to offer some of the solutions to the municipal challenges in South Africa. The emphasis on the empowerment of both the internal and external customer is critical in advancing the transformation process as well as in improving the quality of life of citizens.

Ian Brooks (2001) argues that there are four principles that are key to a customer driven approach namely:

- To deliver such superior customer value that your customers are so delighted they want to come back for more. He argues that simply meeting customer requirements is not enough but to be customer driven you need to delight your customers to win their loyalty.
- To operate effective and efficient processes.
- To get the right people working together to do the right things.
- To be constantly trying to find a better way.

Related to the customer focus principle is quality leadership. Quality leadership is there to ensure that the organisation fulfils its mandate or goals. The empowerment of customers requires quality leadership to drive the process. Steenkamp et al. (2002) argue that 'good leadership' can be measured by the impact that a leader has on his or her followers. A quality leader is therefore one whose followers are satisfied by the results produced as a consequence

of his or her leadership input. A quality leader manages by facts, moves away from a system of detection to one of prevention, and ensures delivery of quality services and customer satisfaction through the motivation of employees and the continuous development of their skills. Quality leadership seeks to continuously improve the performance of the organisation to satisfy the customers, both internal and external.

The success of the quality leader is dependent on the communication strategy the organisation adopts. Communication is the key to proper implementation. Without effective communication, the goals of the organisation are lost. John Oakland's (2002) emphasis on communication is depicted in his diagram where he demonstrates the inseparability of TQM requirements in an organisation. Communication is a means of sending and receiving information. Communication means "share or exchange information or ideas" (Oxford Dictionary, 1999: 288). At the core of TQM is an act of communication. Without effective communication, TQM cannot happen. Effective communication in TQM can be defined as the means of sending and receiving information to reach the desired quality results.

Continuous improvement refers to a process of making bad things better and better things best. It also refers to the never-ending process of betterment. It is simply a struggle for perfection. As Brooks (2001) puts it:

If you are doing today what you did yesterday, you have already fallen behind.
It takes at least 20% improvement on last year just to stay in the same place
(Brooks, 2001: 2).

Performance measurement is key to continuous improvement. John Oakland (2000:115) argues that in the cycle of the never-ending improvement, measurement plays an important role in:

- Tracking progress against organisational goal.
- Identifying opportunities for improvement.
- Comparing performance against internal standards.
- Comparing performance against external standards.

Quality is not an event but a conscious process. Therefore, there has to be continuous improvement for quality to continue. Quality has to be measured and opportunities for improvement identified.

Defect prevention is another the key concept of TQM. Defect prevention refers to a conscious act of identifying faults or mistakes before they happen, especially in matters of production or service provision. The concept of defect prevention is another aspect of managing by facts. In other words, there has to be a process of recording information to quantify faults in order to pre-empt them.

Defect prevention can only occur if the whole organisation takes the responsibility to perfect itself. A lot of money is wasted correcting mistakes that could have been avoided. In the municipal environment in South Africa, many municipal managers or municipal employees are suspended on full pay, acting allowances paid to acting persons and thousands, even millions, spent on legal fees. Endodakusuka municipality, for example, suspended their municipal

manager on 10 April 2003 with full pay. An acting municipal manager was elevated from the third level of the organisation. The Chief Finance Officer was redeployed to Engineering where he has neither expertise nor experience and the finance manager was redeployed to head libraries. Over and above this, legal fees have been paid to attorneys amounting to an estimated R1.2-million. In November 2003 the case remained unresolved. Clearly, there is a defect somewhere in the system or process (Interview with Charles Mdlalose and Endondakusuka reports, 2003/2004). This cries out for politicians and officials to be educated on defect prevention.

Oakland argues that defects in the organisation can be curbed by applying:

quality audits and reviews, which subject each area of an organisation's activity to a systematic critical examination. Every component of the total system is included, that is quality policy, attitudes, training, processes, decision features, operating procedures, and documentation. Audits and reviews, as in the field of accountancy, aim to disclose the strengths and the main areas of vulnerability or risk - the areas for improvement (Oakland, 2000: 95).

TQM can thus be defined as a form of culture that informs the organisational philosophy, implemented through continuous improvement of every aspect of organisational performance, leading to the delivery of quality services and goods. This process leads to excellence and the satisfaction of customers. It is continuous and therefore an ongoing process rather than a fixed programme. TQM is arguably not foreign to municipalities, in fact it could improve the way municipalities are currently run as shall be seen when the case studies are discussed.

1.8.1.2 DEVELOPMENTAL LOCAL GOVERNMENT

Development is a concept that is often used to describe different situations. The Concise Oxford dictionary's tenth edition defines development as "a specified state of growth or advancement". They also define it as "a new product or idea" (1999: 392). Clearly, the understanding of development to a filmmaker and businessman has different meanings. To the politician, ideology and experience influence the definition of development. For example, Julius Nyerere, the former president of Tanzania defined development as:

a process which enables human beings to realise their potential, build self-confidence, and lead lives of dignity and fulfilment. It is a process which frees people from fear of want and exploitation. It is a movement away from political, economic, or social oppression. Through development, political independence acquires its true significance. And it is a process of growth, a movement essentially springing from within the society (The Challenge to the South: The Report of the South Commission, 1990: 10).

Rist (1999) argues that development features a set of practices that may be contradictory or that may sometimes be in conflict with one another, which require – for the reproduction of society – the general transformation and destruction of the natural environment and social relations. Its aim is to increase the production of commodities (goods and services) geared, by way of exchange, to effective demand.

He further argues that different definitions demonstrate the various presuppositions. He cites some of these presuppositions as social evolutionism, individualism and economism. These definitions can also be normative or instrumental (Rist: 1999).

South Africa had an apartheid regime, which believed in separate development. To the apartheid regime development meant political exclusion of black people especially Africans. White people decided what was sufficient for a black person's 'development'. The South African White Paper on Local Government (1998) defines developmental local government as inclusive development as opposed to separate development. It argues that local government that involves its community working with its citizens to meet social, economic and material needs is developmental in that its efforts to improve the quality of the lives of the people are community or people driven.

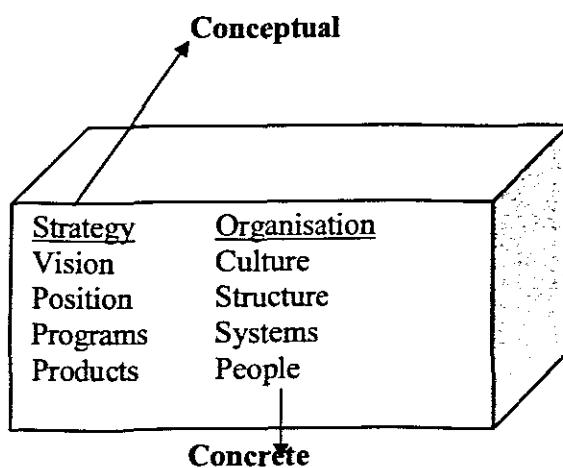
This definition is clearly influenced by historical and political factors. It is a reflection of what South Africa hopes to achieve in the new democratic dispensation as it clearly promotes integrated development. The White Paper thus identifies four key characteristics of developmental local government, which are inter-related. They are: maximising social development and economic growth; integrating and coordinating development; democratising development; leading and learning.

Since the study is meant to deal with local government in South Africa it adopts this definition in line with the objectives and with the relevance of the study to the possible beneficiaries who are primarily the local government practitioners in South Africa.

1.8.2 PROPOSED MODUS OPERANDI FOR THE INTRODUCTION OF A TQM THEORETICAL FRAMEWORK IN A POLITICISED AND LEGISLATED LOCAL GOVERNMENT ENVIRONMENT

There is a need to introduce TQM as an important cultural element in the South African developmental local government transformation agenda. Transformation denotes change. Mintzberg, Lampel, Quinn and Ghoshal (2002) warn that change in organisations is often spoken about out of context. They suggest a change cube, which is reduced to strategy and organisation. They argue that strategy issues that need to be changed in an organisation are vision, position, programmes and products. The organisational change issues are culture, structure, systems and people.

Fig. 1 The Change Cube



Source: Mintzberg H, Lampel J, Quinn J.B and Ghoshal S(2003: 169)

According to Mintzberg et al. the face of the cube shows two major dimensions of change. On the left side, change can be about strategy, the direction in which the organisation is headed, and on the right, about the state the organisation is in. Both have to be considered. Both

strategy and organisation can range from the highly conceptual, or abstract, to the concrete, or tangible. In the strategy dimension, vision (or strategic perspective) is the most conceptual (rethinking, preconceiving), as is culture in the organisation dimension (re-energising, revitalizing). Toward the more concrete, there is change on the one hand in strategic positioning (repositioning, reconfiguring) and on the other in organisational structure (reorganizing, reducing), then down to programmes and systems (reprogramming, reworking, reengineering), and finally to products (redesigning, replacing) and people (retraining), which can also be thought of as changing actions on one hand and the actors on the other (Mintzberg et al., 2002). The usefulness of the theory of Mintzberg et al. centres around their emphasis on the context and their description of what has to be changed in an organisation.

This study argues that in the absence of TQM in the transformation agenda, the role of transformation managers at local government level tends to be confined to human resource related issues and powers and functions of category B and C municipalities. Again, TQM on its own without a transformation agenda in a developmental local government may undermine the political processes. These political processes are so critical in a developmental context that seeks to empower people, most of whom were disadvantaged by the apartheid system. It is for this reason that the study borrows largely from the Mintzberg et al. theory. The conceptual and concrete elements they point out clarify the concept of change and assist this study in simplifying the change elements in TQM.

It is also important to come up with a model that takes into account the legislative context that is not in itself a legal obligation. The study argues that challenges at local government level need a leadership that goes beyond the legal requirements but works within the legislative

framework or within the laws of the country. Since TQM is about changing an organisation for the better, that change must have a context, as not everything needs to be changed in the organisation. In a local government environment, there are legal parameters that seek to stabilise ‘change’. The legal parameters need to be adhered to, as the process of amending laws is the prerogative of Parliament. In other words, to change laws requires a political process, which is often lengthy. Therefore, the current legislation is taken as read. As Mintzberg et al. warn:

Despite all the current hype about change, not all organisations need to change everything all the time. The word for that is “anarchy”. The trick is to balance change with continuity: to achieve change when and where necessary while maintaining order (2002: 168).

The limitations of any laws must be taken into account. The laws and policies cannot prescribe what sort of innovation should be applied in any given challenging circumstance but they dictate what may not be done. For example, although dagga³ has been hailed by some as a herb that has healing properties, it remains illegal in South Africa. Therefore municipalities, or any other person for that matter, cannot legally introduce dagga as a solution to sickness or unemployment. The legislation promotes employment of people but not at all costs.

The concept of Transformation Through Total Quality Management is the concept that demystifies TQM as a private sector concept. TTTQM argues that the South African

³ Dagga is a herb that is illegal in some countries and not in others. Those countries that have banned it believe that it is harmful to an individual’s health while those that have legalised it believe it has healing properties.

legislation encourages the implementation of TQM or any other programme that can deliver quality or improved services to the citizens of South Africa. The relevant laws and policies are now discussed.

1.8.2.1 The White Paper on Local Government (1998)

The challenges confronting South African municipalities post-1994⁴ require an innovative strategy that is capable of building on the strengths of the current system and able to address its weaknesses. Municipalities in South Africa face extremely difficult challenges. There has been a debate whether South Africa is a first or a third world country. The debate arises because of skewed settlement patterns, which are functionally inefficient and costly, and because of the extreme concentration of taxable economic resources in formerly white areas (White Paper on Local Government, 1998). The White Paper arguably encourages researches to look at other strategies to deal with the challenges facing municipalities.

Developmental local government requires that municipalities become strategic, visionary and ultimately influential in the way they operate. Municipalities have a crucial role as policymakers, as thinkers and innovators, as institutions of local democracy. A developmental municipality should play a strategic policy-making and visionary role, and seek to mobilise a range of resources to meet basic needs and achieve developmental goals (White Paper on Local Government, 1998).

⁴ Post-1994 refers to the period of a democratic order in South Africa where all, irrespective of colour, gender or creed are equal before the law. Before 1994, South Africans were not equal. The rating of citizens was racially rated: white people were on the top of socio-economic and political hierarchy, followed by Indians, then Coloureds with Africans at the bottom of the social ladder.

A literature review and previous empirical research suggest that TQM principles and core concepts, where properly implemented, are drivers of organisational excellence. The cases of Polokwane Municipality in the Limpopo province, the KwaZulu-Natal Local Government Association and the Umsunduzi Freedom Square Clinic as illustrated early in the study are all indicators of the relevance of TQM concepts to the public sector.

The TTTQM theoretical framework that is proposed in this study takes into account the White Paper on Local Government (1998). The case of Polokwane begins to identify the key elements of a successful municipality namely: factual approach to decision making, collective leadership of the political and administrative structures of council and customer focus, articulated as community involvement in the decision making process.

1.8.2.2 The White Paper on the Transformation of Public Service (1997)

Batho-Pele, which are principles contained in the White Paper on the Transformation of the Public Service in South Africa, should be viewed as a concept in its own right. Its philosophical roots and cultural value system needs to be examined for it to be appreciated. As policy analysts seek to find alternative solutions, understanding of the philosophical roots of any phenomenon is almost a prerequisite. This is so because knowledge is key to appreciating factors that shape a particular opinion or position (Morgan, 1983).

Batho-Pele is inescapably part of indigenous knowledge, which was unfortunately ignored or not promoted as part of the cultural value system of the old South African society. This can be traced back to some of the African sayings such as the Zulu “*umuntu ngumuntu ngabantu*”

which means: “you are who you are because of others”. In a racially discriminatory environment, it was only the hegemony of the ruling white elite that was promoted as the cultural value system. As a result, good values that had their origins in the African culture were eroded. It is therefore not surprising for the new democratic and African-led government to revisit the value systems of the indigenous peoples where some useful moral and ethical solutions may be found. The coining of the concept *Batho-Pele* may arguably have found its roots in the struggle to bring back the dignity and values of the African. The former President of South Africa, Dr Nelson Mandela, had this to say at his inauguration on 10 May 1994:

Today, all of us do, by our presence here... confer glory and hope to the newborn liberty. Out of the experience of an extraordinary human disaster that lasted too long, must be born a society of which all humanity will be proud... We, who were outlaws not so long ago, have today been given a rare privilege to be host to the nations of the world on our own soil... We have at last, achieved our political emancipation. We pledge ourselves to liberate our people from the continuing bondage of poverty, deprivation, suffering, gender and other discrimination (Mandela, 1994: 747).

Mandela’s speech closed a chapter of discrimination and of isolation from the world scene. TQM offers a platform for South Africa to truly transform itself and be part of a competitive global environment. Service excellence and quality know neither racial boundaries nor political boundaries. It is a modern concept that can only apply in a democratic environment where people have choices and the right to exercise them.

Batho-Pele is a SeSotho adage meaning ‘People First’. The African adages promote the value of the contribution of others to humanity. The philosophical root, therefore, of *Batho-Pele* or

the White Paper on the Transformation of the Public Service (1997) lies deep within the African culture. *Batho-Pele* has undoubtedly been modified to suit the global trends as shall be discussed below.

Batho-Pele as a policy has had to draw from other best practices in the world. The introduction of the customer concept by the South African government is certainly one phenomenon that was borrowed from other countries, such as the United Kingdom, Japan and Australia that have long recognised the value of the customer in the public sector.

The provisions made in the 1996 Constitution of the Republic of South Africa inform the *Batho-Pele* policy principles. Public administration must be governed by the democratic values and principles enshrined in the constitution including a high standard of professional ethics and efficient, economic and effective use of resources. The public service has to be development-orientated and provide services in an impartial, fair, equitable and unbiased manner. The public service must also be responsive to people's needs, encourage the public to participate in the policy-making process, as well as be accountable and foster transparency by providing the public access to accurate information. There has to be a cultivation of good human resource management and career development practices in order to maximise the human potential. Finally, public service must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation (The Constitution of the Republic of South Africa, 1996).

The founding principles of *Batho-Pele* can also be traced to the Freedom Charter of 1955, which was drawn up by anti-apartheid activists of all racial groupings. One of the clauses of the freedom charter is that “all shall have equal rights”. The basic elements of the Freedom Charter were included in the South African Bill of Rights as contained in the constitution.

It has been argued that “public services are not a privilege in a civilized and democratic society: they are a legitimate expectation” (White Paper on Transformation of Public Service, 1997: 3). South Africa as a democratic country needs to change its mindset so that every citizen irrespective of colour or creed receives those services.

The principles of *Batho-Pele* are summarised below.

Consultation with citizens on the level and quality of services is no longer a privilege but a right. Public servants must ensure that citizens are made aware of the service standards they will receive and can expect, and ensure that citizens have equal access to the services to which they are entitled. The public service must treat citizens with courtesy and consideration and citizens must be given access to full and accurate information about the public services. Citizens should be told how national and provincial departments are run, and how much they cost, and who is in charge. Should the promised standard of service be not delivered, citizens should be offered an apology and full explanation coupled with a speedy and effective remedy. When complaints are made, citizens should receive a sympathetic, positive response and public services should be provided economically and efficiently in order to give citizens the best possible value for money.

All eight principles are in harmony with TQM. The use of the term citizen as opposed to customer, which is used by TQM, stands out. The White Paper itself acknowledges that the concept of citizens as ‘customers’ may seem inappropriate at first sight. Customer is nevertheless a useful term in the context of improving service delivery because it embraces certain principles, which are as fundamental to public service delivery as they are to the provision of services for commercial gain (Transformation of the Public Services White Paper, 1997).

The TQM concept of customer is much broader in that it recognises the importance of those who are supposed to deliver those quality services, which it refers to as internal customers. Employees are also important consumers of municipal services.

Batho-Pele acknowledges that mistakes will happen when it calls on public servants to apologise and offer remedy to the customer while TQM argues that although it is correct to do so, more energy should be directed at preventing those defects in the first place. That way, risk exposure, which often results in communication breakdown and customer dissatisfaction, will be minimised.

TQM and *Batho-Pele* both agree on meeting quality standards. TQM, however, goes further by emphasising the need to move beyond customer expectations and to continuously improve on services, processes and systems. TQM recognises that today’s accepted standards may not be adequate for tomorrow’s needs.

The environment of the municipal sphere is different from those of national and provincial government. The term customer may be more appropriate in municipalities than it would be in the national sphere. While municipalities predominantly serve citizens who live in their area of jurisdiction, they also deal with a range of people who consume their services who do not necessarily reside there. Those people have a choice: they may relocate if they are not satisfied with the municipal service. The services offered by national and provincial government leave no such choice for the citizen. No one other than the national government can issue an identity document or passport. Mobility between countries is largely dependent on national governments whereas a municipal citizen one can relocate to another town or city in South Africa without seeking permission from the councils concerned.

Batho-Pele as a policy, programme and way of life has been operationalised at local government/municipal level through the Local Government: Municipal Systems Act (2000).

1.8.2.3 Local Government: Municipal Systems Act (2000)

The preamble to the Local Government: Municipal Systems Act (2000) captures the essence of TQM principles. It acknowledges that the new system of local government requires an efficient, effective and transparent local public administration that conforms to constitutional principles. It also identifies the need to ensure financially and economically viable municipalities. “Efficiency” and “effective” are relative terms as what is effective and efficient today may be obsolete tomorrow. The use of these words suggest continuous improvement if the municipality is to remain efficient and effective. The choice of terminology enables us to

argue that TQM can, in fact, be used as a strategy to fulfil the constitutional and legislative mandate of local government in South Africa.

Chapter 9, Section 95 of the Local Government: Municipal Systems Act compels municipalities to “establish a sound customer care management system that aims to create a positive and reciprocal relationship between persons liable for these payments and the municipality... establish mechanisms for users and ratepayers to give feedback to the municipality or other service provider regarding the quality of the services and the performance of the service provider”. TQM is all about delivering quality and quality is meeting customer requirements (Oakland, 2002). Therefore, the Municipal Systems Act and TQM complement each other. In fact, TQM is a vehicle for service excellence, which is clearly called for in the Act.

This Act provides a framework for municipalities to measure their performance. It makes it obligatory for both municipal officials and councillors to benchmark their performance. It can be argued that TQM is almost law in South Africa if one takes into account the fact that the type of development that is entrenched in government policies and legislation is holistic, and encourages performance management and management by facts, which are some of the key principles of TQM. Chapter 6, Section 38 of the Local Government: Municipal Systems Act (2000) states that:

A municipality must:

- a) Establish a performance management system that –

- b) is commensurate with its resources best suited to its circumstances; and in line with the priorities, objectives, indicators and targets contained in its integrated development plan
- c) promotes a culture of performance management among its political structures, political office bearers and councillors, and its administration;
- d) administers its affairs in an economical, effective and accountable manner

Understandably, legislation cannot cover every aspect of municipal operations. TQM is simply there to offer a possible strategy to achieve municipal goals.

Botes, Brynard, Fourie & Roux (1997) argue that Public Administration and Management studies have a responsibility to prove that they are indeed a science and not an art. They argue that science “consists of a corpus of verified knowledge, based on theorems, paradigms and axioms”. Du Toit, Knipe, van Niekerk, van Der Waldt and Dolve (2002: 409) argue that: “the purpose of knowledge acquisition within the context of Public administration and Management is to predict, and to explain”. The value of the arguments by these scholars is very important for this study as it should indeed also prove that public administration and management is a science and should also contribute to the body of knowledge of this field.

The study of TQM’s relevance in a developmental local government environment interrogates TQM as a possible solution to address management related challenges at municipal level in South Africa. TQM undoubtedly has its origins in the private sector and scholars like James Swiss have argued against the applicability of orthodox TQM in government agencies. Swiss warns against importing TQM in its unmodified form into the public sector. It is also for this

reason that a theoretical framework of TTTQM has been developed, to take into account the uniqueness of the public sector and differing motives for embarking on TQM.

TTTQM defines the local government customer, as it is often this area of contention that makes TQM somewhat irrelevant to the public sector. TTTQM argues that the local government customer is anyone who has an expectation of service as defined and framed by the objectives and functions of local government by the Republic of South African (RSA) Constitution (1996). The objectives of local government according to the RSA constitution are:

- ❖ to provide democratic and accountable government for local communities;
- ❖ to ensure the provision of services to communities in a sustainable manner;
- ❖ to promote social and economic development;
- ❖ to promote a safe and healthy environment; and
- ❖ to encourage the involvement of communities and community organisations in matters of local government.

The concept of TTTQM takes into account the legal parameters of a municipal customer. This means that the indigent is also an important municipal customer as the supreme law of the land dictates that all should be beneficiaries of municipal services. Therefore, anyone within the area of jurisdiction who expects a service from the municipality whether a citizen or a non-citizen qualifies as a municipal customer. The concept of the municipal customer in TTTQM must further be unpacked by different units of the municipality taking into account the objectives of local government as prescribed in the RSA constitution.

The basis for the TTTQM theory is that transformation has become the buzzword in South Africa. Transformation in South Africa is a political agenda which came about as a result of political changes. The political system, the regime, laws and values changed, which necessitated a mind shift to fall into line with the new goals of the country. Transformation as a concept has expected outcomes but they tend to be confined to inclusion. Apartheid, by contrast, thrived on exclusion. It also left a culture of non-alignment of systems and processes through its wasteful separate development for ‘different’ racial groups. The TTTQM concept begins to define the type of transformation that is required by a developing society. Transformation is perceived as a short-term process, yet it has been argued by scholars that TQM is timeliness in the market. The marrying of these two concepts has translated into transformation being an agenda for organisational change that has to be managed in holistic way leading to quality results. Through TTTQM, the organisation is aligned by the organisational political quality goal and values.

The TTTQM concept acknowledges that TQM, if adopted at municipal level in South Africa, will happen in the context shaped by historical factors and political developments. Transformation in South Africa has been one single word used to describe the correction of the past and to define the new political dynamics. According to Roux (2002: 9), “transformation entails the creation of a completely new paradigm”. He argues that really successful transformation requires the change of mindsets, behaviour and corporate culture by the majority of individuals in political and executive institutions. Transformation has to involve everything, all structures and systems, management style, core competencies and worker profiles and the core outputs required (Roux: 2002).

If transformation refers to the total overhaul of the organisation then it is important for those changes to be qualified. What kind of change? TTTQM thus attempts to conceptualise and define the type of change required in the local government environment. The change that TTTQM argues for is the one that results in quality outcomes. The process of attaining that quality has to be managed, and totally. TTTQM has to capacity to achieve this.

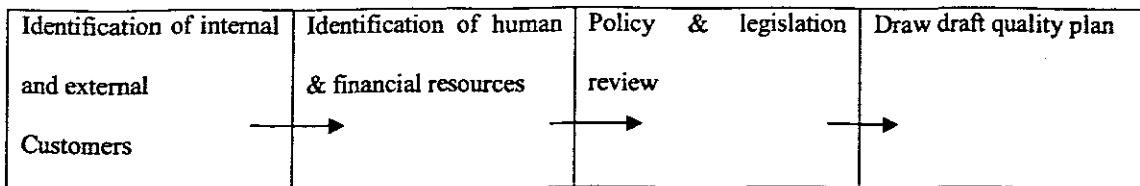
For this study to adequately clarify its theoretical framework, there is a need to illustrate it by means of a diagram or sketch. The TTTQM concept is thus compared to the simplified structure of a house. For the house to qualify as a house it needs to meet the three basic requirements of foundation, the walls and a roof. The house is built with brick or block, each dependent on the other to keep the structure intact. The house has to be continuously improved and upgraded to cater for its growing needs. Continuous improvement also keeps the house in healthy shape and outlook.

Organisations are like the house. They need to be built on a firm foundation. They also need to have all the functional features associated with an organisation. Organisations need to be continuously improved if they are to satisfy the needs of those they service.

The process of building a house is central to the theory of TTTQM. The process of building does not begin when the house is being built. It starts with the identification of requirements and processes to be followed. First of all one has to assess the needs. That will influence the number of bedrooms that one needs. In this house model, one argues that the process of identifying the internal and external customers and their needs is a prerequisite for building a sustainable and responsive organisation.

Municipalities have legal constraints in that they have to be in line with national and provincial legal frameworks. Hence, it is very important for municipalities to do a legal and legislative review. Customers may expect services that are not legally acceptable. For example, a white community may request to have an area zoned for whites only on the basis of cultural differences. While the municipality may wish to apply that to meet the customer requirements, it is illegal to segregate people along racial lines in South Africa. A draft quality plan will have to be drawn up based on customer requirements, within a policy and legal framework, taking into account the financial and human resources required.

Fig.2 TTTQM Horizontal Process Chart (Phase1: Identification and capacity assessment)

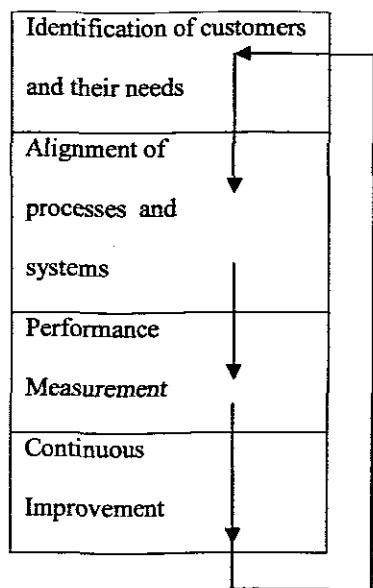


The TTTQM theory argues that there has to be an identification stage where the prerequisites are clearly understood. Municipalities must be able to identify their internal and external customers as well as their needs. They also need to do a capacity audit in line with the needs of customers. Because local government operates within a legal and policy framework, municipalities need to understand these laws and policies to avoid their decisions or processes being legally challenged, which are often costly exercises. The TTTQM theory argues that for a draft quality plan to be produced at this stage the first three steps are critical. The quality

plan is continuously improved in the process as systems and processes are aligned to the organisational goal.

The table below (fig. 3) shows the phase of alignment of systems and processes in line with identified customer needs. This is based on the principle that the customer is king/queen. The theory argues that the survival of municipalities is dependent on those they serve. It argues that most of the errors often lie with the processes and systems. An organisation may have an excellent vision but may not realise it because of systems and processes that are not in line with their vision and with the goal of customer satisfaction. It argues that systems and processes are also critical in a political environment like local government. It also argues that local government, as the sphere of government closest to the customer, is vulnerable if they do not perform according to the expectations of those they serve. It argues that most of the problems and dangers councillors often face could be reduced by adopting a process and systems focused approach. It is not unusual for citizens to embark on some kind of protest against a municipality. Some march on municipal buildings, others picket, and some even resort to attacking their mayors in the media or even physically as happened to one of the mayors in Gauteng province.

Fig. 3: TTQM Vertical Process Chart (Phase1: Empowerment)



Performance measurement refers to the benchmarking process. When systems and processes are aligned, the organisation needs to set targets so that it will be able to assess its performance. There has to be continuous improvement as errors and mistakes (which should ideally be eliminated) occur.

The table below (fig. 4) demonstrates that every brick or block is dependent on the other. The process of alignment is as important as the process of implementation in house building. In house building there are rules that have to be followed to produce the desired result. The TTQM theory argues that the processes and systems have to be aligned in line with customer requirements, with the legislation and with the financial and human resources capacity.

It argues that catering for the interests of internal customers is critical for the efficient running of the organisation. It argues that delegation of authority is key to quality outcome. Quality

standards can be achieved by empowering those that manage the process. Ensuring that they understand their responsibilities and the concept and rationale of quality standards application does this. The process of empowerment is ongoing, as change never stops; new changes influence the market on a daily basis. It is therefore the responsibility of the leadership in the organisation to ensure that they empower their employees to keep up with the market trends in order to satisfy the customer. In the real world things do not always go according to plans and wishes. This is further illustrated in the tables below.

Fig. 4 Horizontal chart (Phase 2: Implementation plan)

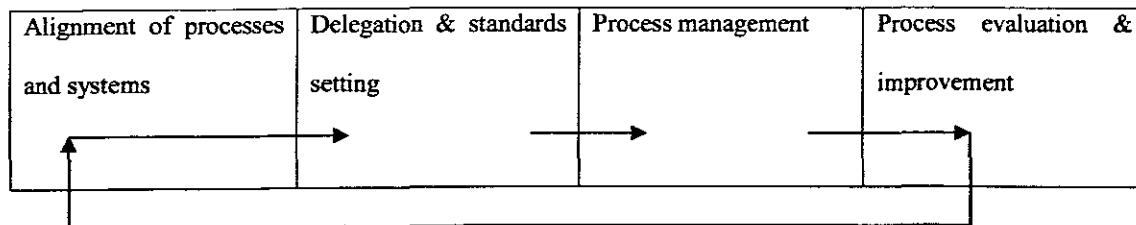
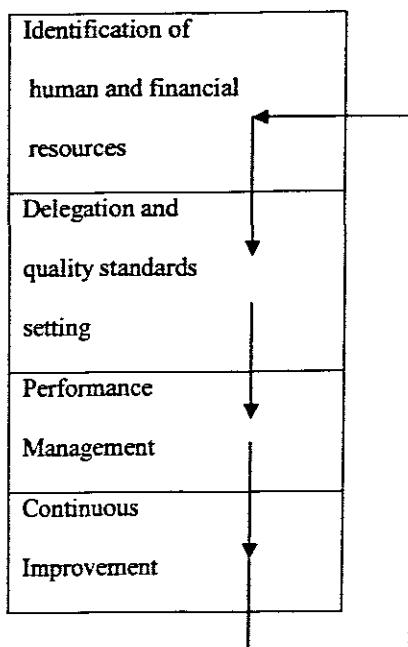
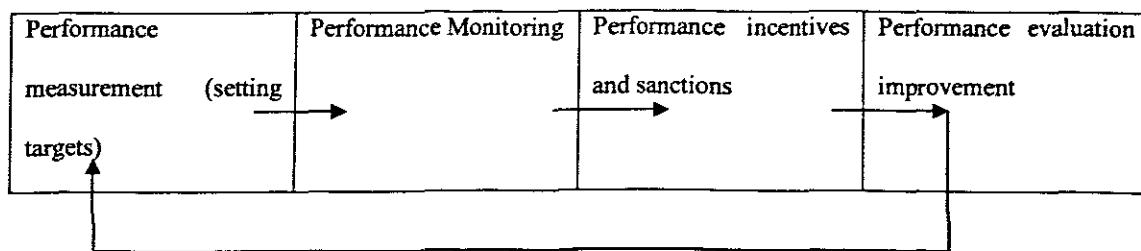


Fig.5 Vertical chart (Phase2: Implementation plan)



Performance measurement must be based on information. This is a principal stage where performance is measured against a number of factors that have been cited above namely, customer satisfaction, relevant policies, availability of resources, human resource capacity, processes put in place, et cetera. This factual approach to performance measurement is beneficial to the internal customers as it is not punitive. However, should there have been negligence or any other irresponsible behaviour or action, sanctions must be applied. The causes of the problem or behaviour must be looked at. Where internal customers have excelled incentives must be offered. They need not be monetary. They may receive a certificate, a trophy or any other possible incentive. Performance has to be managed by ensuring access to the resources required and by continuous support given to staff. The chart below (fig. 6) illustrates the arguments further.

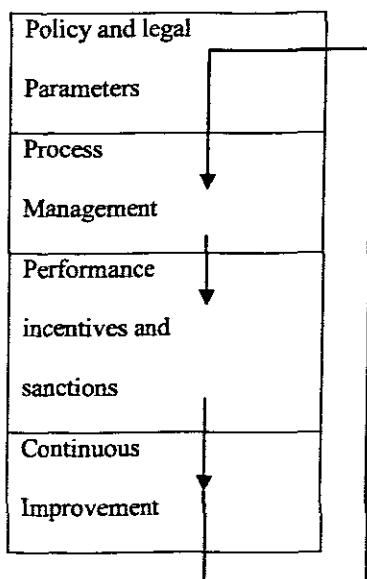
Fig. 6 Horizontal chart (Phase 3: Performance management)



The table below is critical to an understanding of the legal parameters of the local or municipal environment in South Africa. Process has to be managed without violating the laws of the country. There are procurement laws, the corporate governance charter and other laws that encourage efficiency, transparency and accountability. Therefore, processes must also be aligned with the laws and policies of the country.

Performance incentives must be awarded and sanctions applied in accordance with the Labour Relations Act and other relevant laws and policies. This is important because Collective Bargaining Agreements are legally binding. There might be incentives or sanctions that may be legally challengeable. The idea is to minimise the legal risks as much as possible. Municipalities in South Africa have serious financial challenges that impact on their capacity to deliver basic services to their communities and so cost-saving is highly important to the life and capacity of the municipality.

Fig. 7 Vertical chart (Phase 3: Performance management)



Continuous improvement is what will keep the house looking beautiful and its value going up. This principle applies to organisations as well: continuous improvement is what sustains and grows organisations. In terms of TTTQM, theoretical vision is where municipalities are

heading. Like the house, you start by building the foundation, followed by the walls. It is at the stage when you get to put on the roof that you get to what is called a house.

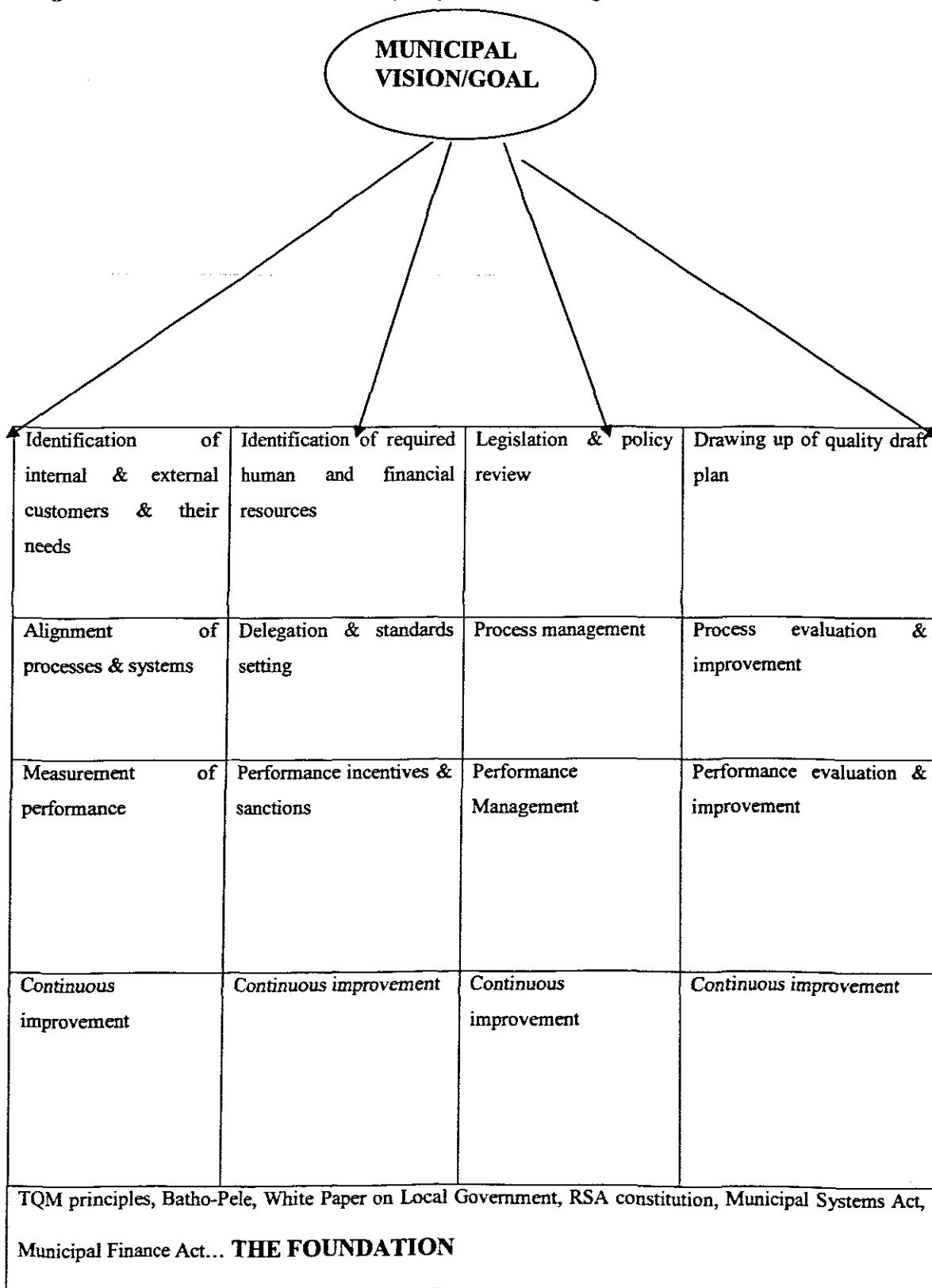
The TTTQM has been operationalised by suggesting a 4x4 house of transformation through total quality management. The sketch of the house below demonstrates how the TTTQM theory works.

Just as the foundation of the house is often a concrete slab that keeps the structure solidly grounded, the foundation of TTTQM is formed by all the principles of TQM and the relevant legislation, as these are based on values that enhance the performance of the municipality and that empower and satisfy the customer.

The thrusts of TTTQM are continuous improvement. Like the house it has to be inspected at every stage of its construction and even when completed it has to be continuously maintained and improved. TTTQM recognises the fact that quality is ongoing. It does not place too much emphasis on registration with the International Standards Organisation, or other standards organisations, but sees TQM more as a vehicle to fulfilling the transformation agenda of council.

The sketch below attempts to conceptualise TTTQM in a way that fits into the whole idea of operationalising TQM in the developmental context of local government in South Africa. The house has been chosen as an illustration because it is a common feature in society, everyone understands the process that is involved in constructing one and that it has requirements once it is complete. The process of a house is never final. It has to be continuously improved either by painting it or by adding things that will keep it in good condition.

Fig. 8: TTTQM IN OPERATION (4X4) HOUSE OF QUALITY



1.9 ORGANISATION OF THE STUDY

CHAPTER 1: CONTEXT OF LOCAL GOVERNMENT IN SOUTH AFRICA, PROBLEM STATEMENT, PURPOSE AND SIGNIFICANCE OF THE STUDY

This chapter briefly deals with the environment of local government in South Africa. This is to ensure the basic understanding of local government as a sphere and to clarify issues around the choice of terminologies used to enable the reader to contextualise the study appropriately. This chapter also introduces the problem statement, which informs and guides this study. It highlights the purpose and significance of this study. Finally it presents the hypotheses of the study.

CHAPTER 2: LITERATURE REVIEW

Divergent theories on TQM are consulted to develop a deeper understanding and appreciation of the concept. This is to ensure that one does not reinvent the wheel by acknowledging previous researches on the subject matter. This is a critical phase as it enhances the formulation of a theoretical framework. It also contributes in hypothesising TQM in a developmental local government context in South Africa.

The study seeks to introduce TQM in a unique environment of post-apartheid South African local government. It became imperative that sources that define the apartheid state and the new democratic state are, consulted. This is to ensure the contextualisation of the environment in which TQM is to be applied. The historical developments in South Africa and their impact on the state, functions and operations of municipalities are examined. These developments are important in assessing the relevance of TQM and the modification thereof. This has been an

ongoing process. It started in 2001 and latest sources are continuously consulted to keep the study current and relevant.

The sources on the application of TQM in other countries and in local government in particular have been explored. The importance of international experience is that it can inform the recommendations that the study makes by borrowing best practices and avoid repeating similar mistakes.

CHAPTER 3: METHODS AND PROCEDURE

There would have been no point in exploring a concept that is outdated and unwanted. This study is a contribution in the field of local governance in South Africa. A number of processes took place before one could proceed with TQM as an academic study. In August 2001, the author requested her employer, which happens to be a representative body of municipalities, to consider exploring TQM as a concept that can enhance the performance of municipalities. In the same month, she led a South African delegation to the city of Memphis in the state of Tennessee in the United States of America. The city was chosen because it was already implementing TQM at municipal level. When the delegation came back in September 2001, numerous report-back meetings were organised for key local government functionaries, including councillors and officials. There was great interest. The KwaZulu-Natal Local Government Association (Kwanaloga) where she taught TQM and work-shopped the concept then developed TQM into a training programme.

This chapter carefully selects case studies through an empirical approach that accommodates all municipalities in South Africa as it takes into account the different categories of municipalities, their capacities in terms of financial resources, rural and urban divides and the demographics which are important in the South African context which is going through a process of de-racialisation.

Formulation of a theoretical framework

Those workshops, presentations, report meetings and literature review on TQM concepts inform the theoretical framework that is proposed in this study. This phase was also critical in the sense that it informed the research method and design. It also made the process of collecting data a lot more focused. The local government field is vast and TQM is an all-encompassing concept. Formulating a theoretical framework ensured that key areas were identified to keep the study focused.

Data Collection

A number of sources were consulted at this stage to enable the process of selecting case studies including Census South Africa, the Demarcation Board, Department of Provincial and Local Government (DPLG) reports; SALGA reports; the Finance and Fiscal Commission (FFC) and municipal agendas and reports.

Official municipal records are the primary sources of this study. IDPs, Annual Financial Reports, Audited Financial Statements, Council Reports and many other relevant reports in the

bibliography were analysed. These reports and statistics ensured that questions asked to the interviewees also drew from the information that was in these reports. This process was followed by interviews with councillors and officials.

Interviews were conducted with mayors and municipal officials of the six case studies. This was also coupled with site visits where observations were made.

Validation Process

The Mayors and Municipal managers were interviewed last as part of the validation process. They were asked questions relating to findings. They also recommended further reading on certain findings. Other experts in the field of local government were also consulted as part of the validation process. The validation process is a prerequisite in a rapidly changing environment like local government in South Africa. The experts thus enabled the researcher to consult further current sources that were useful to the study.

Data Analysis and Discussion

Data analysis is critical for any academic study because facts without an opinion do not take into account the factors that shape those facts. The collected data was thus analysed and discussed. This ensured that the study's hypotheses were tested and opinionated.

CHAPTER 4: FINDINGS AND DISCUSSION

This chapter discusses findings on each individual case study. It then compares and contrasts the collected data. The data is then analysed to test it against the hypotheses.

CHAPTER 5: RECOMMENDATIONS AND CONCLUSION

The write up process refers to the writing up of an official report that is submitted for consideration. It should be noted that throughout the study there is some writing up. The write up that is referred to here is where a conclusive argument and an opinion have been reached. The hypothesis at this stage is theorised as it has been tested and supported by facts.

CHAPTER 2

LITERATURE REVIEW

2.1 RATIONALE AND SCOPE OF THE STUDY

The study of Total Quality Management (TQM) and its relevance to the public sector is contested terrain. TQM has been perceived as a private sector concept with no relevance to the public sector. This study argues that TQM is not only relevant to the public sector but is necessary, if not prerequisite, to a developmental public environment.

However, while the study embraces TQM in a public sector environment, it argues for the modification of the TQM concept to suit a highly legislated and politicised environment. It recognises shortcomings in the arguments of David Osborne and Ted Gaebler who propose the adoption of market mechanisms to deliver government services in competition with the private sector (Osborne and Gaebler, 1992). This study argues that because the motives of the private and public sectors are so different, Osborne and Gaeblers' proposition is inappropriate because government's agenda is complicated by political considerations, not only because of what is legally required of it but because it owes allegiance to all the consumers of its services, who are equally obliged by the same laws.

The relevance of TQM in the South African municipal environment is largely influenced by historical developments and events that impacted negatively on the delivery of quality

services in the past. The political and economic systems of South Africa prior to 1994 have compelled the country to look for alternative management systems that focus on people irrespective of their colour, religion, sex and creed. The TQM concept could be critical in the transformation process of South Africa.

Hyde argues that TQM is not a program, but a process. He argues that there is no magic formula for success, as TQM cannot work unless systems, employees and performance measurement are in place (Hyde, Albert C., 1990-1991). Total Quality Management is both a holistic and effective strategy to deal with organisational culture, systems, processes, leadership and management issues. The quality improvement concept has been adopted in other countries in local government such as in Queensland (Australia), the United Kingdom, Memphis (United States of America) and many other parts of the world, including South Africa.

2.2 THE HISTORICAL DEVELOPMENTS OF SOUTH AFRICA:

For centuries, from 1652 to 1994, South Africa inculcated racialism, and incorporated it in the laws of the land. This had beginnings in legislation such as the Land Acts of 1913 and 1926, the Bantu Administration Act of 1927 and then followed the apartheid policy of 1948 (Reader's Digest, 1994). These laws shaped the polity, and the economic system was also racially determined. Ten years after independence (2004), the South African economy still reflects the legacy of the past despite the government's attempt to change the face of the economy through affirmative procurement and the Black Economic

Empowerment (BEE)⁴ policies. The economy of South Africa is still largely in the hands of white people. The proportion of black people that are classified as poor demonstrates this: 77% of the population is black and 60% of black people are classified poor. Whites make up 11% of the population and only 1% of that population is classified as poor (Lund et al., 2000: 5).

As resistance intensified against white colonisers, so were the racial policies that ensured an unequal distribution of resources tightened. Under the baton of Hendrik Verwoerd – Minister of Native Affairs from October 1951 – ‘a native policy’ sought to extend the system of migrant labour and enforce the pass laws⁵; it introduced the reserves⁶ as well as the ‘rickety’ system of ‘tribal’ authorities, and it imposed total government control over African education in order to shape it as an instrument of apartheid (Reader’s Digest: Illustrated History of Southern Africa: 377).

The unequal distribution of resources was pointed to by the then Deputy President of South Africa, Thabo Mbeki. The income differential between whites and Africans in South Africa is in the ratio of 8 to 1. More than 80% of the economy is controlled by the whites who constitute 13% of the population. Between eight and nine million Africans

⁴ Black Economic Empowerment is a South African policy that seeks to encourage black South Africans especially Africans to participate effectively in the economy not only as employees but also as employers who own the means of production. There is a points system in government procurement policies that awards black South Africans more points as an incentive to encourage them to fully participate in economic activities of the land.

⁵ Pass laws were enforced on Africans in urban centres as a way of limiting urbanisation. Africans had to carry passes at all times to show that they had permission to be in any particular area reserved for whites.

⁶ Reserves constituted the 13% of the land that was reserved for Africans despite the fact that they constituted 80% of the population then. The other 87% was allocated to white people.

are classified as destitute. Only 30% of African women participate in the formal economy, with the majority trapped in poverty and destitution (Mbeki, 1998: 63-64).

The Bantu Education Act of 1953 had a profound impact on the political economy. Bantu Education, designed for Africans in South Africa, is largely responsible for the economic position of Africans in South Africa. Under this education system Africans were discouraged from learning mathematics. There were only two official languages, Afrikaans and English. Despite Africans forming the majority, they were nevertheless failed by the medium of instruction used.

According to Wilson and Ramphela (1991: 226), both sociologists, the education process in South Africa is such that, in general, whites have had innumerable advantages over blacks in acquiring the skills necessary to fill jobs at the upper end of the economic pyramid.

By 1948 when apartheid became official government policy, the categorisation and classification of people along racial lines meant that the geographic location of people was also racially determined. The Group Areas Act and the Population Registration Act of 1950 both categorised people according to racial group and stipulated where they could live. The 'mixed' suburbs were described by the Nationalist Party government as 'the deathbeds of the European race' (Illustrated History of Southern Africa, 1994: 376). Even after 1994 when South Africa became an inclusive democracy, with every citizen having a say in the affairs of the country, the scars of apartheid remain visible. The

infrastructure backlog in predominantly African ('native') areas is living evidence of the lack investment in those areas. The tables below demonstrate this fact.

Table 1: Household sanitation facilities by race (1999)

	African	Coloured	Indian	White	Total
Flush lavatory in dwelling	17%	67%	92%	97%	45%
<u>Sanitation on site</u>					
Flush lavatory	23%	14%	4%	2%	19%
Pit latrine	32%	3%	1%	0%	24%
Sanitation off site					
Flush lavatory	1%	1%	-	0%	2%
Pit latrine	8%	2%	-	-	6%
Bucket lavatory	1%	1%	-	-	1%
No facility	12%	5%	-	-	9%
Other / unspecified	2%	1%	-	1%	2%
Total	100%	100%	100%	100%	100%

Source: Statistics South Africa, October Household Survey, 1999

Table 2: Households without telephones (1999)**Distance travelled to the nearest telephone by race (1999)**

	African	Coloured	Indian	Whites	All races
0 – 5 mins	1 479 000	202 000	25 000	83 000	1 792 000
6 – 15 minutes	1 854 000	131 000	16 000	50 000	2 051 000
16 – 30 minutes	1 243 000	49 000	2 000	15 000	1 309 000
31 – 60 minutes	724 000	15 000	1 000	7 000	749 000
1 – 2 hours	648 000	11 000	n/a	1 000	661 000
More than two hours	371 000	9 000	n/a	n/a	380 000
Unspecified	72 000	9 000	2 000	26 000	108 000
Total	6 391 000	426 000	46 000	26 000	7 050 000

Source: Statistics South Africa, October Household Survey, 1999

Table 3: Household water resources by race in South Africa (1999)

	African	Coloured	Indian	White	All races
Running tap water in dwelling	21%	74%	96%	97%	39%
Running water on site or in yard	34%	18%	1%	1%	27%
Public Tap	23%	5%	1%	-	27%
Water carrier/tanker	1%	1%	-	-	1%
Borehole/rain water tank	5%	1%	-	1%	4%
Flowing water/stream/well/spring	12%	1%	-	0%	9%
Dam/pool//stagnant water	2%	0%	-	-	1%
Unspecified	2%	1%	1%	1%	1%
Total	100%	100%	100%	100%	100%

Source: South African Survey 2000/2001: p 152

Table 4: Household refuse disposal by race (1999)

	Africa	Coloured	Indian	White
Removal by local authority once a week	40%	78%	93%	89%
Own refuse dump	42%	11%	3%	6%

Source: South Africa Survey 2000/2001: p 174

It is also important to note that Africans constitute more than 75% of the population in South Africa and yet in terms of the above tables they are the last to receive the services. “On the night of October 1996, there were 40.58 million people in South Africa (Census 1996). Of these, 76.7% classified themselves as Africans; 10.9% as white; 8.9% as coloured; and 2.6% as Indians/Asians” (South Africa Yearbook, 2001/2002).

The 1995 and 1996 first democratic local government elections marked the beginning of a new struggle of reconstructing South Africa in a way that is felt at grassroots level. However, by the end of 1996 although local government structures had been reduced from over 1 300 racially demarcated boundaries to 843, it was still too unworkable as the majority of the people were still left out of economic activity centres. Of the estimated 44.7 million South Africans then, 78% were Africans who were disenfranchised and of whom the majority lived on the periphery (South Africa Survey, 2000/2001).

Due to the fact that apartheid laws and other segregationist policies of the white government had governed the country along racial lines, the challenges that faced local government ranged from integrating municipal staff and people, towns, cities, rural and

urban areas. Under the 1983 Constitution Act 110, there were three houses of parliament: the House of Assembly (whites only), the House of Representatives (Coloureds only) and the House of Delegates (Indians only). There was no house for Africans. The Africans were thus placed under the control of provincial administrations and their local government was regulated in terms of the Black Local Authorities Act 102 of 1982 and the Black Communities Act of 1984. These pieces of legislation only applied to those Africans that lived close to the cities. Otherwise Africans were regulated by the homeland regulations in the reserves. Financial constraints and low human resource capacity further reduced the ability of local government to deal with enormous challenges.

The legislative foundation of a culture of inclusion and human rights was laid by the enactment of the Constitution of the Republic of South Africa Act 108 of 1996, which became the Supreme Law of the Land.

Local Government in South Africa changed rapidly between 1995 and December 2000. During this period a number of national policies and legislation were established. The Municipal Demarcation Act of 1998 enabled the Demarcation Board to further reduce the number of municipalities from 843 to 284 (Department of Provincial and Local Government Report, October 2000). The White Paper on Local Government of 1998 emphasised effectiveness and efficiency, community participation, and the delivery of affordable and sustainable services (White Paper on Local Government in South Africa, 1998).

The post-1994 policies borrowed largely from Total Quality Management principles, which had been around in other countries for decades. In Japan, they use the 5-S⁷ practice, a technique used to establish and maintain a quality environment in an organisation (Samuel, 1999). In the United Kingdom, the government has what is called Best Value Initiative, which is aimed at ensuring that councils provide best value in service delivery, and emphasises the importance of a customer/citizen-focused approach (Wisniewski, 2001). The Scottish local government has also attempted to adapt the concept of service quality to their environment.

2.3 THE ORIGINS OF TQM

TQM originated in Japan. Ironically, the founders of TQM came from the United States of America (USA). Dr W Edwards Deming was a consultant from the USA whose philosophy on quality was based on the principle of inclusion. He argued that quality was everyone's business, as it involved a range of processes such as data collection, setting standard procedures, measuring results and getting prompt and accurate feedback of results so as to eliminate errors (Basu, 2004). He saw leadership commitment as critical in building institutional capacity and encouraging participation by all employees.

Joseph M Juran, a statistician by profession, also came from the USA. He developed a philosophy that also emphasised leadership commitment but went further by putting communication at the centre of quality improvement culture. Juran's three points for

⁷ S stands for Seiri (structure); Seiton (systematise); Seiso (sanitise); Seiketsu (standardise); Shitsuke (self-discipline).

quality are: planning, control and improvement (Juran, 1989). He arguably perfected the theory of quality improvement as he introduced an annual plan for quality improvement, continuous education and training on quality and cost reduction. However, Juran made it clear that quality cannot be achieved without spending. Training, statistical analysis and tools of the trade were all important to a quality improvement process (Juran, 1989). Other notable scholars of TQM include Armand V. Feigenbaum, Philip B. Crosby, and Hammer and Champy who popularised the concept of business process re-engineering (BPR).

2.4 TQM: THE HIGHLY CONTESTED TERRAIN

Noticeable contradictions around the concept of TQM have been identified by a number of sceptics. Hipkin (South African Business Management, 2000, 31 (1)) argues that TQM is characterised by paradox, as it is very critical of ‘uncompromising’ bureaucracy, yet relies on the construction of rigidly defined roles through its establishment of standards and procedures. Before a conclusion is drawn on these possible contradictions, it is important to understand the motive for TQM procedures and standards set against the bureaucratic motives. The motives are a determining factor as to whether there are contradictions with TQM or not.

The motive for TQM standards and procedures are primarily to benchmark performance so as to continuously improve the service. Without standards and procedures performance management improvements are difficult to implement. Smallwood (1998,

26(3): 182) argues that: "TQM has as its main thrust continuous improvement, productivity, and health and safety". This view is shared by many TQM scholars, like Kanji (TQM, Vol. 14, No. 4, 2003), who argues that TQM leads to organisational excellence if implemented properly. Kanji further argues that a performance measurement system has an important role in sustaining TQM principles and core concepts such as critical success factors.

Surveys conducted during the early 1990s reported very few improvements and meaningful impact on organisational activities (The Economist, 1992; Fisher, 1994). It is important to caution those who draw conclusions that TQM does not work. In fact quality in itself is not an end. Quality is a never-ending process. TQM places so much emphasis on continuous improvement, which means that no organisation will ever claim to have arrived at quality. Quality is ongoing. Customers, who are satisfied with one product today, are tomorrow introduced to a better product as a consequence of which they may not be interested in the first one unless it is improved.

Bureaucrats adhere to procedures as a rule. Sometimes it is about exercising power for the sake of control. The South African White Paper on the Transformation of the Public Service (1997) states that the public service is still operating within over-centralised, hierarchical and rule-bound systems which make it difficult to hold individuals accountable. The paper argues that this is because the bureaucrats are focused on inputs rather than outcomes; they do not encourage value for money; they do not reward innovation and creativity and they encourage inward-looking, inflexible attitudes which

are at odds with the vision of a public service whose highest aim is service to the people. While the quoted white paper was directed at the public service in South Africa, ‘uncompromising’ bureaucrats generally tend to share this kind of approach to service delivery.

One of the primary motives for quality standards and procedures setting in TQM is customer satisfaction. Customer satisfaction requires a highly effective, efficient and productive work force. TQM recognises this and hence employees are themselves identified as customers. Motivation is seen as one of the key success factors of a productive workforce (Robbins, 1993: 205). The work environment thus needs to be conducive. Satisfied internal customers are most likely to satisfy the requirements of the external customers (Steenkamp et al., 2002).

Modern approaches to management and motivation have identified two critical elements for success. The first one is the recognition of people’s needs and the redress thereof. The second one is empowerment of the people. Empowerment is defined as giving the assistance to develop abilities, tools and the experience to give them confidence in themselves so that they can be able to perform the tasks that are expected of them (Steenkamp et al., 2002).

However, the expectancy theory of modern management and motivation is often accused of romanticising the real situation. While sceptics agree that TQM may well provide greater freedom of action than mechanistic management practices, they are also quick to

point out that TQM may on the other hand reduce the freedom of choice by submitting employees to ‘awareness training’ designed to create a common frame of reference, and to skills aimed at establishing preferred ways of running a business and solving problems (Chen, 1997). Boje and Windsor (1993) claim that incorporation of TQM into the ‘Excellent’ concept has given management powers of freedom to directly and intentionally be involved in determining what employees believe, think and value. This argument is weird and absurd. In the practical world people are led and they follow. In real life there are trendsetters. This theory tends to focus on the negative, which is counterproductive. The positivist view would rather look at the motive for ‘determining the beliefs, thoughts and values’. In TQM if that does happen it is to improve productivity and employability. A deviant employee tends to be blacklisted in the job market.

Hipkin argues that a paradox arises when employees are encouraged to bring forward their solutions, yet are constrained by company policies, procedures or management edicts (SA J. of Bus. Management 2000, No.31). Hipkin’s argument lacks credibility in the sense that absence of policies and procedures results in anarchy. There is no such thing as absolute freedom, at least not in the material world. There is a tendency among academics to resist rationale and to view matters in the abstract. While that may not be discarded completely, scholarship must contribute to the advancement of society. It must have stakeholder benefits.

However, the warnings by sceptics should be taken as a critical evaluation of TQM and as exposing impediments to its implementation. TQM fails when there is no genuine commitment in management. Genuine management acknowledges that innovation in the organisation might mean the removal of some of the traditional powers of management, like control or absolute authority. Sometimes the lack of commitment by senior managers has to do with incapacity. Some managers recognise the need to change to deal with the new reality of competitiveness, but lack an understanding of how the change should be implemented (Oakland, 2002).

The adoption of quality policies, a consultative development of a communication strategy, and an agreement on quality procedures with labour are critical to the successful implementation of TQM. "Quality does not just happen. It is created" (Fisher, et al., 1993).

It is important to understand the difference between the concept and process. The concept may be an ideology, a guide or theory or a set of principles. Process is defined as "a series of actions or steps towards achieving a particular end" (Concise Oxford Dictionary, 1999). One would therefore argue strongly that TQM critics seem to have more of a problem with implementation, or the process of implementation, than with TQM as a concept.

It is important to understand the origins of TQM and how it has evolved. This is important because the concept, although originated in Japan in the manufacturing

industries, over time has spread beyond manufacturing industries to service industries all over the world. The growth of TQM is indicative of the positive spin-off that it brings if implemented properly, taking into account the prevailing material and social conditions.

Perhaps the biggest surprise is the fact that customers are not loyal to the company or even to country. They are loyal to quality (Fisher et al., 1993).

It is said that the United States of America did not just wake up and decided to embark on a quality movement. There was a deliberate intervention by Federal government to stimulate quality and productivity, and to recognize US companies for their quality achievements. The Malcolm Balridge National Quality Award was enacted into law (Fisher et al., 1993).

America could not ignore what their non-adherence to quality did to their performance in the market.

In 1960, the United States' share of World GNP was 35%. Japan's was 3%. In 1980, USA share was down a third to 22% while Japan's was up by over 300% (Fisher et al., 1993: 6).

Many TQM sceptics (Dale et al., 1990; Hipkin, 2000, Vol. 31; Forker, Mendez & Hershauer, 1997; Kasul & Motwani, 1997) have questioned the portrayal of TQM as a radical transformation strategy meant to change traditional management thinking when

the failure of TQM is frequently attributed to managerial attitude and organised culture. Is TQM a utopian concept like communism, one might ask? Does it take into account the human instinct of power and upward mobility being associated with authority? To a certain extent one will have to concur with sceptics. One of the major challenges with implementation of TQM is the fact that people are not homogeneous. There will be those that are comfortable with the status quo and those that want change. It is for this reason that the application of TQM has to take into account a number of factors before it is implemented. This study is recommending a qualified concept of TQM at municipal level in South Africa, which takes into account the political environment and the incorporation of TQM in all the municipal processes to ensure its success. It has learnt from those that have attempted to implement TQM. Local government is increasingly expected to provide higher quality services and to make better use of the resources available. New performance indicators have been created and standards developed. Yet lack of integration remains a concern (Sa' & Kanji, TQM, Vol. 14 (4), 2003).

The TTTQM concept attempts to integrate municipal processes and plans into TQM. Spencer (1994) warns that TQM should not be treated as a discrete entity change programme with an existence and identity independent of the organization in which it is implemented.

2.5 TQM IN THE PUBLIC SECTOR

Some scholars of note such as James E Swiss appreciate the concept of TQM but are sceptical about its usefulness in government in its original form. However, he does not discredit it absolutely in government but he questions its applicability in its unmodified orthodox form as expressed by Edward Deming. The emphasis on products and not services seems to be the main area that troubles him. Besides the fact that there has been widespread adoption of TQM by the service industries, it is not entirely true that government do not have products. National governments produce Identity Documents and passports and any error in those products has serious implications for the recipient. Accuracy and precision in these documents are a prerequisite. At local government, there are a range of products that the municipalities deal with, such as water and electricity. While governments primarily provide services, there are nevertheless elements of production that cannot be ignored. Swiss agrees that some aspects of TQM, such as customer feedback and continuous improvement, can be of benefit to government provided that the context in which government operates is taken into account.

Sceptics continually warn against the use of private sector concepts in the public sector environment. They argue that government is not about profits but about service provision to all while the private sector is primarily about making good monetary returns on its investments. According to Du Toit and Van der Waldt (1999), the public and private sectors differ on issues of motive; levels of transparency; the measure of success; customers and origins.

They make a distinction between a service motive and profit motive. It is indeed true that all spheres of government in South Africa are motivated by a service motive. But it will also be arguably untrue to see service as the only motive. It may be the primary motive but government has a range of secondary motives that are equally important. They range from power motives to religious or cultural motives. At municipal level there is a survival motive, which tends to be influenced by a business approach. The survival motive is the same as that of the private sector.

Municipalities in South Africa derive an average of 90% of revenue from own source such as property rates that go with services such as waste removal, cutting of verges, municipal road maintenance and other related services, selling of water and electricity to consumers, rentals, stocks, et cetera (Commonwealth Local Government Handbook, 2003). Municipalities also compete with one another and with other cities in the world for investment in their towns and cities. They also compete to retain their rate base by ensuring that their cities are safe and clean so that ratepayers do not relocate to other better environments.

While it is understandable that government and private sector motives are different, this does not suggest that a good practice in the private sector cannot be applied in the public sector. The TQM concept is one concept that can be used in the public sector to improve efficiencies. Many public health institutions in the United States and municipalities such as Brisbane City Council in Australia already use TQM to continuously improve service

excellence. TQM is one concept that seems to enhance their effectiveness, efficiency and sustainability in the long term.

Some scholars and political scientists question the type of quality that is being promoted through TQM. TQM is arguably one of the growing agendas of globalisation. Yet globalisation in its current form has been questioned. It has been argued that capitalist tendencies are stripping governments of power as they dictate the type of development that governments should embark upon. Dr Kostas N Dervitsiotis argues that globalisation in its present form is primarily driven by the business interests of large multinationals with the power to set the priorities of the international agenda for the resolution of problems with global reach. This development, as a result of which large multinationals now have greater power than many national governments, has reconfigured the distribution of bargaining power among the traditional social powers (business, labour and government). Taking a short-term economic perspective, dictated by the imperative of financial markets for high returns, has aggravated many social and economic problems. A balanced view suggests that quality of life is not only a wealth-related issue. Dervitsiotis further argues that while the social forces agenda aims are to improve human conditions and quality of life, capitalism has relied on the markets as the most efficient mechanism for allocating scarce resources and determining prices to balance supply and demand for goods and services (Kostas N. Dervitsiotis, 2001).

He further argues that the success of a business is measured on its profit performance. This is believed to be the key to improving the quality of life. It is thus very important

for the public and private sectors to have a different approach to TQM. This approach should go beyond economic growth. Governments in particular should consider other fundamental aspects of human progress, such as the quality of human communities, the quality of work and family life, the diffusion of equitable and democratic government institutions and the preservation of the national environment for future generations. GDP as a key indicator tracks only monetary transactions (Dervitsiotis, 2001).

This study suggests an integrated approach to TQM. Hence, the legislation and other, human, factors are taken into account. Dervitsiotis' ecology-based perspective of TQM should be seen as an attempt to remove the stigma that TQM is only a capitalist strategy to maximise profits alone. It is also a strategy for greater governance efficiency that takes into account all the needs for the short- and long-term survival of the human race.

2.6 TQM IN A DEVELOPMENTAL MUNICIPAL ENVIRONMENT

TQM is not just an optional extra for municipalities, but a continuous process that firstly requires a conscious decision to embark upon it. Unlike the legislation, which imposes legal obligations, TQM requires an individual to volunteer commitment. It goes beyond legislative provisions as it does not talk about the customer in general but is specific about internal and external customers. TQM is about continuous improvement that is arguably a life-long journey. Whereas legislation has to be enforced and failure to obey it may result in punishment, TQM is about teamwork and it requires a certain level of consensus to make it work.

The study on the relevance of Total Quality Management principles at municipal level in South Africa is not meant to replace *Batho Pele*, or any other relevant legislation or policy. It is rather an attempt to enhance the process that has already begun. TQM is a way of life and requires a change of mindset especially of those that are meant to implement it.

Change, as rightly pointed out by Mintzberg et al., is a clouded concept. Change of mindset can be like change of culture, which, they argue, is “a lot of empty words... culture is not changed at all when nothing else changes” (Mintzberg et al., 2003:171). Therefore, any attempt to change mindsets will have to be accompanied by a number of programmes that empower and capacitate those that are meant to implement it. TQM can arguably not happen unless those that are meant to implement it are trained and understand the chain reaction that will follow the introduction of such a concept.

TQM begins by identifying the elements that should be benchmarked to achieve an “ideal” municipality, which is critical for the development and reconstruction objective of South African local government. There is a need to speed up service delivery and the need to build the culture of service excellence in a country that has been racially divided with an unequal distribution of wealth, and TQM seems to be the best strategy to address the problems of quality service delivery and attitude change especially in so far as the municipal customer is concerned.

It can be argued that under apartheid the concept of customer did not exist since apartheid by its nature was discriminatory, whereas a customer-focused approach of TQM embraces the principle of equality in customer satisfaction. Under apartheid only black people were suppressed when they demanded fair treatment, as for example, in 1976 when black students revolted against the imposition of Afrikaans as a medium of instruction, the regime responded by shooting and jailing them, resulting in hundreds, in fear of their lives, seeking refuge abroad.

The study begins by asking a fundamental question: Does South Africa have an “ideal” municipality that could be showcased as the best? What is best? Best is a relative term. In a South African municipal environment it denotes high levels of efficiency leading to financial viability, improved quality of life of its citizens, and customer (internal and external) satisfaction. There are municipalities that have achieved high levels of efficiency in some aspects of their function.

It is important to note that the concept of service excellence in South Africa is a post-1994 phenomenon. The policies and laws that promote service excellence only emerged in 1997 with the adoption of the White Paper on the transformation of the civil service. At local government level, the legislation that compels municipalities to care for their customers and measure their performance was only passed in December 2000. Therefore, examples that are cited in this study are those that have some areas of excellence from which other municipalities can learn. Not unexpectedly, there are areas where excellence is lacking. Nevertheless, as TQM is about continuous improvement

having an area identified as excellent does not mean we have arrived at quality. Quality is something for which we continuously have to strive.

In order to demonstrate the relevance of TQM at municipal level, Polokwane has been chosen for its example of the effectiveness of TQM principles in the recovery of debt. The case of Polokwane demonstrates the effect of a continuous improvement process on customer satisfaction; it showcases community participation and the benefits of a customer-driven approach; it also highlights the importance of an effective communication strategy in order to achieve desired outcomes as well as the need for strategic leadership that is capable of taking decisions that are customer-focused. It is important to note that Polokwane has achieved excellent results in some areas and it is those areas that are explored in this study.

2.6.1 DEBT RECOVERY THROUGH THE APPLICATION OF *BATHO-PELE* AND TQM PRINCIPLES: The Case of Polokwane Municipality

Polokwane is derived from Polokano, which means ‘ensuring each other’s safety’. This municipality has a population of 424 976 of which 393 450 are Africans, 3 112 are coloured, 2 380 who are Indians and 23 509 who are white. It has an operating budget (2002/2003) of R431 420 140 and a capital budget (2002/2003) of R274 253 000 (Gaffney’s Local Government in South Africa 2002-2004). Polokwane has been hailed as a successful municipality because of its implementation of the White Paper on Local Government in South Africa and for the strategies that it has adopted.

Polokwane is arguably the municipality that is proving the relevance of TQM principles in the developmental context as it has embraced most TQM principles while not compromising on their legal obligations. The strategies they adopted when were confronted with financial problems resulting from non-payment for services provide a good example.

Polokwane is the capital and economic hub of the Limpopo province. The area that Polokwane had to service substantially increased, especially in December 2000 when the new demarcations were implemented, yet the revenue base remained the same. Previously, Pietersburg (Polokwane) was only servicing Pietersburg. However, with the new demarcations Polokwane (Pietersburg) had over fifty areas within its area of municipal jurisdiction. They include the following areas or towns, among others: Bloedrivier, Boyne, Cottage, Dikgale, Ditontoeng, Ga-Kobo, Ga-Komape, Ga-Mabotsa, Ga-Maja, Ga-Makibeleo, Ga-Mapangula, Ga-Mathiba, Ga-Mogano, Ga-Molepo, Ga-MaMolepo, Ga-Mothapo, Ga-Ramogwana, Ga-Ramphere, Ga-Sebati, Ga-Semenya and Seshego. These towns, townships and rural settlements often had little or no income base.

As part of the transitional arrangement, one half of the then Pietersburg Transitional Local Council (TLC) consisted of African National Congress members and the other half came from other political parties. This 50:50 arrangement meant that 50% came from the old order and were predominantly white and 50% came from the new order and were predominantly black (Rampedi: 2003).

Polokwane has been used as the best practice case study by the South African Local Government Association (SALGA), the Department of Provincial and Local Government Affairs (DPLG) as well as by the Institute of Local Government Managers (ILGM).

Polokwane has been hailed for turning their ailing municipality around. Given their demographics and the fact that more than 90% of their population are Africans who were at the bottom of the economic and political ladder pre-1994, as demonstrated by the statistics earlier in the chapter, the challenges that this municipality faced were indeed enormous.

As in all other municipalities in South Africa, in 1995 when the new TLCs were established, there were problems associated with the transitional phase. They ranged from the non-payment for services to the dissatisfaction of black communities who had few if any services rendered to them. Botha summarised these problems as follows: limited tax base; bulk tariff increases; non-payment for services; population increases; exorbitant rates and poor services; re-allocation of council income to administrative costs at the expense of improvement of services and finally the structure which marginalised communities from the process of decision making (Reddy, 1995).

Polokwane was no exception. In 1995, when the new transitional council was formed following the merger between, mainly, Seshego, a densely populated African township which had been under the homeland government of Lebowa, and Pietersburg which had been a white local authority, Polokwane was faced with the enormous challenge of

introducing the concept of equality to citizens that had been segregated along colour lines for a very long time. Polokwane also had to grapple with legacies of apartheid that contrived to undermine the municipality's ability to raise revenue to fund their operations.

White local authorities had had stable sources of revenue in the form of property tax and service tariffs, whereas black townships had been under-resourced as very few of them owned property. The land in the homelands was under various tribal authorities and not privately owned which made it difficult for black local authorities to raise income through property rates. In the townships, which were under the provincial administration, people refused to pay because they did not own the houses, which were on long-term lease. The resources that Black Local Authorities had depended on were strained further in the late 1980s with the privatisation of liquor and sorghum beer outlets, which had been their main source of income (Reddy, 1995).

Instead of dwelling on the past, the councillors of this newly formed TLC resolved to address the financial problems that confronted their municipality. They realised that they needed to address the issue of poor service provision in Seshego if they were to encourage the people of that biggest and densely populated township to pay for services. They applied the cause and effect approach in analysing the problems of Seshego. They asked themselves: why is Seshego not paying? Through their investigation process, they found that the reason Seshego was not paying was because the services were poor. There was also a problem with billing: bills were often inaccurate.

The council then committed itself to improve service provision in Seshego. Between 1995 and 1998 council committed an amount of R65 857 000 on capital projects to upgrade the infrastructure in Seshego (Rampedi: 2003). Council then resolved to take over all Seshego debtors with zero balances. Polokwane continued to have problems with recoveries subsequent to the first write-offs and, according to Rampedi, the municipal manager of Polokwane, “a further 50% rebate was extended to Seshego debtors who were phased out over 12 months from July 1996”.

The process of encouraging the Seshego community to pay for services was not an easy one. Different strategies had to be employed. When council realised that by September 1996 payment for services was still as low as 15% despite rebates and improvements to the infrastructure, it had to try something else. It resolved to disconnect the electricity of defaulting debtors.

By November 1996 payment had increased, but only to 41.23%. Council started limiting water of defaulting debtors from January 1997. They realised then that there was something wrong their approach, and that punitive action against defaulters was not a sustainable solution. Despite infrastructure improvements, accurate billing and disconnections, the culture of non-payment did not disappear. The improvement in the terms of payment for services did not seem to have any significance.

Polokwane council resolved that they needed to educate and communicate with the communities. They realised that their efforts were not customer focused. They realised

that in order to meet their objectives, they needed to begin to value their citizens and treat them as customers. Thus council resolved to involve councillors in the whole process of debt collection. This approach moved from the punitive to a participatory approach where members of the communities could discuss their problems and offer solutions to council's problems.

Councillors then convened meetings with the communities and shared the importance of paying for services. Communities in return shared with council the problems they had with paying for services. The communities were not satisfied with the way council communicated decisions to them. The council realised that they had missed an important element in their process of debt collection: educating the public.

By the end of June 1997 the payment rate had increased to 76.11% and by June 2000, it had gone up to 90.50%. In 2003, the Polokwane council recovered a stunning 97% from the Seshego community (Polokwane Municipal Manager's Report, August 2003).

The council has committed itself to continuous improvement and a customer satisfaction programme. The council has thus adopted the following policy:

1. The signing of a valid consumer agreement and payment of a service deposit.
2. Accurate metering at fixed intervals and minimum delay between service connection and first billing.
3. Accurate customer information and professional communication.
4. Adequate tariff policy.

5. Support to the indigent policy.
6. Accurate and regular billing and uniform approach to tariffs and service levels.
7. Affordable service levels.
8. Appropriate payment options and efficiency enquiry facilities.
9. No collection, no pay principle regarding debt collection by debt collectors (Polokwane Council Report: 2003).

The above nine principles adopted harmonises TQM principles with other objectives of council. At the core of TQM is a customer whose expectations must be met and exceeded. This, TQM argues, can be achieved by continuously improving on your performance as an organisation.

Rampedi argues that strategic management is key to the implementation of the developmental objectives. One concurs with him, as TQM should be seen as a strategic management issue that seeks to improve service delivery and performance of the organisation by reducing costs and ensuring its financial fitness.

Rampedi argues that the functionality of the whole municipality is critical for the efficiency of any function, including revenue and debt collection. Corporate Governance and Strategic management processes are critical ingredients for overall efficiency and performance monitoring. Each component, namely community, council, and

administration, should be tuned to the challenge of financing the operations and projects of council. Communication and engagement are critical pillars (Rampedi, June 2003).

While Polokwane may not have consciously embarked on Total Quality Management, they have nevertheless embraced some principles of TQM. It can be argued that Polokwane went beyond *Batho-Pele* principles; they embraced the main TQM principle of continuous improvement and going beyond expectations. Polokwane has exceeded its own projections. According to Rampedi, council wanted to achieve 80% payment for services by the Seshego community; they very nearly achieved 100%.

From the case study above it is clear that Polokwane has not only embraced a continuous improvement ethos but has adopted a systems and factual approach to improve service delivery. Council had to find the root cause of the non-payment for services and come up with a remedy. When council adopted a policy of no collection, no pay principle it in fact committed itself to ensuring that its systems worked efficiently because if they did not have a proper collection systems in place, it would be bankrupted. The approach of Polokwane values the customer and indicates that serving a customer well is not a privilege but a right of every customer, as well as a survival issue for council.

The case study has also shown how a customer-driven process, through community participation in the matters of council, can benefit council and improve its financial position. The value for money principle also seems to have worked well, especially after council decided to deliver services and visit communities. Their investment in basic

infrastructure paid off because council was able to convince the community of Seshego to pay for its services once they had seen what council does with their money.

2.6.2 USING TQM TO ADDRESS THE QUESTION OF EXCLUSION IN SOUTH AFRICA: The Case of the KwaZulu-Natal Local Government Association

It is also important to highlight some best practice cases that have successfully used TQM to address the question of the politics of exclusion while improving their services. The KwaZulu-Natal Local Government Association (Kwanaloga) has been selected as the first organised local government body to receive a Service Excellence Award from the Institute of Local Government Managers (ILGM).

The concept of organised local government is not new in South Africa. However, during the old apartheid dispensation organized local government reflected the politics of the time. There were four provincial municipal associations, which together with the Association of Divisional Councils of the Cape Province constituted the United Municipal Executive of South Africa (UME). “Essentially, all these bodies represented the interests of ‘white’ local government. The interests of ‘coloured’ and ‘Indian’ local government were vested in the National Ad Hoc Committee, whilst ‘black’ local government was represented by UCASA (United Councils Association of South Africa)” (Andrew Ferguson, presentation, 12/10/03).

When the Constitution of the Republic of South Africa Act 108 of 1996 became the supreme law of the land, the critical role of organised local government was acknowledged and the fact that organised local government could no longer be divided along racial and rural/urban lines. This led to the launch of the South African Local Government Association (SALGA) in November 1997 and the establishment of the KwaZulu-Natal Local Government Association (Kwanaloga) in 1996. The formation of SALGA and provincial associations like Kwanaloga brought about an end to all the different organised local government formations that existed prior to 1994. There was recognition that there will have to be a structured mechanism to foster co-operative governance. Chapter 3, section 2 of the Constitution reads: "An Act of Parliament must –

- a) Establish or provide for structures and institutions to promote and facilitate intergovernmental relations..."(Republic of South Africa Constitution, 1996).

In the constitution's Chapter 3, section 163 entitled Organised Local Government, it reads: "An Act of Parliament enacted in accordance with the procedure established by section 76 must -

- a) Provide for the recognition of national and provincial organisations representing municipalities; and
- b) Determine procedures by which local government may –
 - i. Consult with national or a provincial government;
 - ii. Designate representatives to participate in the National Council of Provinces; and

- iii. Nominate persons to the Financial and Fiscal Commission" (Republic of South Africa Constitution, 1996).

2.6.2.1 Role, Functions and Mandate of Kwanaloga

There was a logical reason for the formation of organised local government. The following is the rationale for the formation of organised local government in South Africa.

2.6.2.2 The Voice of Municipalities

Before 5 December 2000, there were 843 municipalities in South Africa. Currently, there are 284 municipalities in South Africa of which 61 (21%) are in KwaZulu-Natal (DPLG Monitoring Review, 2001). These municipalities needed bodies to represent them in the NCOP and FFC as provided in the constitution. Their numbers made it impossible for individual municipalities to co-ordinate their inputs in these bodies. Organised local government bodies thus became the only mechanism for municipalities to voice their views and promote their interests in these structures. Again it is extremely difficult for individual municipalities to represent their interests in the various intergovernmental forums. At national level municipalities are represented by SALGA, and at provincial level they are represented by provincial associations.

The Organised Local Government Act (OLGA) of 1997 clearly sets out the procedures by which the representation of municipalities may occur. Section 3 (1) of the OLGA states that:

Each provincial organisation may nominate not more than six members of municipal councils in writing for designation as representatives to participate in the proceedings of the National Council of provinces (OLGA, 1997).

Section 4 (8) of the OLGA reads:

This section does not preclude consultation by organised local government with any other organ of state as defined by the Constitution. The Constitutional status of organised local government influenced the way we defined our role as organised local government and informed our constitution both at national and provincial levels.

First of all, Kwanaloga sees their primary role as being a body representative of all the municipalities within their area of jurisdiction. The political structure of the association reflects this. There is an executive of 35 members representing the 61 municipalities in KwaZulu-Natal as stipulated by the Kwanaloga Constitution as adopted in March 2001. They are as follows:

- The Chair and his two deputies are elected by the plenary that is represented by all the municipalities.

- All district mayors are members of the executive committee; this is to allow for proper reporting in their own districts.
- Over and above this, all local and metro councils are entitled to a seat in the executive committee for every 100 000 registered voters in their area of jurisdiction.
- Those municipalities that are small and have less than 100 000 registered voters collectively have six seats. They elect six municipalities from among themselves to represent their interests on the executive committee of Kwanaloga.

Secondly, Kwanaloga role has been defined as that of *promoting and protecting* the interests of their municipalities (Kwanaloga Constitution, March 2001). This is informed primarily by sub-sections (3) and (4) of section 151 of the constitution, Act 108 of 1996, which read:

A municipality has the right to govern, on its own initiative, the local government affairs of its communities, subject to national and provincial legislation, as provided for in the constitution.

The national and provincial government may not compromise or impede a municipality's ability or right to exercise or perform its functions.

Kwanaloga as the chamber of municipalities has the responsibility to ensure that the collective interests of municipalities are promoted and protected.

Thirdly, Kwanaloga is a *consultative body* in respect of all matters concerning local government. The RSA Constitution, Act 108 of 1996 in Chapter 3, Section 41 (1) reads:

All spheres of government and all organs of state within each sphere must... co-operate with one another in mutual trust and good faith by (i) fostering friendly relations (ii) assisting and supporting one another; (iii) *informing one another, and consulting one another on matters of common interest* (iv) *co-ordinate their actions and legislation with one another...*

Fourthly, *policy, advocacy and capacity building* have been identified as key focus areas. Municipalities are members of Kwanaloga. They pay subscriptions. It is for this reason that Kwanaloga is not only performing the above functions to be in line with legislative requirements, it is also to add value for money. Municipalities who are members of Kwanaloga know the expertise that exists within the organisation. It is within their rights to utilise and direct them.

SALGA is a registered employer body and by extension Kwanaloga is also the employer body of the municipal sector in KwaZulu-Natal. What prompted this was the recognition

that local government is an autonomous sphere of government with councillors expected to fulfil two main functions (a) to represent the interests of political constituents and (b) to act collectively, not individually, as the employer of the employees of council. These functions are normally the main reasons for the establishment in organised local government of an employer body. The employer mandate is thus drawn from the Labour Relations Act, 1995; Basic Conditions of Employment Act, 1997; Constitution of the South African Local Government Bargaining Council (SALGB), 1998; Collective Bargaining Agreements plus all the relevant municipal and labour legislation.

Kwanaloga has also started a business unit, which aims at consolidating the buying power of municipalities. Currently, small municipalities do not enjoy the discounts that bigger municipalities enjoy because of their limited buying power. Municipalities such as Etheekwini, Umsunduzi, Umhlathuze and Hibiscus Coast tend to buy their insurance much more cheaply than small municipalities, for example. Kwanaloga believes that municipalities will make large savings if collaborative buying is introduced. In Australia, the Netherlands, the United Kingdom and in other countries, organised local government has what they call a business function.

In December 2000, Kwanaloga was still grappling with issues of inclusion. The systems and processes were not in place. There was anarchy. As discussed in the context of organised local government in South Africa, the Kwanaloga administration then still largely reflected the apartheid past. Prior to December 2000, the profile of the organisation was as follows:

The Chief Executive Officer (CEO) of the organisation was a white male until late 1998, when he retired and an acting CEO was appointed who was an Indian male. The second layer of the organisation consisted of one white and two Indian males. Two white ladies and one coloured lady were secretaries; the cleaning staff, messenger and unskilled labourers were Africans. One of the African ladies, despite having a tertiary qualification and despite the fact that she was more educated than the three ladies in the secretariat, was doing nothing except to make photocopies or type as and when they needed her to. This lady had no office or workspace. She was on her own on a floor where the organisation kept unused or discarded stuff. She was extremely de-motivated, insecure and uncertain about her future in the organisation.

In December 2000, Kwanaloga appointed a new African female CEO who happens to be the author of this study. She recalls how that had affected the thought processes of that African lady who was rendered useless. "She was very anxious: if you asked her something she would shake. She was really traumatised".

The lady who was making the tea had been there for four years when the CEO joined the association. She was extremely intelligent, with very good public relations skills.

This happened despite the fact that KwaZulu-Natal demographics reflect that more than 80% are Africans. The executive committee of this association, which is a political body,

was more than 90% African after the first democratic local government elections in KwaZulu-Natal in 1996 (M Khoza, Kwanaloga Status Quo Report, 2001).

The hierarchy of the organisation was in line with apartheid policy that was racist and sexist. There was no woman in the management. The white males were the first, and Indian males the second, beneficiaries under apartheid as the statistics suggest. Women were only providing the secretariat. The triple oppression of African women was clearly evident. African women were oppressed as a nation: like any other African, they could not vote nor could they benefit like other racial groups in the wealth of the country. As a class, African was almost synonymous with manual labourer, and as women, they were not thought fit for any job considered to require brains.

The new Kwanaloga African female CEO had to face people who only had experience of Africans as domestic workers. Their freshest experience after the 1996 election in KwaZulu-Natal was of Africans as politicians: mayors and councillors. For the first time the staff of this association, including Africans, was under African female management. The CEO recalls how a white receptionist of this organisation told her she seemed different from the people of her kind. “Your people are lazy, stupid and uneducated. I went to the top private school which was multi-racial and got an A for English. What did you get for English in matric?” Clearly, with this kind of attitude, the CEO had to find strategies to deal with cultural diversity and the centuries of the politics of exclusion.

The new CEO faced yet another blow when the executive secretary of the former white male CEO requested that she rather be the secretary of a white manager in the organisation. At that time she was paid more or less the same salary as that white manager. The other male managers treated the CEO as if she was not there.

There did not seem to be proper management of the association administratively and politically. First of all the acting CEO was the one that was taking minutes of the executive and the daily management committees. He had no secretary despite the fact that there was somebody in the organisation who was literally doing nothing excepting the menial tasks mentioned above.

At the time the new CEO joined the association, the executive committee had not sat for more than six months. Yet, constitutionally, it is required to sit monthly. Councillors ran the other committees of the association on their own, without a secretariat. As a result there were no minutes or records of these committees. The politicians were taking their own minutes and did not even have the equipment to record the proceedings.

The political leadership was lacking administrative support. It does not seem as though they were ever apprised of the goings on in the office. They simply responded to the agendas that were presented to them.

The financial audit of the association had not been done for the past two financial years at December 2000. There were no financial systems in place. Some staff members were

paid their salaries in cash cheques. There were no pay slips. Some senior members of staff were not paying tax. A private consultant did the finances of the organisation. The association was certainly not growing. The budget of R2.3-million at the time of joining the association had not increased for the past two years despite inflation and staff salary increases.

The then executive secretary was the main signatory of cheques. The managers were poorly remunerated and as a result would use travelling allowances to make up for their low salaries. Travelling became their core function because their monthly budgets were probably based on both the travelling allowances and their salaries. The then manager of training who was only running one programme earned about R250 000 per annum and had a secretary who was earning about R60 000 a year.

The association had no assets except for three computers and some desks. It did not have a balance sheet. The office was located in a very unsafe part of the city. Massage parlours and sex workers bracketed it. Councillors, mayors and other guests of Kwanaloga were never comfortable in that kind of environment.

Systems related problems abounded such as the absence of proper records, e.g. staff accumulated leave, a lack of policies and financial controls. There was no communication except for circulars with municipal clients. Only three people in the organisation could use computers. All the managers were computer illiterate and as a result had to handwrite and give their letters to a secretary to type. There was no

organisational goal, nor any performance management system. There was no plan of action to benchmark organisational performance.

The TQM concept emphasises the principle of managing by facts. The first step taken was to perform an organisational audit in December 2000, which by providing them with facts and figures assisted in getting the politicians' support. However, it should be noted that the speed of the decision-making process is one of the key measurements of the effectiveness of TQM. In other words those decisions that needed to be taken to ensure that systems were put in place speedily were taken. Within two weeks of the CEO joining the association, a committee officer and a finance officer were employed to assist with the audit as well as in putting systems in place. Moreover, she needed people that she trusted because the environment was very hostile. It would have been naïve to think that the incumbents would simply expose their inefficiencies to the CEO.

The other thing was to move office to better and more secure premises. There had been a burglary: information and computers had been stolen. There was no mandate sought from politicians. It was a matter of doing the right thing.

Secondly, recommendations were made on how to go about addressing the challenges contained in the report. Because this is a political environment, a mandate had to be sought from the politicians. TQM is premised on strategy development to attain organisational goals. In March 2001, a strategic planning exercise was held. All members of the executive committee and Kwanaloga management attended this strategic

session. It took two days. At this strategic session the association was able to come up with an organisational vision and a plan of action.

Thirdly, the following strategies were undertaken in respect of administration.

- Getting rid of those that were not going to be rehabilitated within a short time period.
- Getting rid of those that seemed to resist changes for the better.
- Getting family of all staff members to buy in by inviting them to a team building exercise and explaining to them what Kwanaloga intended doing, and getting the permission of family to allow staff to work after hours. The family members were booked into a hotel in the Drakensberg where they enjoyed the different activities and facilities on offer. This was a costly exercise but far more valuable than the costs incurred. For the first time staff members and their families met somebody who cared about them. This was based on TQM's strategic management and the principle of managing holistically. Families have such an influence on the individual. To change a situation like this it is recommended that an attempt be made to get the family buy in.

This Total Quality Management strategic principle of empowering employees and their families worked extremely well. People were earning much more than before, which provided incentive. One staff member who continually displayed racist and anti-team work tendencies, after a number of attempts had been made to rehabilitate her, had to go.

The highly paid manager who had not been paying tax, who was running one training programme without any innovation at all, had too to go. TQM is about empowerment of employees but it comes with the responsibility of making the right decisions. That is part of managing by fact.

- Addressing some of the systems problems that affected all employees. The lady that had been floating was given a job as a receptionist to help her regain confidence. An internal-customer focused approached was adopted. The staff was continually told how important they were. Productivity levels went up.
- Developing a vision that every staff member bought into.
- Introducing a new culture of inclusion through sound and efficient management.
- Letting people manage and improve their performances through self-performance management rather than by a punitive approach performance management system.
- Introducing a performance appraisal system that was looking at both growth and improvement.
- Introducing a customer (external) focused approach. Communication with clients was not happening. A newsletter was developed to communicate with the councillors, officials and other relevant stakeholders.

2.6.2.3 The results of the TQM approach

The table below demonstrates how an internal customer-focused approach has empowered staff. Kwanaloga has a staff complement of 19 people.

Table 5: Educational & literacy levels of Kwanaloga by gender.

Area of focus	Number of males (9)	Number of females (10)	Total
Computer Literacy	8	10	18
Driver's Licence	9	9	18
Literacy	9	10	19
Matric	8	9	17
Post-matric qualification, including degrees	8	9	17

It is important to note that the following changes that took place went towards addressing the politics of exclusion.

As was alluded to earlier, Africans were only there as the 'unskilled' labour force prior to December 2000. To date, the lady with tertiary education who was subjected to so much humiliation is now secretary of the policy and legal unit. She excels in a number of computer programmes. The lady that was a tea maker is now the receptionist who is also very computer literate. Over and above that, the African lady that was employed as a committee officer is now a training unit co-coordinator and sits in the management forum. A white lady was employed as a training officer in order to change the perception that women are only good for secretarial support to men. The finance officer, the water and committee officer and the research, media and communications officer are all

African males. All these people are qualified and were given training by the association. They are also evidently highly productive.

Generally, every staff member in the association has a sense of belonging and is extremely productive. The 19 staff members are serving 32 000 KwaZulu-Natal municipal employees, 61 municipalities and more than 1 500 councillors. This association is the only one of the nine provincial associations that has received a service excellence award. It trains not only people from KwaZulu-Natal but from throughout South Africa.

The principle of managing by fact, customer focus, a systems and processes approach coupled with continuous improvement has enabled the association to change its financial position. The association focused on the customer. The customers, who are mainly KwaZulu-Natal municipalities, are the 'lifeblood' of the association. Kwanaloga's operational budget is funded through subscriptions from the 61 municipalities. It is important to mention here that membership of Kwanaloga is voluntary. Members can choose not to be members by simply not paying subscriptions. It is for this reason that Kwanaloga adopted a customer-focused approach where systems and processes were put in place for the satisfaction of the customer.

Kwanaloga thus had to ensure that the finance of the association was managed properly by putting the necessary financial management systems and financial controls in place. Policies were developed for managing the association's finances. Audits were

performed. All this, for the first time in the history of the association, was communicated to all member municipalities through a newly established publication called Kwanaloga News. The CEO and the chairman made presentations to all municipalities and got feedback on Kwanaloga performance. All concerns raised by member municipalities were addressed. Then the subscriptions were raised to enable the association to function properly.

Kwanaloga in their efforts to add value to their customers are succeeding beyond expectations. By 2003, Kwanaloga was running 24 programmes. The one programme that was running in 2000 has grown to such an extent that there are now three groups, two operating in KwaZulu-Natal and one in another province.

Kwanaloga's asset value in December 2000 was estimated at R20 000. In 2003 Kwanaloga had assets of approximately R10-million. This increase can be attributed to loyal customers who regularly pay their subscriptions and to the visionary leadership of the association. Kwanaloga continues to improve its performance.

Table 6: The Kwanaloga staff composition by race prior to November 2000

	African	Indian	Coloured	White	Female	Male
Management positions	0	3	0	1	0	4
Secretariat	0	0	1	2	3	0
Unskilled	2	0	0	0	1	1
Unknown	1	0	0	0	1	0
Total	3	3	1	3	5	5

Table 7: The Kwanaloga staff composition by race: October 2003

	African	Indian	Coloured	White	Female	Male
Management positions	5	2	0	2	3	6
Secretariat & Support Services	9	0	0	1	9	1
Unskilled	0	0	0	0	0	0
Unknown	0	0	0	0	0	0
Total	14	2	0	3	12	7

The above case study may be viewed as irrelevant since Kwanaloga is not a municipality.

However, it is important to take into account the fact that the challenges that are faced by the local government sphere are similar. The above case demonstrates how TQM may be applied to address some critical organisational challenges.

The case study below seeks to show the relevance of TQM even in a non-income generating sector of the municipality. This is important as it addresses the perception of TQM as profit driven. Indeed, it is true that TQM in the private sector is mostly about maximising profits and outgunning competitors. However, in the public sector it is about

delivering excellent services in the most cost effective way. It is also about survival especially at municipal level in South Africa since municipalities derive on average 90% of income from own source, from sales of electricity and water and from rates.

2.7 TQM RELEVANCE IN A MUNICIPAL ENVIRONMENT: A CASE OF TQM AND EXECUTIVE LEADERSHIP PROGRAMME STUDENTS.

To test the relevance of TQM at municipal level a group of senior officials from Hibiscus Coast, Umgungundlovu, Umsinga, Endondakusuka, Ethekwini, KwaSani and Amajuba municipalities in KwaZulu-Natal were introduced to TQM to ensure that they understood the concept. They were also taken to Pietermaritzburg (Umsunduzi Municipality) where they went to two sites. The first site was in Unit BB where low cost houses built in 1997 are already collapsing due to poor project management and a lack of adherence to proper building specifications. They were also taken to the Umsunduzi Freedom Square Clinic, which has won a national quality award, the case of service excellence already discussed. The course and site visits took place between 7 and 11 April 2003.

This group was too small and from only KwaZulu-Natal. So the Executive Leadership Development Programme (ELDP), which is run by the KwaZulu-Natal Local Government Association (Kwanaloga) and accredited by the University of Durban Westville, was asked run classes to introduce TQM and to assess the reactions of students. The ELDP is a programme that trains senior municipal practitioners from all over South Africa. Initiated in 1997, it has produced over 300 graduates, most of whom

are municipal managers and senior local government officials. The classes comprised mayors, municipal managers and other senior municipal functionaries drawn from five provinces in South Africa. The first took place over three days (21-23 April 2003) and 24 out of the 29 students that were registered attended. The second class had 24 of the 28 registered students present. The five provinces represented were KwaZulu-Natal, Gauteng, Limpopo, Mpumalanga and the Eastern Cape.

The classes overwhelmingly agreed that TQM is relevant in a developmental context. The reasons cited were as follows:

A) TQM PROMOTES ORGANISATIONAL ALIGNMENT

Municipalities are often not managed holistically. Each department tends to do its own thing resulting in fragmentation. Organisational structures and operations are not aligned. Most of the students (almost 80%) said their organogram was not aligned to organisational goals. They employed people whom they thought were needed but not necessarily according to customer requirements or organisational vision. This often resulted in the duplication of tasks and waste of money. Because there is overlapping and duplication, employees often fight over minor misunderstandings. Management often has to adopt an authoritarian approach, as the situation is often explosive.

B) CONCEPT OF CITIZEN VERSUS CUSTOMER

Students from smaller municipalities that do not have revenue derived from own source tended to prefer the use of the term citizen rather than customer. They argued that customer was misleading, as it did not take into account that the majority of the indigent people depend on government for their survival. Those from bigger towns that do generate most of their revenue from own source preferred the term customer: they thought citizen restrictive and not accommodating of investors from outside South Africa. This group also argued that the concept of citizen at municipal level was vague because there was nothing to identify one as a citizen except from the assumption that if you paid rates or owned property you were a citizen. A question was raised about absentee landlords who are not South African citizens. Could one be a citizen of a city without being a citizen of the country?

Clearly, the debate suggests that there has to be more research undertaken on the appropriate terms to define or describe those that receive municipal services.

Most of the students did not see employees as customers but after some debate, they agreed that an internal customer was as important as the external customer.

All the students are senior managers or senior politicians, which could pose a problem when introducing TQM as some of the implications can be threatening to management. The students noted the relevance of TQM but felt that TQM should be adapted for the

municipal environment in South Africa. They also expressed concerns on new concepts being introduced to them. The rapidity of changes in the local government environment made them uneasy with further change. When they saw how the Umsunduzi clinic was run, they realised the need to move beyond the legislative requirement. They did, however, express concern that uncertainty would result at municipal level unless TQM was marketed and training in the concepts provided. They strongly recommended that especially the benefits of TQM to a developmental local government environment would need to be taught to both officials and councillors.

The case studies of Kwanaloga, Polokwane and Umsunduzi municipalities clearly demonstrate the value that is added by TQM at a public sector level. The case studies also demonstrate that TQM can be applied in a political environment. However, they do suggest that TQM has to be adapted to suit the realities of a political environment. Again, TQM has to take into account the historical context of South Africa if it is to produce the desired effect.

The study thus introduces a concept of Transformation Through Total Quality Management (TTTQM). It is operationalised through what has been termed in the study a "4x4 house of TTTQM". It takes into account the fact that municipalities as public sector bodies embark on TQM to render better services and not in the interest of profit. It also acknowledges the fact that the local government environment is regulated and has a wide range of divergent interests.

It takes into account the peculiar circumstances of the municipal and public environment. In the private sector, the environment is arguably not as regulated as in the public sector. The public sector environment is very political and is driven mainly by service and power motives. On the other hand the private sector is mainly driven by profit motives. This is elaborated further in the section dealing with the theoretical framework.

2.8 LESSONS FOR DEVELOPMENTAL LOCAL GOVERNMENT IN SOUTH AFRICA FROM COUNTRIES THAT HAVE IMPLEMENTED TQM AT LOCAL GOVERNMENT LEVEL

In countries where TQM has been used by local governments, they have produced very good results. For example in Japan every family is responsible for cleaning the pavement in front of their houses. In South Africa municipalities are still expected to clean and cut grass verges even in front of people's houses. According to Samuel K M Ho's theory of 5-S (Structurise; Systematise; Sanitise; Standardize and Self-discipline), "most Japanese practitioners consider 5-S useful not just for improving their physical environment but for improving their total quality management processes as well" (Ho, S.K.M., 1999: 345).

In the UK although not all municipalities apply SERVQUAL, there is nevertheless a realisation that local governments need to be modernised. The service quality is growing across the globe. Wisniewski's research on SERVQUAL in the UK found that SERVQUAL is a useful concept to achieve service excellence.

The overall conclusion from this pilot work has been that service managers find the service quality gap approach and the service dimension approach conceptually attractive and operationally useful (Wisniewski, 2001: 1002).

When Sa' and Kanji conducted their research with Portuguese local government on organisational excellence through a performance measurement approach, they found that in the public sector performance measurement has traditionally suffered from several problems, among which (Van Wart, 1995) are weak comparability, lack of rewards for efficiency, inability to assess true effectiveness, failure to measure team and system performance, and deficiency in identifying and correcting errors (Sa' and Kanji, 2003).

The same could be said to be true in South Africa. Sa' and Kanji recommend a different approach to service delivery at local government level. They call for innovation. It is not possible to implement TQM without a sound performance measurement system that goes beyond the financials. Financial and non-financial measures, comprising both results and determinants of success are necessary for TQM implementation (Sa' and Kanji, 2003).

TQM is about managing by fact and understanding the cause and effect of the problems. Success has to be measured against input and the prevailing material and other conditions.

The Municipal Systems Act of 2000 in South Africa introduced performance management at municipal level. Without performance measurement there would be no continuous improvement which is the core of TQM (Austin, 1996; Feurer & Chaharbaghi, 1995; Neely, 1998, Pun, 2002) all concur that performance measurement serves a number of purposes in the organisation or business including monitoring internal systems, monitoring external performance, tracking the implementation of change, stimulating continuous improvement at systems and personnel levels, and tracking the overall financial performance of an organisation. It can be argued that the developmental local government is in harmony with TQM if one takes into account the purpose that is served by the performance management system in an organisation.

In 2003 the Department of Provincial and Local Government (DPLG) supported by the South African Local Government Association (SALGA), Development Bank of South Africa (DBSA) and the National productivity Institute (NPI) launched a Municipal Performance Excellence Award called the *Vuna*⁸ award. Vuna is an Nguni word meaning harvesting. “The Vuna Award seeks to identify good practices and to facilitate shared learning among municipalities. Furthermore, the awards are intended to motivate municipalities to continuously seek mechanisms of improving performance” (Vuna Award brochure, 2003: 2).

TQM should thus be seen as an innovative approach to achieve municipal service excellence in a developmental context. Pun defines TQM as an integrated management

⁸ *Vuna* is an isi Zulu word meaning reaping the harvest. It is the initiative of the Department of Provincial and Local Government and Organised local government to reward good performance by municipalities.

philosophy and set of practices that emphasise continuous improvement, meeting customers' requirements, reducing rework, long-range thinking, increased employee involvement and team work, process redesign, competitive benchmarking, team based problem-solving, constant measurement of results and closer relationships with suppliers (Powell, 1995; Pun, 2001; Pun, 2002; Whitney & Pavett, 1988).

The Minister of Traditional and Local Government Affairs in KwaZulu-Natal, Inkosi Nyanga Ngubane, warned:

Local government will stand or fall, depending on how well these issues (inefficiency) are tackled. If you do not manage the provision of services to the poor, if you do not collect from those who can afford to pay for services rendered.... You can prepare the most detailed IDP in the world, but if you have no funds it will remain a plan in name (Ngubane, N J, 24 May 2002).

It is thus crucially important that TQM as a concept is adapted to the municipal reality in South Africa. There is no doubt that it is compliant with the legislations affecting local government in South Africa. There is thus a need to critically review the performance management approach in South Africa so as to assess the relevance of TQM in a developmental context. TQM started off as a quality improvement tool in the manufacturing sector. It was later adapted and adopted by the services industry. Local government in the UK has also adapted it to suit their environment and call it

SERVQUAL. This study will enhance the Vuna Award initiative, which seeks to promote service excellence at municipal level. TQM will undoubtedly add value in identifying the best practice in municipalities, as it is a concept based on the principle of continuous quality improvement.

CHAPTER 3

METHODS AND PROCEDURE

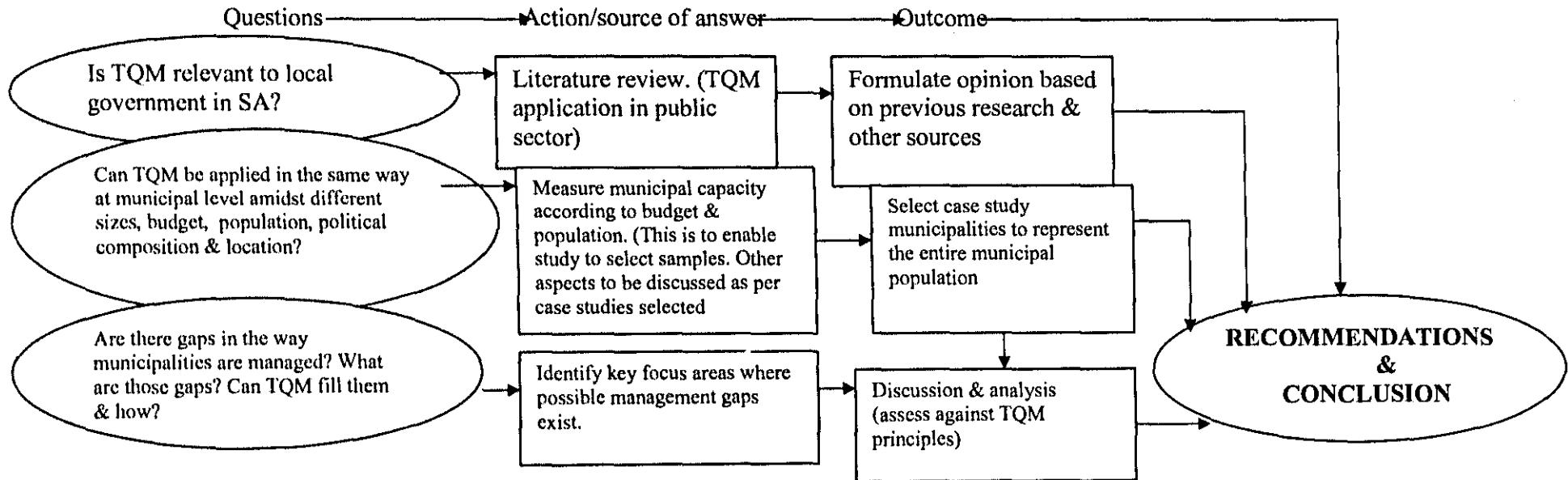
3.1 RESEARCH DESIGN

This enquiry investigates the relevance of TQM at a developmental municipal level in South Africa. It answers the following questions:

- Is TQM relevant to local government in South Africa?
- Can TQM apply equally to municipalities considering their different sizes, budgets, population, political composition and location?
- Is the concept *Quality of Work Life* an improvement on the way municipalities are currently managed? What gaps does TQM hope to fill and how?

Sketch 1

The sketch below attempts to illustrate the process of this enquiry:



Qualitative methods and procedures are adopted in this research project. The main objective of this study is largely knowledge development as it seeks to explore innovative management strategies in a developmental local government context in South Africa. As argued by Morse: “We have ignored how useful qualitative methods are for understanding what is ‘going on’, how information gained from qualitative research fits into the Greater Scheme of Things and, the ultimate test, we have forgotten to consider what qualitative findings actually contribute to knowledge. We have forgotten to consider what would happen to knowledge development in the social sciences if we did not have qualitative methods” (Morse, Janice M., 1997).

Qualitative researchers emphasise the importance of context for understanding the social world. They hold that the meaning of a social action or statement depends, in an important way, on the context in which it appears (Neuman, 1997). The study thus takes into account the different social and material contexts of local government in general, and case study municipalities in particular. This is to ensure that the sample of local government formations and municipalities selected are informed by all the important factors that shape their social context. In order to ensure the integrity of this research and the validity of the results, careful and empirical selection of local government players and municipalities have been considered.

The study argues that there is a relationship between the application of TQM in a developmental local government context in South Africa and improved efficiency. To test this assertion one will have to avoid generalisations that do not take into account the differentiation amongst municipalities. There are 284 municipalities in South Africa

grouped into three categories, namely: the Metropolitan Councils (Category A); the Local Councils (Category B) and District Councils (Category C). They are broken down as follows:

Table 8: Categories of Municipalities in South Africa

Category/council	Number
Category A – the metropolitan councils	6
Category B – the Local Councils	231
Category C – the District Councils	47
Total Number of Municipalities	284

The categorisation of these municipalities does not always imply commonality in each category. The Finance and Fiscal Commission (FFC) report of April 2003 illustrated this by pointing out differentiation and economic disparities in terms of municipal expenditure in South Africa.

Table 9: Average expenditure by class of municipality, 2000/01

Classification	Status	Number of municipalities in class	Average municipal expenditure per person 2000/01 (R)
Metros	Metros	6	2 525
Class 1	Aspirant Metros	5	1 275
Class 2	Significant and large category B	17	1 379
Class 3	Strong category B	22	1 062
Class 4	Strong category B	85	520
Class 5	Weak category B	28	313
Class 6	Very limited capacity	44	82
Class 7	Almost completely new municipality	30	2
New			
DMA's	District	47	13

Source: Municipal Demarcation Board, Presentation to Finance Portfolio Committee, 2002

For the study to be sufficiently representative, it will have to take into account the fact that municipal capacities are not the same. Municipalities in South Africa roughly can be grouped into three clusters: those who have access to capital markets at relatively

It is important to note that of the population of KwaZulu-Natal of around nine million more than 2.7 million people are in the one (Category A) metropolitan council in KwaZulu-Natal, which constitutes nearly one third of the total provincial population.

Municipalities employ in total over 200 000 people in South Africa: about 109 000 in the six metros (Category A), 90 000 in category B municipalities and 8 000 in district councils (SALGA Salary Negotiations 2002/2003 Report). KwaZulu-Natal accounts for about 32 000 municipal employees of which about 20 000 are in its only metropolitan council (Ethekwini municipality). The KwaZulu-Natal province has been chosen as it features all three categories of municipality.

The KwaZulu-Natal province also features all the different classifications as demonstrated by the Demarcation Board in Table 9 above. The table below illustrates the composition and budgets of municipalities in KwaZulu-Natal. It is important to table this so that one can justify why certain municipalities have been chosen as samples.

NB: The municipalities highlighted in the tables below have been selected as samples of the populations they represent in terms of category and class.

Table 11: KZN Metro, Category A municipality, Budget and Population breakdown (multi-billion rand budget)

Name of municipality	Population (2002-2003)						Budget (2002-2003)		
	African	Coloured	Indian	White	Other	Total	Operating Budget	Capital Budget	Total Budget
Metro (in terms of the demarcation board)									
Ethekwini Municipality (Durban City)	1 737 955	73 619	599 155	316 332	24 132	2 751 193	7 343 749 112	1 791 878 690	9 135 627 802

Source of Population, Operating and Capital Budget, Gaffney's Local Government in South Africa (LGSA), 2002-2004; Total Budget worked out by M B Khoza (author)

Table 12: KZN Aspirant Metro, Category B, Budget and Population breakdown (R500-m to R2-billion budgets)

Name of municipality	Population (2002-2003)						Budget (2002-2003)		
	African	Coloured	Indian	White	Other	Total	Operating Budget	Capital Budget	Total Budget
Msunduzi Municipality	378 244	16 163	68 216	56 328	2 854	521 805	992 785 946	184 154 715	1 176 940 661
Umhlatuze Municipality (Richards Bay and Empangeni)	153 202	1 478	8 054	28 377	5 072	196 183	525 562 330	91 242 630	616 804 960

Source: Gaffney's LGSA 2002-2004, Total Budget source: M B Khoza

Table 13: Category B Municipalities, Budget and Population breakdown
(Budgets more than R200 million but less than R500 million)

Name of Municipality	Population (2002-2003)						Budget (2002-2003)		
	African	Coloured	Indian	White	Other	Total	Operating	Capital	Total
Emnambithi Municipality (Ladysmith)	154 085	1 531	10 758	10 950	1 227	178 551	200 036 423	15 000 000	215 036 423
Hibiscus Coast Municipality (Port Shepstone)	150 017	2 454	12 820	26 525	1 130	192 946	25 000 000	204 439 160	229 439 160
KwaDukuza Municipality (Stanger)	85 992	1 240	35 491	6 707	1 661	131 091	204 000 000	51 000 000	225 000 000
Newcastle Municipality	249 479	2 168	10 836	23 265	1 512	287 260	284 987 930	113 075 930	398 063 860

Source: Gaffney's LGSA 2002-2004, Total Budget source: M B Khoza

favourable borrowing rates, those who struggle to obtain loan finance and pay significant risk premiums when they do, and those who simply cannot obtain loans owing to their weak fiscal capacity and/or poor human resource capacity (FFC Report, April 2003).

There are two factors that have been attributed to the differing abilities of municipalities to deliver municipal: the lack of an economic base to provide income to finance the delivery of services, and the lack of administrative capacity to implement the collection of revenue and the provision of public services (FFC report, April 2003). However, it is also important to note that historical factors play a major part in the economic disparities among municipalities. South Africa was racially segregated with unequal distribution of resources before 1994. The areas that were in the former homelands where the majority of the indigenous people lived tended to be the poorest. All these factors will have to be considered in this study.

KwaZulu-Natal municipalities have been selected as a sample for this project. This province contains 61 of the 284 municipalities (21%) in South Africa's nine provinces.

Table 10: Breakdown of Municipalities in KwaZulu-Natal

Category	Type of municipality	Number in KZN
A	Metropolitan Council	1
B	Local Councils	50
C	District Council	10

**Table 14: Category B Municipalities, Budget and Population Breakdown
(Budgets more than R80 million but less than R200 million)**

Name of Municipality	Population (2002/2003)						Budget (2002/2003)		
	African	Coloured	Indian	White	Other	Total	Operating	Capital	Total
Abaqulusi Municipality (Vryheid)	151 811	816	445	11 798	937	165 807	88 078 445	45 558 843	133 637 288
Umlalazi Municipality (Eshowe)	221 124	1 371	1 731	5 047	1 750	231 023	45 216 284	77 652 827	123 869 111
Endumeni Municipality (Dundee)	31 137	1 568	4 915	6 449	348	44 417	77 284 653	34 465 077	111 749 730
Dannhauser Municipality	94 608	177	1 845	2 242	378	99 250	11 406 880	98 518 580	109 925 360
Umtshezi Municipality (Estcourt)	36 705	1 183	5 874	3 180	308	47 250	81 800 948	15 083 387	96 884 335
Umgeni Municipality (Howick)	49 999	787	4 002	14 256	697	69 741	71 941 860	71 494 500	143 436 360

Source: Gaffney's LGSA 2002-2004, Total Budget source: M B Khoza

**Table 15: Category B Municipalities, Budget and Population Breakdown
(Budgets more than R40 million but less than R80 million)**

Name of Municipality	Population (2002/2003)						Budget (2002/2003)		
	African	Coloured	Indian	White	Other	Total	Operating	Capital	Total
Endondakusuka Municipality (Mandeni)	105 592	500	2 250	2 752	815	111 909	47 531 695	19 662 600	67 194 295
Ulundi Municipality	192 105	109	20	216	851	193 301	57 345 463	17 233 400	74 578 863
Umdoni Municipality (Scottburgh)	33 929	767	12 516	6 634	374	54 220	42 494 000	5 925 000	48 419 000
Umvoti Municipality (Greytown)	84 473	353	2 685	3 338	1 570	92 419	36 875 075	14 879 635	51 754 710

Source: Gaffney's LGSA 2002-2004, Total Budget source: M B Khoza

**Table 16: Category B Municipalities, Budget and Population Breakdown
(Budgets less than R40 million) Page 1 of 2**

Name of municipality	Population (2002/2003)						Budget (2002/2003)		
	African	Coloured	Indian	White	Other	Total	Operating	Capital	Total
Big 5 False Bay (Hluhluwe)	25 017	28	33	1 075	149	26 302	7 503 460	3 480 000	10 083 460
Dumbe Municipality (Paarlpietersburg)	63 414	21	3	1 649	290	65 377	11 376 532	9 807 004	21 183 536
Ezinqoleni (Izingolweni)	46 089	89	168	370	323	47 039	10 111 142	2 613 047	12 724 189
Greater Kokstad	28 382	3 888	130	1 777	559	34 736			
Hlabisa	167 757	56	1	60	634	168 508	10 635 500	10 169 000	10 804 500
Imbabazane	109 540	67	22	82	883	110 594	4 443 792	11 625 000	16 068 792
Impendle	33 351	85	22	342	148	33 948	7 762 962	5 737 000	13 499 962
Indaka	97 714	38	8	21	717	98 498	11 984 489	2 587 277	14 571 766
Ingwe	93 519	163	14	678	777	95 151	4 273 551	23 023 520	27 297 071
Jozini	150 275	204	64	553	593	151 689	24 456 590	4 619 300	29 075 890
KwaSani	13 074	102	13	1 354	31	14 574	7 247 238	5 119 000	12 366 238
Maphumulo	118 262	70	43	19	6 309	124 703	6 077 856	6 251 144	12 329 000
Matatiele	7 189	1 549	70	1 209	126	10 143	27 104 215	2 100 000	29 204 215
Mbonambi	94 486	243	88	1 255	425	96 497	7 113 574	450 000	7 563 574
Mkhambathini (Camperdown)	42 739	64	298	1 825	1 163	46 089	6 481 917	2 284 900	8 766 817
Msinga (Tugela Ferry)	159 765	165	104	196	1 163	161 393	10 316 129	14 912 956	25 229 085
Mpofana (Mooi River)	20 838	116	720	2 936	175	24 785	22 529 680	129 350	22 659 030
Mthonjaneni (Melmoth)	35 305	151	58	1 091	243	36 848	10 978 715	266 000	11 244 775
Mtubatuba	22 784	348	239	1 968	314	25 653			
Ndwendwe	163 660	197	2 154	296	1 097	167 404	5 599 831	8 511 000	14 110 831

	African	Coloured	Indian	White	Other	Total	Operating	Capital	Total
Nkandla	128 732	21	5	24	731	129 513	10 310 067	450 000	10 760 067
Nquthu	128 368	62	9	5	379	128 823	12 453 000	1 044 000	13 497 000
Ntambanana	72 042	76	27	125	457	72 727	7 471 671	429 000	7 900 671
Okhahlamba	115 067	115	278	2 261	1 198	118 919	12 119 633	1 864 000	13 983 633
Richmond	58 096	384	1 095	2 098	435	62 108	9 695 933	18 906 000	20 601 933
Ubuhlebezwe	73 629	1 495	396	1 074	408	76 992			
Umhlabuyalingana	121 571	54	24	169	522	122 340	10 930 000	12 840 000	23 770 000
Umshwati (Wartburg)	107 599	126	2 059	3 147	1 205	114 136	14 066 344	7 957 000	22 023 344
Umziabantu (Harding)	79 032	1 691	398	487	487	505	22 004 040	11 230 220	33 234 260
Uphongolo	95 378	91	20	2 529	296	98 314	24 545 619	2 994 900	27 540 519
Umzumbe	163 887	99	25	66	722	164 799	7 836 548	18 833 810	26 670 358
Utrecht	21 303	349	24	1 968	285	23 929	12 673 460	7 619 774	20 293 234
Vulamehlo	100 947	141	642	142	360	102 232	4 912 484	12 604 603	17 527 087

Source: Gaffney's LGSA 2002-2004, Total Budget source: M B Khoza

Table 17: Category C municipalities: Overall Population, Budget and Number of Households (2002/2003)

Name of District Municipality and Head Office	Number of Local Councils in District	Overall population in District	Budget			Number of Households in District
			Operating	Capital	Total	
Amajuba (Newcastle)	3	410 439	51 226 875	53 516 825	104 743 700	74 254
Ilembe (Durban North)	4	535 107	25 191 905	88 998 806	114 190 711	108 066
Sisonke (Ixopo)	5	232 951	19 310 855	44 399 386	63 710 241	47 372
Ugu (Port Shepstone)	6	643 349	295 153 123	44 136 600	339 289 723	122 594
Umgungundlovu (Pietermaritzburg)	7	872 717	47 153 259	165 016 073	212 169 332	187 032
Umkhanyakude (Mkuze)	5	503 874	32 179 603	92 440 051	124 619 654	73 219
Umtzinyathi (Dundee)	4	427 052	46 441 957	5 474 576	51 916 533	77 540
Uthukela (Ladysmith)	5	554 398	35 612 993	75 264 310	110 877 303	94 931
Uthungulu (Richards Bay)	6	762 791	173 275 850	31 128 163	204 404 013	122 794
Zululand (Ulundi)	5	711 795				107 259

Source: Gaffney's LGSA 2002-2004, Total Budget source: M B Khoza

The Sample of the Study

Based on the above information, four municipalities from categories A and B have been selected as samples. The rationale behind that is based on the amount of money spent on each person per year. This formula is determined by dividing the total budget by the number of people in each municipality. For example, ETHEKWINI (Durban) Municipality with its budget of R9-billion to spend on 2.7 million people has, theoretically, per person per year expenditure of about R3 300.

The four categories used in this study are similar to those presented by the Demarcation Board as shown above in Table 9. The difference is that those that spend between R1 000 and R2 500 are placed in one category for the purposes of this study compared with the board's division of this bracket into three classes. The reason for this is that there are very few municipalities in this category in KwaZulu-Natal compared with the number of those that spend less than R1 000 per person a year.

The other difference is that the demarcation board's Classes 4 and 5 (those that spend on average R520 and R313) are also categorised together in this sample. In our view, there is no significant difference in the expenditure among these municipalities. They are referred to as weak municipalities. Those that spend less than R300 are referred as very weak. The tables below illustrate this point further.

The sample is broken down as follows:

**Table 18: Class 1 - Those that spend more than R2 500 per person per year
(Category A & B KZN Municipalities)**

Name of municipality	Category	Formula: Total Budget (to the nearest R1-m) divided by Total Population	Estimated expenditure per person per year (R)
Ethekwini Metro	A	R9 100 000 000 / 2 751 193 people	3 307,66
Umhlathuze Aspirant Metro	B	R620 000 000 / 196 183 people	3 160,31
Matatiele	B	R29 000 000 / 10 143 people	2 859,11

Formula: M B Khoza

Table 19: Class 2 - Those that spend more than R1 000 but less than R2 500 per person per year (Category B KZN Municipalities)

Name of Municipality	Category	Formula: Total Budget (to the nearest R1-m) divided by Total Population	Estimated expenditure per person per year (R)
Umsunduzi (Aspirant Metro)	B	R1 200 000 000 / 521 805 people	2 299,71
Emnambithi	B	R220 000 000 / 178 551 people	1 232,14
Hibiscus Coast	B	R230 000 000 / 192 946 people	1 192,04
KwaDukuza	B	R230 000 000 / 131 091 people	1 754,51
Newcastle	B	R400 000 000 / 287 260 people	1 392,47
Endumeni	B	R110 000 000 / 44 417 people	2 476,53
Dannhauser	B	R110 000 000 / 99 250 people	1 108,31
Umtshezi	B	R100 000 000 / 47 250 people	2 116,40
Umgeli	B	R140 000 000 / 69 741 people	2 007,43

Formula: M B Khoza

Table 20: Class 3 - Those that spend more than R300 but less than R1 000 per person per year (Category B KZN Municipalities)

Name of Municipality	Category	Formula: Total Budget (to the nearest R1-m) divided by Total Population	Estimated amount spent per person per year (R)
Abaqulusi	B	R130 000 000 /165 807 people	784,04
Umlazi	B	R120 000 000 /231 023 people	519,43
Endodakusuka	B	R70 000 000 /111 909 people	625,51
Ulundi	B	R70 000 000 /193 301 people	362,13
Umdoni	B	R50 000 000 /54 220 people	922,17
Umvoti	B	R50 000 000 /92 419 people	541,01
Big Five False Bay	B	R11 000 000 /26 302 people	418,22
Edumbe	B	R21 000 000 /65 377 people	321,21
KwaSani	B	R12 000 000 /14 574 people	823,38
Mpofana	B	R23 000 000 /24 785 people	927,98
Impendle	B	R13 000 000 /33 948 people	382,94
Richmond	B	R21 000 000 /62 108 people	338,12
Utrecht	B	R20 000 000 /23 929 people	835,92

Formula: M B Khoza

**Table 21: Class 4 - Those that spend less than R300 per person per year
(Category B KZN Municipalities)**

Name of Municipality	Category	Formula: Total Budget (to the nearest R1-m) divided by Total Population	Estimated amount used per person per year (R)
Ezinqoleni	B	R13 000 000/ 47 039 people	276, 37
Hlabisa	B	R11 000 000/168 508 people	65, 28
Imbabazane	B	R16 000 000/110 594 people	144, 67
Indaka	B	R15 000 000/ 98 498 people	152, 29
Ingwe	B	R27 000 000/ 95 151 people	283, 76
Jozini	B	R20 000 000/151 689 people	191, 18
Maphumulo	B	R12 000 000/124 703 people	96, 23
Mbonambi	B	R8 000 000/ 96 497 people	82, 90
Mkhambathini	B	R9 000 000/ 46 089 people	195, 27
Msinga	B	R25 000 000/161 393 people	154, 90
Mthonjaneni	B	R11 000 000/ 36 848 people	298, 52
Ndwendwe	B	R14 000 000/167 404 people	83, 63
Nkandla	B	R11 000 000/129 513 people	84, 93
Nquthu	B	R13 000 000/128 823 people	100, 91
Okhahlamba	B	R14 000 000/118 919 people	117, 73
Ntambanana	B	R8 000 000/ 72 727 people	110, 00
Umhlabuyalingana	B	R24 000 000/122 340 people	196, 17
Umshwati	B	R22 000 000/114 136 people	192, 75
Uphongolo	B	R28 000 000/ 98 314 people	284, 80
Umzumbe	B	R27 000 000/164 799 people	163, 84
Vulamehlo	B	R18 000 000/102 232 people	176, 07

Formula: M B Khoza

The above analysis of category A and category B municipalities clearly demonstrates the economic disparities among municipalities in South Africa. All of the six South African

Category A municipalities spend more than R2 500 per person per year, yet many municipalities spend less than R300 per person per year. This study has attempted to come up with the most scientific method of selecting a population sample given the realities of the socio-economic circumstances of different municipalities. The study has recognised that simply selecting municipalities according to different legislative categories is not enough as municipalities have different set of challenges. A formula to determine the population sample that goes beyond categories was devised in order to ensure the reliability of the findings of this research.

3.2 POPULATION SAMPLING FRAME, SIZE AND METHODS

Selection of municipal samples in KZN

The classifications devised in Table 22 below have divided the population sampling frame of Category A and B municipalities into four classes: the very strong, the strong, the weak and the very weak. From each classification, a municipality has been selected as a sample. This is a social research and therefore uses case study methodology. The table shows the four municipalities chosen to represent the four classifications.

Table 22: Population Sample municipalities

Sample Municipality	Class	Category	Estimated expenditure per person per year	Estimated expenditure per person per year (classification)	Number of Municipalities in that classification in KZN	Number of KZN municipalities in that category
Ethekwini	Very Strong	A (Metro)	3 307,66	More than R2 500	3	1
Umsunduzi	Strong	B	2 299,71	More than R1 000 but less than R2 500	9	50
Endondakusuka	Weak	B	625,51	More than R300 but less than R1 000	13	50
Ukhahlamba	Very weak	B	117,73	Less than R300	24	50
Unspecified budget	-	B	-	-	4	50

Source: M B Khoza

Category C municipalities differ from Category A and B municipalities in that the former are primarily responsible for capacity-building and district-wide planning. The composition of their respective councils serves to illustrate just how widely different they are: the councils of all three categories comprise 40% proportional party political representation, but while the remaining 60% of their seats in Category A and B councils are comprised of representatives directly elected by their constituents, those seats in Category C councils are comprised of representatives of (Category B) municipalities that lie within the district. Whereas 60% of the councillors from Category A and B

municipalities have to account directly to their communities and citizens, those representatives in Category C municipalities do not. Category C municipalities are not as visible by the nature of their operations and composition, and because of this to select a district municipality on the basis of an estimated amount spent per person per year may be duplication if not misleading. Categories A and B municipalities derive more than a third of their revenue from property rates which category C municipalities do not. It can be argued that people do not identify so much with the district as with the towns, cities or townships they live in. They identify more closely with their locality, as the idea of a district is a bit vague as it includes a number of towns, areas and municipal boundaries.

Therefore, the study has chosen two district municipalities in KZN of the 47 in South Africa. For the study to be credible, it has to have a population sample that reflects all the three categories of municipalities in South Africa. Thus, two comparable and contrasting municipalities were selected from category C municipalities.

3.3 CRITERIA FOR POPULATION SAMPLES

Class 1: Municipal Category A Population Sample (very strong municipalities)

For a municipality to qualify as a sample in this population category, it has to meet the following criteria: it must be a category A municipality as defined by the constitution of the Republic of South Africa Act 108 of 1996 and must be designated as such by the minister of local government, and it must spend more than R2 500 per person per year as

calculated by dividing the total operating and capital expenditure of municipality budget of R2002/2003 by the number of people.

Ethekwini Municipality meets the criteria set out above. It is a Category A municipality. It spends more than R3 000 per person per year. Over and above the cited factors, this municipality accounts for more than a quarter of the population of KwaZulu-Natal. According to South Africa yearbook (2001/2002), KwaZulu-Natal has about 9 million people and Durban accounts for 2.7 million of them. This municipality is also one of the six metropolitan councils in the country. The Metropolitan councils have very complex structures and huge budgets. Therefore, Ethekwini is the ideal sample with a budget of over R9-billion. The other municipalities that feature in class 1 are not category A municipalities and they have budget size that is a mere fraction of Ethekwini's. These municipalities will be covered under the other samples but are represented in terms of expenditure per person per year by Ethekwini municipality.

Class 2: Municipal Category B Population Sample (Strong Municipalities)

For a municipality to qualify as a sample in this population category, it has to meet the following criteria: it must be a category B municipality as defined by the constitution and must be designated as such by the minister, and it must spend more than R1 000 but not more than R2 500 per person per year.

Umsunduzi municipality has been selected as a sample as it meets both criteria set out above. It is an aspirant metropolitan council but faces enormous challenges. It has been

chosen because evidence suggests that it is not the size of the municipality or its aspirations that determine its financial standing but population and revenue income and expenditure play a major role. For example Umgeni municipality as shown in Table 19 above has a budget substantially less than that of Umsunduzi (Pietermaritzburg). They have a budget of about R143 million compared with Umsunduzi's more than R1-billion budget. However, the amount spent by the Umgeni municipality per person per year is R2 007 compared with Umsunduzi's R2 115. In other words, Umsunduzi municipality does not only represent the aspirant metros but it could be any municipality in category B that spends a similar amount per person per year.

Class 3: Municipal Category B Population Sample (Weak Municipality)

For a municipality to qualify as a sample in this population category, it has to meet the following criteria: it has to be category B municipality as contained in the Constitution of Republic of South Africa and as designated as such by the minister concerned, and it has to spend more than R300 per person per year but not more than R1 000.

Endodakusuka municipality has been selected as the sample in this population classification. It seems to be an ideal sample for this classification as it spends an amount of R603 per person per year, which is close to the middle of the expenditure bracket

Class 4: Municipal Category B Population Sample (Very Weak)

Okhahlamba municipality has been selected in this category as it meets the criteria of a Category B municipality that spend less than R300 per person per year. It has also been selected as it seems ideal for this population sample. It spends only R110 per person per year and thus represents the majority of the struggling municipalities that do not have a sound income base.

The District Municipalities

Umgungundlovu and Ugu are both category C municipalities. Only three of KwaZulu-Natal's 10 district municipalities have budgets of more than R200-million. They are Ugu, Uthungulu and Umgungundlovu. Ugu and Uthungulu are both located on the coast and since this study hopes to compare and contrast the two selected district municipalities, Umgungundlovu in the Midlands has been selected.

Ugu has been selected because a number of its officials have been trained in TQM and have attempted to apply it, while Umgungundlovu has not. This study will compare and contrast these two municipalities.

Each of the selected municipalities has had one or more people trained in TQM. The study will also try to follow up on those TQM students to share their experiences with TQM implementation.

3.4 JUSTIFICATION OF APPLICABILITY OF POPULATION SAMPLE IN A DEVELOPMENTAL CONTEXT IN SOUTH AFRICA

Careful consideration has to be taken when a study of this nature is undertaken on a selected scale with generalised findings if the results seek to be applied to the whole South African population. KwaZulu-Natal as a province is unique. It is one of the two provinces that are not solely run by the African National Congress. The other seven provincial governments are under ANC government, which happens to be the party ruling nationally. The KwaZulu-Natal legislature comprises 80 members broken down as follows:

Table 23: Party representation in the KwaZulu-Natal Provincial legislature

Political Party	Numbers in the legislature	Numbers in the cabinet
IFP	32	4
ANC	35	4
DA	6	2
UDM	1	0
ACDP	1	0
Minority Front	2	0
PDP	1	0
Total	80	10

In the seven provinces under ANC control it has more than 60% of the seats in the legislature.

Some might argue on the basis of the above that the sample selected is not reflective of the political context in South Africa, especially because at local government level the ANC in KwaZulu-Natal has fewer than 35% of the municipalities under its control. The IFP on the other hand controls more than 65% of the municipalities. However, it should be noted that the municipalities under ANC control are often densely populated, like Umsunduzi with more than 500 000 people. In other words although the IFP might control a substantial number of municipalities, they are often the poor and sparsely populated municipalities. In selecting municipalities, no political consideration was made, as it is irrelevant to the study. However, it might be of interest to state which party is the dominant party in each of the selected municipalities. They are broken down as follows:

Table 24: Selected Municipality Political Party Profile

Municipality	Dominant party
Ethekwini	ANC
Endodakusuka	IFP
Okhahlamba	IFP
Umsunduzi	ANC
Ugu	IFP
Umgungundlovu	ANC

To avoid generalisations and the political arguments that may be advanced against the reliability of this population sample, one had to test the relevance of TQM using the Kwanaloga course material as they draw on responses from different provinces. Examples from other municipalities in other provinces have been used in the study where

possible. This was to ensure that the study takes into account the national context. The political debate is immaterial as local government is about basic service delivery, which is a constitutional right of every citizen irrespective of party affiliation. In the following chapter that deals with findings, a report will be tabled on the findings from TQM and Executive Leadership Programme Classes.

3.5 DATA COLLECTION METHODS

3.5.1 DOCUMENTED MUNICIPAL (LOCAL GOVERNMENT) RECORDS

All six municipalities provided their Integrated Development Plans (IDP), annual financial reports reviews and gave the researcher access to all documents. It is important to note that this study primarily uses documented data as its form of data collection method. There was therefore a 100% co-operation in this respect.

3.5.2 INTERVIEWS AND QUESTIONNAIRES

3.5.2.1 Interviews

Of the six municipalities selected, five agreed to provide interviews. The mayors and municipal managers of the five municipalities gave of their time for interviews.

Interviews are used firstly as powerful forms of collecting data to complement the documented information. Municipal managers and mayors of the municipalities under

investigation were interviewed, unless they were not available, when the persons acting were interviewed instead.

Secondly, this was done to observe the leadership styles of both the political and administrative leadership.

Interviews played a major role in formulating the arguments advanced in this research and in coming up with the recommendations.

3.5.2.2 Questionnaires

Questionnaires were used to verify the information contained in municipal documents such as the Integrated Development Plan (IDP), strategy documents, performance management documents, council reports, and so on. Questionnaires were also used to ascertain whether the municipality had a vision and to assess their communication strategy.

The EThekwini municipality has a staff complement of 20 000 and 32 heads of department. Of the 32 questionnaires sent, 28 were returned completed.

In other municipalities, five questionnaires were sent to senior managers in each municipality. Of the 25 questionnaires sent, 18 came back. Generally, the response was good.

Although questionnaires are often associated with quantitative research methods, they are nevertheless useful in this qualitative research. The use of questionnaires has achieved two objectives. First, it has assisted in standardising the research findings. It was used mainly to assess the municipality's level of communicating information to key stakeholders both the internal and external customers. Secondly, it was used to ascertain the level of organisational understanding, alignment as well as levels of efficiency.

It was also used in determining whether people actually understand what is expected of them in terms of organisational goals. This certainly affects performance measurement and management. It is critical to the application of TQM and its relevance in the municipal sector. The form was generic in all sample municipalities. This was to enable the study to compare and contrast different responses and to draw conclusions informed by the same level of input required.

3.5.2.3 Observations / Site Visits

As a local government practitioner in South Africa, it is unavoidable that one makes observations. However, observation alone can be deceptive. It is thus important that observation is coupled with other forms of data collection methods such as site visits and with information collected during the interviewing process and in questionnaires. The study has carefully selected case studies based on their varied institutional capacities, organisational cultures and leadership commitment. The three key focus areas act as common elements that are used to standardise findings. These focus areas are unpacked below:

3.6 INSTITUTIONAL CAPACITY

Municipalities differ in their size, budgets, skills levels and demographics. There are three areas that have been identified as critical in assessing the capacity of each organisation, namely the context, the finances, and the skills levels. The information discussed under institutional capacity draws heavily from statistics collected by specialist big official organisations such as Census South Africa, Gaffney Municipal official year-book, the Municipal Demarcation Board, a statutory body established in terms of law (Municipal Demarcation Act, 1998), and municipal records. This is to ensure statistical validity. Neuman (1997: 145) defines statistical validity as 'the correct statistical procedure chosen and assumptions fully met'. One therefore moves from the premise that the data used in this study is valid since it is drawn from credible sources.

The context defines the institutional challenges that call for a particular capacity to address those challenges. The context includes the assessment of capacity elements such as the area in square kilometres, the population, a brief economic profile, and service levels of each municipal case study. This study argues that TQM is relevant in the municipal sector and leads to service excellence. The context and the environment in which TQM is proposed will have to be scanned for any recommendations to be considered valuable, practical and credible.

The municipal finances are critical in assessing institutional capacity as interventions and the operations of any municipality require financial resources. The study thus evaluates municipal sources of revenue and implications on the kind of approach they adopt in

doing their business. TQM approach has to add value to the organisation's financial health. In the private sector, it is a survival issue: it is meant to generate more profit. To the public sector or municipalities TQM is proposed as a possible approach that could sustain the financial health of municipalities, assist in cost recovery and grow the municipal financial resources so that more services may be rendered. In this study, TQM is proposed as a strategy and corporate culture change mechanism that if adopted and implemented properly could lead to a sustainable environment and affordable and competitive services.

The capacity of the municipality also has to be measured by the skills level in that particular municipality to respond effectively to the challenges they are confronted with. This element is critical as it often defines the ability to deal effectively with diverse challenges. On 22 and 23 August 2002, the executive committee of the South African Local Government Bargaining Council (SALGBC) adopted the TASK evaluation in the local government sector. TASK stands for Tuned, Assessment, Skills and Knowledge. The SALGBC appreciated the fact that human resource development is critical in developing the capacity of a municipality. The study evaluates service levels and the ability of human resources to speed up and deliver better services.

3.7 ORGANISATIONAL CULTURE

The attempt to define organisational culture might prove an unworthy course, as organisational culture is not homogeneous. Sayles (1985) argues that organisational culture presumes some uniformity, yet cultures differ in how much divergence they

allow. He highlights the importance of the leader of the organisation in an attempt to understand organisational culture. He states:

...it is impressive to watch a strong-willed CEO cause an entire organisation of a hundred thousand or even several hundred thousand employees to change its value and belief system (Sayles, 1985: 5).

There are fundamental aspects of organisational culture that determine the level of commitment of the organisation to its vision and set targets. Many experts on change management recognise the critical role that norms, values and rituals play in accelerating growth or retarding it in an organisation. While these fundamental elements are very difficult to measure, they are nonetheless observable. They are silent killers as they are often the unconscious of the organisation. Organisational culture in the context of rapid change requires the mind-set change and a swift shift from old ways of doing things. John E. Rouse, Jr. in his attempt to define organisational culture selects elements that can be included in the definition such as organisational behaviour, material and non-material, qualities. Material qualities according to Rouse are the physical and observable factors while non-material qualities are less tangible: habits, beliefs, philosophies, informal communications and other less easily recognisable factors. Because organisational culture is not homogeneous in an organisation as people in the same organisation may have different perceptions of the organisation based on their own belief systems and philosophies, the study has sought to identify those elements that broadly define municipal culture in South Africa. In South Africa, every municipality must have the Integrated Development Plan (IDP). The IDP is arguably a cultural basis for each

municipality as it defines the vision, mission, aspirations and priorities. The IDP is a benchmarking tool as it is a feature common to all municipalities.

In terms of the Municipal Systems Act (2000)'s Chapter 5, municipalities in South Africa are required to prepare and adopt IDPs. The IDP is a starting point for anyone who wants to understand how a municipality hopes to deal with its challenges. The IDP is meant to identify the challenges. They are then required by law to plan in an integrated and developmentally sustainable manner to tackle those challenges. The IDP is a planning tool that is meant to strategise around priority issues for the municipality and set performance standards. In theory this should direct their spending patterns and influence the outcome of their budgets. Therefore, this section critically assesses the IDPs. This is to identify gaps where they exist or opportunities if any for the TQM approach. TQM promotes a holistic and factual approach to decision making. Are IDPs factual or holistic? What are the possible gaps in an IDP?

Each municipality under review where available will have their vision quoted verbatim. Brief comments will be made if required. This will assist the study in making remarks based on each municipality's vision. A vision is the starting point of a benchmarking process as in itself it sets the organisational targets. This will also assist in assessing the alignment of organisational systems and processes including performance management. All these theoretically are supposed to be aligned in the direction in which the organisation wants to go.

An overview of systems and processes in the organisation as a whole were examined. The definition of system that is used in this context is “a complex whole” (Concise Oxford Dictionary, 1999: 1453). It relates to the tools, techniques, methods and approaches that are used by organisations. Process is defined in this context as “as a series of actions or steps towards achieving a particular end” (Concise Oxford Dictionary, 1999: 1139). Systems and processes are going to be looked at in terms of their compliance or non-compliance with continuous improvement, which is the thrust of TQM. Systems and processes are keys to a communication strategy of a municipality.

The most important element of the cultural phenomenon evaluated under this study is customer focus. TQM categorises customers into two types of customer, the external and the internal. TQM’s approach moves from the premise that quality happens through people and it emphasises the importance of the empowerment of customers. The study will assess, based on available information and data collected during interviews, whether municipalities in fact do or do not use a customer focused approached. The customer focus element is very critical to the culture of the organisation especially in the context of TQM.

3.8 LEADERSHIP COMMITMENT

Leadership is essentially about commitment to the improvement of the organisation. This section assesses the leadership style employed in each of the case studies. Leadership is critical for any proper functioning of an organisation. The success of the organisation

largely depends on the kind of leadership it has. Leadership commitment is a prerequisite of any TQM application.

CHAPTER 4

MUNICIPAL CASE STUDY ANALYSES

4.1 INTRODUCTION

This chapter on findings deals with the data collected from individual case study municipalities. The key focus areas, which are institutional capacity, leadership commitment and organisational culture, investigate the problems stated in chapter 1. Municipal inefficiency, leadership crises, debt collection and the problem of non-decision are all often linked to institutional capacity, leadership commitment and the kind of organisational culture that informs organisational behaviour. The findings in this chapter will enable the study to examine the statements made under the section dealing with hypotheses.

The success factors are central in assessing the relevance of TQM in a developmental context as they individually or collectively indicate and reflect the effectiveness or lack of the seven “S”s of change which are shared values, structure, staff, skill, strategy, systems and style of management. These seven organisational elements are arguably measures of assessing the quality improvement process of an organisation. In fact they also act as indicators in identifying aspects of the organisation that need to be improved. The study by implication promotes the change of organisational culture. The assessment of the relevance of TQM in a developmental local government context in South Africa admittedly suggests that there is a missing link in current strategies applied by municipalities to improve their effectiveness. The study attempts to test this assertion through the carefully selected case studies that take into account the different institutional capacities.

Institutional capacity in this context refers to the interrelationships between the geographic spread of the municipality, the size of its population, and its financial position measured against its service levels and infrastructural backlog. All the case studies are interrogated on the basis of their institutional capacity which investigates budgetary constraints, the ability to mobilise own financial and human resources, and the economic activities of the area seen against the geographic landscape of the municipality. These factors affect positively or negatively the process of change management and organisational culture change. The skills levels in each case study municipality are assessed. This process assists in identifying the opportunities for TQM in a developmental context.

The leadership commitment or lack of it defines the human activity and culture of the organisation. Stephen Gregg, chairman and the CEO of Ethix Corp., once argued, “People do not follow uncommitted leaders” (Maxwell J C, 1999: 15). The commitment of a leader is often a measure of the success of any organisation. Leadership commitment in this study is a critical phenomenon as leadership sets goals, drives the organisation in a particular direction and leadership must monitor and ensure the successful implementation of strategy and policies. The sustainability and growth of the organisation largely depends on this commitment of leadership. Mintzberg et al. explicitly explore the relationship of leadership and organisational character. Leadership is required to perform institutional tasks that include the definition of mission and role. However, “leadership is not only there to make policy but to build it into the organisation’s social structure.” Institutional survival depends on leadership (Mintzberg et al., 2003: 302-304). Leadership commitment is a prerequisite in a TQM application, as any process of change management requires champions of the process, drivers who coach employees and ensure the

successful implementation of the adopted strategy. For any implementation of policy or strategy to be effective, it requires a high level of leadership commitment.

Leadership commitment in this context refers to the commitment of councillors as custodians of the political process and the administration, as implementers of council resolutions, and as people tasked with generating new ideas and advice to council. The transformation process and effective and efficient services largely depend on the commitment of leadership, which can be measured by the level of co-operation between and support systems of political and administrative leadership.

The study has primarily examined the relationship between the mayor and the municipal manager of each municipality, as they are both leaders of the institution. The study further interrogates the relationship of the political authority vis-à-vis that of administration. The study takes into account the fact that local government in South Africa is highly politicised. Local government in South Africa is party political driven. It is not possible for a person who is not party aligned to hold a mayoral or any other senior political position. It thus considers the political leadership as an important factor in the investigation process.

Organisational culture as a point of focus in this study embraces issues of governance. Good governance in a developmental local government in South Africa denotes accountability, which largely manifests itself in community participation and transparency marked by high levels of ethics. In South Africa, the local government culture is defined by the Integrated Development Plans (IDPs). The Local Government: Municipal Systems Act, Act 32 of 2000 obliges

municipalities to embark on the IDP process, which must identify the Key Performance Indicators (KPIs) to underpin performance standards.

South Africa, owing to apartheid's uneconomically fragmented policy planning and unequal racial distribution of resources developed a policy and legal framework for development at municipal level. The IDPs as statutory requirements direct municipalities to integrate their planning in order to achieve sustainable development and maximise the utilisation of resources. Therefore discussion of organisational culture in this study is limited to municipal IDPs, municipal communication strategies, literacy levels and language profiles, and the vision and mission of the case study municipalities.

Bellingham (2001) argues that corporate culture change cannot be a random activity. He further argues that successful change programmes focus on shared values such as the mission and vision as the starting point. This study concurs with that assertion and thus focuses on the IDP not only as a shared programme of action but as in itself a shared value of a municipality in South Africa. The IDP as an organisationally defined strategy and culture requires decisions on structure, staff systems, skills and a particular style of management that will ensure its implementation.

The IDP process requires the involvement of the municipal community. Different stakeholders in a municipality are expected to input on the IDP. The IDP is not just a council document but also a plan of all the people of the municipal area. The IDP is one of the most important documents of a municipality in South Africa. It spells out the organisational vision, service levels against service delivery challenges. It stipulates an integrated plan of how it wishes to

tackle those challenges. It is also supposed to identify the municipal priorities and suggests how it is to finance those priorities. The study felt that this is an unavoidable point of focus for any concept or proposition for change process. Any concept or quality improvement theory or tool will have to fit into and be relevant to the IDP process for it to work. The municipal life revolves around the IDP. The IDP is thus the benchmark of municipal performance in South Africa. "In order to improve productivity and eliminate negative perceptions about efficiency and effectiveness in the public service, performance improvement is also necessary" (Van der Waldth, 2004: 94).

The IDP process involves a process of communication with stakeholders. It is for this reason that each case study municipality's communication policy is critically assessed. TQM is management by fact. Data collection and quality improvement processes require effective communication, which is measured by access to information and an environment that allows those that are meant to receive the information an opportunity to give feedback. Therefore, communication is very important. Whether talking about teams or strategy, customer driven process or budgetary process, all must be communicated effectively in order to achieve the desired outcomes. That is why the language profiles and literacy levels in each municipality are assessed, to enable a value adding opportunity for TQM in a municipal context. It is an assertion of this study that any research has to contribute to the body of knowledge of the particular field it is concerned with. In this study organisational culture involves the critical assessment of the case study municipal IDPs. IDPs by implication require culture change that is arguably premised on continuous quality improvement. The successful implementation of IDPs depends on the how well received is the culture of quality improvement.

TQM requires the change of culture, building of capacity and commitment for it to be effective and sustainable. The relevance of TQM in a developmental local government context can be measured by the value it can add in assisting municipalities to achieve service excellence by satisfying their customers who are not just citizens and indigent people of their area of jurisdiction, but also the employee, the tourist, the investor in the municipal area as well as suppliers and service providers. It is important to note that although for the purposes of the study three key focus elements have been identified, since this is a social science study these elements overlap. Institutional capacity can also be a culturally influenced phenomenon. Therefore, the case study will not follow a sequence it will depend on the uniqueness of each case study although all elements will be covered.

4.2 OKHAHLAMBA MUNICIPALITY: CASE STUDY 1

4.2.1 OKHAHLAMBA MUNICIPALITY INSTITUTIONAL CAPACITY, LEADERSHIP COMMITMENT AND ORGANISATIONAL CULTURE

Okhahlamba municipal capacity is defined by its size both in geographic and demographic terms. The two size factors impact negatively on the municipal financial capacity as they make the distribution of financial resources a difficult task. In selecting case studies, these factors were used to ensure that every municipality is represented in this study. This is to ensure that the findings of the study are beneficial to all the municipalities irrespective of their financial resource capacity, geographic boundaries and their demographics.

Okhahlamba is a small rural municipality covering some 3 480 square kilometres. It has a population of 118 919 of whom 115 067 are of the historically disadvantaged Africans who were worst hit by the apartheid and other segregationist policies (*Census South Africa, 2001*). The geographic spread of the municipality makes infrastructure development and service delivery expensive and uneconomic from the planning point of view.

The quality of services rendered to the people of Okhahlamba municipality is exacerbated by the leadership crisis. The problems that came up during the site visit on 2 March 2003 and the meeting of 4 September 2003, attended by 28 employees at senior, middle and low levels, revealed that there is a serious lack of institutional capacity especially at political and administrative leadership levels. The relationship between the management and political leadership was said to be tense.

The employees reported that their morale was very low owing to the leadership crisis and the accompanying uncertainty. One of the factors cited was the lack of management support despite enthusiasm by staff to serve the external customers. The other problem was the absence of an administrative leader. At the time of the site visit and workshop the municipal manager had been suspended for more than eight months with no replacement, thus leaving a management void.

The lack of discipline among employees was reported. Absenteeism and drunkenness during working hours were prevalent and no discipline enforced. It was reported by some managers that some employees refused to take instructions from them. There have also been incidences of assault but no action taken against the wrongdoers. The Director of Corporate Services, Ms Zakhona Mnyandu, confirmed the incidences of absenteeism without authorised leave of absence, assault of employees by fellow employees and drunkenness during working hours. In fact, the issue of assault was instilling a culture of fear. There is a case of one employee stabbing another with a screwdriver and there has been no charge laid nor attempt made to discipline this employee. This has resulted in employees trying to find their own solutions. There was also a report of an assault by way of revenging a beating an employee had received. This is an indication of a total collapse of the organisation.

When Ms Mnyandu was asked what she was doing about it as the director responsible for human resources in the organisation, she said she does not know what to do because some of these employees are very aggressive and often undermine her authority. Some factors may be related to gender, race and age stereotypes. Ms Mnyandu is a black African woman in her late twenties.

However, the other critical factor relates to experience. When she was appointed she was a university graduate with no formal employment history and management experience.

Management was also cited as being irresponsive. It was reported by middle managers that they wrote letters to their top management but could not get any response (NB the management was present at this meeting). One of the supervisors indicated that he had written 13 letters to management but there had been not a single response or acknowledgement. This resulted in middle managers losing confidence in their management. They also indicated that they have lost a lot of interest in their work. The top management accused middle managers of undermining their authority and of often showing disrespect for them. The middle managers did not deny this accusation. They felt that the top management lacked the necessary experience and professional expertise.

The top management reported many incidences of racism and ageism in their work environment. Some of the young black managers felt that they were undermined by some of the white old folk as they were considered inexperienced. There was clearly no diversity management plan. The absence of the organisational values that might bind them together, like an organisational vision that is supported by the whole organisation, can also be cited as a possible cause.

The other possible cause of these allegations can be attributed to the state of the organisation. Irresponsiveness, non/inadequate communication and lack of assertive leadership are some of the contributory factors to racism, sexism, ageism, tribalism and other social stereotypes. People search for answers where it is convenient. An environment in which a black person has been for

centuries considered a cheap and stupid labourer might continue to think so, if there is not sufficient proof to the contrary.

It was also reported that some managers were under-qualified and did not understand what was expected of them. It was cited that some managers were asking their subordinates to write their own job descriptions. It was also revealed that there were directors with neither tertiary qualification nor, at least, experience. Others were said to be very young and immature. Generally, small municipalities because of their low grades often struggle to attract skilled and experienced personnel. The other possible cause might be the recruitment strategy or policy. Sometimes politicians are employed on the basis of political credentials. They tend to ignore skill, potential and talent. This results in people being unable to carry out their duties.

Some employees were reported to be going and reporting directly to politicians. This led to the decline of trust amongst employees and management. This also resulted in communication breakdowns between management and the political leadership of council. There is also no evidence of the two critical leadership components, core planning and strategising. When both the politicians and management were asked whether they have held a strategic planning exercise since the December 2000 elections, both admitted that they had not.

It was reported that there is often unauthorised use of council property by politicians. An example that was given was the use of council bulldozers to do private work for councillors. The names of those councillors were mentioned but are not stated here for confidentiality purposes. It was also said that politicians instruct junior staff to carry out certain unauthorised private

work. The code of conduct of politicians is not enforced owing to the political nature of the Speaker of council who is supposed to enforce the code of conduct. The Speaker is a councillor and a member of the majority political party of council and finds it very difficult to act on fellow party members.

Ignorance and the belief that councillors are employers seem to influence the actions of councillors. Some of the councillors accused of corruption do not seem to understand the difference between councillor and council. For example, council is the employer of administration, which denotes a collective institution as opposed to an individual. A councillor on his/her own cannot employ a person. They individually keep on telling staff that they are their employer, which is why some of them instruct junior employees to do their private work. They thus do not think they commit any wrongdoing. Communication and training of councillors can also be attributed to these problems. Councillors that were interviewed stated their willingness to learn but there is not sufficient investment in training councillors. This has often created tension between management and politicians. This also affects service delivery as more time is spent dealing with disputes than strategising on the best possible way of delivering services and implementing agreed programmes of action.

4.2.1.1 Communication

Communication in this municipality seems to be a big problem. The study focused on internal communication. It was found that there is no forum for staff to voice grievances or suggestions. When management was asked why they do not have the job descriptions for staff, they answered that it was because the provincial government had been helping them finish the Human Resources Audit report. They said it had been done but they admitted to not having communicated what was happening.

Secondly, a lack of appreciation of the importance of effective communication in the organisation was noted during the site visit. Communication appeared to be a problem between management and employees, between councillors and officials, and between communities and council as the findings clearly show. Thirdly, employees were not seen as internal customers.

Tensions between officials and councillors appeared to be worsening. In fact, all the nine councillors that were interviewed from this municipality were very suspicious of officials. They claimed that officials manipulate recommendations and decisions of council. It was found that agenda and other important documents of council such as IDPs and budgets are only written in English. This is despite the Census South Africa statistics on the literacy and language profile, which reflect that the majority of people in this district are either illiterate or semi-literate. The overwhelming majority are Zulu speaking people. The tables below demonstrate.

Table 25: Okhahlamba - Highest Education levels attained by over-20 year olds

Persons	2001	1996
No schooling	23 190	17 149
Some primary	13 913	11 218
Complete Primary	3 441	3 258
Secondary	13 230	10 589
Grade 12	6 294	3 835
Higher	2 687	811

Source: Census South Africa, 2001

Table 26: Okhahlamba Language Profile

Persons speaking	2001	1996
Afrikaans	1 254	847
English	2 223	1 421
IsiNdebele	210	12
IsiXhosa	184	24
IsiZulu	131 886	113 937
Sepedi	234	17
SeSotho	1 233	540
Setswana	76	20
SiSwati	93	9
Tshivenda	9	16
Xitsonga	29	2
Other	92	178

Source: Census South Africa, 2001

The scars of apartheid remain visible in this municipality. The issue of capacity is a serious challenge as the demand for better services is high yet this municipality does not have adequate human and financial resources to address their service delivery challenges.

The apartheid system with its uneconomic planning and unequal distribution of resources is still felt by the majority of the population of this municipality. Francis Wilson and Mampele Ramphale described the apartheid system as:

...a structural violence that assaults the majority of people living in South Africa as harshly as any physical confrontation (Wilson and Ramphale, 1991: 4).

The majority of the people of Okhahlamba still live below poverty line because of the apartheid system. Wilson and Ramphale argue that the damages of poverty are not only physical but psychological as well. They argue that apartheid and its poverty outcomes inflict so much damage to the individuals that must endure it. It is inefficient in economic terms as:

Hungry children cannot study properly; malnourished adults cannot be fully productive as workers; and an economy where a large proportion of the population is very poor has a structure of demand that does not encourage the production and marketing of goods that are most needed (Wilson and Ramphale, 1991: 4).

The table below demonstrates the relationship between budget, size of population and the capacity to deliver services to the people.

Table 27: Okhahlamba budget, population and estimated amount spent per person per year

Municipality	Category	Budget rounded to the nearest R1-m divided by the population of the municipality	Estimated amount spent per person per year (R)
Okhahlamba	B	R14 000 000 / 118 919 people	117,73

Table 28 below demonstrates to us the population groups and the exact size of the budget and population. It also breaks down the budget to enable the study to ascertain how much money is allocated to address infrastructure backlog. The table clearly demonstrates the insignificance of the capital budget of this municipality especially if one is to consider it against the service backlog that is demonstrated in the tables 29 and 30 that reflect Okhahlamba service levels. The number of households that still require the supply of electricity and water is far greater than the budget allocation can supply.

Table 28: Okhahlamba Municipality demographics by race and budget

Municipality	Africans	Coloured	Indian	White	Other	Total population	Operating budget	Capital budget	Total budget
Okhahlamba	115 067	115	278	2 261	1 198	118 919	12 119 633	1 864 000	13 983 633

Wilson and Ramphela's description of poverty and the apartheid system fits the description of the Okhahlamba municipality. Illiteracy levels in this municipality are very high. Some recent statistics place 56% of the population among the functionally illiterate, with about 8500 of the working population earning less than R1 500 per month of which 73% earn less than the minimum level of R800 a month. This income often has to support the extended family of between five and more than 20 people (Gaffney's, 2003: 439- 440). Ms Zakhona Mnyandu during the interview of 4 September 2003 estimated that after the new municipal demarcations of December 2000 more than 70% did not have access to clean water and adequate sanitation. Because of the incorporation of large areas of undeveloped tribal land in December 2000, the 1996 census estimate that 27% of the inhabitants had access to electricity might be high. The number of people who depended for illumination on candles had increased. The table below illustrates this.

Table 29: Okhahlamba sources of energy and lighting

Households	2001	1996
Electricity	10 361	4 881
Gas	161	90
Paraffin	2 037	3 701
Candles	13 883	10 498
Solar	78	-
Other	158	3

Source: SA 2001 Statistics (Municipal profiles)

Table 30: Okhahlamba Sanitation Statistics

Households	2001	1996
Flush toilets	1 135	987
Flush septic tank	803	-
Chemical toilet	630	-
Pit latrines	13 635	15 237
VIP	3 742	-
Bucket latrines	339	95
None	6 394	2 887

Source: SA 2001 Statistics (Municipal profiles)

Table 31: Okhahlamba Refuse Profile

Households	2001	1996
Municipality Weekly	1 111	507
Municipality Other	182	48
Communal dump	156	519
Own dump	20 531	14 654
No disposal	4 698	3 229

Source: SA 2001 Statistics (Municipal profiles)

Other municipal services like refuse removal as in many other rural poor communities are only accessed by the few, as the statistics above reveal. The inadequate proper waste disposal, poor sanitation by the majority of people and the lack of access to clean water has serious health implications.

4.2.1.2 OKHAHLAMBA FINANCIAL REVIEW

The budget is about R14 million (Okhahlamba Municipal budget, 2003/2004). Their main source of income is grants and subsidies from other spheres of government. Money generated from own source is insignificant as the overwhelming majority of people in this municipality are poor. When the municipality was asked to present the breakdown of their sources of revenue, they were unable to do so at the time of compiling this report. The director of finance, Mrs Sthembile Ngiba, estimated own income source as just under R3-million. They depend on an equitable share⁹ from central government and other state grants.

4.2.1.3 OKHAHLAMBA MUNICIPALITY IDP REVIEW

On 4 September 2003, senior managers when the copy of the IDP was requested said they are still in the process of compiling it. However, according to the records of the Department of Provincial Local Government and Traditional Affairs, chief directorate of planning all municipalities had completed their IDPs. The IDP dated 22 February 2002 was downloaded from the department's website. It is a thick document with annexure and appendices. It is entitled Okhahlamba Local Municipality, Integrated Development Plan, prepared for Okhahlamba municipality by Isikhungusetu Environment Services CC, Development Planning Consultants, 22nd February 2002. All the employees including management at the September workshop disowned this document. They were under the impression that they did not have one.

⁹ Equitable share is the portion of allocation from the national government divided in terms of the provisions of the Division of Revenue Act, Act 5 of 2004. There is a still a debate on the formulae employed.

Hence, they said, ‘the municipality does not have a vision’.

The IDP review hereunder is also a product of a consultant as opposed to one prepared by all stakeholders in the municipal area of jurisdiction. It is dated 25 August 2003, and is acknowledged as having been prepared by SIVEST team (private consultants). The IDP appears to be more of a wish list than a plan that takes into accounts the financial resources and administrative capacity of the municipality. For example, the IDP dated 25 August 2003 identified HIV/AIDS as one of the key issues. The IDP objective under issue 3: HIV/AIDS reads “to reduce and curb new incidences of AIDS through education and support programmes at hospitals, clinics, places of employment, pension pay points, centres for learning by 2003”. (Okhahlamba IDP, August 2003: 7). On the 17th October 2003, an enquiry was made of the municipality to check if they had adopted that IDP. The answer was that it had not been adopted. There are many targets set in the IDP, but strategic issues of implementation such as financial resources, human resource capacity, tools and techniques are not covered. Instead, the following is stated as the strategy on HIV/AIDS key issue: “Ensure awareness campaigns are meaningful and effective” (Okhahlamba IDP review 2003: 7). Since this document is titled ‘IDP review’ one would expect a brief progress report on the original IDP. There are many intended capital projects but it does not identify where the funding will come from to finance: 1) secure 3773 households by 2006; 2) formalise and secure tenure to 14076 households in the 59 settlements and tribal areas by 2010; 3) extend water and sanitation supply to residents at an average of 1500 households per annum and; 4) facilitate a sound transfer process to the district municipality by 2004 (Okhahlamba IDP review, August 2003).

The intentions are clearly understood but the implementation of projects lies with the capacity and ability to do so. It is doubtful whether the targets set for the municipality will be achieved owing to financial challenges and institutional capacity problems.

Organisational Vision

On the 17th October 2003, the municipality still did not have a vision or mission statement. On 4 September 2003 (the day of the site visit and workshop), the municipality had not developed their vision and mission statements. All employees at the workshop, as a result, said they do not know the vision of the municipality. The municipality had been in place in its current form since 5 December 2000.

Systems and Processes

The Okhahlamba municipality is still struggling to put systems and processes in place. The employees who attended the workshop stressed that the municipal systems in place were not supportive of employees. It was the norm that to access a document required a waiting period of two weeks. It was also normal to have to wait for one hour to make a photocopy. The municipality has a policy that requires employees to get authorisation from their heads of departments to make a photocopy.

There is clear evidence of the management style in place. It becomes apparent that the municipality has the authoritarian management style associated with a centrist control approach

and lack of delegation resulting in employee insecurity as opposed to a performance and efficiency driven style. There were a lot of cases of managers who performed duties of their subordinates. One such example was of a manager who would take minutes at meetings with councillors that the committee officer charged with that responsibility was prohibited from attending. Employees complained that they could not grow nor improve their competence in the jobs they were employed to do.

This kind of management style de-motivates staff and leads to frustration and disillusionment. The danger with this kind of culture is that it can lead to the loss of critical skills that are needed by the organisation to function properly. The retention of skilled staff is one of the key components of quality culture. This municipality can therefore arguably benefit from the total quality management concept though it is challenged by not having the resources to fund the training that goes with any introduction of a new system and culture in an organisation.

Okhahlamba municipality does not align processes and systems with its key objectives. For example, tourism is one of the municipality's six key development objectives and strategies for local economic development. The tourism office, however, was not functioning and the phone at the time of the workshop was not working. Despite numerous attempts by the tourism manager to convince council about the importance of the office, council adopted a resolution that because the tourism office did not generate any income, they would not allocate further funds to it.

The decision can be attributed to ignorance coupled with the absence of an organisational vision. The municipality is named Ukhahlamba, which are the Drakensberg Mountains, because of its

location. The Drakensberg attracts so many international and domestic tourists that the estimated R3-million own income revenue is largely collected from the hotels and other tourism business activities that pay rates and service charges to the municipality. The municipality is supposed to facilitate economic development in its area of jurisdiction. This municipality does not have industries to rely on for economic development. It relies on tourism for its survival as most of its working population is employed by the tourism industry and surrounding agricultural farms. The non-allocation of funds to keep the tourism office functioning properly could lead to the decline of the area as a tourist destination which would lead to a further decline of the economic activity in the municipality as people lose their jobs. Council also would lose income if tourism-based businesses were to close down.

This example certainly indicates that councillors, the final decision makers when it comes to resource allocation, would have to be trained to manage their organisation by facts, if TQM was to be introduced into this municipality.

Performance Management

There is no performance management system in place despite the Municipal Systems Act of 2000's legislative obligation that compels municipalities to put performance management systems in place. Some also cited the fact that they are not provided with the tools of the trade. The fact that the municipality has no organisational goal nor any form of benchmarking process in itself means that there will be no performance measurement system in place.

Customer Focus

Almost 90% of staff agreed that they have to be customer focused. However, the prevailing state of the organisation with its lack of systems and controls compromise the customer. The external customer suffers more because the legislation is not being complied with, especially in terms of community or stakeholder participation in the affairs of the municipality. It was reported during the workshop that the municipality is receiving too many complaints from the public. The public is accusing municipal officials and councillors of corruption and maladministration. Clearly, the customer is not satisfied. The employees and management of Okhahlamba admitted that they do not respond to customer complaints promptly due to a number of organisational weaknesses.

The internal customer's basic conditions of service such as job descriptions and other employer/employee contractual obligations are absent. The majority of employees either did not see themselves as customers or felt they were not treated as customers. The internal customer is not considered important nor his/her contribution valued at all. This was evident in what employees described as job insecurity. Employees of this municipality who attended the workshop all claimed that there are no formal contracts and conditions of service at Okhahlamba municipality. Employees reported that they do not know their leave periods. Most of the employees did not get job satisfaction. They all seemed unhappy with the job evaluation and grading currently employed by the municipality. An example was made of a driver, cleaner and supervisor who are all on the same salary scale. There is no differentiation according to skills level and experience or performance. There are therefore no performance measurements of the

internal processes as well as external processes, which boil down to the question of the satisfaction of the customer.

The lack of a customer focused approach and the ineffective and inefficient systems that are currently in place are possible causes of the problems. The absence of a communication strategy and lack of access to information are the main contributors to this problem. Ineffective communication affects both internal and external customers. It also contributes to the weakening of systems in that dialogue plays a major part in introducing changes. If there is no effective communication even as people see the problems, they never try to address them.

There is a serious lack of institutional support. What was evident was the fact that the top management of this municipality is very young. At the time of the interviews/workshop, those that were in the top management positions were all under thirty years old. Although all had some human resources qualification they did not have sufficient experience to handle the complex challenges that came with the amalgamation process.¹⁰

4.3 CONCLUSION

The study found that the three key success factors, which are institutional capacity, leadership commitment and organisational culture, remain a serious challenge for the application of a continuous improvement process in Okhahlamba municipality. There is a serious lack of

¹⁰ Amalgamation came with the reduction of the number of municipalities in South Africa in December 2000. Okhahlamba municipality was affected by this process. The Bergville and Weenen municipalities were merged together with the added incorporation of large rural/ traditional/tribal areas that were formally under the regional council. All these areas together with the two small towns merged to form one municipality.

institutional capacity to meet the basic minimum standards¹¹ and legislative obligations. It is therefore doubtful whether the municipality is ready at this stage to embark on TQM. The concept of TQM is indeed necessary and relevant for this kind of environment especially in its core focus areas, customer focus, in the factual approach to decision-making and meeting minimum standards. However the training prerequisite for the application of TQM is a big obstacle, as the municipality does not have the resources to spend on capacity building and training. Unless the municipality together with the provincial government, which is constitutionally¹² obliged to monitor and build capacity for the municipalities, are willing to prioritise human resource capacity which will include the training of, especially, management the municipality has little chances of success.

The other finding that is very critical is the failure of provincial government to play its monitoring and capacity building role as prescribed by the constitution. The lack of intervention by the provincial government deprives Okhahlamba people of their rights as prescribed by the Bill of Rights as contained in the constitution. The provincial government is failing in its role to participate in the affairs of the municipality as articulated in the White Paper on Local Government (1998).

The municipality will have to achieve the basic minimum standards, become legally compliant, train staff, and develop a vision and mission that is going to be shared by the whole organisation

¹¹ "Basic minimum standards" refers to governance, which is marked by political stability and good working relationships between all stakeholders of council: councillors, officials, municipal employees and communities. A normal structure has an administrative head and a political head. It also means meeting the basic requirements of having human resources and financial policies in place.

¹² The Constitution of the Republic of South Africa Act 108 of 1996, section 39 mandates the provincial government to monitor the affairs and proper functioning of the municipalities and to provide capacity and support where required.

before any attempt to introduce TQM will become feasible. Many of the problems in this municipality can be attributed to the leadership crisis, or the void in leadership, that is currently in place. The municipality has to decide to settle with the municipal manager, to either let him go or retain him. Somebody has to be accountable in the organisation. The municipality definitely needs an administrative leader, who has to coach and motivate staff. Most of the staff members indicated that they wanted to serve the municipality but lacked the direction and resources needed to carry out their duties. This was well captured by the Okhahlamba director of finance, a young but extremely competent young lady, who said the following:

Because I am responsible for the finances of my municipality, I find myself having to deal with divergent interests and expectations. The community expect service delivery; employees want to be paid in line with sound conditions of service, which are currently not in place, and politicians have their own priorities, which are often unaffordable by this small poor municipality. The tensions between officials and politicians, amongst officials and the absence of a leader to give direction and exert authority are all factors of our current state of the organisation. At the end of the day, the customer is the one that suffers most (Okhahlamba Director of Finance, 4 September 2003).

Despite all the frustrations expressed by the employees, the willingness to improve the situation was evident. The leadership crisis is the major problem. Resources are also a problem and the geographic spread of the municipality is another major challenge. The municipality does not seem to have managed the amalgamation process properly. As most of them are insecure and de-motivated, the employees' morale is low and that stems from the fact that systems and processes are not in place.

4.3 ENDONDAKUSUKA MUNICIPALITY: CASE STUDY 2

4.3.1 ENDONDAKUSUKA MUNICIPALITY'S INSTITUTIONAL CAPACITY AND CHALLENGES

4.3.1.1 Endondakusuka Service Levels

Endondakusuka municipality is approximately 576 square kilometres in area. It has a population of 119 909 of whom 105 592 are Africans (Gaffney's, 2003: 336). The rate of employment in this municipality is estimated at 45%. However, because of the high concentration of formerly disadvantaged people, about 48.5% of households in the municipality rely on borehole or 'natural' water, and 53.5% of households in this municipality rely on paraffin and candles for power and lights (Gaffney's, 2003: 367). The tables below illustrate the levels of service provision in this municipality.

Table 32: Endondakusuka Municipality Sanitation

Households	2001	1996
Flush toilets	8 763	7 149
Flush Septic tank	667	-
Chemical toilet	2 960	-
VIP	2 751	-
Pit latrine	9 565	10 819
Bucket latrine	511	363
None	3 734	6 050

Source: Census South Africa, 2001

Table 33: Endondakusuka Municipality Refuse Profile

Households	2001	1996
Municipality weekly removal	8 497	6 552
Municipality other	200	177
Communal dump	156	260
Own dump	17 371	13 885
No disposal	2 727	3 336

Source: Census South Africa 2001

Table 34: Endondakusuka Municipality sources of energy and lighting

Households	2001	1996
Electricity	18 111	11 028
Gas	45	120
Paraffin	529	1 475
Candles	10 125	11 700
Solar	63	-
Other	80	3

Source: Census South Africa 2001

4.3.1.2 Financial Review

Endondakusuka has a budget of just over R67-million, of which about R47-million is allocated to the operating budget and the remaining R20-million to the capital budget, primarily meant to address the infrastructure backlog (Endondakusuka Financial Report: 2002/2003). The study takes into account the fact that service excellence can only be achieved through a municipality's ability to mobilise financial resources. It can also be a measurement of whether the municipality

is performing according to set targets. Budgets and ability to recover debt often point to the levels of loyalty and satisfaction of customers.

The table below illustrates the breakdown of estimated revenue by Endondakusuka municipality for the 2003 financial year:

Table 35: Endondakusuka municipal budget breakdown

Operating Budget (R) (2002/2003)	Capital Budget (R) (2002/2003)	Formula: Budget, to the nearest R1-m, per unit of population	Estimated amount spent per person per year (R)	Number of formal households (2001)
47 531 695	19 662 600	R70 000 000/111 909	625,13	15 544

Sources: Gaffney's Local Government in SA 2002-2004; Census South Africa 2001; Municipal Budget and M.B. Khoza
(formula & expenditure per person per year)

Table 36 points to the relative strength of municipalities able to draw income from own source. This will be discussed further in a comparative study under the discussion of findings.

Table 36: Endondakusuka Municipality Operating Budget 2002/2003

ESTIMATED REVENUE: 2002/2003				
Item	Total amount	Revenue per item	Percentage of each item of overall operating budget	Percentage of total amount of overall operating budget
<u>Basic Services</u>	<u>29 279 400</u>			<u>61.60</u>
Taxes		11 623 000	24.45	
Refuse		3 265 400	6.45	
Liquorage		4 500 000	9.47	
Electricity		3 400 000	7.15	
Water		6 491 000	13.66	
<u>Other Related Services</u>	<u>2 881 695</u>			<u>6.06</u>
Levies Agreements		300 000	0.63	
Local Administration		1 815 400	3.82	
Specific Fees (Building, Burial, Town planning)		28 500	0.06	
Value of Assets		154 425	0.32	
Permits		369 000	0.78	
Trade Income		56 000	0.12	
late Disconnections, drainage Fees		47 500	0.10	
Interest Income		110 870	0.23	
<u>External Grants – National Government</u>	<u>12 881 695</u>			<u>25.25</u>
Equitable Share		12 004 000	25.25	
<u>External Grants – Provincial Government</u>	<u>3 366 600</u>			<u>7.08</u>
Provincial Specific grants		607 600	1.28	
Transitional Fund		876 000	1.84	
Local Economic Development		1 350 000	2.84	
Health Subsidy		533 000	1.12	
Total Estimated Revenue	47 531 695			

Source: Endondakusuka Municipality Consolidated Budget 2002/2003

From the above evidence one can conclude that Endondakusuka municipality generates more than 65% of its income from own source, from basic services and other related services. One would argue strongly on the above evidence that a business approach to rendering municipal services is a prerequisite for the survival of the municipality. Endondakusuka is a small rural municipality but its survival depends on its own source of revenue. It should also be noted that competition for municipalities in South Africa is growing. Fisher argues that quality is a survival

issue as customers are loyal to the quality of service and product and not to the company or organisation (Fisher et al., 1993).

District Municipalities in terms of the Municipal Structures Act, 1998 are entrusted with the bulk supply of services. Water and electricity will in future be dealt with by the district municipality, which is the Ilembe District Municipality in this case. The transfer of powers and functions is a major challenge for this small municipality, which derives about 30% of its revenue from the sales of water, electricity and its sewerage service.

This will lead to the loss of income by the municipality from the services that will be transferred to the district municipality. The Chief Financial Officer (CFO) expressed concerns about the transfer of such services, as “there has been no indication to date on transferring liabilities”. It seems that other factors in intergovernmental relations will have to be addressed in order to encourage municipalities to be innovative (Mr Mdlalose: Interview, 20 October 2003).

4.3.1.3 Endondakusuka Municipal Structure and Human Resource Capacity

The Endondakusuka municipal political and administrative structures have gone through a number of trials and tribulations. This municipality has moved from one extreme to the other. It was reported during the site visit and interviews that took place between December 2002 and October 2003 that, prior to October 2001, the municipality was managed by a white town clerk, believed to have had a problem with managing the municipality under a new democratic order.

There were a number of problems that were associated with the organisational structure and the way the municipality was managed. The issues identified by the study that reflect the lack of human resource capacity included an extremely poor cash flow arising from the low level of payment for rates and services which stood at between 45 and 49% a month. Records management was poor. Customer records were either incomplete, or out of date, and it was owed to luck that some paid. Debt recovery was at its lowest point and, as a result, the municipality's creditors were not being paid (Interviews: Nov. 2002-October). According to the CFO and the Municipal Manager (at the time of writing this report the municipal manager was on suspension), Endondakusuka had to be rescued by a bridging loan of R5-million from Umsekeli, an agency of the provincial local government department.

There was also no drive to recover outstanding debt. The database system was said to be archaic. According to the CFO "debtors could not be identified". In many instances, the original debtor was no longer the occupier but no new accounts were opened when new people took over a property. "Identifying debtors was a major challenge" (Interview with Mr Mdlalose, 7 April 2003).

The effects poor recording has on cash flow could have serious consequences in the business sector. This municipality, like other category A and B municipalities, buys electricity in bulk from Eskom, and water from water utilities. Non-payment of such creditors by council could, and ultimately would, result in having the water and electricity supply to the entire municipality being cut off.

Poor records management eventually resulted in employees of the municipality losing interest and confidence in the municipality. They were no longer getting their salaries and wages on time. The de-motivation of employees affected service delivery, as employees became less productive. A high rate of absenteeism was reported during the period, although this was not properly recorded. This problem of records resulted in a lot of unintended outcomes, which affected both internal and the external customers.

The Chief Financial Officer reported that owing to the above, there was no verge cutting, nor road maintenance. Employees of the municipality, who requested that their names were not disclosed, said most of the municipal vehicles and brush cutters were broken as there was no money to fix them. Many employees, as a result, were demoralised as there were not the tools with which to carry out their trade.

There were not even standing rules of order, or a clear organisational structure, linking council with the administration. The argument that the administrative leadership at that time had not bought into the South African local government transformation agenda might account for the fact that the administration was not accounting to council. Councillors often were ignorant of the financial situation of the municipality.

The municipality did not have an Integrated Development Plan, which was legally required to be in place by May 2002. The absence of an adopted IDP meant that there was neither any planning, nor performance targets set. An IDP, which sets out a plan for the municipality, compels it to have a vision. There was no vision or systems appropriate to support any plan.

Councillors interviewed went to an extent of alleging that they never had access to the then Acting Municipal Manager. The relationship between the administration and councillors had not been transformed, neither had councillors who often were from disadvantaged backgrounds been empowered.

It was reported during the site visit that there was an immeasurable loss of millions of kilolitres of water, especially in the Sundumbili community. A flat rate was applied there and a lot of water was not accounted for, which resulted in a loss of income for the municipality that would have been avoided had the municipality applied consumption billing. When asked whether the municipality had somebody in charge of monitoring the process, all interviewed agreed that there was nobody.

It has been argued by many managers at Endondakusuka that the Municipal Manager who joined the municipality in October 2001 was responsible for driving the reforms that soon followed after he joined the municipality as its leader. Although some of the managers were sometimes critical of his management style, which was often described as being authoritarian, they nevertheless concur that his leadership saved the municipality's life for a short while before his suspension on 10 April 2003.

Between October 2001 and April 2003 the municipality experienced organisational stability as the following was done:

- Many policies were put in place including council standing rules, orders and penalties; a cash flow management policy; credit control and a debt collection policy; guidelines for the use of municipal vehicles; internal communication and a conflict resolution policy; a procurement policy; an indigent support policy, and budgeting policy and procedures.
- The municipality during this period finalised their organogram and managed to attract highly educated and skilled individuals to fill the identified strategic and key positions. Mr Mdlalose is a finance and commerce graduate from the University of Cape Town. He is a former bank manager. Dr Mpilo Ngubane who heads the Service Delivery department is a graduate of many universities and has extensive background with public sector policy development. They both had strategic managers who reported to them.
- To turn the ailing municipality around a number of strategies were employed including a customer-focused approach, which will be discussed in detail under customer focus. The following processes were implemented, monitored and continuously improved:
 - 1) Each ward councillor was tasked with working with the department of community services, to elect ward committees. The ward committees were put in place to enhance community participation in council affairs, as per the Local Government: Municipal Structures Act (1998). Some councillors were uneasy about this move but

only one refused to do so. The community thus participated in the IDP process as outlined under the IDP review. This process strategy enabled the municipality to regain the confidence that had been lost by their community. The communities through this process became clear about what was going on in council.

- 2) The municipality realised that it was not enough to make communities part of council decision-making processes, that the communities wanted something tangible. Thus, the municipality installed water meters in every household, school, business and other institution. There was a lot of water that had been unaccounted for and the municipality had lost a lot of money as a result. Not only did they do this in order to introduce consumption-based billing but also in order to deliver something that people can see. The municipality was introducing the principle of management by fact.

4.3.1.4 COST RECOVERY THROUGH A CUSTOMER FOCUSED APPROACH

Councillors were provided with offices and telephones to facilitate contact with their constituencies. The councillors were accessible. These facilities helped enable them to make decisions that take into account the needs of their constituencies.

The results of all these efforts can be attributed to a combination of processes and systems that were aligned to the objectives of the Endondakusuka municipality as articulated in their vision and mission statement.

Between November 2001 and October 2002, the municipality cash recoveries rose from between 40 and 49% to a stunning 90 to 95% per month (Interview with Mrs Wendy Langa, 12 October 2003 and Charles Mdlalose, 13 October 2003). Improvement of processes and the upgrading of systems, and decisive and motivational administrative leadership, were all factors that contributed to this success. The customer-focused approach was also a major contributory factor.

The municipality fixed all the broken equipment and committed themselves to making their area of jurisdiction beautiful and clean. “Grass cutting and maintenance have been regulated and happen routinely” (Prof Xulu: Municipal Manager: Endondakusuka).

The Municipality was one of the three winners of the cleanest cities competition in November 2002. The morale of staff was very high as well put by Prof Xulu: “Our teams on the ground were openly boasting to me, that they are going to show me their determination to uphold the standards introduced of maximum service delivery at all costs, by taking the number one spot in the province in 2003. This makes me proud of our teams at work. Every household receives its free basic water, is metered, and pays for the services.”

What went wrong? From Success to Failure

The municipality that seemed to be performing so well is currently in a leadership crisis. On 10 April 2003, there was an Executive committee meeting. At this particular meeting, the mayor

asked the municipal manager to excuse himself from the meeting, as he wanted to discuss some allegations he had received about the municipal manager. The municipal manager was not pre-warned about these allegations. Apparently he asked to be told what the allegations were so that he might respond to them. He was told to leave the meeting and he refused. The directors and managers were also asked to leave the meeting but they also stayed in the meeting. Apparently, a security company was called in to remove them. All the directors and managers after being forcefully removed from the meeting went to the municipal manager's office. Apparently, the security followed them. It was at that stage that the head of the security company handed a letter to the municipal manager, which suspended him for an indefinite period.

To date the municipal manager is still on suspension. The implication of this is that TQM is going to be incredibly difficult to implement if there is no buy in by councillors who have powers to make decisions.

The leadership crisis in Endondakusuka municipality is evident. The CFO was redeployed to head Technical Services in the engineering department. He is not an engineer and is visibly demotivated. Councillors felt that keeping him in his position during the investigation of allegations levelled against the municipal manager would jeopardise or compromise the investigation. The Finance Manager who heads the debt recovery unit was deployed to manage the libraries. He has no clue what is expected of him. Other managers are looking for jobs elsewhere.

The CFO was shot in what seemed to be an assassination attempt in June 2003 and spent three

weeks in hospital. He is not sure what is going on. The morale of staff is at its lowest level. It is almost seven months since the suspension of the municipal manager and no decision has been taken and yet he still receives his full pay and benefits. There is an acting municipal manager who is junior to the directors. These directors now have to report to him. This has evidently been demoralising. The confidence of the directors has been damaged by this decision by council.

The acting municipal manager gets an acting allowance. Consider the fact that the municipal manager is suspended on full pay and that the money spent on the investigation team (a legal firm) is alleged to be more than R1.2-million, despite council having approved only R40 000 for the investigation (Endondakusuka Financial Report and letters to attorneys) and it is clear that the council is losing a large amount of money through its non-decision. The more this whole saga drags on the more it will cost.

The conclusion that can be drawn from this case study is that the introduction of a new administrative leader in October 2001 revitalised the ailing Endondakusuka municipality. However, the reversal of the achievements of the new leadership with its new cultural approach to systems and processes clearly suggest how important it is that the political structure buys in to whatever changes are introduced in the organisation. It also suggests that the capacity building and training of councillors is a prerequisite for the success and sustainability of any transformation agenda or to the application of any quality management process. The Endondakusuka case study also exposes another type of challenge, which may include corruption and hidden personal motives, which may threaten the introduction of new concepts in a political

environment.

4.3.2 ENDONDAKUSUKA ORGANISATIONAL CULTURE

Organisational behaviour, which constitutes the culture of an organisation, has been discussed earlier in the chapter where it deals with structure and human resource capacity. However, there are aspects of organisational culture or practice that define the culture of a post-apartheid municipal environment in South Africa such as the Integrated Development Plan, community participation and communication. These are now going to be considered under different headings.

4.3.2.1 IDP review

The IDP of Endondakusuka municipality is explicit about the processes followed and about the challenges and limitations of the IDP process. Chapter 4, entitled Facilitation and Priority Issues, deals with process issues.

The Endondakusuka municipal IDP makes the municipal intentions clear as they state that it was their intention to undertake extensive community participation and capacity building at ward level, as part of the preparation of their first IDP. They acknowledge that the majority of the people in Endondakusuka municipality have never been part of any strategic planning exercise that required their input. This municipality clearly demonstrates the process they followed in developing their IDP. They state in their IDP that they considered it imperative to facilitate and build capacity at grass-roots level, in order that the community could make proper and informed

contributions to the IDP process. However, this consultation and capacity building process did not take place as intended due to time constraints and because funding was not received in time, which meant alternative means of assessing the community's priorities had to be found. (Endondakusuka Municipality IDP May 2002).

The Endondakusuka IDP is arguably very factual in approach. It also clearly lays out the context of the IDP, that is, the legislative, regional and provincial factors that affect their planning process. It also gives a status quo report which clearly indicate the demographics, the status of the infrastructure, its economic development which draws from other researches in the area, the environmental context, past planning exercises in the municipality and the local authority's organisational structure. This approach moves from an informed position.

The IDP of this Edondakusuka municipality suggests a commitment to changing the culture and to building the capacity of the organisation and its people. It also seeks to utilise the minimum resources to achieve the best possible results within the constraints of the budget. The following extract is here verbatim:

The point was also stressed that the limited budget did not mean that everything raised could be achieved - it simply means the community has been involved in determining how the municipality can best budget and use whatever money there might be for the next financial year (Endondakusuka IDP, May 2002: 26).

It is the impression of this study that the Endondakusuka IDP is well thought through as shall

also be seen under organisational vision.

4.3.2.2 Organisational Vision

The municipality has a vision, which reflects on the whole municipality. It is so explicit and well intentioned. It could be argued that it is TQM- friendly as it embraces some of the core values of TQM. It reads:

We, the community, Amakhosi, Councillors and Staff of Endondakusuka Municipality hereby resolve that our municipality will strive for excellence in the effective and efficient management of its financial, human, capital and development resources.

- We shall strive to maximise the opportunities for growth and development for all people in our community, as well as the natural resources within our municipal area.
- We recognise that our economy is industrial and agriculture in its nature, and shall, therefore, strive to maximise opportunities for growth in the industrial and agricultural economies...

(The essence of this commitment arguably embraces the TQM principle of “going beyond”. The use of the word “maximise” suggests extraordinary exploration, which shows signs of innovation).

- In all our endeavours and efforts, Endondakusuka shall be the best-run urban-rural municipality in the province (Endondakusuka IDP, 2002: 47).

The municipality by implication commits itself to the continuous improvement process because to remain the best you need to continuously improve your systems and processes, and measure your performance against set targets and possibly against competitors or similar organisations.

4.3.2.3 Communication

The municipality had a communication strategy during the IDP process in 2002. Because of financial constraints, the municipality could not consult with individual communities. The municipality adopted a strategy that was both economical and effective.

The course of action chosen was therefore to empower the ward councillors to oversee community awareness at ward level, and to identify key participants for the various workshops that were to be arranged. A series of sector workshops was then arranged and key stakeholders and community representatives invited.

In addition, newspaper advertisements were placed that called for interested parties to register for the representative forum. One hundred and nine organisations came forward to register, with representations from many groups and areas within the municipality (Endondakusuka IDP, 2002).

The communication strategy could be said to have been effective, if one takes into account that language was also identified as a barrier in effective communication. Effective communication entails sending or receiving information that lead to desired outcomes or results.

Representatives from Zizamele Facilitation services were present at all workshops. All participants were invited to make contributions in whatever language they were comfortable. In addition, they were encouraged to interrupt at any time if translation or interpretation of the issues under discussion were required (Endondakusuka IDP, 2002: 25).

Endondakusuka municipality has made every effort to ensure that information is passed on to the community. One argues, while commending this effort, that South Africa in general and KwaZulu-Natal province in particular should encourage the written word in the languages that are spoken by the majority of the people so as to encourage a spirit of learning and writing. All council agendas including the IDP are still written in English only, despite the following language profile and literacy statistics.

Table 37: Endondakusuka Language Profile

Persons speaking	2001	1996
Afrikaans	1 291	1 112
English	5 104	4 154
IsiNdebele	248	12
IsiXhosa	1 785	1 906
IsiZulu	119 557	103 023
Sepedi	134	16
SeSotho	118	51
Setswana	45	16
SiSwati	134	18
Tshivenda	8	1
Xitsonga	78	23
Other	167	413

Source: Census South Africa, 2001

The literacy levels of this municipality also demonstrate the illogical nature of the language policy, or rather the absence of a language policy, in the municipality. In terms of the objective of the Promotion of Access to Information Act, 2000 in South Africa, people or citizens have to be encouraged to “have effective access to information to enable them to more fully exercise and protect all of their rights” (2). The Act also stresses the importance of fostering a culture of transparency and accountability in public and private bodies by giving effect to the right to information. One can therefore argue that the majority of the previously disadvantaged people of Endondakusuka Municipality are deprived of access to information since it is only written in a foreign language, which is one of the official languages but is spoken by a very few.

The table below substantiates this fact, as an overwhelming number of people are not literate in English. At that level many people can read their mother tongue but lack exposure to other languages especially in a rural setting like the outlying areas of Endondakusuka municipality.

Table 38: Endondakusuka Highest Education levels attained by over-20 year olds

Persons	2001	1996
No schooling	17 279	
Pre-school	1 296	
School (semi-literate & primary schooling)	40 824	
College	110	
Technikon	121	
University	94	

Source: Census South Africa, 2001

While it is understandable that documents be written in English to allow other nationals and ethnic groups to access information, it is senseless and illogical to deprive the primary target group for which the information is intended. The IDP is an Endondakusuka planning document and the primary beneficiaries thereof are the people within that area of jurisdiction. Evidence as demonstrated above indicates that an overwhelming more than 90% of the people in this area speak IsiZulu. Officials in this municipality when asked in October 2003 why this is so, responded by saying that translation was provided at meetings. The difficulty one has with this approach is that whereas a written document, or record, can be revisited and its meaning understood given the time, information in translation, on the other hand, is in this view a very ineffective way of communication especially if it is only verbal as it is in the case with the

municipality under discussion.

The municipality is currently experiencing a complete communications breakdown between its councillors and officials. Some councillors are blaming officials for hiding information behind big English words. However, other factors will be explored in other sections of these findings.

4.3.2.4 Customer Focus

For a municipality of the size of Endondakusuka, their attempts to be customer focused and the results that have been achieved because of this must be applauded. The municipality in early 2002 established a customer care unit, which worked effectively as demonstrated by the evidence of the cash flow improvement after this kind of approach was adopted. The following are the customer-focused strategies that the municipality embarked upon to change the image of the municipality, to excite the customer and to “move beyond expectations” as argued by TQM scholars.

The municipality adopted an integrated customer focused approach. The municipality started a Customer Care Unit, a Debt Recovery Unit and a Community Development Office. These three units were housed together. They worked together and strategised together. Their approach to debt recovery was not punitive. Most municipalities sent defaulters to attorneys. While the Endondakusuka municipality also takes legal action against defaulters that is the last resort after the customer has displayed that he/she can afford to but is just unwilling to pay. These units ensure that the community understands the link between cash flow and development. They also are responsible for educating the public about the need to pay for services. They are also

responsible for handling customer feedback. They also ensure that the municipality offers to amend or to remedy where a complaint has been laid.

The municipality launched a campaign called “Operation *Qoqa*”.¹³ The municipality did not employ people to run this campaign. They recruited volunteers, mainly unemployed educated youths. The municipality developed a strategy to motivate the youth to take part. They paid them an honorarium R400 per month. These youths were responsible for educating the public about the municipality. They did this by going from door to door, getting customer feedback about the municipality’s services, raising awareness about the need to pay for services and of the customer focused approached that the municipality had adopted. They were also registering service consumption and rate paying households.

The municipality then embarked on a campaign to show tangible delivery in order to recover the confidence of their customers. They fixed and maintained all the municipal vehicles. The municipality collected waste as promised, cut grass verges, and the mayor addressed a series of community meetings appealing to people to be part of the process of rebuilding the municipality. The municipality then organised a concert using a popular Radio uKhozi to reach out to communities. The concert not only raised awareness: it did something unexpectedly exciting for the customer. Famous radio personalities like Linda Sibiya were used as a magnet. This was done in partnership with the local newspapers which helped to communicate with the public.

¹³ *Qoqa* is an isiZulu word meaning “collect what is due”.

4.3.2.5 Performance management

The municipality was in the process of putting in a performance management system when the municipal manager was suspended. Because of that and the subsequent developments, there is no performance management system in place.

4.3.3 CONCLUSION

The brief implementation of a customer focused approach and the improvement in records management provide sufficient evidence of a link with TQM principles, especially with the customer-focus principle in cost recovery. During the brief implementation of management by fact, when the municipality identified the weaknesses on their systems and addressed them to satisfy the external customer, the recovery of debt rose by more than 50%. However, it would appear that an attempt to apply one of the aspects of TQM to the exclusion of the others might not be sustainable in a political environment. The lesson learnt from the Endondakusuka experience is that any attempt to introduce a quality improvement process will have to be accompanied by a buy-in by the politicians. This highlights the importance of a commitment to co-operation between the political and administration leadership in advancing growth, development and the sustainability of the municipality. Good governance is a very important aspect for a quality improvement culture and local government, as a political institution, requires training for its councillors if they are to be party to a sustainable quality improvement culture.

4.4 UMSUNDUZI MUNICIPALITY: CASE STUDY 3

4.4.1 UMSUNDUZI MUNICIPAL INSTITUTIONAL CAPACITY

4.4.1.1 Umsunduzi Service Levels

Umsunduzi Municipality covers an area of about 649 square kilometres. It has a population of approximately 521 805. The demographics in this city are reflective of the South African economic disparities as per population group. There are more than 56 000 white people and over 68 000 Indians almost all of whom live closest to the city centre, near the heart of its economic activity. “Of a population of 521 805 living in the municipality, 41% is of working age. However, 40% of this group are unemployed. About half of Umsunduzi households fall into the low income category, with about 14% having no income, and 35.6% earning less than R1 500 a month” (Gaffney’s, 2003: 401). Despite these factors, 97% of households in the supply area are electrified. The service levels in this municipality are now presented:

Table 39: Umsunduzi Municipality: Sanitation Profile

Households	2001	1996
Flush toilets	66 901	60 681
Flush septic tank	5 573	-
Chemical toilet	3 721	-
VIP	10 427	-
Pit latrine	39 671	53 884
Bucket latrine	652	416
None	3 340	979

Source: Census South Africa, 2001

Table 40: Umsunduzi Municipality Refuse Profile

Household	2001	1996
Municipality weekly removal	77 005	62 386
Municipality other	1 283	1 512
Communal dump	1 268	6 519
Own dump	46 655	40 944
No disposal	4 175	3 379

Source: Census South Africa 2001

Table 41: Umsunduzi Municipality sources of energy and lighting

Household	2001	1996
Electricity	111 655	85 415
Gas	343	572
Paraffin	730	1 922
Candles	17 191	27 830
Solar	194	-
Other	273	6

Source: Census South Africa 2001

4.4.1.2 Financial review

The Umsunduzi Municipality derives more than 90% of revenue from own source. This is a trend with most urban municipalities that have strong economic activity centres and a diversified economy. It has a sound infrastructure and a sound income base. This is elaborated further below in the analysis of their operating budget:

**Table 42: Analysis of Operating Income for the Umsunduzi Municipality
for the year ended 30 June 2003**

Actual 2001/02 R	SOURCE OF INCOME	Actual 2002/03 R
46 512 457	Grants & Subsidies	49 879 486
46 512 457	Central Government	49 879 486
0	Intergovernmental Transfer	0
880 182 414	Operating Income	966 802 247
203 552 333	Assessment Rates	225 115 193
342 234 073	Sale of Electricity	369 797 518
106 920 571	Sale of Water	122 866 227
227 475 437	Other Service Charges	249 023 409
926 694 871	Total Income	1 016 681 833

Source: The Umsunduzi Municipality Financial Statements: Year Ended 30 June 2003

Municipalities like Umsunduzi are so important to an understanding of why municipalities should adopt a customer focused approach and an excellent business approach. Of the more than R1-billion budget, only R49-million consists of equitable share from the national government

(Umsunduzi municipality income statement 2003/2004). In other words, more than 95% of its income is from own source.

According to Mr Bheki Nene, the city manager, the municipality at one stage was left sitting with an uncollected debt of more than R400-million. The municipality adopted a factual approach by doing a proper audit of their records and customer profile to discover that the municipality had been billing dead people, as their records were not frequently updated. They also found that in some places they were charging substantially less than they were supposed to. Other properties were continually charged the same property rates despite their market value having depreciated enormously. This increased the debt in their books, yet some of this money was not recoverable.

The city has since appointed a financial manager who is tasked with aligning the budget with the goals of the organisation. This was motivated by the fact that the city's department of finance or treasury was only concerned with finances and not necessarily the vision of the organisation. Strategic heads of departments were tasked with justifying their budgets in line with the strategic goals of the organisation. Mr Nene alluded to the fact that when he joined the municipality in 2001, he found that there was a tendency for heads of departments to build empires by requesting a budget that they did not have the capacity to spend. As a result, he said, the money allocated to those departments would be carried over to the next financial year. Yet, there were departments that were under-allocated financial resources who had the capacity to spend but not the money. It is for this reason that Umsunduzi now has a zero based budget (ZBB) which is trying to align itself with its IDP, which articulates not only the integrated planning strategy but the vision and

mission of the municipality.

Some of the municipal policies are flawed. For example, the municipality tends to take punitive action against their customers. For example, city defaulters are handed over to attorneys. While this is an acceptable business practice, it is rather absurd for the city to refuse their defaulters to pay their current accounts without settling the old accounts. The municipal policy on debt collection states that any defaulter who has been handed over to attorneys must settle the debt with the attorneys, and that only after the attorneys' fees and the outstanding debt have been paid in full may a defaulter be allowed to pay their accounts to the city directly.

The problem with a punitive policy lies with its unintended outcomes. Many people are pushed further into debt as attorneys' fees keep on going up as the debt increase. Some residents of the city have been enmeshed in this system for as long as three years. The municipal manager agreed that this policy would have to be reviewed in an attempt to encourage debtors to pay, as the current system is not assisting customers to reduce their debt exposure. The ward councillors from the African townships and coloured communities in particular were not happy with this policy. The municipality is currently reviewing it.

The Free Basic Water (FBW)¹⁴ policy of Umsunduzi municipality seems to be flawed.

¹⁴ In South Africa, there is a national policy on free basic services. Free Basic Services is applied on basic services such as energy for lighting and cooking or electricity, water and sanitation. The national policy stipulates that each household should at least receive free six kilolitres of water per month. This policy is targeting the indigent. However, while big municipalities in the urban centres have been able to implement this policy, it is a major challenge in rural areas where there is no basic infrastructure to give effect to this policy. The equitable share from the central fiscus is meant to finance this. However, municipalities still argue that the allocation is inadequate.

Umsunduzi has a Free Basic service policy in line with the national government policy to provide at least six kilolitres of water free especially to the indigent population. Although Umsunduzi applies this policy to all their consumers it requires the consumer to pay for all the water consumed including the six kilolitres that is supposed to be free if more than six kilolitres are consumed during the metering period. This is a serious problem to the indigent households as it carries the risk of pushing them further into debt. The municipal policy assumes that by exceeding the six kilolitres the household is suggesting that it can afford to pay, which is not always the case as many indigent households often live in overcrowded conditions. What the study found was that the majority of households in the villages and black townships have more than five people living in each household. Some households have more than fifteen people, most or all of whom are unemployed, which in any event have a collective income of less than R1 500 a month. This is a good example of not managing by fact. The municipality said they are currently looking at reviewing this policy.

4.4.1.3 Umsunduzi Human resource capacity

Umsunduzi municipality has about 3 000 employees responsible for just over five hundred thousand people (Umsunduzi Municipality Corporate Services Report June 2003). It has sufficient financial resources to employ highly qualified and experienced personnel. All their heads of the departments of engineering services, community and health care, waste management and finance are headed by highly qualified and experienced individuals.

The city has for the first time in its history employed process managers. It has realised that

processes are a key to service excellence. This is demonstrated by their line managers who account to the heads of departments. However, this initiative has been overshadowed by governance issues as the city manager at the time of writing this report was indefinitely suspended on full pay. One of the reasons given for his suspension is the very appointment of these process managers, which politicians argue was not authorised nor budgeted.

4.4.2 UMSUNDUZI MANAGEMENT AND LEADERSHIP

The researcher spoke to some heads of departments to find out their views of the management style in place. Most of the respondents, five out of the seven interviewed, felt that the City Manager prefers a participatory and empowering approach. Some councillors that were interviewed pointed out that the city was advancing since the appointment of the current city manager, Mr Bheki Nene. Among the projects cited as examples of this was the final implementation of the resolution taken years ago of building the Liberty Midlands Mall on the city council-owned land, which move has boosted the city's image. However, a few councillors felt that the project was a negative factor as they blame it for the decay the inner city is currently experiencing. Many of the big shops in the city centre have relocated to the new mall.

However, the confirmation of Pietermaritzburg as the capital city of the KwaZulu-Natal province has boosted the city and it seems to be on an upward trend as the demand for properties and business accommodation has increased (Local Economic Development Committee Report July 2004). Judging by the enthusiasm of the city when the Mall was opened in September 2003 the project is a great success and has lifted the image of what was once known as "Sleepy Hollow".

Apparently, for three consecutive weeks, there has not been sufficient parking to cope with the numbers of people that flock to this shopping centre. Others have argued, like the Deputy Mayor Mrs Zanele Hlatshwayo, that the city is earning millions of the money that hitherto was spent in the Pavilion Mall in Durban. This is the first big regional mall in this part of the KZN province. Although it would appear that the Midlands Mall is a success story in terms of the local economic development strategy of the city, it also seems to be one of the factors that are cited as the root cause of the suspension of the municipal manager. The relationship between the political head and the most senior executive of the city seems to be undermining the achievements that the city has recorded since the appointment of the new municipal manager.

The managers also commented on the political leadership in place. Most of them were happy with the calibre and qualities of the political leadership. However, both administration and councillors interviewed expressed their concern over the worsening relationship between the mayor and the municipal manager. They saw it as encouraging factionalism. It was making their work difficult, as they had to show allegiance to both these leaders without being labelled as being on the side of either the one or the other.

4.4.2.1 Administration

People qualify as senior managers on the basis of their tertiary qualifications as well as the experience they have in their fields. In terms of the grading of municipalities, which determines the remuneration levels of both officials and councillors, Umsunduzi's city status requires senior management to have both a tertiary qualification and at least five year's experience. Because it

is urban based with the necessary infrastructure of financial, educational and social institutions, the municipality is able to attract these high levels of skills. Some of the management problems the municipality is contending with have to do with the political transformation process that came with the dismantling of the apartheid policy. Before the first democratic elections were held in 1996, the municipality's top management was 90% white male. By 2002, the top management structure of council was predominantly black. Before 1996, eight of the top managers were white and one black whereas by 2002 six were black and one white. Differences have been noted, which seem, however, to have more to do with the discomfort of some with political change. Some of these differences have to do with personal preferences and personality clashes. Only one of twenty senior and middle managers that were interviewed had a problem with the process. Based on these employee interviews, this report concluded that most employees embrace the changes in the process and management approach. This seems to be the feeling at all levels of the organisation.

However, some senior managers have voiced concerns with political appointments that do not take into account the value, the skills and expertise of the incumbent. Some also expressed a concern over some senior managers who conspire with senior politicians to undermine the authority of the city manager. These problems are to be expected in a changing political environment.

In April 2004, at the time when this report was compiled, the municipal manager of the municipality was suspended indefinitely. There seems to be a serious problem with the relationship between municipal managers in particular and the Mayor, Cllr Zondi.

4.4.2.2 Political leadership

The municipality seems to have a politically stable leadership. Since 1996, it has been under the control of the African National Congress. However, there are tensions between the executive committee councillors and ward councillors. These tensions are normal as they relate to the hierarchy in terms of power and remuneration. The executive members are often proportional representation councillors and thus not elected directly by constituencies, as ward councillors are. This is not a problem unique to Umsunduzi: almost all municipalities have these tensions which need to be understood if a different way of doing things, such as TQM, is to be introduced.

4.4.3 UMSUNDUZI MUNICIPAL CULTURE

4.4.3.1 Organisational Vision

The municipality has adopted a vision. Its vision statement is preceded by the city's motto that reads: "The City of Choice". The Umsunduzi municipal vision reads:

Umsunduzi (Pietermaritzburg), the dynamic, attractive, competitive, caring and sustainable metropolitan, African Capital city - vibrant heart and nerve centre of KwaZulu-Natal (Umsunduzi IDP, 2002: 142).

The vision of the city reads and sounds so well. A vision must precede everything else in the IDP document as it sets the tone of where the municipality is heading. The situation analysis therefore happens within a particular context.

The Umsunduzi municipality has been able to brand itself within a short space of time. The city adopted the slogan “city of choice” as a positive marketing move rather than try to negatively move away from its countrywide reputation as a “sleepy hollow”.

The city has made itself into one of the favourite jazz towns. Its pace is jazzy and the mood is relaxing, like ‘choice’.

4.4.3.2 IDP review

The Umsunduzi IDP attempts to cover all the challenges of the city. Their analysis of the situation precedes their integrated development strategy. This arguably is the way of managing by fact and measuring performance. The analysis phase of the IDP looks at the current situation in the municipal area, i.e. it is an assessment of the existing level of development. It helps to highlight service gaps and assist in the identification of areas of greatest and most urgent need (Umsunduzi Municipality IDP, 2002).

However, the other side of the Umsunduzi IDP is its failure at their situational analysis stage to highlight service levels against services required. The suggested approach assists in measuring the performance of the municipality and its efforts towards continuous improvement while

presenting a factual and realistic situation. They, however, focus on service gaps thus projecting a negative image of the municipality. They mistakenly omit facts that acknowledge progress thus far. Progress is the key to motivation in a continuous improvement process. Councillor Colin Gardner, who is their Speaker, argues for the avoidance of ‘well-formulated plans’ as they tend to blind those who have formulated them into believing they have achieved their targets when in fact the plan only becomes meaningful once implemented (Umsunduzi IDP, 2002).

One agrees with Councillor Gardner’s argument. However, while romanticism tends to omit facts, negativism also has a similar effect. The plan must create enthusiasm. People must feel that it is implementable. Therefore the plan has to be practical by taking into account institutional support, and the human and financial resource capacity.

The Umsunduzi IDP is not constantly negative but negativism features in some critical sections. The section that deals with the context of the IDP plan, which is classified in the IDP document as Analysis Part 1, where they deal with financial resources and arrangements, is at pains to express all the bad experiences of the city. The context highlights the growth of the city’s population by 300 000 and the increase of its area of jurisdiction after 1994. The context also points out the problem (not the challenge) that the revenue from rates has increased by only 24% while its equitable share has declined by 53%. It has lost also the development capital that was allocated to it by the erstwhile Indlovu Regional Council (Umsunduzi IDP, 2002). The context, however, does not give credit to some of the positive developments during the same period.

The section is silent on the de-racialisation process and its implications for the widening market.

The city could not foresee that opportunities would arise with the changes in the political arena. Although written in 2002, the IDP could not predict that the capital status of the city would be confirmed a year later. While the information contained in the context is factual, it does not give a balanced view. Such approaches de-motivate and discourage positive thinking during the planning process and, as a result, plans may fail before they can be implemented.

The TQM approach to cause and effect seems to be ideal when drawing up IDPs so that issues or problems that arise are placed in some context. It helps to deal with the cause rather than with the symptoms. If, for example, the TQM cause and effect diagram were used in the analysis phase we would probably end up with a positive analysis of the population increase. The increase in population is likely to be caused by the implementation of the new democratic Constitution of the Republic of South Africa, which denounces racism and makes racial boundaries illegal. One of the effects, probably, will be that the resources available are insufficient to deal with the problem. Part of the solution might be to make a submission to national government that the expansion of the municipal boundaries comes with challenges to redress the inequality of service levels and to address infrastructure backlog.

The issues raised in the IDP report are put baldly, stating effects rather than attempting to appraise the possible causes of these. For example, the Analysis Part 2 states that approximately 60% of the city's residents live in Edendale and Vulindlela. 53% of them are female and an even greater percentage are what would be classified in these areas as youths, i.e. under 20 years old. The people in these areas are deeply affected by:

- Low income and lack of economic opportunities (including employment)
- HIV/AIDS
- Substance abuse
- Availability of information and education
- Health and related services issues (e.g. sanitation, water and refuse)
- Crime, rape and child abuse
- Accessibility and travel (roads and transportation systems)
- Access to and affordability of community facilities, e.g. halls and recreation facilities (Umsunduzi IDP, 2002).

The causes of all these social ills are not mentioned. The problem that arises with that is the kinds of intervention applied to deal with the above problems. To be able to adequately deal with the problem you need to understand the cause. The TQM defect prevention theory argues that it is the cause that has to be addressed rather than the effect.

The identification of the causes of the problem will arguably assist the municipality in assessing the effect of its intervention or applied solution and will also contribute greatly in setting appropriate targets, in measuring their performance as well as in developing and reviewing their strategies to deal with the problem or challenge at hand. It can also assist the municipality in adopting a preventative approach rather than a detective and symptom-treating approach.

Because of the way the IDP is structured, it is not easy to see the links between organisational vision, challenges and strategy. This also affects how targets are set and how performance is

measured.

An IDP is a public document, and one that matters significantly to potential investors. The IDP shows the direction in which the municipality is moving. The Umsunduzi IDP articulates this clearly. Their IDP aims at formulating strategies to stimulate economic, human or social, institutional and physical development, which are accompanied by set targets that can be used to measure performance, and through a process of monitoring and review adapting and amending these strategies to meet changing circumstances (Umsunduzi IDP, 2002: 5). It is for this reason that one argues that the IDP has to be both balanced and factual.

4.4.3.3 Communication

All publications, the IDP, reports, council agendas and records are in English. The municipality offers Zulu translation at its meetings and councillors may request a Zulu translation of any official council document, which often is made verbally. The city says that information can be made available in Zulu only on request because of the financial implications. Fred Thomson, a TQM specialist from Memphis used to say to us as students: "Ignorance and all the non-quality stuff are expensive." How do you deprive more than 400 000 people out of about 550 000 access to this information?

Table 43: Umsunduzi Municipality Language Profile

Persons speaking	2001	1996
Afrikaans	9 906	10 044
English	119 914	129 370
IsiNdebele	1 393	90
IsiXhosa	7 408	3 325
IsiZulu	405 106	369 852
Sepedi	720	110
Sesotho	5 585	4 963
Setswana	565	152
SiSwati	525	152
Tshivenda	103	55
Xitsonga	143	40
Other	1 858	2 722

Census South Africa: 2001

4.4.3.4 Performance management systems

At the time of writing this report, Performance Management Systems had not yet been implemented. The municipality indicated that they were in the process of doing so. The municipality has developed a scorecard for all their senior managers. Senior managers are now linking their daily operations to the attainment of the city's vision.

4.4.4 UMSUNDUZI FREEDOM SQUARE CLINIC: A CASE OF TQM

APPLICATION IN A NON-INCOME GENERATING MUNICIPAL ENVIRONMENT

Umsunduzi Freedom Square is one of the busiest clinics in the Umgungundlovu district. This clinic is owned and run by the Umsunduzi municipality but serves anyone from the district. The district has a population of about 872 717 (Local Government in South Africa 2002-2004). The Freedom Square clinic is situated in the heart of Pietermaritzburg, the economic activity centre of this district. It is close to the busiest taxi route in Pietermaritzburg. Taxi ranks in South Africa are often associated with population density that makes it difficult to keep the area clean. However, this clinic is so clean, even outside. The clinic won the quality award and was placed first by the Council for Health Services Accreditation South Africa (COHASA) in 2001, 2002 and 2003.

As part of this research, project students of TQM from local municipalities were taken on tours to the clinic in April 2002 and March 2003 to assess the implementation of TQM in a municipal environment. All the 19 students unanimously agreed that TQM could enhance the role of municipalities and improve their efficiencies in delivering services to their consumers and users.

At the clinic, it was found that every employee knows what information is required from the patient. There is a process manual that has a systematic guide to the information required from a patient, which helps the clinic a great deal especially when it is busy. They try to eliminate queues as much as possible by empowering every staff member in the relevant skills, so that

patients are attended to quickly.

Staff members meet every morning before the clinic opens to assess what worked and what did not work on the previous day. If they identify any problem, they immediately make the necessary amendment in their manual. This is their continuous quality improvement strategy. The manual also contains a set of policies that are brief and very simple. The nursing sisters interviewed said that the policies can be understood easily, which in their environment is very important because of the high levels of risk associated with the medical profession. For example, they have a policy that briefly explains the importance of protective clothing and then gives simple instructions on when and how to wear it.

The clinic clearly empowers the patient as well as its staff. On the wall, they have their vision. They make patients aware that they are a service to them. They also have a suggestion box, which is emptied every morning. The feedback from the box forms a part of the morning meetings. They do not wait for the box to be full.

Communication is another area where the clinic was found to excel. All the information charts on the walls were written in the two languages that cater for their patients, Zulu and English. Two nursing sisters that were interviewed testified that effective communication cuts down on unnecessary work. Patients appreciated being told the likely effects of their medication, which helped them understand the importance of completing their courses before coming back. A patient can phone the clinic and enquire about the side effects of their medication, when a nursing sister will assess the case and refer him or her to a hospital if needs be without the

patient having to come back to the clinic.

The clinic encountered a problem when word of mouth resulted in droves of people flocking to them for their effective and efficient service. They realised that they needed to train the staff from other clinics to do likewise or Freedom Square's standards might suffer from the sheer weight of numbers.

Because their environment can be extremely stressful, they also ensure that their staff is taught the techniques of stress management. Staff performance is constantly appraised and they are helped to improve. Sister Langa, who is the manager at the clinic, argues: "Participatory management is so critical in a continuous improvement process. Managers are not the only implementers. Those that implement must understand the process well so that they are the ones who can assess its weaknesses and strengths. That is why we ensure that our staff forms part of the management process in the organisation. They have to record and report weaknesses each time they encounter them."

The use of quality management processes at this Umsunduzi municipality clinic is marked by high level of commitment from the management. Commitment is measured by the ability to make decisions speedily, by being responsive to customer feedback, by empowering employees with knowledge and skills and keeping them informed of changes, and by using the appropriate tools and techniques to collect information that ensures the process is recorded and continuously improved. The patients are given an understanding of their rights and an understanding of the vision and mission of the clinic.

The customer-focused approach is marked by the extent to which the clinic seeks to go beyond their patients' expectations. Aside from the cleanliness, the fresh and friendly atmosphere, the clinic has colour television sets on the walls for the entertainment of their patients while they are waiting. There are also magazines and other kinds of reading material. This kind of experience is usually associated with upmarket private medical practices.

The value the clinic attaches to their customers is also reflected in the manner in which they distribute condoms to prevent the spread of HIV/AIDS. Sister Langa said they had had a problem with religious people, in particular, who found it uncomfortable to be given condoms in front of other people. The clinic devised the strategy of putting the condoms in nicely sealed envelopes to encourage people to use. Since then the number of condoms taken from the clinic has increased.

Despite the problems associated with the absence of the administrative head, i.e. the City Manager, the clinic continues to render their services efficiently and effectively. This could be attributed to the size of the organisation. The manager of the clinic is the fifth level of the organisational hierarchy. The top person is the municipal manager, followed by the heads of the different clusters, the directors of different services, the regional managers and then come the entity managers, like Sister Langa.

4.4.5 CONCLUSION

Based on these findings of pockets of excellence and pockets of inefficiency, the study concludes that within an organisation the size of the Umsunduzi municipality with its approximately 3 000 employees and a population of over 500 000 it is possible to have a proper functioning unit that achieves a high level of service excellence as well as a unit or division that is inefficient owing to policies and its leadership and management style. It may be argued that the Freedom Square clinic has been able to adopt TQM successfully because the negative policies, such as affect the provision of free basic services and debt recovery, do not affect the department of health services directly. While that may be so in the short term, it stands to reason that the inefficiencies of the finance department ultimately may have a negative impact on the clinic's budget allocation leading to a reduction in the standards of quality that they have achieved thus far. It is important to note that TQM needs to be applied throughout the whole of an organisation for it to be sustainable in any one part.

4.5 ETHEKWINI MUNICIPALITY: CASE STUDY 4

4.5.1 ETHEKWINI MUNICIPALITY INSTITUTIONAL CAPACITY

4.5.1.1 Ethekwini's profile and service levels

The Ethekwini Municipality has 2 751 193 people, the largest population concentration of any in KwaZulu-Natal. It stretches over 2 291 square kilometres. It has a sound infrastructure and a well developed economy. It also has a booming tourism industry. It is estimated that Ethekwini generates over R3-billion per annum in the domestic tourism market, which is the highest in the country. It attracts more than 400 000 international tourists a year. It has one of the most significant ports in the world, handling over one million containers annually. It is therefore strategically economically well positioned. Ethekwini accounts for over half of the province's output. The following statistics illustrate that despite Ethekwini's economic vibrancy, it still faces enormous challenges. Although their challenges are not as in other cities and towns in KwaZulu-Natal, it has not escaped the historical factors that shape the service levels in South Africa.

Table 44: Ethekwini Municipality Household Sanitation Profile

Households	2001	1996
Flush toilets	472 494	420 603
Flush septic tank	27 593	-
Chemical toilet	41 879	
VIP	54 470	
Pit latrine	148 687	199 333
Bucket latrine	9 269	4 829
None	32 353	18 945

Source: Census South Africa, 2001

The number of households that do not have any sanitation is growing. The municipal manager, Dr Mike Sutcliffe, attributes this problem to urbanisation. Many people are leaving rural areas in search for a better life in the cities. Dr Sutcliffe argues that urbanisation is an international phenomenon, largely influenced by global market trends. Many people from rural areas in the poorer countries migrate because they perceive cities to offer greater job opportunities.

The municipality is nevertheless dealing with this challenge through their urban renewal strategy. The Ethekwini municipality has unveiled an innovative strategy to change the traditional way of planning cities where working people have to commute daily to their work, which is often far from where they live. The municipality has sought to deal holistically with urbanisation in a way that improves the quality of the life of the people in their area of jurisdiction. Its plan includes the conversion of some office blocks to residential use, the

opening of schools in the area, and the creation of additional parks and other social facilities.

The municipality's effort, that arguably introduces a new dimension to dealing with the problem of urbanisation in South Africa, is aided by its financial muscle and the autonomy it derives from its capacity to generate its own revenue. The smaller municipalities who have to depend on national and provincial government for money will not be able to fund such innovative strategies.

Arguably, a provincial strategy to tackle the problems of urbanisation is required. As long as people in the rural areas do not have the means of survival where they live, that is the jobs and skills needed to utilise the resources available to them in their own areas, the influx of the poor to the cities will continue. EThekwini's levels of achievement in the provision of safe sanitation, clean water and electricity probably will not be sustainable if more and more people flock to the city. Parenthetically, the consequences of this for the rural areas are plain. When able-bodied men and women desert to the urban centres they leave behind their children in the care of the elderly who, more often than not, are unskilled illiterates, not the human resources necessary to develop rural economies.

Notwithstanding the challenges, the reduction in the number of households using pit latrines by about 50 000 is an indication of the effectiveness of the city's urban renewal strategy. This is supported by the increase of about 50 000 in the number of households with flush toilets (Census: South Africa, 2001).

Table 45: Ethekwini Municipality Household Refuse Profile

Households	2001	1996
Municipality weekly Removal	672 028	434 439
Municipality other	6 221	10 645
Communal dump	4 262	22 998
Own Dump	90 021	142 968
No disposal	14 215	21 436

Source: Census South Africa, 2001

In terms of service delivery and improved access to services, Ethekwini is on a growth path. Access to the weekly waste removal service was increased by more than 200 000 households between 1996 and 2001. This, by any standard, is remarkable.

Table 46: Ethekwini Municipality sources of energy and lighting

Households	2001	1996
Electricity	627 305	477 660
Gas	2 073	2 852
Paraffin	22 532	26 125
Candles	132 465	135 455
Solar	1 297	
Other	1 075	86

Source: Census South Africa 2001

The statistics on the source of energy for lighting are similar to those of sanitation. This shows that the overall quality of life in Ethekwini municipality is improving.

4.5.1.2 Financial Review

Ethekwini has a very sound income base, with a budget of just over R9-billion. The table below illustrates the financial capacity of this municipality.

Table 47: Ethekwini Municipal budget breakdown

Operating Budget (2002/2003)	Capital Budget (2002/2003)	Formula: Total budget, to the nearest R1-m, per unit of population	Estimated amount spent per person per year (R)	Number of formal households (2001)
7 343 749 112	1 791 878 690	R9 100 000 000/2 751 193	3 307	572 746

The estimated amount spent per person per year in Ethekwini is contrasted with the amount spent in the weaker municipalities like Okhahlamba, which spends less than R120 per person per year. The capacity to implement TQM in municipalities is affected by the amount of money available for expenditure on the services required for the quality of life of the individual customer. Part of the advantage a large municipality like Ethekwini has over the smaller ones derives from the fact that many of its customers are multinationals and national companies whose contributions to income are disproportionately large when related to the number of resident citizens they employ.

The table below shows the various sources of Ethekwini's own income for the financial year ended 30 June 2003.

Table 48: Ethekwini Municipality's sources of income for the year ended 30 June 2003

ACTUAL INCOME 2003	
SOURCES OF INCOME	MILLION RAND
Rates and General services	3 273 371
Housing services	99 577
Trading Services	
Airport	2 469
Market	33 278
Water	1 032 399
Transport	228 638
Electricity	2 603 265
TOTAL	7 272 997

Source: Ethekwini Annual Report for the year ended 30 June 2003

This income is much higher than that of some of even the biggest companies. During the 2003-2004 financial year, Ethekwini's budget rose from R9-billion to a staggering R12-billion. The amount of money available per person is now even greater, because the population has not grown to that extent in the same period.

The survival of Ethekwini municipality and the maintenance of its current financial position and growth are largely dependent on its ability to manage a complex environment and still be able to not take things for granted. The collapse of a big organisation like Ethekwini would take very

long to notice because of its size and budget, but it could happen. It is thus argued that Ethekwini municipality is compelled by its character, size and setting to continuously improve by adopting strategies that not only reinforce what they have already achieved but also will improve on the weaknesses. Some of the weaknesses will be discussed under systems, performance management, the internal customer and communication.

4.5.2 ETHEKWINI ORGANISATIONAL CULTURE

Ethekwini is a very big organisation with over 20 000 employees. Defining the culture of such an organisation is a daunting task. However, the Ethekwini municipality has a vision, a brand that is recognisable and a leadership that is stable. The study has confined itself to the IDP and communication as elements that can be focused on without generalisation. Ethekwini's vision reads:

By 2020, the Ethekwini Municipality will enjoy the reputation of being liveable, where all citizens live in harmony. This vision will be achieved by growing its economy and meeting people's needs so that all citizens enjoy a quality of life with equal opportunities, in a city that they are truly proud of (Ethekwini IDP Review, 2003).

4.5.2.1 IDP review

The IDP strikes one as a simple, friendly and readable document. It can be argued that its

structure, format and wording stimulate positive thinking and encourage investment. It is factual, but the facts are not baldly stated. The table of contents invites one to read more. It has a sense of ownership and pride in its area. The IDP directs their expenditure patterns and identifies key performance areas. Topics covered include the major characteristics of their area of jurisdiction, the needs of their (external) customers, their strategies to meet those needs and an assessment of the context of these, the time frames (2002-2007) involved in the delivery, performance management, the overall strategic direction, identification of desired outcomes and the targets set to achieve those, and the arrangement of the institution

4.5.2.2 Systems and Processes

Ethekwini municipality is one of the six metropolitan areas in South Africa. It has a population of over 3 million and a staff complement of more than 20 000. There are seven clusters headed by deputy municipal managers and 36 heads of department which complexity makes it difficult to identify all the strengths and the weaknesses in the system. There are, however, pockets of excellence and areas that require improvement

Ethekwini, because of its size, often frustrates the customer with its laboured bureaucratic procedures. For example, an application for the extension of an existing dwelling has to go to more than six departments that are situated kilometres apart. A submission at Outer West has to be sent in the Durban city centre, which is more than 25 kilometres away, whence it then has to go to various different places for comment and approval. The process is tiresomely slow.

There have been attempts to change systems like these that are not up to customers' expectations, but those efforts have been slowed by the time taken in the amalgamation process started in December 2000, which consolidated seven municipal structures into the one metropolitan municipality now known as EThekweni.

The other major system that is not effective enough is communication. All major correspondence of the city is in English despite the fact that the majority of the city's people are Zulu speakers. The parks and recreation department, which does publish material in Zulu, is an exception. However, the main communications emanating from the city, like their monthly magazine, deprive the majority of people, who cannot read English, of crucial information they need to have of the city's plans, its achievements and its drawbacks. The tables below illustrate the need for publications to be in both Zulu and English.

Table 49: Ethekwini Municipality's Language Profile

Persons speaking	2001	1996
Afrikaans	44 437	40 662
English	925 671	943 125
IsiNdebele	6 042	587
IsiXhosa	106 110	64 602
IsiZulu	1 948 061	1 636 974
Sepedi	3 267	594
Sesotho	21 587	15 585
Setswana	1 807	1 485
SiSwati	2 434	943
Tshivenda	484	229
Xitsonga	1 356	633
Other	28 867	22 204

Source: Census South Africa, 2001

Table 50: Ethekwini Highest Education Levels attained by over 20 year-olds

Persons	2001	1996
No schooling	190 909	174 404
Some Primary	253 632	215 376
Complete Primary	109 194	106 398
Secondary	661 982	625 884
Grade 12	512 230	352 051
Higher	184 306	116 299

Source: Census South Africa, 2001

When the municipal manager, Dr Sutcliffe, was asked why English was the only language used

in council agendas, he cited cost as the major factor. When told of Fred Thomson's contention that the price of ignorance is unacceptably high, Dr Sutcliffe argued that a) Zulu speakers' English could only improve and b) that people did not read agendas in the first place. This is a matter of perception. This study argues that the municipality should change its attitude and begin to make information more accessible to those that are not English literate or who only speak English as a second language. Of the councillors who were interviewed, about 30 felt that council needed to use the Zulu language a lot more.

4.5.3 ETHEKWINI CRITICAL LEADERSHIP ISSUES

While Ethekwini appears to be a stable municipality, and one of the best run, with a strong human resource capacity, it does have a weakness in its manner of managing the internal customer. The study found that there is a high level of dissatisfaction amongst senior managers and councillors, especially in the executive committee, with the current management style. It was not clear whether this could be attributed to the municipal manager's political seniority, or his academic credentials, or simply to his style of management.

The municipal manager is a noted academic who has lectured for years at the University of Natal, is a former Member of Parliament and Chairman of the Municipal Demarcation Board. His vision for the city is well supported by all the councillors who agreed to voice an opinion on the question of Dr Sutcliffe's management style. Many councillors were unhappy with the process followed in appointing the 36 senior managers. Six of the nine executive councillors interviewed agreed that the process was flawed; the other three withheld their views. When

asked why they did not challenge the municipal manager, the non-ANC councillors were quick to lay blame on the ANC style of management, while the ANC councillors felt that it was difficult to challenge their political superior who, they said, often bypassed them and consulted instead with the senior party leadership.

The posts were filled without a process of selection that involved interviewing candidates and testing councillors' views. Incumbent staff suddenly found themselves reporting to new people who were less experienced than they were. Those appointed were simply put in positions without the necessary support. The study found that in spite of efforts to include women in the top management structure of council, the women that were appointed to senior managerial posts were not provided with institutional support. None of these women had worked in a municipal environment before. They were not properly inducted into the organisation. Some of their subordinates indeed had undermined them.

It would appear that the motive in appointing new heads, especially those from outside, had nothing to do with addressing the demographics within the administration. Some white heads retained their positions. An African manager, the former head of housing and respected in the field of local government, suddenly found himself having to report to one of his Indian subordinates. Other senior African managers, the former acting municipal manager among them, had to leave the employ of Ethekwini after a number of disagreements with the municipal manager.

The newly appointed managers (they were appointed in December 2001) received no sort of

induction despite the fact that most of them were new to the local government environment. Some of them, in frustration, approached the KwaZulu-Natal Local Government Association (Kwanaloga) more than eight months later to run a basic course on local government for them. Some of them reported that they were given no support. Most of them felt that the system had failed them.

The implications of not giving support to senior managers are enormous. The perception that the teams they are meant to lead have access to more information and have, in fact, a sounder knowledge of the workings of the organisation than they do undermines their authority and reduces their effectiveness. Eventually, low staff morale leads to the malfunction of any organisation.

4.5.4 PERFORMANCE MANAGEMENT

A performance management system is in place but during the time of the study a number of the new senior managers did not have sufficient knowledge of the key performance areas and indicators to enable them to understand the scorecards they had been given, against which they were supposed to measure their performances. Despite their seeking clarification, none was forthcoming. Some felt that the organisation simply did not care about them.

4.5.5 GOING ABOVE AND BEYOND: THE CASE OF THE ETHEKWINI CUSTOMER RETENTION STRATEGY

The approach by the city to its focus on the external customer is often hailed by both government structures and the private sector. In all main service centres, the municipality has displayed the *Batho Pele* chart. The staff has all been trained in customer service. The external customer is continuously consulted on matters that affect them. However, the municipality seems to be unfocused when it comes to the internal customer.

The study found that despite some weaknesses in the system and in the management style of some of the most senior people, there is sufficient evidence to suggest that the municipality strives to continuously improve its performance. The *Batho Pele* charts on display indicate the commitment of the municipality to customer and citizen satisfaction. The municipality has also improved the billing system and its pay points. In days gone by, electricity had to be paid for at the electricity offices. Now utility accounts can be paid at most municipal offices, at supermarkets and at all post offices within the area. All the municipality's bills are consolidated to include not only water and electricity but traffic fines as well. The municipality also allows use of the technology of electronic banking and stop orders to render efficient and effective service. Cellular telephones facilitate communication. The Mayor said that one of the reasons Ethekwini's budget has increased from R9-billion to R12-billion in 2004 was the municipality's focus on systems and processes.

Focus on the customer is central of most municipal departments, most notably of their waste

management department. In order to keep the city clean, they provide refuse bags to all households. They also distribute information on waste management to educate the public in safe ways of discarding refuse. This strategy works to reduce the number of injuries, caused for example by putting broken bottles into rubbish bags, to their waste management staff.

4.5.6 CONCLUSION

The Ethekwini case study presents some of the best practice models such as its customer-focused approach with the growth of revenue in result. However, the municipality's focus on the internal customer would be greatly improved by the adoption of TQM throughout the organisation. TQM would also go some way towards implementing the quality improvement ethos articulated by the municipality in its IDP. The financial resources and geographic location clearly assist in building strong institutional support. TTTQM would be relevant in this environment as Ethekwini is a culturally diverse organisation that needs to manage the transformation process with care while not allowing the quality of its services to be compromised. The former white and Indian areas yield the bulk of the city's income because of their hierarchical positioning by the former apartheid dispensation and the rights they enjoy now as they did then. The majority of the African areas have a serious backlog in infrastructure and as a result have less to contribute in the way of income. The challenge is for the city to strike a balance between maintaining, and even improving, the living standards of those that already benefit from the city and improving the standards of those living in the African areas.

4.6 UGU DISTRICT MUNICIPALITY: CASE STUDY 5

4.6.1 INSTITUTIONAL CAPACITY AND CHALLENGES

4.6.1.1 Ugu District service levels

Ugu District Municipality has a total population of 704 028 (Census South Africa, 2001). Ugu covers 5 036 square kilometres (Gaffney's: 2002-2004). Six municipalities make up the district: Ezinqoleni, Hibiscus Coast, Umdoni, Umziwabantu, Umzumbe and Vulamehlo. The rural population of Ugu is 84% of the total (Ugu IDP, 2002). Four of these municipalities have no town, or economic activity centre. They are newly established and very poor. This will be elaborated further under the financial review.

After the implementation of the new demarcations in December 2000, Ugu became poorer as will be seen. The district's population grew from 643 349 in 1996 to 704 028 in 2001 (Census South Africa, 2001). The municipal manager, Mr Khayo Mpungose and the Mayor, Mr Mntomuhle Khawula, during the interviews with them on 30 November 2003 said that more than half of the population had no basic service infrastructure. This is measured in terms of the Free Basic Service Policy, which stipulates a maximum distance between water points and basic services of 200 metres. In Ugu, many people still depend on river water, which often is much further away than that: in 1996, Ugu had 122 594 people without proper access to water. That number most probably has grown considering the growth of the district's population since then. The statistics below illustrate the decline of some services in this municipality.

Table 51: Ugu District Municipality: Household Water Access Profile

Households	2001	1996
Dwelling	24 058	29 220
Inside Yard	12 294	4 798
Community Stand	12 679	11 459
Community Stand over 200m	23 966	-
Borehole	7 671	11 296
Spring	6 382	63 454
Rain tank	2 251	875
Dam/Pool/Stagnant Water	6 194	-
River/Stream	49 345	-
Water Vendor	1 374	-
Other	4 399	529

Source: Census South Africa, 2001

The number of households with access to water in their dwellings dropped from 29 220 in 1996 to 24 058 in 2001. The municipal manager explained that the demarcation process had incorporated some of the better-serviced areas into the EThekweni municipality. More households rely on rivers than on any other source. These added to the number of households that access their water from community stand pipes set more than 200m apart, from boreholes, springs, rain tanks and from dams, pools or stagnant water constitute well over half of the total. This presents a major challenge to the Ugu District municipality.

The sanitation levels also attest to a decline in services and the infrastructure backlog in this district. The number of flush toilets went down from 30 838 in 1996 to 26 209 in 2001 while there was an increase in the number of households with no sanitation at all from 15 256 in 1996

to 25 751 in 2001 (Census: South Africa, 2001). The first of these changes may also be attributed to the new demarcations rather than to a lack of service delivery on the part of the municipality. However, similar trends are noticeable in the figures compiled for refuse removal. The increase in the number of households with municipal removals indicates service delivery but growth in the numbers of those households with their own dump, or none at all, is another indication of the challenges that lie ahead for this municipality.

Table 52: Ugu District Municipality Household Refuse Profile

Households	2001	1996
Municipality weekly removal	29 081	27 468
Municipality other	1 251	340
Communal dump	950	2 209
Own Dump	101 183	74 811
No disposal	18 147	13 154

Source: Census South Africa 2001

The local municipalities, situated along the south coast of KwaZulu-Natal, have combined with the district municipality to keep this area clean, for their main economic activity is tourism. Together they have invested in tourism not only financially but also factors that encourage the growth of the tourism industry such as cleanliness and environmental sustainability. The Hibiscus Coast municipality, which is one of the biggest in the district, has won a blue flag award for two consecutive years for its clean, environmentally sustainable and managed sea. The district as a whole, however, has a very high unemployment rate, which is estimated at 68%.

This district has benefited from the national government's drive to electrify all households. The table below is evidence of this:

Table 53: Ugu District Municipality sources of energy and lighting

Households	2001	1996
Electricity	72 355	52 097
Gas	472	612
Paraffin	4 822	6 798
Candles	71 310	61 951
Solar	663	-
Other	992	2

Source: Census South Africa 2001

4.6.1.2 Financial review

The Ugu budget tabled below reflects that only 17% of the total is allocated to capital expenditure. 83% is spent on operating costs.

Table 54: Highlights of the Ugu District Municipality Budget (2003-2004)

HIGHLIGHTS OF THE UGU DISTRICT MUNICIPALITY BUDGET (2003-2004)	
Capital budget	68 284 850
Operating budget	342 042 565
Total Budget	410 327 415

Source: Ugu IDP and Budget Guide 2003-2004: 2

The District Municipality relies heavily on grant funding and subsidies. Category A and Category B municipalities derive a large chunk of, particularly, their operating budgets from own source. Own source accounts for more than 90% of income in the bigger municipalities like Etheqwini and Umsunduzi. Capital budgets are often funded through loans and grants. In the district municipalities, both capital and operating budgets are funded largely through grants and subsidies because their own sources of revenue are, relatively, insignificant. In Ugu, business levies make up only 10% and other own income accounts for only 3% of the budget.

The municipality's balance sheet indicates an amount of over R128 million that accumulated in the financial year ending 30 June 2003. There is an additional R74 million in reserves. What is disturbing is the number of unimplemented projects, which may suggest a process issue. It may be because the decision-making process takes too long, or that project management is weak. Grants received but not spent by June 30, 2002 included ones for sports fields, bulk services, a mission at Ifafa, the investigation of land suitable for development, low cost housing, a cultural tourism village, and many others.

The municipality since revised its position of Strategic Manager, Integrated Development Plan (IDP), Local Economic Development (LED), Tourism, and Performance Management Systems (PMS) when they realised that too much was loaded on one person. They have since given the key performance area of LED and Tourism to someone else, who has been asked to concentrate on project implementation. The Municipal Manager had this to say during the interview on 30 October 2003:

We realised that good plans without implementation and monitoring are as bad as no plans. The municipality realised that there has to be somebody in charge of processes and systems, where the IDP implementation and monitoring will be located. Hence, the decision to branch LED and Tourism.

4.6.2 UGU IDP AND ORGANISATIONAL CAPACITY CHALLENGE

4.6.2.1 IDP review

Ugu District Municipality's IDP has been hailed as the best in South Africa. In fact, the Minister of Local Government, Mr Mufamadi, invited Ugu to display its IDP at the World Summit on Sustainable Development held in South Africa in September 2002. It is said that most delegates were highly impressed with the integrated plan, which is based on facts with strong emphasis on sustainable development. The document also emphasises the importance of empowering local communities through education. The vision of the municipality, which will be discussed below, clearly spells out the intentions of the district.

4.6.2.2 Organisational Vision

The vision of the district municipality is specific about timeframes. Whether what they hope to achieve is feasible within the time limits they set themselves is another issue altogether. What is of significance to the study is the commitment that is measurable. The vision of the municipality reads:

By 2009, Ugu will have developed sustainable agriculture, tourism and commerce with balanced infrastructure and social amenities. Its people will be empowered through education, skills development, good health and safety. There will be sufficient water services and land for development, investors and settlement. The imbalances of the past, gender equity, and the needs of youth, the elderly and people with disabilities will have been seriously addressed (Ugu IDP, 2002).

The vision of the district is based on information that defines the strengths and weaknesses of the municipality. Ugu's main economic activities are agriculture and tourism, and they understand that these will have to be grown further. Understanding their own vulnerabilities, they qualify the kind of development and growth in their vision. They say they want sustainable sectors of the economy. They commit themselves to sustainable development, which has been defined as having three pillars, namely, environmental protection, economic development and social development, which are mutually exclusive (Global issues: Achieving Sustainable Development 2002: 1). However, whether Ugu will be able to achieve that by 2009 is debatable owing to its own institutional capacity at both the financial and human resources levels. This is so because the performance of the district municipality can only be measured by the performances of their

local municipalities, only two of which out of the six within the area have sound economic activity centres. The table below demonstrates the different capacities of these municipalities.

Table 55: Ugu District Category B municipalities - population and budgets -2003

Municipality	African	Coloured	Indian	White	Other	Total population	Operating budget	Capital budget	Total budget
Hibiscus Coast Municipality (Port Shepstone)	150 017	2 454	12 820	26 525	1 130	192 946	25 000 000	204 439 160	229 439 160
Umdoni Municipality (Scottburgh)	33 929	767	12 516	6 634	374	54 220	42 494 000	5 925 000	48 419 000
Ezinqoleni (Izingolweni)	46 089	89	168	370	323	47 039	10 111 142	2 613 047	12 724 189
Umziwabantu (Harding)	79 032	1 691	398	487	487	505	22 004 040	11 230 220	33 234 260
Umzumbe	163 887	99	25	66	722	164 799	7 836 548	18 833 810	26 670 358
Vulamehlo	100 947	141	642	142	360	102 232	4 912 484	12 604 603	17 527 087

Source: Gaffney's LGSA 2002-2004, total budget source: M B Khoza

Table 56: Ugu district municipality category B municipalities: Estimated amount spent per person per year

Municipality	Category	Budget rounded to the nearest R1-million divided by the population of the municipality	Estimated amount spent per person per year (R)
Hibiscus Coast	B	R230 000 000 / 192 946 people	1 192,04
Umdoni	B	R 50 000 000 / 54 220 people	922,17
Ezinqoleni	B	R 13 000 000 / 47 039 people	276,37
Umzumbe	B	R 27 000 000 / 164 799 people	163,84
Vulamehlo	B	R 18 000 000 / 102 232 people	176,07

The theoretical framework of this study argues that the empowerment of people is a prerequisite for the application of TQM in a municipal environment. Ugu does this, at least in its vision and in its plans. They clearly set out all the areas of empowerment in their vision. Education, skills development, health and safety are all elements of empowerment. These are fundamental aspects of TQM empowerment theory, which are relevant in the municipal sector. There are public safety standards, which have been developed by various bodies in particular the International Standards Organisation (ISO), the International Labour Organisation (ILO) and the World Health Organisation (WHO), which could be used by municipalities to set up their empowerment standards in the various focus areas. Ugu's mission statement clearly commits itself to TQM principles. It reads:

Ugu District Municipality, a local authority founded on the cherished tenets of democracy, is fully committed to the attainment of the district's noble vision by the year

2009. To this end, we will enhance our performance and work ethic to reach world standards, by always placing emphasis on customer satisfaction and total quality management of all resources at our disposal (Ugu IDP Review, 2003: 28).

The vision of Ugu is shared by both the political and administrative arms of government. The Mayor, Mr E M Khawula, proudly embraces the vision. "We, the councillors, officials, communities, the local municipalities in our area of jurisdiction, the business community, social institutions and all other stakeholders are not only supportive of this vision, we own it. It is ours and we will have to make sure that we achieve all our aspirations. Everybody has an important role to play."

The municipal manager and the mayor provide leadership that promotes unity, and meet frequently to devise strategies to go forward. The mayor is responsible for communicating and for getting mandates from the councillors and the community while the municipal manager is responsible for ensuring implementation by the administration of the councils' resolutions. Both display innovative and motivational leadership qualities.

They are to be applauded for trying to achieve so much with so little. Their district was short listed for the *Vuna* Award 2003. It has been rated one of the best performing municipalities in the province, and in the country as earlier mentioned

The vision of this municipality is in every communication emanating from council, standing committees, task teams and management meetings. One of the striking things that you observe

when you enter the municipal manager's office is the big written vision, the mission statements and logo of the municipality that cover the whole wall behind the municipal manager's desk. When Mr. Mpungose was asked what the purpose of this was, he responded by saying: "Every morning when I get into my office and every evening when I leave my office, it reminds me of why I am at this municipality. It also reminds me that I can only achieve that vision and mission through the contributions and appreciation of others. I then remember how much we still have to do. It motivates me and puts the self in the collective. Most of all, all people that enter my office are our customers. They can at least question anything that may be contrary to the vision of this municipality."

4.6.3 UGU DISTRICT MANAGEMENT

4.6.3.1 Communication

Ugu communicates with their customers, but like other municipalities, their agendas do not take into account the demographics and the level of English and the literacy of the people living in their area of jurisdiction. The statistics below illustrate this point further.

Table 57: Ugu District Municipality Language Profile

Persons speaking	2001	1996
Afrikaans	9 936	8 798
English	49 644	56 206
IsiNdebele	1 554	4
IsiXhosa	22 892	13 083
IsiZulu	616 608	557 209
Sepedi	819	63
Sesotho	860	393
Setswana	332	86
SiSwati	537	71
Tshivenda	76	14
Xitsonga	94	27
Other	679	2 045

Source: Census South Africa, 2001

When Ugu District Municipality was asked why they are only using the English medium to communicate with their councillors and other stakeholders, the municipal manager replied: "All the 34 councillors can speak English." The assumption is that the agendas are only for the 34 councillors in Ugu. The argument to counter that was: are other councillors in the Ugu area of jurisdiction who cannot speak and read English deprived of the opportunity to know what is going on in district council? They were also asked about the availability of that information to the public of whom the overwhelming majority are Zulu speaking or speak IsiZulu as their first language. The municipality admitted that they have not yet developed a proper communication strategy. However, the mayor did point out that he has a slot in Radio Ukhozi once a month for few minutes when he can at least speak to those who cannot read or write.

Both the mayor and municipal manager agreed that there is a need to encourage literacy amongst Zulu speaking people. They also acknowledged that access to reading materials in the language in which people were most comfortable is a part of empowerment and the factual approach to decision-making and management.

4.6.3.2 Ugu Customer Focus

The municipality hopes to satisfy its customers. They are currently putting in place all the systems and processes necessary to achieve this objective. The IDP process seems to have been a process that really focused Ugu on their customers. That process was participatory. Ugu also has a system of getting feedback from their customers on how they are being treated. However, the municipality agrees that in the absence of a scorecard and a comprehensive performance management system, they cannot adequately measure customer satisfaction.

4.6.3.3 Performance management

The municipality has not yet put the Performance Management System (PMS) in place. One has been developed and was workshopped with all the managers on 30 October 2003. It had already been to the internal auditors who proposed other sets of measurements that the working group had not considered. Otherwise, all managers interviewed were happy that they had been part of the process of developing the PMS for the district. Ugu has annual work plan, which has been

used as a benchmarking tool in the absence of a PMS. This also is an innovation by Ugu.

4.6.3.4 Systems and Processes

The municipality emphasises the importance of teamwork. The municipal manager argues that it is pointless for a manager to shine alone. The recognition of talent, and giving those who are competent to do the job a chance to prove themselves, can only help the municipality as it faces up to the enormous challenge of reducing the backlog in its basic services infrastructure.

The municipal manager also argues that financial constraints are no excuse for poor quality in the services it is able to provide. He shared his experiences of the time when, as a teacher in a disadvantaged school with neither equipment nor the luxury of electricity, it remained his professional duty to produce excellent results. Effective learning had to be achieved through improvisation. Creativity and innovation are demanded by the economically challenged Ugu environment and it is that kind of attitude that will turn Ugu around.

Ugu has been concentrating on their institutional arrangement to develop sufficient capacity to deliver on their IDP and the promise of an improved quality of life for their citizens. They have appointed general managers who are in the process of having their functions transferred to them, which process has taken time and been a major contributing factor in the slow implementation of projects.

Ugu is fully functional with a highly motivated staff. The systems and processes in place have benefited their local municipalities who are their main customers. In fact, Ugu has been building capacity to such an extent that four out of the six local municipalities have recruited key personnel from Ugu. The municipal managers of Vulamehlo, Ezinqoleni and Umzumbe are all former employees of Ugu. The Chief Financial Officer and a head of department of Umziwabantu municipalities are both ex-Ugu employees. It should be noted that these were openly advertised positions, and it can therefore be argued that Ugu has been fulfilling the role of building the capacity of their local municipalities. It should also be noted that these four municipalities are newly established and are extremely rural and poor. This is the evidence of the effective application of the internal customer focused approach based on the principle of the empowerment of employees.

4.6.4 LEADERSHIP

The Mayor, Councillor Khawula, and the Municipal Manager, Mr Khayo Mpungose were interviewed separately and agreed that co-operation between the political structure and the administration was a keystone in the successful delivery of services.

Mr Khayo Mpungose attested to this by saying:

The Mayor and I are still young. We are both under 40 years old. We cannot afford to mess up our lives. We have both openly discussed and agreed the need to build a solid foundation. We both believe that life has just begun. We need to do the best for our

people. Our environment requires a certain amount of selflessness and an abundance of innovation and strategic thinking.

4.6.5 CONCLUSION

The municipality acknowledges that there is room for improvement in a number of areas. They have committed themselves to TQM but it is too early to comment on their results. However, there is no question of this municipality's commitment to improving the quality of its services.

4.7 UMGUNGUNDLOVU DISTRICT: CASE STUDY 6

4.7.1 UMGUNGUNDLOVU INSTITUTIONAL CAPACITY

4.7.1.1 Umgungundlovu profile and service levels

Umgungundlovu District Municipality covers an area of 8 941 square kilometres. It has seven local municipalities within its area of jurisdiction. Like Ugu, it has one large municipality within its area of jurisdiction, which is Umsunduzi. The others are Mpofana, Msinga, Richmond, Umngeni, Umshwati, Mkhambathini and Impendle. Unlike those municipalities in Ugu that have no economic activity centres, each of the Umgungundlovu local municipalities have some form of economic activity centre, although they differ in size. Mpofana has Mooi River, Mshwati has Wartburg that, although small, houses the offices for their area of jurisdiction, Umngeni has two, Howick and Hilton, and Mkhambathini has Camperdown (See Maps).

The total population of Umgungundlovu according to the 1996 census is 872 717. Umgungundlovu has 187 032 households of which about 160 000 households have the basic minimum access to water. Statistics also indicate that there is an upward progression. In the years between 1996 and 2001, the number of households that depended for water on community stand pipes decreased from just less than 44 000 to just over 20 000. The difference can be accounted for by the increase in the number of households that access water inside their yards, which increased in that time by more than 40 000. The number of households that were dependent on springs decreased in the period by more than 20 000. The figures in the table below describe a very different situation to that of Ugu. Relative to the Ugu District

Municipality, the infrastructure backlog in this district is relatively low.

Table 59: Umgungundlovu District Municipality: Water Access Profile

Households	2001	1996
Dwelling	68 096	74 461
Inside Yard	69 703	26 805
Community Stand	20 120	43 948
Community stand over 200m	24 919	-
Borehole	3 213	-
Spring	7 168	29 660
Rain tank	1 110	3 247
Dam/Pool/Stagnant Water	2 159	-
River/stream	14 287	-
Water Vendor	871	-
Other	5 000	833

Source: Census South Africa, 2001

The other services also show an upward trend in terms of basic service levels in this district. The majority of households in this district have access to electricity. Of the total number of 187 032 households, 161 098 have electricity, an increase of about 50 000 households between 1996 and 2001.

Table 60: Umgungundlovu District Municipality sources of energy and lighting

Households	2001	1996
Electricity	161 098	113 835
Gas	623	1 012
Paraffin	1 531	4 156
Candles	52 215	66 168
Solar	464	-
Other	711	6

Source: Census South Africa 2001

The provision of sanitation is one of the biggest challenges facing this municipality. Although there has been some progress as, for example, in the lowering of the number of households that rely on pit latrines by more than 20 000 in the five-year period, the service levels in this area are lower than those of the other basic services. The table below illustrates.

Table 61: Umgungundlovu District Municipality: Household Sanitation Profile

Households	2001	1996
Flush toilets	87 261	80 321
Flush septic tank	13 942	-
Chemical toilet	7 289	-
VIP	18 695	-
Pit latrine	74 384	95 797
Bucket latrine	2 417	1 163
None	12 656	8 440

Source: Census South Africa, 2001

4.7.1.2 Financial review

Despite the progress shown in service delivery, the Umgungundlovu received qualified audited financial statements for year ended 30 June 2003. Ugu, which has serious financial problems, received no such qualification. What might be the problem? First, let the report look at the budget of this municipality before looking at the qualifications.

In 2002, the municipality overspent its budget by more than R5-million. In the following year, it underspent by more than R43-million. What might have happened in the process? Capacity seems to be the problem in this municipality. Councillors and officials that were interviewed stated that the council had not been collecting levies due to them. This is of serious concern. If they know about the problem, why are they not fixing it? Although TQM does offer some solutions to many problems, it has to be driven by committed people. Without committed people, TQM is an empty concept. This municipality is riddled with internal conflicts. In 1997, the provincial government investigated cases of corruption in the municipality. In 1999, the head of administration was sacked. During the same year, the district's administrator was asked by council to act in the position of the head of administration for the duration of the municipal manager's suspension, which she did until the new municipal manager was appointed in May 2002. In April 2003, she and the whole of senior management were sacked, and new senior managers appointed. In other words, at senior level all the leadership was new. The most recent municipal manager in October 2004 submitted a letter of resignation for consideration. These governance issues impact negatively on the smooth running of the municipality.

4.7.2 UMGUNGUNDLOVU ORGANISATIONAL CULTURE

Umgungundlovu has adopted its IDP but its implementation is proving difficult because of the failure of the Executive Committee to meet regularly and because of these internal conflicts, as a result of which staff morale is very low. A successful organisational culture needs unity and an innovative leader who has the ability to instil cultural values that are distinctively the municipality's own.

The vision of the district reads:

The Umgungundlovu District municipality will, through sound governance, and community participation, ensure the provision of equitable services and economic growth (Umgungundlovu IDP Review, 2003).

There is an acknowledgement by the district that without good sound governance, service delivery will be compromised. Their vision clearly captures the challenges that face them, in view of the economic decline in the district that followed after a number of shoe manufacturing industries were closed down as a result of the effects of globalisation and open international markets.

The district's major challenge is to sort out issues of governance. Of the seven local municipalities in their area of jurisdiction, five are operating without administrative heads. One municipal manager was assassinated, and others have been suspended.

The challenges facing this municipality are enormous. About 70% of the households earn less than R1 500 a month. Unemployment in Umgungundlovu stands at about 60% (Gaffney's, 2003).

4.7.3 CONCLUSION

The Umgungundlovu District Municipality has not been functioning properly owing to divisions among its councillors and administration. The category B municipalities of this district have been affected equally by the leadership crisis. Out of the seven local municipalities in this district, only two had administrative heads that were not in an acting capacity at the time of compiling this report. The information collected was limited to records and the few councillors that were interviewed. Unfortunately, as the integrity of the district has been undermined by these crises, there has been a reluctance to talk about the issues confronting the council. Most of them remain unresolved.

CHAPTER 5

FINDINGS: ANALYSIS AND DISCUSSION

5.1 DATA ANALYSIS

5.1.1 Critical Municipal Records for Assessment

All case study municipalities were requested to submit their latest Integrated Development Plans (IDP) and their latest financial statements. The response was 100%. The records were used to extract relevant information and to identify possible openings for TQM application at a municipal level.

The review of IDP documents reveals that municipalities in South Africa can benefit from the use of TQM both as a philosophy and as a tool for quality improvement. Out of six IDPs reviewed, only one seems to unpack the causes of the problems and the effects thereof. This process of taking a factual approach to problem analysis is important in assisting municipalities to plan in a way that prevents problems in the first instance, to come up with solutions that are both practical and measurable, and to set realistic targets. The study found that IDPs are adopted by municipalities but are never implemented owing to a missing link between the performance management system and the IDP. A good example is the Umgungundlovu District municipal vision, as articulated in their IDP. The Umgungundlovu vision commits the municipality to good governance, but

since its adoption in 2002, the municipality has been riddled with governance problems such as failure of the executive committee to meet regularly and the infightings that led to the expulsion and replacement of all heads of departments in April 2003.

The review also found that there was a problem where consultants exclusively formulated an IDP, as happened in Okhahlamba, where the internal customers disowned it because it had been drafted without the input of their municipality.

All the case study municipalities were able to present some form of financial statements. Based on the assessment of financial records, the study concludes that municipal financial capacities differ widely. The study also reveals a link between municipal budget and institutional capacity. Okhahlamba and Endondakusuka municipalities are examples of low budget organisations whose service levels are far lower than Ethekevini and Umsunduzi, which both have budgets of over R1-billion. The differing service levels of Ugu and Umgungundlovu also stand out. Umgungundlovu's local municipalities are better off than Ugu's owing to the number of economic activity centres contained in those municipalities. Out of six Ugu local municipalities, only three have economic activity centres whereas Umgungundlovu has economic activity centres established in five of its seven local municipalities.

5.1.2 Leadership Crisis at Municipal Level

The study found that there is a leadership crisis at municipal level. The interviews conducted with mayors, municipal managers, councillors and employees clearly confirm the assertion, as stated in the problem statement of this study, that there is a lack of the internal customer-focused approach. The evidence is that in all six case studies there is a serious problem with the internal customer. Even though the study found no evidence of problems with the internal customer-focused approach in the Ugu District organisation, it found substantial evidence of tensions within its local councils owing to the absence of an internal customer-focused approach. Examples include the suspension of the municipal manager of the Umdoni municipality, and the resignation of the mayor of Umzumbe municipality following his dissatisfaction with the municipal manager who, he claims, was incompetent and imposed upon the municipality by the district organisation.

The study argues that an internal customer-focused approach has the potential to eliminate problems that arise from lack of identity, from distrust of systems by employees who consequently feel vulnerable and inclined to fight among themselves. The internal customer focus encourages participation by employees in the systems and processes of the organisation, makes them aware of the effects of their actions on both the organisation and the external customer, and helps entrench an ethos of service quality improvement.

The table below reveals some of the leadership gaps that exist at municipal level in South Africa.

Table 62: Response on leadership status in each case study municipality

Municipality	Mayor/senior political official	Municipal manager/senior official	Comment
Okhahlamba	Yes	Yes	Municipality also asked researcher to interview employees in a workshop session as the municipal manager had been suspended.
Endondakusuka	Yes	Yes	Interviews conducted with senior managers who have been suspended in their own departments and acting in other departments. Municipal manager suspended at the time of writing this report.
Umsunduzi	Yes	Yes	Municipal manager suspended after interview
Ethewini	Yes	Yes	Newly appointed senior officials requested a workshop to orientate them. They had to sign performance management contracts, which they did not understand. They also pointed out that they had been in office for nearly two years but had never received orientation in the field of local government & their municipality. Municipal manager interviewed.
Ugu District	Yes	Yes	Upon hearing about the study, the local municipality in the district approached researcher. There were no management problems reported by Ugu. However, politicians, especially from small municipalities, complained about Ugu imposing municipal managers on them. At the time of writing, Umzumbe was in the process of suspending their municipal manager. Umndoni municipality had already suspended their municipal manager.
Umgungundlovu District	No	No	The interviews could not take place as at the time the district had suspended all its senior officials below the municipal manager. The municipality was in the process of appointing new senior managers.

Based on the evidence presented in the table above the study found that service delivery is hampered by tensions that cause disruption of the administration. The tensions between, in particular, mayors and municipal managers seem to be problematic. This study considers this a critical point that will have to be addressed to enable the processes that are meant to advance the municipalities' efforts to better the lives of their customers and citizens.

The absence, or weakness, of authority at senior management level impacts on the organisational culture. By creating uncertainty and a lack of trust in the system, it negatively affects employee motivation and performance.

5.1.3 Institutional capacity

Evidence collected during this study confirms the relationship between the size of budgets and the ability to deliver services to the communities. EThekwini and Umsunduzi municipalities spend more than R2 000 per person per year, and service levels in these two municipalities are far better than in those municipalities that spend less than a R1 000 per person per year. In municipalities that spend more than R2 000 per person per year, more households have access to basic services such as water, electricity and waste removal, and have higher literacy levels compared to those that spend less than R1 000 per person per year (see service level tables in chapter 4).

The number of formal households in the area under jurisdiction primarily determines the size of the budget. This is so because municipalities derive their revenue from property

rates, and from water and electricity consumption. These services and the ability to pay for them can be linked to the formal households, which often are among the employed and in a better position to pay. The municipalities that spend less than R1 000 per person per year have more land under *amakhosi*¹⁵, which is not rateable as such land is held in trust and is not privately owned. Rural communities also suffer from a high rate of unemployment as well as from desertion by the many able-bodied men and women who flock to the cities in search of jobs and a better life. It is questionable, therefore, whether the transfer of land to private ownership would help to improve the financial position of rural municipalities without the creation in those areas of attractive economic activity.

¹⁵ *Amakhosi* is an isiZulu word for traditional leaders.

Table 63: Assessment in terms of institutional capacity

Municipality	Cont ext	Organisational vision	Systems & processes	Customer driven	Performance Management
Okhahlamba	+95% rural	No vision	Very weak, no administrative leadership, reports take too long. No tools of trade provided	Trying, but short of resources	No
Endondakusuka	+- 70% rural	Yes	Very weak, bills captured manually. Attempt to better system short-lived because of the absence of the leader	Had a customer care line until suspension of municipal manager	No
Umsunduzi	+85% urban	Yes	Need to be continuously improved	Yes. Some departments have customer suggestion boxes	No
Ethekwini	+95% urban	Yes	Very strong, but need to be continuously improved	Most departments do have	Yes
Ugu	+80% rural	Yes	Need to be continuously improved	Yes have suggestion box	Yes
Umgungundlovu	70% urban	Yes	Weak, not collecting levies due to them. Not spending money allocated in the budget	No customer feedback mechanism	No

The municipalities that are more than 50% rural tend to have systems that are inadequate to cope in times of severe pressure especially, as when there is an absence of leadership. Endondakusuka and Okhahlamba are good examples of this. However, Ugu district municipality although over 80% rural seems to handle its systems and processes very well. This might be attributed to a good working relationship between the political and

administrative structure. The uncertainty at top management level appears to be affecting the operations of the municipality. The Umgungundlovu district municipality, despite its potentially strong resource capacity, has not been able to put sufficient systems in place. The evidence presented in the above table suggests strongly that leadership is the cornerstone of development through financial resources. They have a high infrastructure backlog.

The Ethekwini problem, more than anything tangible, has to do with perceptions within the organisation. At the same time, it is important to note that big organisations like Ethekwini are relatively insensitive to leadership challenges owing to its size and resources. The effects of any decision take a long time to be felt.

It is important to note that none of the case study municipalities had embarked on an internal customer-focused approach. All were doing something, or trying to, about the external customer but nothing or very little about the internal customer.

Municipalities have different financial capacities, and the table below demonstrates this:

(Very weak = low skills levels, extremely poor, seriously lacking in financial and human resources capacity, dependent on grants and subsidies. Weak = have skilled personnel, can mobilise own limited resources. Strong = highly skilled personnel, reasonable financial resources and derive over 90% income from own source but spending less than R2 500 per person per year. Very strong = have strong financial resources & personnel & derive over 95% income from own source.)

Table 64: Financial Capacity

Municipality	Total budget	Population	Amount expended per person per year	Comment on municipal capacity
Okhahlamba	13 983 633	118 919	117,73	Very Weak
Endondakusuka	47 531 695	111 909	625,51	Weak
Umsunduzi	1 176 940 661	521 805	2 299,71	Strong
Ethekwini	9 135 627 802	2 751 193	3 307,66	Very strong
Ugu	339 289 723	643 349	N/a	Strong
Umgungundlovu	212 169 352	872 717	N/a	Strong

The study also found that not all small municipalities could be categorised as poor.

Sometimes, small populations are an advantage to municipalities. An example of this is below.

Table 65: example of small population effect on budget

Municipality & category	Population	Budget	Expenditure per person per year	Comparison
Matatiele Category B	10 143	29 204 215	2 859,11	Spends more than Umsunduzi and is in the same category as Ethekwini (Category A) which is classified as very strong.

The data analysis compels this study not to confine itself in terms of categories of municipalities as prescribed by the law. It also takes into account the fact that small municipalities are not necessarily all under-resourced. Instead as the case of Matatiele reveals, small municipalities can be as powerful as metropolitan councils which are category A in terms of budget and what they are able to spend per person per year.

The analysis of data also reveals that the sparsely populated areas are more difficult to develop or provide services to. This is demonstrated by the high levels of service in urban and industrialised areas and the low levels of service in rural and agricultural areas. There is also an interesting relationship between the square kilometres of municipal area of jurisdiction and the capacity to mobilise financial and human resource. Under normal circumstances the bigger the land, the better the balance sheet. In this case, the bigger the population and land, the less resources they have to spend. The table below also reveals that the more rural the area is in the context of South Africa, the more difficult it is to access resources or raise finance.

Table 66: Case study municipality financial capacity and urban/rural composition

Municipality	Square kilometres	Population	% urban	% rural	Total budget (R)	Amount expended per person per year (R)
Okhahlamba	3 480	118 919	<5%	+95%	13 983 633	117,73
Endondakusuka	576	111 909	+30%	+70%	67 531 695	625,51
Umsunduzi	649	521 805	+85%	+15%	1 176 940 661	2 299,71
Ethekwini	2 291	2 751 193	+95%	-5%	9 135 627 802	3 307,66
Ugu	5 036+	643 349	+20%	+80%	339 289 723	N/a
Umgungundlovu	8 941+	872 717	+70%	-30%	212 169 352	N/a

5.2 DISCUSSION

5.2.1 RELEVANCE OF TQM IN A DEVELOPMENTAL LOCAL GOVERNMENT CONTEXT IN SOUTH AFRICA

The Constitution of the Republic of South Africa (1996) and the various government policies and legislation such as the Batho Pele White Paper (1997); the White Paper on Local Government (1998); the Municipal Systems Act (2000) and the Municipal Finance Management Act (2003) are all in harmony with Total Quality Management principles. South African legislation and policies promote a customer-focused approach with their emphasis on community participation and stakeholder consultation. They also stress the

need for delivering quality services that are affordable and sustainable. It is argued strongly that “sustainability” requires continuous improvement, as it is highly unlikely that any service can be sustainable if there is no plan or strategy to keep adapting and improving that service. “Affordability” suggests the factual approach to decision making. A municipality cannot expect a low-income community to sustain a Rolls Royce infrastructure, as its maintenance most likely would not be affordable by the low-income group. Therefore, municipalities can benefit from TQM principles, as they will assist them both in developing a further understanding of their legal obligations and in understanding the need for a factual approach to decision making.

The study, after careful analysis of the South African legislation, concludes that these policies and legislation draw heavily from, or are strongly influenced by, TQM principles. TQM is a concept that has been around for many decades and South Africa only became a democracy that embraced efficiency and effectiveness in 1994. The dates of publication of these government policies and laws are a case in point.

The Public Service White Paper of 1997 is called *Batho Pele*, which means ‘People First’. TQM principles start from the premise that quality happens through people and that the customer is the core of any business. Municipalities can only benefit from the TQM definition of “customer” that includes all employees as internal customers. The study found that the internal customer concept is almost non-existent at municipal level. TQM thus adds to the South African legislation and policies as it covers areas otherwise overlooked by the legislation and policies. The Municipal Systems Act (2000) in

Chapter 9 compels municipalities to be customer focused especially when dealing with debt collection. The Act also obliges municipalities to measure and manage performance. One of TQM's main principles is performance management.

The study further concludes that the notion that TQM is only appropriate for the private sector is a myth. The origin of the concept in the private sector does not limit its use. Adaptations of TQM principles in local government contexts have been applied successfully in many countries, including the United Kingdom, Australia, Japan and the United States, as well as in some municipalities in South Africa such as Polokwane in Limpopo. The Umsunduzi Municipality Freedom Square Clinic is an isolated example, but an example nevertheless. The Endondakusuka municipality, although its application of TQM was short-lived, showed positive results in debt recovery at the time. In Etheqwini, the municipal waste management department produces outstanding results.

These examples are evidence of the relevance of TQM in the South African municipal environment.

TQM is relevant not only where legislation is concerned. It has also its philosophical value. The philosophy of TQM moves beyond strategy and structure. Heyer and Van Lee (1992) argue that reorganisation is an appropriate answer if the organisational structure is the problem. TQM offers a quality management-based approach, and the systems and process management to meet the goal of quality service. Municipalities in South Africa have a tendency to change their organisational structures to address systems

and process issues without looking at the systems and processes themselves. Out of the six municipalities, only one has employed process managers to deal with process and systems issues.

5.2.2 MUNICIPAL LEADERSHIP DYNAMICS: TQM AFFORDS AN OPPORTUNITY IN A DEVELOPMENTAL LOCAL GOVERNMENT IN SOUTH AFRICA TO ADDRESS THE PLIGHT OF THE INTERNAL CUSTOMER

Butler (1990: 44) stated: "...in our efforts to improve efficiency and service to the external customers, we have often ignored our internal customers – our employees." This is true in a developmental local government context in South Africa. The study reveals that while there is much emphasis on effective and efficient service delivery in the South African legislation there is very little if any on improving the quality, and meeting the expectations, of the internal customer. The problems at Okhahlamba municipality of assault and abuse of staff, the problem of lack of support for senior women managers at Etheqwini municipality, and the problems in Endondakusuka municipality are all evidence of a lack of an internal customer-focused approach.

The study found that there is inconsistency at senior leadership level, especially among those in administration. Political leadership by its nature comes and goes depending on prevailing political conditions. Administration, by its nature, should be relatively stable and more able to perform as generators and implementers of policy. The instability of administration in the South African municipal environment is shown by the incompleteness of terms of contract (normally five years) with the municipalities. The study revealed

that five of the six municipalities have changed the head of administration more than once since December 2000. The study also found that the instability at top administrative levels has nothing to do with the end of employment contracts, but with internal conflicts often between the mayor and the municipal manager, or between the managers themselves. The study found that political allegiance of municipal managers is not a factor in municipal managers' expulsions or suspensions. The table below presents a helicopter view of the municipal manager positions of the six case studies subsequent to the December 2000 local government elections.

Table 67: Position of case study municipal managers

Municipality	Category	Year municipal manager commenced duties	Year of vacating position	Reason for leaving & comments
Okhahlamba	B	-	2001	Municipal manager suspended. Position still vacant by end of October 2004. A number of people have acted in this position.
Endondakusuka	B	November 2001	April 2003	Suspended on full pay and finally fired in 2004. Mayor IFP, municipal manager former IFP leader.
Umsunduzi	B	April 2002	May 2004	Municipal manager suspended on full pay. Matter not settled by end of October 2004. Mayor ANC, municipal manager former leader of ANC.
Ethekwini	A	Municipal manager commenced duties early 2001. Acting municipal manager took over after the death of first municipal manager	January 2002	Died. Acting municipal manager vacated position after the appointment of new manager in July 2002. Acting municipal manager left the employ of Ethekwini after much publicised disputes with new municipal manager.
Ugu	C	Started as head of administration in 1997	Still municipal manager by end October 2004	N/a
Umgungundlovu	C	July 2002	Municipal manager submitted resignation by end October 2004.	Head of administration position was vacant and acted since late 1999.

The problem with the unpredictability in the position of head of administration is that it poses a serious threat to leadership's commitment to the vision and mission as articulated in municipal IDPs. Moreover it is costly, as municipal managers often are suspended on

full pay while those acting in their positions are paid acting allowances. Those acting have to be replaced, often by personnel who in turn are paid acting allowances, and so on.

Instability at senior management level of the organisation tends to have a negative effect on staff morale and productivity. This affects the overall Quality of Work Life (QWL). QWL is a TQM concept that deals specifically with the needs of an internal customer. It defines employees as internal customers who have special needs that have to be catered for in order for them to increase their productivity and build shared values in an organisation. The organisational fairness in dealing with labour related issues is a prerequisite for the creation of a conducive work environment. A good example is the breakdown of the work ethic in Okhahlamba, particularly after the leadership void created by the suspension of the municipal manager for a lengthy period. In Okhahlamba, as reported in the chapter dealing with data collection, there are incidences of assault, abuse and low staff morale because of the absence of strong leadership. Steenkamp et al. argue that a yardstick of good leadership is the impact that a leader has on his/her followers, measured using good normative values which exclude domination and manipulation (Steenkamp et al.: 2002). In Okhahlamba there is evidence of the absence of 'good leadership' at both political and administrative levels which affect the overall performance of the organisation, made worse by the scarcity of financial resources.

The introduction of and training in TQM and its subsidiary concepts such as QWL in a developmental local government context in South Africa can arguably expose both

municipal administration and the political leadership to the implications of their decisions and behaviour on policy implementation and overall organisational culture. This is so because TQM also is useful as a training tool for analysis of organisational performance. Training in such concepts as TQM would allow municipalities to think outside legislative parameters and to begin to focus on the level of quality of their own organisation.

The study also found that there are no performance incentives for the internal customer. Out of the six municipalities, none of them has a performance appraisal system or a policy for all staff. In all the six case study municipalities, the concept of an internal customer is absent. None of the municipalities applied the concept of QWL. While there may be isolated best practices in different departments, especially within the bigger municipalities such as at the ETHEKWINI waste management division and at the UMSUNDUZI Freedom Square Clinic, these are not organisation-wide strategies but local plans confined to those departments that opt for them.

TQM offers an opportunity to put the municipal internal customer at the centre of service provision and excellence. Steenkamp et al. emphasise the importance of motivating the internal customer to serve the requirements of the external customer. They argue that the QWL that internal customers experience influences their motivation. It is argued that TQM can be used at a municipal level to cater for the requirements of both the external and internal customers. It could arguably even improve the ailing relations between the municipalities and trade unions in South Africa: that, however, remains to be tested. What QWL offers covers, largely, the grievances of the trade unions movement. Logic

suggests that such concepts would enhance employer/employee relations at municipal level. Given the evidence of the non-focus on the internal customer at municipal level and the consequences thereof, as seen in Okhahlamba municipality and in the costs involved in the suspensions of municipal managers, TQM and QWL promise to be the option to take that will improve the situation.

The commitment, in particular, of political leadership is a critical requirement of TQM and QWL. The study found that there is little or no attention paid to the training of political leadership in management issues. In all six case study municipalities, the training of councillors is not sufficiently budgeted for. All six mayors interviewed were unhappy that funds allocated to train councillors on critical strategic issues of council were either inadequate or non-existent. Another important factor that seems to contribute toward breakdowns in communication between administrators and politicians is accessibility of information. Out of six municipalities, only one produces copies of the council agenda in Zulu. Over 80% of the KwaZulu-Natal population is Zulu-speaking, yet only one of the six municipalities has agendas published in both Zulu and English.

5.2.3 APPLICABILITY OF TQM IN A DEVELOPMENTAL MUNICIPAL CONTEXT

The application of TQM in the municipal context has to take into account historical factors and the political nature of the environment. The motives for TQM application in the municipal environment differ from those of the private sector, which is predominantly

concerned with generating more and better products or services to maximise profits. In the public sector, or the municipal sector, TQM has to echo the political initiatives, such as by helping redress the imbalances caused by the apartheid dispensation. The customer concept will have to be broadened to include the indigent and the basic rights of all citizens. Performance in the public sector is not only measured by the quantity and quality of the goods and services produced but also by the number of inhabitants that have access to basic services. Therefore, the transformation agenda, which seeks to address the economic and political deprivation of the majority of people, will have to inform the TQM agenda.

The municipal environment has a number of diverse interests that have to do with power relations, such as the role of traditional leaders vis-à-vis that of elected councillors; race relations, gender relations; and the municipal political hierarchy. All these interests form part of the transformation agenda of municipalities. The study thus proposes a TQM concept that takes into account the transformation agenda and important processes and programmes such as the IDPs, and that defines and distinguishes municipalities from the private sector and the public sector in general.

The study found that departments that have embarked on Total Quality Management or most of its core concepts such as customer satisfaction, setting standards and meeting specifications, and going beyond those specifications, have excellent service. EThekweni Municipality Waste Management has been hailed for its service excellence. This department not only meets customer expectations in the sense that they collect waste at

every set time in that particular area, but it goes further by educating the public about waste management through a series of publications and waste management campaigns. On top of that, it goes beyond specifications, and possibly expectations, by providing environmentally friendly waste removal bags to each household in its area of jurisdiction. This department is also in constant contact with their customers. If for some reason they are unable to collect refuse, they notify the community and advise them when next they will be able to do so.

The Umsunduzi Municipality Freedom Square Clinic is another best case of service excellence. The clinic is extremely clean. Patients do not wait in queues but are provided with seating and enjoy TV while they wait to be attended to. They also have a manual for all employees in that clinic to enable them to do the job in the event the relevant person is not available. They keep records, evaluate each day, and thus continuously improve their performance.

5.2.4 TQM LEADS TO COST RECOVERY

The brief adoption of TQM principles by the Endondakusuka municipality proves that TQM can and does lead to cost recovery. It has been testified by the Finance Manager, Mr Mdlalose, that after adopting TQM principles, applying an organisational audit and focusing on the customer, their debt recovery grew to as high as 90%. It had been just over 40% before they embarked on a TQM philosophy.

Ethekwini municipality has reported a very high recovery of debt after adopting a customer-focused approach by improving pay point systems, consolidating bills so that customers do not have to go from one department to another to pay, and by ensuring that customers' reasonable expectations are met. Ethekwini has increased income from R9-billion to R12-billion, attributed in part to their strategies of debt collection, in part to other innovative strategies designed to increase revenue.

5.2.5 RECOMMENDATION

The viability of TQM in a developmental municipal context has been shown by this study. However, the environment in which it might operate, whether political, social or economic, has to be taken into account. TQM should be understood to be a management philosophy and a process that is based on methodologies premised on continuous quality improvement. The understanding of the philosophy, culture and methodologies of TQM are important before any attempt to implement TQM is made. This is to ensure that the environment in which TQM is to be implemented is understood and aspects of TQM are modified to suite the existing material and social conditions of that particular context.

As a starting point, it is important to understand that some kind of modification of the concept of TQM is necessary for it to fit into a public sector environment. The private sector's motives for embarking on TQM are different from those of the public sector. The private sector embarks on TQM to gain it 'the competitive edge' in order to strengthen market position and to make more profit for the shareholders. In the public

sector, the motive is more to do with good governance, which puts people first and ensures that their rights are respected, and which aims to render services to those people effectively and efficiently.

The study in Chapter 2 recommended a 4x4 house of quality to operationalise TQM at an entry level in a developmental South African municipal environment. It proposes the incorporation of legislation and policies in the embarkation process.

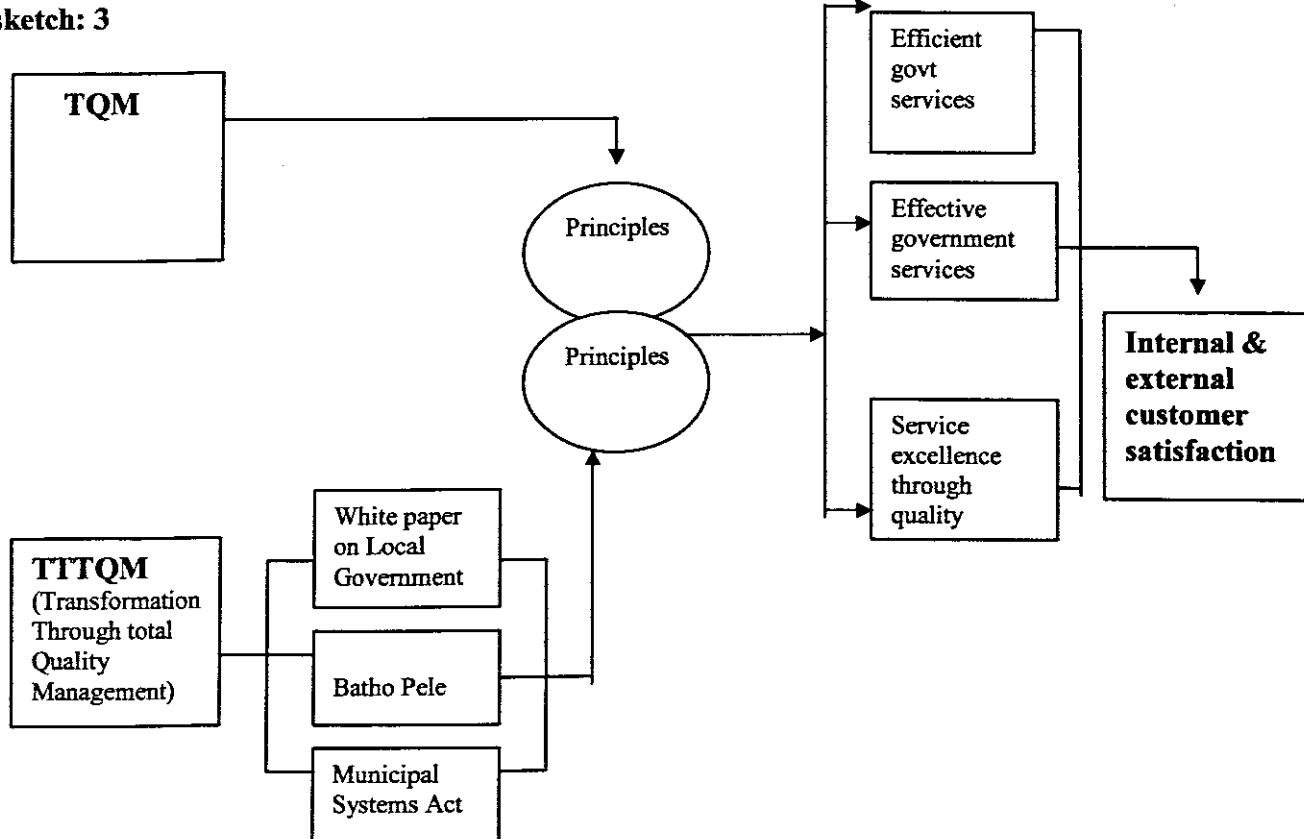
The re-conceptualisation of TQM to fit the developmental local government environment in South Africa acknowledges that TQM in a heavily politicised South African environment will have to align itself with a political agenda, hence the prefix Transformation. In fact, what the TTTQM concept unveiled is the somewhat political change that is required owing to political reforms, globalisation and the increased consciousness-raising of the customer to the quality of services.

The TTTQM concept strongly recommends the building of knowledge on the concept of transformation and that of TQM. According to Deming, the best efforts to improve quality are not enough unless applied with profound knowledge (Deming, 1992). The leadership of the municipality, both councillors and officials, need to develop a deeper understanding and appreciation of Transformation and TQM as philosophies before any attempt is made to introduce it to the whole organisation. Training is a prerequisite. In other words, TQM does not just happen: it requires both human and financial resources for it to happen. Any municipality, irrespective of their institutional capacity challenges,

can apply TQM. It is important to pilot the concept in one department before applying it in the whole organisation so that it can be adapted according to the conditions prevailing in that particular municipality. The tensions existing between municipal managers and mayors call for TQM because of its emphasis on team culture especially.

The sketch below recommends the way TQM can be modified to fit the developmental municipal environment.

sketch: 3



CHAPTER 6

CONCLUSION

The study confirms the problem statement as stated in Chapter 1. Municipalities can be said to be inefficient if one considers the evidence that came up during the study. Out of six case study municipalities, four were operating without administrative heads at the time of writing this report. Endondakusuka, Umgungundlovu, Umsunduzi and Okhahlamba municipalities had either suspended their municipal managers indefinitely or were in the process of settling the matter with serious financial costs that otherwise might have been utilised in building institutional capacity or in addressing the service backlog. The leadership crises in Okhahlamba and Endondakusuka impacted negatively on service delivery. The corruption that was reported in both municipalities has undermined the intentions of local government legislation and the objectives of developmental local government as articulated in the White Paper on Local Government, 1998.

The way some municipalities are managed leads to non-collection or under collection of revenue. This was the case with Okhahlamba, Endondakusuka especially after the municipal manager was suspended, Umgungundlovu and in Umsunduzi with its problem of billing people who could not pay because they were either dead or their properties had depreciated in value and could not afford to.

The problem of non-decision was also confirmed by the study especially in Okhahlamba, Umgungundlovu, Umsunduzi and Edondakusuka. The evidence suggests that tensions between officials and councillors can lead to serious problems of indecision. There is therefore a need to manage the tensions as they eventually impact on service delivery as has been the case at least in Okhahlamba, Endondakusuka and Umgungundlovu.

The study thus confirmed that there is a relationship between TQM management principles and increased efficiency. The cases of the Ethekwini customer-focused approach, the Umsunduzi Freedom Square Clinic and the brief application of TQM by Endondakusuka municipality indicate clearly the importance of TQM principles at local government level.

The study also confirms that where there is committed leadership marked by cooperation like in the Ethekwini and Ugu municipalities, there is less evidence of indecision. These municipalities are able to meet regularly and therefore make decisions.

Ted Gaebler (1992) asserts that citizens are unwilling, if not unable, to pay for increased bureaucracy, particularly if it is not customer focused. The scarcity and the decline of resources at municipal level call for an improved approach to deal with a range of challenges. The study concludes that TQM is relevant at municipal level. However, the ability to implement it will depend on its modification to suit the developmental context and South Africa's racially inclusive democracy. The study proposes a concept of TTTQM, which essentially defines the type of change South Africa requires. The study

argues for change that is not only politically correct in terms of South Africa's constitutional democracy, policies and legislation but change that takes into account the global trends such as the emphasis on quality services and service excellence.

TQM is a relevant concept at developmental municipal level in South Africa as it is concerned with continuous quality improvement. It is in the interest of every municipality to continuously improve its services and products. South Africa is a democratic country that values human rights. TQM is a fitting concept, in keeping with the transformation process, as it seeks to eliminate defects and to sustain the organisation. TQM has a big role in even enhancing the BEE process as it encourages people to strive for quality. South Africa can only hope to compete at the same level with other countries in the world if it improves on the way it delivers services, thus ensuring that investors find it a country worth investing in. Municipalities in South Africa need to be internal customer focused to prevent costly labour disputes and skills retention. Good governance must start at local level where the people are.

The scarcity of financial resources calls for better investment in human resource capacity building and a focus on the internal customer. The study has proven that some major mistakes that are costly to municipalities are not often deliberate but a result of lack of human resource capacity at political and administrative levels and of the de-motivation of employees. TQM is about innovation and excellence. In the public sector, excellence is measured primarily by the satisfaction of citizens with the quality of services. Currently, financial resources are wasted dealing with crises, especially at management level. TQM

will assist leaders to understand the importance of teamwork and the consequences of every action they take.

The study has proposed a process chart for municipalities embarking on the application of TQM. This chart is referred to as the 4x4 House of Quality (Chapter 1: 58). TQM is re-conceptualised in this study through a concept called Transformation Through Total Quality Management (TTTQM).

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