



VOLUME 28 ISSUE 2

Administratio Publica



ASSADPAM

Journal of the Association of
Southern African Schools and Departments
of Public Administration and Management

ASSOCIATION OF SOUTHERN AFRICAN SCHOOLS AND DEPARTMENTS OF PUBLIC ADMINISTRATION AND MANAGEMENT (ASSADPAM)

Chief Editor: Prof Danielle Nel-Sanders (University of Johannesburg)

Deputy Editor: Prof Harry Ballard (Cape Peninsula University of Technology)

Technical Editor: Liza van Jaarsveldt (University of South Africa)

Editorial Committee

Ms Adèle Burger (University of Stellenbosch)

Prof Enaleen Draai (Nelson Mandela Metropolitan University)

Prof Liezel Lues (University of the Free State)

Prof Natasja Holtzhausen (University of Pretoria)

Dr Thokozani Nzimakwe (University of KwaZulu-Natal)

Prof Gerda van Dijk (North West University)

Prof Michelle Esau (University of Western Cape)

Editorial Council

Prof Christelle Auriacombe (University of Johannesburg)

Prof M J (Jide) Balogun (Former Senior Advisor, UNDESA)

Prof Benon Basheka (University Kabale, Uganda)

Prof Geert Bouckaert (EGPA, Leuven)

Prof Robert Cameron (University of Cape Town)

Prof Valiant Clapper (University of South Africa)

Prof Michiel S de Vries (University of Nijmegen, Netherlands)

Dr Vain Jarbandhan (University of Johannesburg)

Prof G K Karyeija (Uganda Management Institute)

Prof Jerry Kuye (Chief Editor: African Journal of Public Affairs (AJPA))

Prof Jesse Lutabingwa (Appalachian State University, North Carolina)

Prof Cynthia Lynch (Southern University, Louisiana)

Prof Michael Macaulay (Victoria University, New Zealand)

Prof Anne McLennan (University of the Witwatersrand)

Prof R K Mishra (Osmania University, India)

Prof Dele Olowu (ISS, The Hague)

Prof Louis A Picard (University of Pittsburgh)

Prof P S Reddy (University of KwaZulu-Natal)

Prof Christoph Reichard (EAPAA, University Potsdam, Germany)

Prof Dvohani Thakathi (University of Fort Hare)

Prof Anthonie van Nieuwkerk (University of the Witwatersrand)

Prof M van der Steen (University of Tilburg, Netherlands)

ISSN 1015-4833

About the Journal

Administratio Publica is a double blind, peer-reviewed journal accredited with the South African Department of Higher Education and Training (DoHET) and produced four times a year and aims to promote academic scholarship in public administration and management and related fields. Analytical articles in the form of original theoretical and empirical articles, debates, research viewpoints, review articles and book reviews in English will be considered for publication. Nationally, only contributions of paid-up members of ASSADPAM will be published. International authors are welcome to submit articles for review but page fees must be paid before publication.

Page fees and Journal subscription

- Individual and institutional subscription 2018: Local R588.00 per volume (postage of R145.00 per volume excluded) or R147.00 per issue (postage excluded); Foreign – \$100.00; €77.00 (postage of \$50 or €38 per volume excluded).
- Authors are required to pay a fee of R350.00 per page as well as R150.00 per graphic for any manuscript printed in the Journal (excluding the costs of language editing where needed). Payment is due on receiving confirmation from the Editor that a contribution is to be published in a specific issue of the Journal. Payment should be made directly in to the account of ASSADPAM, but proof of payment must also be submitted to the Editor to avoid any possible delay in the publication of a contribution.

Account details

Standard Bank

Account number 01 543 8511

Branch Code 12-645

Lifestyle Centre Centurion

Where to send articles

All correspondence concerning articles should be directed to:

Prof Danielle Nel-Sanders

School of Public Management, Governance and Public Policy

College of Business and Economics

P O Box 524

Auckland Park 2006

Tel: +27 82 463 1776

Email: daniellen@uj.ac.za

Subscription enquiries:

Prof M Subban

School of Management, IT & Governance

College of Law & Management Studies

Westville Campus, University of KwaZulu-Natal

Postal address: Private Bag X54001, Durban 4000

E-mail: subbanm@ukzn.ac.za

Tel: +27 31 260 7763

Contents

Editorial	iii
<i>Danielle Nel-Sanders</i>	
Social Protection Interventions to Attain Sustainable Development Goal One in South Africa	1
<i>S Vyas-Doorgapersad</i>	
Future-proofing the State against Corruption and Capture	21
The Performance of the Parliamentary Service in Supporting Effective Legislative Oversight in South Africa	
<i>T Ajam</i>	
Conducting Skills Audits in Local Government	42
Lessons from a South African Case Study	
<i>G van der Waldt</i>	
The Role of Parliamentary Budget Offices in Participatory Budgeting	61
Considerations for the South African Parliamentary Budget Office	
<i>M Jahed</i>	
The Interrelationship between Ethics and Integrity in Public Administration	76
<i>D Fourie and J Kimaro</i>	
POSTGRADUATE RESEARCH FORUM	
Customer Satisfaction and Service Delivery	94
A Case Study of the Port of Durban	
<i>S Sreenivasan and Y Penceliah</i>	
Leadership Imperatives for Local Government Service Delivery	118
Case of a Selected Local Municipality in the Eastern Cape, South Africa	
<i>N S Ngqwala and H H Ballard</i>	

Testing Outsourced Employee Perceptions Regarding the Applicability of New Public Management as a Viable Option for Improved Service Delivery **132**

Z Mthembu and S Mutereko

Towards a Learning Organisation **152**

Calibrating Mintzberg’s Model in Developing Streamlined and Innovative Organisational Structures

D M Mthembu and T I Nzimakwe

An Integrated Talent Management Model for the Public Service **173**

The Case of the Western Cape Provincial Government

J C Lee and G van der Waldt

Contextualising Public Value Theory and its Measurement in Public Administration **191**

I Naidoo and N Holtzhausen

INTERNATIONAL FORUM

Interrogating Policy Marketing and Policy Acceptance Nexus **205**

A Ghanaian Case Study of the Luxury Vehicle Tax Policy

A K Eliason and E K Sakyi

Contractor Selection, Monitoring and Performance of Road Infrastructure Projects in Uganda **229**

Synergies between Policy and Law

A Byaruhanga, T Muzaale and D B Jarbandhan

Editorial

D Nel-Sanders

Chief Editor

In **‘Social Protection Interventions to Attain Sustainable Development Goal One in South Africa’**, S Vyas-Doorgapersad reviews social protection interventions in South Africa to determine how they help attain the Sustainable Development Goals (SDGs). The article pays specific attention to SDG One, which targets the alleviation of poverty. The author states that, “As South Africa lags behind in achieving the targets of SDG One, it invests hugely in social protection interventions aimed at fighting poverty”.

A qualitative conceptual and documentary literature analysis was used as the research methodology. Furthermore, a qualitative description of findings focused on themes that emerged from the literature review and was conceptualised by way of unobtrusive research techniques. The findings revealed that social protection requires state-led interventions to improve citizens’ welfare. Based on the findings, the article recommends that social protection interventions be prioritised in public policy implementation in pursuit of sustainable development.

T Ajam, in the article, **‘Future-proofing the State against Corruption and Capture: The Performance of the Parliamentary Service in Supporting Effective Legislative Oversight in South Africa’**, argues that the Parliament of South Africa was incapable of implementing its constitutional obligation to hold the Executive accountable during the Zuma administration (from 2009 to 2017). According to the author, “Ineffectual legislative oversight over the effectiveness and probity of public finances created a governance environment vulnerable to fraud and corruption”.

To this end, this article explores the factors that undermined the Parliamentary Service’s ability to effectively support Members of Parliament and parliamentary committees that need to keep corruption and mismanagement in check. Research findings reveal that dysfunction in the Parliamentary Service was a key (but not the sole) contributor to compromised legislative oversight during the Zuma administration. In conclusion, the article suggests that a multipronged approach be implemented to improve oversight outcomes.

In **‘Conducting Skills Audits in Local Government: Lessons from a South African Case Study’**, G van der Waldt explores the fundamentals and methodologies of skills audits and highlights lessons learnt from a comprehensive technical skills audit conducted in South African municipalities. The audit was

commissioned by the Local Government Sector Education and Training Authority (LGSETA) in South Africa.

The research findings showed that skills audits are linked to a specific context, such as local government. The author states that, “In a local government setting, skills audits are key instruments to map the competency profiles of municipalities. This is done by outlining gaps in individual skills, compiling strategies and plans for skills development, and improving municipalities’ overall capacity to deliver on their developmental and constitutional mandates”. The research results revealed that destabilising political dynamics, organisational arrangements, and general demographic realities tend to complicate the design and implementation of skills audits in South African municipalities. In conclusion, the author suggests designing a best practice toolkit for skills audits to improve the overall competencies of public officials and address the limited institutional capacities of municipalities.

The role of Parliamentary Budget Offices (PBOs) in supporting parliaments by enhancing participatory budgeting, is the key focus of the article by M Jahed. In **‘The Role of Parliamentary Budget Offices in Participatory Budgeting: Considerations for the South African Parliamentary Budget Office’** participatory budgeting is recognised as a mechanism to empower the public to actively participate in the fiscal and budgetary process. In addition, parliaments are also increasingly strengthening their capacities to exercise oversight over the public finance management process. Notably, PBOs are established to empower parliaments to strengthen the budgetary oversight process. In the case of South Africa, the South African Parliamentary Budget Office (SAPBO) provides the necessary technical support to Parliament regarding the budget process. The article found that the SAPBO is well placed to ensure meaningful public engagement and build public capacity in support of participatory budgeting. Through communication with the public and soliciting their inputs, the SAPBO can play a key role in enhancing participatory budgeting.

Countries have developed and implemented codes of conduct and frameworks for preventing and managing ethics and integrity in the public service. J Kimaro and D Fourie in their article, **‘The Interrelationship between Ethics and Integrity in Public Administration’** provide clarity on the contextual confusion that exists between ethics, integrity and its associated terminology. A review of public administration theories related to ethics and integrity is traced back to early philosophers’ thinking, where after the social contract is discussed. The article analyses the context and effectiveness on both the preventive and management fronts, the changing and growing nature of ethics and integrity in the public administration, ethics frameworks and whistle-blowing as a means to clamp down on corruption. The authors argue that actor-based approaches that are focused on public servants present a robust complementary approach to curb vices.

In **'Customer Satisfaction and Service Delivery: A Case Study of the Port of Durban'**, S Sreenivasan and Y Penceliah reflect on findings of a study conducted to evaluate customers' satisfaction regarding the services delivered by the Port of Durban, KwaZulu-Natal. The study design was descriptive in nature, while the methodology was empirical and based on primary data.

The study revealed a high level of service delivery-related satisfaction among the Port of Durban's different categories of customers. Nonetheless, certain factors that require attention were found, such as upgrading infrastructure and better service delivery to justify the higher port costs. According to the authors, "It is envisaged that addressing the gaps...would assist the Port of Durban in sustaining market share and minimise the risk of losing its customers to the competing ports in the neighbouring countries especially Namibia and Mozambique".

N S Ngqwala and H H Ballard, in their article, **'Leadership Imperatives for Local Government Service Delivery: Case of a Selected Local Municipality in the Eastern Cape, South Africa'**, argue that a lack of effective leadership at local government level and a failure to achieve service delivery targets detailed in Integrated Development Plans have been widely debated within the mass media, academia and reports by the Auditor-General. To evaluate whether effective leadership rests on cooperation between all the role players within the community, a challenge-ridden Eastern Cape municipality serving one rural ward was selected and treated as a single-case study. Key role players, such as the Integrated Development Planning Manager, relevant ward councillors and traditional leaders were purposively selected as participants in the qualitative survey. In addition, residents from the relevant ward were randomly selected as participants. The most common theme that arose from the qualitative analysis was that a monitoring structure should be established at ward level to include traditional leadership in decision-making surrounding financial management and the implementation of development programmes.

In their article, **'Testing Outsourced Employee Perceptions Regarding the Applicability of New Public Management as a Viable Option for Improved Service Delivery'**, Z Mthembu and S Mutereko argue that, despite overwhelming empirical studies on the benefits of outsourcing by government, there is a shortage of studies on its unintended implications. According to the authors, "This article contributes to the growing body of literature on outsourcing by providing insight into its negative impact".

Data for the study was collected using qualitative and quantitative research approaches; while in-depth interviews, focus group discussions, and surveys were employed for the data collection. Participants from two private contractors that provide cleaning services to various government departments in KwaZulu-Natal were conveniently and purposively selected. Research results pointed to the adverse effect outsourcing has on employees' well-being. Furthermore, the

article demonstrates that private contractors use outsourcing as a tool to exploit outsourced employees. In conclusion, the authors recommend that both government and private practitioners consider the plight of outsourced employees in the planning and implementation of outsourcing policy.

In **'Towards a Learning Organisation: Calibrating Mintzberg's Model in Developing Streamlined and Innovative Organisational Structures'**, D M Mthembu and T I Nzimakwe investigate emerging models for building organisational structures that are hierarchical, innovative and able to transform previously bureaucratic organisations into learning organisations. According to the authors, the article is directed especially at South African municipalities that still have bureaucratic tendencies entrenched in their structural configurations.

The article focuses on an *in loco* benchmarking exercise that was undertaken in 2018, which involved the metropolitan municipalities of eThekweni, Johannesburg, Cape Town and Tshwane. The research applied Henry Mintzberg's model as a simple, yet practical and effective framework to transform a bureaucratic organisation into a learning organisation. According to the authors, "This framework lacks the radicalism associated with other models of organisational restructuring and is therefore, as a change instrument, ideal for South African municipalities at this level of their development". The article concludes with an example of how Mintzberg's framework can be operationalised in a municipal environment.

Human resource literature and international best practice confirm the significance of talent management to strengthen employee capacity and potential to deliver productive and high-quality work. According to J C Lee and G van der Waldt in their article **'An Integrated Talent Management Model for the Public Service: The Case of the Western Cape Provincial Government'**, recent official reports from the Public Service Commission, the Auditor General, and the Department of Public Service Administration reveal, however, that government departments experience significant challenges insofar as the talent of their staff complement is concerned. Their article reports on findings of an empirical investigation conducted in the Western Cape Provincial Government with the purpose to ascertain the status of talent management policies and practices. The findings revealed that human resource practices in general and talent management functions in particular are not adequately aligned and coordinated. In order to address this situation, the article proposes an integrated talent management model for the Public Service.

I Naidoo and N Holtzhausen in their article **'Contextualising Public Value Theory and its Measurement in Public Administration'** provide a contextualisation of public value theory and its measurement in Public Administration. The authors explore the various definitions of public value and how the public value theory has evolved over the past two decades. They also propose theoretical propositions that influence the provision and measurement of public value. Their

article focuses on the various frameworks to measure public value, including the contributions of Moore (1995), Meynhardt (2017) and Faulkner and Kaufman (2017) in terms of the most appropriate approach to measure public value.

In the article, **‘Interrogating Policy Marketing and Policy Acceptance Nexus: A Ghanaian Case Study of the Luxury Vehicle Tax Policy’**, A K Eliason and E K Sakyi argue that shifting public opinion to support a policy initiative helps ensure successful implementation. Based on the aforementioned, this article uses the Government of Ghana’s luxury vehicle tax (LVT) policy as a case study to examine how policy marketing impacts acceptance.

In presenting a case for the need to market public policies, the article combines qualitative documentary research with netnography. Documentary review was used to elicit meaning, gain understanding and develop empirical knowledge. In turn, netnography was used to solicit the view shared by bloggers, policy think tanks, tax specialists and the public on the LVT levy via online platforms including Facebook and Myjoyonline. The study findings revealed that definition-related challenges, double taxation, inadequate education and consultation, and a failure to address the retrospective effect of the LVT policy were the most prominent reasons why citizens and groups resisted the policy. In conclusion the authors recommend that policymakers avoid a one-size-fits-all approach to policymaking and focus on a variety of alternative public policy design and execution strategies.

A Byaruhanga, T Muzaale and D B Jarbandhan in their article, **‘Contractor Selection, Monitoring and Performance of Road Infrastructure Projects in Uganda: Synergies between Policy and Law’** address the powerful influence of contractor selection in improving road project performance in Uganda. The article provides empirical evidence of the performance of road projects as a less studied phenomenon because in Uganda, most public works are delivered with longer delays, contracts are more often awarded to larger suppliers and a higher share of the payment is postponed after delivery. According to the authors “the use of poor quality materials, poor scheduling, delayed procurement, poor contractor selection causes cost and time overruns on roads in Uganda”. The article argued that contractor monitoring has a significant positive effect on the completion of roads while contractor selection has a direct and indirect positive effect on performance of roads through the partial mediation of contractor selection and that there is a need to improve the scrutiny of the contractor selection process in road agencies in Uganda.

CHIEF EDITOR:

Prof Danielle Nel-Sanders

Email: daniellen@uj.ac.za

Social Protection Interventions to Attain Sustainable Development Goal One in South Africa

S Vyas-Doorgapersad

School of Public Management, Governance and Public Policy
University of Johannesburg

ABSTRACT

The article reviews social protection interventions in South Africa to determine how they give effect to the attainment of the Sustainable Development Goals (SDGs). Of particular interest is SDG One, which targets the alleviation of poverty. South Africa lags behind in terms of achieving the targets of SDG One, and therefore invests hugely in social protection interventions aimed at fighting poverty. The aim of this article is to answer the question, "What is the role that social protection interventions in South Africa play in attaining sustainable development?" The findings explore that social protection requires state-led interventions to improve citizens' welfare. A qualitative conceptual and documentary literature analysis was used as the research methodology, where a qualitative description of findings focuses on themes that emerged from the literature review and was conceptualised by way of unobtrusive research techniques. The article recommends that social protection interventions be prioritised in public policy implementation in pursuance of sustainable development.

INTRODUCTION

The Sustainable Development Goals (SDGs) are a collection of 17 global goals set by the United Nations General Assembly (UNGA) in 2015 for the year 2030. The SDGs are part of Resolution 70/1 (United Nations Development Programme (UNDP) 2019:1) of the UNGA, namely the 2030 Agenda. The 17 SDGs to transform our world are (United Nations Department of Economic and Social Affairs 2019:2): no poverty; zero hunger; good health and well-being; quality

education; gender equality; clean water and sanitation; affordable and clean energy; decent work and economic growth; industry, innovation, and infrastructure; reduce inequality; sustainable cities and communities; responsible consumption and production; climate change; life below water; life on land; peace and justice; strong institutions; and partnerships to achieve the goals.

This article focuses on SDG One, which is linked to the eradication of poverty. Social protection including social protection floors (SDG 1.3) is significant to address poverty, poverty reduction strategies, pro-poor growth, and hence foster “great productivity, and consequently increased growth and social cohesion” (ILO 2019:2). Social protection is “key for socio-economic recovery, inclusive growth and human development, an essential component of the Agenda 2030 for sustainable development goals” (Chawdhury 2019:5). In order to eradicate poverty, this article aims to assess the role that social protection interventions play in attaining SDG One in the South African context.

METHODS

The research methodology utilised in this study is based on the qualitative research approach. Nyikadzino (2019:20) by citing Merraim (2009) emphasises that, “qualitative research originates from the interpretive worldview, which is mainly concerned with understanding deeper meanings and experiences of human lives”. The major qualitative research method utilised is to contextualise the setting of a case study approach, in this case South Africa. Qualitative research is useful when there is need to sensitise concepts for exploring and understanding the phenomena under study (Flick 2014:11). This approach is further adapted by Joel and Vyas-Doorgapersad (2019:3), who state that “qualitative research (a phenomenological enquiry) seeks to understand phenomena in context-specific settings”.

This article adopted unobstructive research that, according to Babbie (2010:331), is the study of social behaviour without affecting it. Auriacombe (2016:1) adds that “unobstructive research techniques can be applied in qualitative and quantitative research to eliminate bias and promote conceptual and contextual analysis”. There are, according to Babbie (2010:331–351), various types of unobstructive research techniques, which include conceptual analysis, historical or comparative analysis, and analysis of existing statistics.

This research utilised qualitative conceptual and documentary analysis of published information and documents that are in the public domain. Through review of research documents of the University of Southern California (2018), it was adapted by Nhlapo (2019:33), that the “primary reason for using conceptual analysis is to understand the meaning of an idea or concept. The secondary reason is

to determine how that idea or concept relates to other philosophical problems". Document analysis is a social research method and is an important research tool in its own right, and is an invaluable part of most schemes of triangulation, the combination of methodologies in the study of the same phenomenon (Research Methodology in Education 2018:1). As cited by Bowen (2009:28), the triangulation aims "to provide a confluence of evidence that breeds credibility".

CONCEPTUAL CLARIFICATION

SDG One is linked to poverty reduction. From "an economic perspective, the poor can be defined as those living under \$1 per person per day" (Banerjee and Duflo 2007:141). From a social perspective, the poor are defined as "those who live in an environment which does not allow them to develop to their full potential" (Ludi and Bird 2007:1). This concept of poverty, according to Lötter (2007:1202) "is only applied to humans in everyday language and poverty is an evaluative concept used by human societies to set minimum standards for those aspects of human lifestyles acquirable through economic capacities".

It is expected from governments to implement pro-poor strategies to eradicate poverty that can offer socio-economic sustainable development to citizens. Pro-poor is when any government establishes policies for the socio-economic upliftment of the poor, and according to Gondo (2014:2), "a situation in which any distributional shifts accompanying economic growth favour the poor, meaning that poverty falls more than it would have if all incomes had grown at the same rate, in this case the incomes of the poor grow at a higher rate than those of the non-poor. The growth process is said to be 'pro-poor' if and only if poor people benefit in absolute terms, as reflected in an appropriate measure of poverty".

Pro-poor growth strategies are aimed at reducing the poverty levels of disadvantaged groups of people through the creation of employment. These strategies serve to reduce inequality, for example, by implementing gender mainstreaming and enabling both women and men for participating in economic growth and social development. It was further emphasised by Vyas-Doorgapersad (2014:109) that with no adequate pro-poor strategies, the "human capacities of poor men and women may remain underdeveloped despite increased incomes leading to a lack of development of human capacities among the poor, which, in turn, reduces the rate of growth and the extent to which growth" is pro-poor resulting in countries failing to achieve (socio-economic) sustainable development.

Social protection is usually provided by the state; it is theoretically conceived as part of the 'state-citizen' contract, in which states and citizens have rights and responsibilities (European Union (EU) 2019:1) to one another. In a study commissioned by the African Union (AU) Commission led by Prof Vivienne Taylor, social

protection is defined as a variety of government-driven funding interventions to assist all “individuals, households, and communities to better manage risks and participate actively in all spheres of life” (Holmes and Lwanga-Ntale 2012:4). This according to the EU (2019:2) is witnessed whereby “a small number of countries (including India, South Africa, and Uruguay) recognise social protection as a human right and an entitlement against low standards of living”.

CONCEPTUAL FRAMEWORK

SDG One highlights the extent of poverty at a global level, and hence aims to eradicate poverty for the sustainable development of communities. The poverty experienced at global level is as follows (United Nations (UN) 2019:1):

- 783 million people live below the international poverty line of US\$1.90 a day.
- In 2016, almost 10% of the world’s workers lived with their families on less than US\$1.90 per person per day.
- Globally, there are 122 women aged 25 to 34 living in extreme poverty for every 100 men of the same age group.
- Most people living below the poverty line belong to two regions: Southern Asia and sub-Saharan Africa.
- High poverty rates are often found in small, fragile, and conflict-affected countries.
- One in four children under the age of five in the world has inadequate height for his or her age.
- As of 2016, only 45% of the world’s population was effectively covered by at least one social protection cash benefit.

In the African context, according to Patel (2018:1), “the average poverty rate for sub-Saharan Africa stands at about 41 percent, and of the world’s 28 poorest countries, 27 are in sub-Saharan Africa all with a poverty rate above 30 percent”. The African statistics, when compared with global statistics, show a scenario whereby “global estimates of undernourishment rose from 777 million in 2015 to 821 million in 2017. Africa has the highest prevalence of undernourishment, estimated in 2016 to be 20% of the population” (World Hunger Education Service (WHES) 2018:1). This is further highlighted by WHES (2018:1), that it is especially alarming in Eastern Africa, where it is suspected that one-third of the population is undernourished. Due primarily to its larger population size, Asia has the highest total number of undernourished individuals – 520 million, versus Africa’s 243 million.

The factors causing poverty vary internationally, regionally, and nationally, ranging from conflict, the environment, governance, to population growth, to state a few. The 2030 Agenda therefore stresses the achievement of SDG One (no poverty)

in country-specific contexts. The preamble of the 2030 Agenda states that (UN 2019:5), “this Agenda is a plan of action for people, planet and prosperity. It also seeks to strengthen universal peace in larger freedom. We recognise that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development”.

The 2030 Agenda highlights the following aspects of SDG One (UN 2019:19) emphasising by 2030 to “reduce at least by half the proportion of men, women, and children of all ages living in poverty in all its dimensions according to national definitions; implement nationally appropriate social protection systems and measures for all, including minimum social floors; achieve substantial coverage of the poor and the vulnerable; ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership, and control over land and other forms of property, inheritance, natural resources, appropriate new technology, and financial services, including microfinance; and build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social, and environmental shocks and disasters”.

The UN (2019:19) further adds that it is important to “ensure significant mobilisation of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries to implement programmes and policies to end poverty in all its dimensions; and create sound policy frameworks at the national, regional, and international levels, based on pro-poor and gender-sensitive development strategies, to support investment in poverty eradication actions”.

In order to achieve the goals of poverty reduction, African countries are developing pro-poor strategies as a possible solution, as well as to reduce the challenge. The rationale is that pro-poor strategies play a significant part in achieving sustainable development. This link is stated in Table 1 as follows:

Table 1: Link between poverty reduction strategies and sustainable development

Poverty reduction strategies	Sustainable development
Pro-poor economic growth pace and quality	Economic growth is crucial to reducing poverty. A competitive market economy favours secure access for poor women and men to resources such as land, finance, and human capabilities. Social policies foster cohesion, mobility, protection, redistribution, and gender equality.
Empowerment, rights, and pro-poor governance	Empowerment is about enhancing the capacity of poor women and men. Political devolution and increased participation by poor women and men in local or regional government will promote empowerment and pro-poor outcomes.

Poverty reduction strategies	Sustainable development
Basic social services for human development	Sustained pro-poor economic growth raises the income and consumption of poor women and men. Poverty reduction is a critical development issue in Africa. High-level political recognition of the importance of this issue is necessary for any successful human development and poverty reduction strategies.
Human security to reduce vulnerability and manage shocks	Poor women and men see insecurity as both a major dimension and a principal cause of poverty. The risks facing the poor are substantial and call for social protection programmes.
Mainstreaming environmental sustainability using sustainable livelihood approaches	The international development goals, which include income poverty reduction, social development, environmental sustainability, and regeneration, are closely linked to the political principle of sustainable development.

Source: (Organisation for Economic Co-operation and Development (OECD) 2001 cited in Vyas-Doorgapersad 2019:88).

The link between poverty reduction strategies and sustainable development also underpins that “social protection makes growth more pro-poor by enabling household investment in productive activities and human capital” (OECD 2019:1), hence increase economic productivity and household incomes, as stated in Table 1.

The Academy of Science of South Africa (ASSAf) (2016:10) emphasises that “social protection is increasingly being recognised by governments in Africa as an important intervention to reduce poverty”. It needs to be considered “that poverty is not only widespread in rural areas, but most poverty is rural...yet this core problem appears to be neglected” (Machethe 2004:1). African countries are therefore focusing on introducing agricultural development projects to eradicate poverty. The rationale is that “agriculture contributes to poverty alleviation at rural, urban and national level in four ways: reducing food prices; employment creation; increasing real wages; and improving farm income” (Machethe 2004:3). This can be achieved through the engagement of three entities the “project authority, in charge of the construction and the management of the infrastructure; the farmers, focused on farming; and the processing industrialists” (Morea and Balzarini 2018:397). The agriculture development projects may bring food security that “is key to the stability of any economy” (Olowu, Olasehinde-Williams and Bein 2019:224). One of the productive outcomes of social protection is to encourage investments in agriculture in order “to generate income and spark positive spill-over effects in local economy” (ASSAf 2016:16), hence an avenue to achieving pro-poor growth and sustainable development.

In African context, a study was conducted by the UNDP in selected countries, highlighting that “poverty, inequality, vulnerability and exclusion

are significant challenges facing a large proportion of the African population. It is increasingly recognised that social protection has substantial potential to address these issues” (Omilola and Kaniki 2014:18). African countries have therefore implemented various social protection programmes. The significant ones are “establishment of delivery institutions” (Academy of Science of South Africa (ASSAf) 2016:11) in West African countries (Ghana, Kenya, Sierra Leone); East African countries (Mozambique, Rwanda, Uganda); North African country (Tunisia); “productive safety net programme” (Hanorati, Gentilini and Yemtsov 2015:58) in East African country (Ethiopia); “pension systems, child grants, disability benefits” (UNDP 2019:9) in Southern African Development Community (SADC) (Botswana, Lesotho, Mauritius, Namibia, Seychelles, South Africa, Swaziland).

Following successes in these countries, other African countries are in a process to reform their public works systems and health services. The studies conducted by AU, UNDP, European University Institute (EUI), International Labour Organisation (ILO) and ASSAf, all explore benefits of social protection recorded in various African countries linking to, “lower levels of inequality” (ILO 2014:2) in South Africa, Mauritius, Ethiopia and Ghana; “positive impacts on food security and dietary diversity” (Bastagli, Hagen-Zanker, Harman, Barca, Sturge, Schmidt and Pellerano 2016:7) in Lesotho and Mozambique; “better and more equal health outcomes” (ILO 2014:2) in Ghana; “enhanced investment in agricultural and non-agricultural activities” (Bastagli *et al.* 2016:56) in South Africa, Mozambique, Ghana, Sierra Leone and Kenya. The article cannot discuss these social protection interventions in African context as a whole, hence the focus on South Africa as a case study.

CONTEXTUAL FRAMEWORK: SOCIAL PROTECTION INTERVENTION TO ATTAIN SDG ONE IN SOUTH AFRICA

The intention of reducing poverty was stated in the Reconstruction and Development Programme (RDP) (1994) and was further reaffirmed in the National Development Plan (NDP) (2012). Both documents emphasise that “no political democracy can survive and flourish if the mass of our people remain[s] in poverty, without land, without tangible prospects for a better life ... attacking poverty and deprivation must therefore be the first priority of a democratic government” (Statistics South Africa 2017:6). These intentions are restated in Vision 2030. Notwithstanding these intentions, the *Poverty Trends in South Africa* report shows that, despite the general decline in poverty between 2006 and 2011, poverty levels in South Africa rose in 2015. More than half of South Africans were poor in 2015, with the poverty headcount increasing to 55.5% from a low of

53.2% in 2011. The figures are calculated using the upper-bound poverty line (UBPL) of R992 per person per month in 2015 prices. This translates to over 30.4 million South Africans living in poverty in 2015 (Statistics South Africa 2017:1). The number has only increased and the eNews Channel Africa has reported that in 2017, 30 million South Africans had been living in poverty from 27 million in 2011 which suggests that the country will be unlikely to achieve its goal of eliminating poverty by 2030 because even four years after its launch, poverty had still been on the rise. Of these 30 million citizens, 14 million had been living in extreme poverty (Internet source: <https://enca.com>).

There are various factors which contribute to the increase of poverty in South Africa, such as geographical segregation of land creating urban-rural divide; unavailability of economic opportunities; age, unemployment, gender, to state a few. The National Science and Technology Forum (NSTF) (2017:2) identifies that “the country’s development path has not sufficiently broadened opportunities for black South Africans, especially women and youth... the socioeconomic conditions that characterised the system of apartheid and colonialism largely still define our social reality”. The NSTF (2017:2) further emphasised that “previously government focused on the easier actions (such as paying grants and providing water and electricity) and not on difficult things (such as improving education, promoting employment and building houses close to jobs)”. The lack of educational and economic opportunities contributed to the sustained levels of poverty in the country. The additional contributing factors of poverty in South Africa include unemployment, poor leadership, decline in social security, and HIV/AIDS, to state a few. The government has implemented various social protection interventions to tackle these challenges, which are discussed in the next section.

Social protection interventions

Social protection aims to ensure a basic level of well-being, to enable people to live with dignity. Governments introduce social protection policies to meet social, economic, and political objectives. These include addressing poverty and inequality, the promotion of economic growth and social stability, and political legitimacy (ASSAf 2016:1). Social protection, according to Omilola and Kaniki (2014:2), “is wide in many African countries, encompassing a range of social protection interventions and social safety nets. In general, social protection interventions usually include measures to provide adequate housing and nutrition, ensure access to education and health and promote social inclusion and political stability”.

As part of these interventions, the AU has made the promotion of social protection a central part of its mandate for the continent, stated in Table 2 as follows:

Table 2: AU key milestones towards Pan-African consensus on the need for and scope of social protection

Year	Milestone
2000	The Constitutive Act of the AU (Lome, Togo) put poverty, unemployment, and vulnerability on the agenda in order to raise the living standards of African people.
2004	The Ouagadougou Declaration and Plan of Action committed governments to strengthen the coverage and effectiveness of social protection for all sectors in society, particularly the poor and vulnerable.
2006	The Livingstone Call for Action and the Yaounde Declaration prioritised social protection in the region, to be realised through programmes such as cash transfers for vulnerable groups, including children, older people, and people living with disabilities. It was agreed that a basic package of social transfers was affordable within the current resources of governments with the support of international development partners.
2008	The Social Policy Framework for Africa (Windhoek, Namibia) agreed on the need for comprehensive long-term national social protection action plans, to be implemented gradually. A consensus was reached that a minimum package of essential social protection should cover essential healthcare benefits for children, informal workers, the unemployed, older persons and persons with disabilities.
2010	The Social Minister's Khartoum Declaration on Social Policy Action Towards Social Inclusion reaffirmed the commitment to "the acceleration of implementation of relevant social protection measures to directly benefit the well-being of the family in Africa", with emphasis on persons with disabilities, children, and the elderly.

Source: (ASSAf 2016:11)

South Africa is a signatory to follow the statutory, regulatory, and policy frameworks for social protection suggested by the AU. The social protection interventions in the South African context are stated under various themes below.

Policy interventions

Social welfare, according to the White Paper for Social Welfare (WPSW) (1997) refers to "an integrated and comprehensive system of social services, facilities, programmes, and social security to promote social development, social justice, and the social functioning of people" (Republic of South Africa (RSA) 2017:5). The following challenges are identified that are internal to the welfare system (Republic of South Africa (RSA) 2017:6–7):

- *Lack of national consensus*: There is no national consensus on a welfare policy framework and its relationship to a national reconstruction and development strategy.

- *Disparities*: Past welfare policies, legislation, and programmes were inequitable, inappropriate, and ineffective in addressing poverty, basic human needs, and the social development priorities of all people.
- *Fragmentation*: There is a lack of inter-sectoral collaboration and a holistic approach. This fragmentation is also reflected in social welfare legislation.
- *Participation*: Citizen and stakeholder participation in decision-making regarding social welfare policies, programmes, and priorities is not exercised fully and effectively. This has resulted in a lack of legitimacy in the welfare system.
- *Lack of sustainable financing*: In the past, social welfare programmes were not considered to be critical social investment priorities and were under-resourced.
- *Lack of enabling environment*: There is a lack of enabling legislation, and taxation policies are not “welfare friendly”.

In order to address the above-stated challenges, it is imperative to restructure social welfare services. This requires “developing representative governance structures to build up the partnership between government, civil society organisations, religious organisations, and the private sector; restructuring and rationalising the social welfare delivery system towards a holistic approach, which will include social development, social functioning, social care, social welfare services, and social security programmes; and developing a financially sustainable welfare system” (Van der Byl 2019:11–12).

However, Haurovi (2019:706) highlights that “the South African social assistance system has been plagued by various challenges that have affected the inclusivity of sector-wide state-led interventions to fight poverty. Such challenges have both precipitated and escalated social exclusion”. The current social assistance system, according to Skosana (2016:14), while reaching some 16 million South Africans, excludes large parts of the population, namely the unemployed or working poor, thus only alleviating poverty in certain targeted groups. In particular, unemployed adults of working age cannot access social security and can only hope to live off the grants awarded to a member of their household, typically an Old Age Grant or a Child Support Grant. In addition, as further emphasised by Skosana (2016:14), it needs to be considered, that, “this exclusion of a large vulnerable sector of society from the social protection system runs counter to the provisions of the Constitution wherein every citizen is guaranteed access to social security and even social assistance if citizens are unable to fend for themselves within the limits of resources available to the state. It further puts a burden on the meagre resources that those in receipt of social grants have to share with the rest of the family members who have no alternative means of survival”.

Haurovi (2019:706) adds unearthing “challenges to existing statutes and policies, which include the absence of statutory insulation of social grant clients, the

absence of oversight or legal provision enforcing public accountability, and lack of sufficient legal conceptualisation of disability”.

Youth Unemployment

The youth unemployment rate in South Africa, according to Trading Economics (2019:1), increased to 54.70% in the fourth quarter of 2018 from 52.80% in the third quarter of 2018. The youth unemployment rate in South Africa averaged 52.15% from 2013 until 2018, reaching an all-time high of 55.90% in the second quarter of 2017 and a record low of 48.80% in the fourth quarter of 2014. It must be considered that, while most international bodies and institutions globally and locally define youths as those between 15 and 24 years, in South Africa youths are regarded as those between 14 and 35 years. This is based on the previous National Youth Policy (NYP 2014 – 2019), but has also been retained in the new NYP 2020. The NYP recognises the difference in approaches used to define youth and acknowledges the need to accommodate this diversity, especially as it pertains to the provision of services to young people (Skosana 2016:3). South Africa adopted the NDP in 2011, also referred to as Vision 2030. The NDP aims to eliminate poverty and reduce inequality by 2030. According to the plan, South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society (RSA 2020:1). However, it is further acknowledged by Skosana (2016:14), that while the country has poverty reduction interventions in place, “poverty is still pervasive...[.] Millions of people remain unemployed and many working households live close to the poverty line. Many of these are young people who feel that the odds are stacked against them, as indeed they often are”.

The aim of the NDP is to eliminate poverty and reduce inequality by 2030. According to the NDP, South Africa “can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society” (Human Sciences Research Council (HSRC) 2014:1). In Vision 2030, “an inclusive social protection system addresses all areas of vulnerability and is responsive to the needs, realities, conditions, and livelihoods of those who are most at risk” (Internet source: Brand South Africa.com 2019). Hence there is a need to achieve the following by 2030 to reduce unemployment (Internet source: Brand South Africa.com 2019) ensuring that, “no one lives below a defined minimum social floor; all children enjoy services and benefits aimed at facilitating access to nutrition, healthcare, education, social care, and safety; and social protection systems have responded to the growth of temporary and part-time contracts, and increasing importance of self-employment”.

The South African government has implemented the Expanded Public Works Programme (EPWP) to address the issues of poverty and youth unemployment through a social protection disposition.

Social Assistance

The Department of Social Development (DSD) was established in terms of several pieces of legislation, including the Social Assistance Act of 2004, which provides a legislative framework for providing social assistance. The Act sets out the different types of grants payable, as well as their qualifying criteria. It also makes provision for the establishment of the Inspectorate for Social Assistance (South Africa Year Book 2017/18 2018:2).

Social assistance is one area where significant changes and progress have been made by the democratic government. The changes include modifying the previous social protection system to eliminate racial inequities and introducing several new guarantees and benefits (Van der Byl 2019:13). This was done by ensuring the following (Van der Byl 2019:13), “The Child Support Grant was introduced in 1998. It initially targeted children aged 0 to 7 years. The age limit of the Child Support Grant was gradually raised to 18 years; Old Age Grant was normalised so that blacks would also get a monthly income, unlike before 1994, when they received it bi-monthly. The age limit for men was gradually lowered from 65 to 60, to match the limit for women. Social grants became a core component of South Africa’s poverty alleviation strategy; and Disability Grant, Foster Care Grant, Care Dependency Grant, and War Veterans’ Grant were extended”.

It can be noted, as highlighted by Haurovi (2019:706), that unauthorised social grant deductions have depleted the ability and impact of social assistance to alleviate poverty in some instances. Although the Minister of Social Development gazetted Regulation 26A in 2009 to curb this dishonest practice, financial service providers such as Lion of Africa Insurance Limited have fought running legal battles with the South African Social Security Agency (SASSA) to defend their deduction of funeral cover subscriptions from the children’s grants. In brief, the company took SASSA to court because it perceived the Agency’s interpretation of ineligibility of children’s social grant recipients to subscribe to funeral cover to be incorrect.

Social Security

Social security is defined by Plagerson and Ulriksen (2019:2) “as the provision of minimum income security and support in kind via contributory social insurance schemes and non-contributory social assistance programmes”. Social security in South Africa includes the following:

- Pension rights, where the, “Law provides for a means-tested old age grant for a permanent resident of South Africa aged 60 and over. A worker is entitled to old age grant (means-tested) if his/her annual income is below a certain amount. The old age pension is 1,600 Rand for pensioners aged 60–74 and 1,620 Rand for pensioners aged 75 or older” (Internet source: My Wage.co.za 2019).
- Dependents’/survivors’ benefit, where the survivors’ “benefits are payable to workers as provided under the Unemployment Insurance Act. The employee must have accumulated credits at the time of death. One credit (one day of paid leave) is earned for every five completed days of employment, and up to 365 days of paid leave may be accumulated in the four years before application for the survivor benefit” (Internet source: My Wage.co.za 2019).
- Invalidity benefits are given, “in the case of non-occupational accident/injury/disease resulting into permanent invalidity. If a citizen or permanent resident aged 18–59 years is assessed with temporary disability for more than six months, that person is entitled to the means-tested disability benefit of up to 1,620 rand per month. The benefit is considered permanent if a citizen is assessed as medically disabled for more than 12 months” (Internet source: My Wage.co.za 2019).

The Social Security Rate in South Africa, according to Trading Economics (2019:1), “stands at 2%. The Social Security Rate in South Africa averaged 2.92% from 2004 until 2016, reaching an all-time high of 3% in 2005 and a record low of 2% in 2016”. Social security payments and benefits are primarily handled by SASSA, which is “a semi-autonomous state agency reporting into the Department for Social Development. Its mandate is ‘to ensure the provision of comprehensive social security services against vulnerability and poverty within the constitutional and legislative framework’” (Kidd, Wapling, Bailey-Athias and Tran 2018:5). The head office of SASSA is situated in Pretoria. The management tasks are delegated to regional SASSA offices, hence “there is a degree of inconsistency in how the social grants are delivered” (Kidd *et al.* 2018:5). The Ministry of Labour is responsible for the oversight and delivery of social insurance benefits. When SASSA was established, it was intended that it would take over responsibility for all social security benefits in South Africa; however, the transfer of responsibilities from the Ministry of Labour has still not taken place (Internet source: Brand South Africa.com 2019).

Key Medium-Term Targets for 2019

The Medium-Term Strategic Framework (MTSF) (2014–2019) lists targets to achieve the aims of social protection, as stated in Table 3 as follows:

Table 3: Social Protection Targets for 2019

Impact Indicator	Baseline	Target
Comprehensive early childhood development (ECD) services for children from conception to formal schooling	Establish baseline	100% more children access quality ECD
Children under five stunted	21%	10%
Access to social security, including social assistance	16 million social assistance beneficiaries	At least 95% of people who qualify for access to social assistance
Access to social insurance under the Unemployment Insurance Fund, Compensation for Occupational Injuries & Diseases Act, and pension and provident funds	–	Double the number of people accessing social insurance

Source: (Department of Planning, Monitoring and Evaluation ((DPME)) 2014: 21.)

The MTSF is the strategic plan for the 2014–2019 electoral term established by the South African Government. It “reflects the commitments made in the election manifesto of the governing party, including the commitment to implement the National Development Plan (NDP). The MTSF sets out the actions Government will take and targets to be achieved” (DPME 2014:1). These targets will be assessed in the near future to determine their level of achievement.

During March 2020, South Africa faced the Corona virus pandemic and the country experienced the national lockdown. This situation affected mostly the poor people who were earning a living through daily jobs, most were retrenched and even lost jobs, due to the closing down of businesses. In terms of social protection measures, the South African President Cyril Ramaphosa, on 23 April 2020 “announced a set of safety net interventions to ‘cushion our society’ against the economic and human consequences of the lockdown. These include a Solidarity Fund financed mainly by voluntary donations, a Temporary Employee Relief Scheme for employees of companies in distress, and a tax subsidy for low-income private sector workers (The Conversation 2020:2).

The impact of these interventions on socio-economic upliftment in South Africa will only be assessed in the coming years”.

CHALLENGES AND RECOMMENDATIONS

Through literature review, the article deduces that there are challenges associated with social protection interventions due to historical legacy of the past, lack of

clarity regarding social welfare and related concepts, gaps in policy framework and implementation levels. These challenges are discussed below.

Apartheid South Africa offered welfare services to white people and delineated black people and other races. This fragmented level of services, which was based on social, economic, political, and racial criteria, created a divided society whereby white people were well served with welfare services and other races experienced poverty, inequality, and social exclusion. This scenario is validated by the literature review that corroborates that, “the pre-1994 social welfare services system, both in its design and in its implementation, entrenched the socio-economic privileges of the white population. The system was inefficient and ineffective, with fragmented and duplicated services that did not meet the human needs of vulnerable and poor citizens. There were 14 different departments for the various race and ethnic groups and the then homelands that were also administered through the welfare system. There was no consistency in operating approaches and priorities for these different departments in the area of social welfare” (Van der Byl 2019:6).

This segregation of welfare services imposed tremendous pressure on the first democratic government to bring transformation in governance and equality reforms in society. The transformative intention was enshrined in the *Constitution of the Republic of South Africa* (1996), which stipulates that “everyone has a right to have access to social security, including, if they are unable to support themselves and their dependents” (RSA 1996). Section 27(2) of the Constitution (RSA 1996) further emphasises “that the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of the right of access to social security and social assistance”. However, although the concepts of social security and social assistance are referred to in the Constitution, no clear definition of these concepts has been established in South Africa, and the terms are sometimes used interchangeably, and also as synonyms for other terms, such as ‘social protection’, ‘social welfare’ and ‘social insurance’ (Van der Byl 2019:5).

A document titled *Twenty Year Review: South Africa 1994–2014* (DPME 2019:21) also highlighted additional concerns, such as that there is, “a different understanding of what social welfare services are and how they are to be transformed—both within government departments and among stakeholders; social welfare programmes being planned and implemented differently in the various provinces, with varying degrees of inter-sectoral collaboration; and the social development departments and their non-governmental partners in different provinces having varying capacity to implement the transformation vision”.

Some of the additional challenges identified through the literature review regarding lack of successful implementation of social protection interventions are, among others, that the implementation of pro-poor strategies is slow despite the fact that the government introduced the Basic Income Grant (BIG); there is a lack of social inclusion (gender and ethnic groups, for example); lack of institutional

resources to implement social welfare and social security interventions; lack of awareness regarding how the economic development strategy affects its integration into social protection interventions; inadequate monitoring of the social security and social assistance processes; and insufficient accountability measures.

In addition, Kidd *et al.* (2018:4) highlight that “people with disabilities, and, women with disabled children are especially vulnerable to becoming single parents because of the stigma around disability and, in addition, may face exclusion from social and economic activities that could offer support”. While the gap is closing, disabled children are less likely to attend school than non-disabled children, which has significant implications for their rates of literacy. Only 63.9% of young people with severe functional limitations (age 12–17) were attending school compared to 96.1% of young people without disabilities, putting them at a disadvantage as they enter the labour market (Kidd *et al.* 2018:4).

In order to address these challenges and improve the social protection interventions, this article suggests considering the following:

- Policies need to be socially inclusive; accommodating gender, ethnic groups, social welfare practitioners, and social development workers.
- Policies need to accommodate people with disabilities and parents of disabled children to avoid social exclusion.
- Relevant institutions (SASSA, DSD) need to prepare a project plan considering all resources (funds, human resources, institutional capacity, coordination of tasks, communication plan, and monitoring and evaluation measures).
- Institutional personnel and stakeholders need to have an understanding of the implementation of statutory, regulatory, and policy frameworks.
- There is a need to attract and retain social workers and auxiliary social workers, and offering them better employment and career opportunities.
- Institutions and stakeholders need to develop partnerships with funding organisations and donor agencies for financial assistance.
- In a country-specific context, a forum such as the National Platform for Social Protection needs to be established to assist stakeholders to develop engagement on issues surrounding social protection.
- Lessons can be learned from international and regional best practices to develop inter-governmental and inter-stakeholder platforms to promote engagement on social protection-related issues, and interventions to be applied in country-specific contexts.

CONCLUSION

This article suggests that there is a need to conduct further research on aspects such as the historical, social, economic, and political factors that affect

SDG One; the integration of social protection interventions with other sectors (education, health, agriculture, etc.); the role of various role players, stakeholders, institutions, and communities to promote social protection; and the fiscal, technological, and policy feasibility of promoting social protection interventions – to name a few. The article offers recommendations based on the available literature and information reviewed; however, it is still considered limited in its approach due to the following limitation: the desktop study relied heavily on the information available via internet sources. In this regard, it was realised that not all African countries have a well-functioning government website to draw information from regarding their ministries responsible for social protection. Lack of information available on government websites, internet pages, and country-specific databases for social protection, restricted the author to conduct a comparative analysis at regional level. The article therefore is considered as an effort to raise a debate and awareness regarding social protection in the South African context, with an aim to conduct future research covering West, North, Central and East African regions, thereby developing a comparative database of country-specific public policies, adding further contribution to the field of social development.

REFERENCES

- Academy of Science of South Africa (ASSAf). 2016. *Social Protection in Africa: Overview for Policymakers*. Pretoria: ASSAf.
- Auriacombe, J. Christelle. 2016. Towards the construction of unobtrusive research techniques: critical considerations when conducting a literature analysis. *Administratio Publica*. 9(4):1–19.
- Babbie, E. 2010. *The Practice of Social Research*. California, USA: Wadsworth Publishing Company.
- Banerjee, A.V. and Duflo, E. 2007. The Economic lives of the poor. *Journal of Economic Perspectives*. 21(1):141–167.
- Bastagli, F., Hagen-Zanker, J. Harman, L., Barca, V., Sturge, G., Schmidt, T. and Pellerano, L. 2016. *Cash Transfers: What Does the Evidence Say? A Rigorous Review of Programme Impact and of the Role of Design and Implementation Features*. London: Overseas Development Institute.
- Bowen, G.A. 2009. Document analysis as a qualitative research method. *Qualitative Research Journal*. 9:27–40.
- Brand South Africa.Com. 2019. An Inclusive and Responsive Social Protection System. Available at: <https://www.brandsouthafrica.com> (Accessed on 18 December 2019).
- Chawdhury, A. 2019. Social Protection for Shared Prosperity and Inclusive Growth. Available at: <http://www.un.org> (Accessed on 14 October 2019).
- Department of Planning, Monitoring and Evaluation (DPME). 2014. Medium Term Strategic Framework: 2014–2019. Pretoria: DPME.

- Department of Planning, Monitoring and Evaluation (DPME). 2019. Twenty Year Review South Africa 1994–2014. Pretoria: DPME.
- eNCA. 2017. Thirty million South Africans Living in Poverty. Available at: <https://www.enca.com> (Accessed on 17 March 2020).
- European Union (EU). 2019. What is Social Protection? Available at: <https://gsdrc.org> (Accessed on 21 December 2019).
- Flick, U. 2014. *An Introduction to Qualitative Research*. London: Sage Publications.
- Gondo, M. 2014. Pro-poor Strategy: A Myth or Reality? Available at: <https://www.theindependent.co.zw> (Accessed on 8 May 2019).
- Hanorati, M., Gentilini, U. and Yemtsov, R.G. 2015. *The State of Social Safety Nets*. Washington: DC: World Bank.
- Haurovi, M. 2019. Enhancing the provision of fiscally funded social assistance in South Africa: statutory and regulatory insights. *International Journal of Innovation, Creativity and Change*. 5(2):697–712.
- Holmes, R. and Lwanga Ntale, C. 2012. *Social Protection in Africa: A Review of Social Protection Issues in Research: Policy and Programming Trends and Key Governance Issues in Social Protection*. London: Overseas Development Institute.
- Human Sciences Research Council (HSRC). 2019. Navigating the Government's Development Path. Available at: <http://www.hsrc.ac.za> (Accessed on 10 May 2019).
- International Labour Organisation (ILO). 2014. World Social Protection Report 2014/15. Geneva: ILO.
- International Labour Organisation (ILO). 2019. SDG Note: Social Protection. Geneva: ILO.
- Joel, C. and Vyas-Doorgapersad, S. 2019. An analysis of risk management within the Department of Trade and Industry. *Journal of Contemporary Management*. 16:1–19.
- Kidd, S., Wapling, L., Bailey-Athias, D. and Tran, A. 2018. *Social Protection and Disability in South Africa*. United Kingdom: Development Pathways Limited.
- Lötter, H. 2007. Defining Poverty as Distinctively Human. Available at: <https://www.researchgate.net> (Accessed on 23 February 2020).
- Ludi, E. and Bird, K. 2007. Brief No 1-Understanding Poverty. Available at: <https://www.odi.org> (Accessed on 25 February 2020).
- Machethe, C.L. 2004. Agriculture and Poverty in South Africa: Can Agriculture Reduce Poverty? Paper presented at the Overcoming Underdevelopment Conference held in Pretoria, 28–29 October 2004.
- Merriam, S.B. 2009. *Qualitative Research: A Guide to Design and Implementation*. San Francisco: Jossey-Bass Publications.
- Morea, Donato and Marino Balzarini. 2018. Financial sustainability of a public-private partnership for an agricultural development project in Sub-saharan Africa. *Agricultural Economics (Czech Republic)*. 64(9):389–398.
- My Wage.co.za. 2019. Social Security in South Africa. Available at: <https://webcache.googleusercontent.com> (Accessed on 23 November 2019).
- National Science and Technology Forum (NSTF). 2017. The National Development Plan (NDP) and the Developmental State. Available at: <http://www.nstf.org.za> (Accessed on 22 March 2020).

- Nhlapo, T.M.S. 2019. Human Resource Development Strategy for Gender Equality within the Department of Correctional Services. Unpublished Thesis. Johannesburg: University of Johannesburg.
- Nyikadzino, T. 2019. The Devolution of Governmental Powers and Responsibilities in Post-Independent Zimbabwe. Unpublished Thesis. Johannesburg: University of Johannesburg.
- Olowu, G., Olasehinde-Williams, G.O. and Bein, M.A. 2019. Does financial and agriculture sector development reduce unemployment rates? Evidence from Southern African countries. *Agricultural Economics (Czech Republic)*. 65(5):223–231.
- Omilola, B. and Kaniki, S. 2014. *Social Protection in Africa: A Review of Potential Contribution and Impact on Poverty Reduction*. South Africa: UNDP.
- Organisation for Economic Co-operation and Development (OECD). 2019. Promoting Pro-Poor Growth: Employment. Available at: <https://www.oecd.org> (Accessed on 16 May 2019).
- Patel, N. 2019. Figure of the Week: Understanding Poverty in Africa. Available at: <https://www.brookings.edu> (Accessed on 18 July 2019).
- Plagerson, S. and Ulriksen, M.S. 2019. The Right to Social Security in South Africa. Available at: <https://www.fhr.org.za> (Accessed on 3 August 2019).
- Republic of South Africa (RSA). 1996. *Constitution of the Republic of South Africa, 1996*. Pretoria: Government Printer.
- Republic of South Africa (RSA). 1997. *White Paper for Social Welfare (WPSW)*. Pretoria: Government Printer.
- Republic of South Africa (RSA). 2018. South Africa Year Book 2017/18: Social Development. Pretoria: Government Printer.
- Republic of South Africa (RSA). 2020. *National Development Plan*. Pretoria: Government Printer.
- Research Methodology in Education (RME). 2018. An Introduction to Document Analysis. Available at: <https://lled500.trubox.ca> (Accessed on 16 June 2019).
- Skosana, N.G. 2016. Social Protection in South Africa: A Quest for an Appropriate Dispensation Through a Minimum Employment Guarantee Scheme. Unpublished Master Dissertation. Cape Town: University of Cape Town.
- Statistics South Africa (Stats SA). 2017. Poverty Trends in South Africa: An Examination of Absolute Poverty Between 2006 and 2015. Pretoria: Stats SA.
- The Conversation. 2020. Social protection Responses to the COVID-19 Lockdown in South Africa. Available at: <https://theconversation.com> (Accessed on 2 May 2020).
- Trading Economics. 2019. South Africa Youth Unemployment Rate. Available at: <https://tradingeconomics.com> (Accessed on 12 December 2019).
- United Nations (UN). 2019. SDG Goal 1: End Poverty in All Its Forms Everywhere. Available at: <https://www.un.org/sustainabledevelopment/poverty> (Accessed on 6 May 2019).
- United Nations. 2019. Transforming Our World: The 2030 Agenda for Sustainable Development A/RES/70/1. Available at: <https://sustainabledevelopment.un.org> (Accessed on 5 May 2019).
- United Nations Department of Economic and Social Affairs: Disability. 2019. #Envision2030: 17 Goals to Transform the World for Persons with Disabilities. Available at: <https://www.un.org> (Accessed on 5 January 2020).

- United Nations Development Programme (UNDP). 2019. Sustainable Development Goals. Available at: <https://www.undp.org> (Accessed on 8 December 2019).
- United Nations Development Programme (UNDP). 2019. The State of Social Assistance in Africa. New York: UNDP.
- University of Southern California. 2018. Humanities Research Strategies: Conceptual Analysis. Available at: <https://libguides.usc.edu> (Accessed on 17 June 2019).
- Van der Byl, C. 2019. *Background Paper: Social Protection*. Pretoria: DPME.
- Vyas-Doorgapersad, S. 2014. Gender equality in poverty reduction strategies for sustainable development: the case of South African local government. *Journal of Social Development in Africa*. 29(2):105–134.
- Vyas-Doorgapersad, S. 2017. Workplace spirituality for improved productivity: a gendered perspective. *International Journal of Social Sciences and Humanity Studies*. 9(2):143–156.
- Vyas-Doorgapersad, S. 2019. Gender equality for achieving sustainable development goal one (no poverty) in South African municipalities. *International Journal of Social Sciences and Humanity Studies*. 11(1):84–98.
- World Hunger Education Service (WHES). 2019. Africa Hunger and Poverty Facts. Available at: <https://www.worldhunger.org> (Accessed on 17 April 2019).

AUTHOR'S CONTACT DETAILS

Prof Shikha Vyas-Doorgapersad

School of Public Management, Governance and Public Policy
College of Business and Economics
University of Johannesburg
Auckland Park
South Africa
Cell: 072 463 8685
Email: svyas-doorgapersad@uj.ac.za

Future-proofing the State against Corruption and Capture

The Performance of the Parliamentary Service in Supporting Effective Legislative Oversight in South Africa

T Ajam

School of Public Leadership
University of Stellenbosch

ABSTRACT

The Parliament of South Africa (POSA) was singularly incapable of successfully discharging its constitutional obligation to hold the Executive accountable during the Zuma administration from 2009 to 2017. Ineffectual legislative oversight over the effectiveness and probity of public finances created a governance environment vulnerable to fraud and corruption. The Parliamentary Service (PS) is the administrative arm of POSA which provides a range of support services to both Houses and the parliamentary committees. This article explores the factors that undermined the PS's ability to provide effective support to Members of Parliament and parliamentary committees in acting as a check on corruption and mismanagement. Dysfunction in the PS was a key (but not the sole) contributor to compromised legislative oversight during the Zuma administration. Enhanced formal oversight powers of the two Houses of Parliament and their committees, and the concomitant expansion of the institutional capacity of the PS were not matched by an increase in oversight effectiveness. A multipronged approach is necessary to improve oversight outcomes, ranging from proposed improvements in the committee support, Hansard reporting and research services offered by the PS, as well as broader changes to POSA's legislative framework.

INTRODUCTION

Various commissions of inquiry have laid bare the sheer magnitude of state capture since 2009 during the Zuma administration. These investigations include the

Judicial Commission of Inquiry into Allegations of State Capture, Corruption and Fraud in the Public Sector Including Organs of State (appointed in January 2018 under leadership of Judge Raymond Zondo), the Commission of Inquiry into Tax Administration and Governance by the South African Revenue Service (constituted in May 2018 under Judge Robert Nugent), the inquiry into the fitness to hold office of two senior advocates of the National Prosecuting Authority (NPA) (under leadership of retired Judge Yvonne Mokgoro) and the Commission of Inquiry into Allegations of Impropriety Regarding the Public Investment Corporation (under Judge Lex Mpathi in October 2018). By May 2020, no formal charges relating to this scourge had yet been made.

At this critical juncture in South Africa's development trajectory, it is crucial to reflect on the multiple systemic governance failures that have occasioned this catastrophic outcome and how institutional arrangements (such as the Parliamentary Service) could be fortified to prevent a future relapse. POSA, through its dissolution of the elite crime-fighting unit the Directorate of Special Operations (more commonly known as the Scorpions) and the removal of Advocate Vusi Pikoli from the NPA, contributed to the weakening of the justice system (Van der Westhuizen 2014:118). During the Nkandla scandal, despite the then Public Protector's Secure in Comfort Report released in March 2014, Parliament failed to fulfil its constitutional obligations in holding President Zuma accountable for undue benefits received and instead was complicit in a whitewash of his transgressions (Davis and Le Roux 2019). Judge Zondo has opined that had the POSA fulfilled its oversight duty conscientiously, state capture challenges could have been arrested earlier (Bateman 2019: internet source).

The purpose of this article is to assess the performance of the PS in supporting legislative oversight in South Africa during the Zuma administration, against the backdrop of POSA's institutional evolution since 1994, the resources available to it, its impact on the functioning of portfolio committees and POSA's interactions with key internal and external stakeholders (such as organised labour and civil society). The PS is the administrative arm of POSA which provides a range of support services to both Houses and the parliamentary committees. These services include: research support, legislative drafting, procedural expertise, Hansard reporting, libraries and digital information sources, processing public submissions and logistic support for public participation (Yamamoto 2007:15–65).

RESEARCH OBJECTIVES AND METHODOLOGY

There is a burgeoning literature on the core political business of the POSA that covers parliamentary committees, Members of Parliaments (MPs) and political party interactions (for example, Ajam 2009; Ile and Makiva 2017; Janse van

Rensburg 2019; Manona 2015; Ngculu 2001; Verwey 2009; Wehner 2009). Comparatively little scholarly attention – both globally and domestically – has, however, been focused on the PS in the administration of Parliament (as opposed to its core business of law making, oversight of the Executive and public participation). Accordingly, the body of public administration and management research in this critical area is still nascent, with notable contributions such as Mbete (2017). This exploratory research seeks to extend that inchoate academic literature through literature analysis and a desktop study of secondary information sources such as Parliament’s annual performance plans, annual reports, Hansard reports and Parliamentary Monitoring Group records.

The research is conceptual and theoretical in nature, grounded in institutional analysis theory (Campos and Pradhan 1996; North 1990; Ostrom 1985; Poterba and Von Hagen 1999; Schick 1998), as synthesised by Woodhill (2008). As elaborated further later, the PS is an administrative body which operates in an extremely complex political environment. Institutional analysis is ideally suited to capture the dynamic nuances of this involuted institutional arena through the network of social exchanges among formal and informal organisations, stakeholders, flows of information and resource configurations which shape social meaning over time (as explicated by Nutt-Powell, Landers, Nutt-Powell and Sorrell 1978).

Drawing on the international and domestic public governance and administration literature, an analytical framework is constructed against which the PS’s performance during the Fifth Administration of Parliament may be assessed. Second, the article analyses the institutional evolution of the PS in a democratic South Africa. Third, it assesses the performance of the PS in providing effective oversight support as evaluated against the criteria outlined in the institutional analysis framework (i.e. the control, association and action dimensions of performance). The article concludes by offering recommendations for enhancing support for parliamentary oversight.

A CONCEPTUAL FRAMEWORK FOR INSTITUTIONAL ANALYSIS: CONTROL, ASSOCIATION AND ACTION

Parliamentary oversight is “the review, monitoring and supervision of government and public agencies, including the implementation of policy and legislation” (Yamamoto 2007:9). The Oversight and Accountability Model (OAM) of POSA defines oversight as “a constitutionally mandated function of legislative organs of state to scrutinise and oversee executive action and any organ of state” that entails “the informal and formal, watchful, strategic and structured scrutiny” of the implementation of laws, budget appropriations, observation of the Constitution and statutes and the management of government departments by political and administrative heads (POSA 2013:7). Accountability is fostered by means of

“institutionalised practices of giving account of how assigned responsibilities are carried out” and explaining and justifying decisions, actions and omissions against some set of defined criteria (POSA 2013:16).

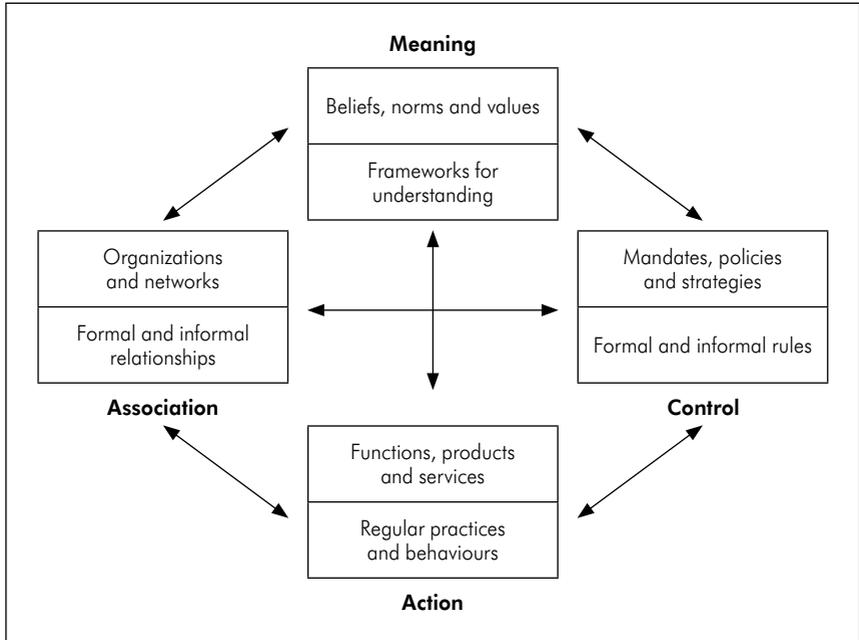
In contrast to popular parlance that does not distinguish between institutions and organisations, institutional analysis regards institutions as the ‘rules of the game’ – the rules and constraints adopted by societies that shape human interaction and structure incentives in political, social or economic exchange (North 1990:8). Institutions in the context of public governance may therefore be defined as “the laws, procedures and rules that determine and regulate the behaviour of public officials and organizations” (North 1990:3). Formal institutions have traditionally been the focus of public administration, public economics, legal research and related disciplines. Informal institutions, which have traditionally been the preserve of sociologists, anthropologists and organisational psychologists, also exercise a powerful influence over individual, organisational and societal behaviours.

Informal institutions include: (i) normative mechanisms such as the shared assumptions, beliefs and values underpinning behaviour, and (ii) cultural cognitive mechanisms, which constitute the lenses through which people view the world, receive and analyse information, and imbue it with meaning. These informal institutions are often reflected in the symbols of group affiliation and group belief (for example national identity, religion, linguistic orientation or ethnicity). Institutional configurations typically encompass all three components (formal regulatory, informal normative and cultural cognitive dimensions) that interact cumulatively to condition actions and behaviour (Andrews 2013:75). Institutions, moreover, are not static but arise, evolve and decline dynamically over time.

Figure 1 illustrates a basic analytical framework grounded in four interacting institutional domains: meaning, association, control and action. Interaction among various individual role players, organisations and networks (i.e. the association domain) and the formal and informal rules of the game (i.e. control and enforcement mechanisms) shape the incentives that stakeholders face. These incentives, mediated by the (stated and implicit) beliefs, social and organisational norms, values, professional ethics and mental models of role players, condition their behaviours and regular practices (i.e. the action domain).

The domains of control, association and action (performance) in the framework articulated by Woodhill (2008) have been applied to POSA. The formal and informal institutions of control and governance in POSA, the roles and responsibilities of and the information flows and relationships among the various political and administrative role players all shape the incentives faced by the individual role players. These incentives interact with organisational cultures and norms and the beliefs, values and mental models of individual role players to influence the behaviours and organisational routines and processes that generate POSA’s functions and services, and hence drive its performance.

Figure 1: A framework for institutional analysis



Source: (Woodhill 2008:np)

PARLIAMENTARY OVERSIGHT, STATE CAPTURE AND CORRUPTION

Corruption entails the abuse of public resources for private gain and is criminalised in the Prevention and Combating of Corrupt Activities Act 12 of 2004. The term corruption, however, fails to reflect the systemic nature, scale and embeddedness of the corruption within the South African government, which is expressed much better under the rubric of ‘state capture’. Swilling, Borhat, Buthelezi, Chipkin, Duma, Mondli and Friedenstien (2017:3) characterise state capture as nothing less than the creation of a “shadow state” that subverted the formal, constitutional state and parasitically extracted public resources to benefit an interlocking network of corrupt individuals (including the notorious Gupta and Watson families), with the support of former President Zuma and a cohort of other public sector officials.

How corrupt decisions were made and by whom could be interrogated by the various instruments available to parliaments in holding the Executive accountable generally, such as committee public hearings, committees of inquiry, question time, interpellations, oversight visits and constituency outreach (Chêne

2007: internet source). Ideally, parliamentary committees of inquiry should be vested with strong investigation powers (for example, for summoning witnesses, demanding access to information from the Executive and parties in the private sector, and imposing penalties for contempt or perjury).

The political dynamics that undermine POSA's ability to hold the Executive accountable have been well explored in the literature. These factors include a governance culture in which the dominant Executive regards oversight as an intrusion, the party list system that renders it difficult for MPs to hold their political seniors in the Executive to account, with many ministers not even bothering to answer questions or attend sittings, and poor performance information from departments and other public entities (Ajam 2009; Corder, Jagwanth and Soltau 2009; Notshulwana and Lebakeng 2019). POSA's situation resonates with the weakness of the legislatures and the impunity of the executives elsewhere on the African continent. Parliamentary oversight in many African democracies has largely been ineffectual and is "driven more by scandals too large to ignore rather than a constant internal pressure for efficiency" (Notshulwana and Lebakeng 2019:184).

POSA's oversight performance has been less than stellar due to a host of factors including the proportional representation party list electoral system that creates little incentive for oversight, effectively subordinating the legislature to the dictates of the African National Congress (ANC) governing party: "To keep their place on the list, and hence their seat, members are not accountable to a set of voters but the party hierarchy, the National Working Group (NWG) and the National Executive Committee (NEC)" (Notshulwana and Lebakeng 2019:188).

Crucially, parliaments should themselves model good governance in their own core business of law making, oversight, international relations and public participation as well as their administrations (i.e. the PS). Parliaments' code of ethics and conduct should cover both parliamentarians and PS officials in, for instance, managing conflicts of interest associated with companies and organisations with whom the MPs or staff members (or their families) have a direct or indirect association (Chêne 2007: internet source). The 2004 Travelgate scandal in which more than 34 MPs and three travel agents were implicated in travel voucher fraud is a case in point (Donnelly 2011).

ROLE OF THE PARLIAMENTARY SERVICE IN SUPPORTING EFFECTIVE OVERSIGHT

Two leitmotifs are prominent in the international comparative legislature literature in relation to the effectiveness of the PS: (a) stability of the political-administrative interface in the relations between the Speaker, the corporate body of the

Parliament (the legal entity comprising MPs) and the parliamentary administration/secretariat; and (b) good practices in establishing and operating a PS.

Political-administrative interface in Parliament

POSA has two equal political principals as the Executive Authority (EA): Speaker of the NA and Chairperson of the NCOP. The Constitution does not expressly provide for the position of the head of Parliament, but the FMPPLA recognises the Speaker of the NA and the Chairperson of the NCOP acting jointly as the EA. The presiding officers of the NA include a Deputy Speaker and two House Chairpersons under political leadership of the Speaker. NCOP presiding officers include the Deputy Chairperson and two House Chairpersons.

The Commonwealth Parliamentary Association notes that effective oversight and management of the corporate affairs of Parliament depend on a strong working relationship among the Speaker, the members of the corporate body, the Secretary and the parliamentary staff. An esprit de corps based on common understanding of Parliament's mandate and an institutional loyalty that transcends party-political lines in the interests of all MPs are preconditions for a professional, nonpartisan parliamentary service. Here the Speaker's ability and inclination to maintain neutrality despite their party-political affiliation is crucial (CPA 2005).

Good practice in establishing a Parliamentary Service

Staff employed by political parties also play an important role in the democratic process but fall outside the scope of the present discussion that focuses on the public servants employed directly by POSA. Some parliaments are supported by public servants with a right to return to the public service, while other parliaments recruit their own permanent staff. Yet others have hybrid arrangements whereby top management is endorsed by government but the executive has no role in the recruitment of more junior officials (CPA 2005).

Retention of skills is seen as a fundamental risk for parliamentary services, given the specialised nature of some of the skill sets required: "Given the limited opportunity structure within a parliamentary service and the increasingly competitive labour market, staff retention will always be a challenge. Parliamentary corporate bodies should ensure that the parliamentary service is properly remunerated and that the terms and conditions for staff reflect the very best practices in relation to employee well-being, labour relations and continuous professional development" (CPA 2005:10).

In POSA, the remuneration structure is well above the levels of the public service, with the average remuneration of the lowest salary band at R321 569.66 per annum, the average remuneration of the 24 divisional managers at R1 697

065.27 and the STP earning R2 359 750.50 (POSA 2019). This adds an unusual dimension to the conflictual nature of the relationship between the management of POSA, NEHAWU and the employees of POSA. To put the matter into perspective, the average salary of the lowest salary band employee at POSA is R26 797 a month, which would generate a monthly income per capita of R5 359.40 with an assumed household size of five. According to the South African Labour and Development Research Unit Income Comparison Tool, this would place them in the top earning 14% of households in South Africa. The STP would be in the top 1% of income earners in South Africa under the same household membership assumptions (South African Labour and Development Research Unit 2019)

INSTITUTIONAL DEVELOPMENT TRAJECTORY OF POSA

During the apartheid era, POSA was virtually completely subordinate to a dominant Executive despite nominal parliamentary sovereignty and marginalised from core legislative functions such as oversight of the annual budget (Abedian *et al.* 1995). With the advent of a constitutional democracy after 1994, the institutional capacity of POSA has increased markedly.

Successive parliamentary administrations have shifted the focus from an initial emphasis by the First Parliament (1994–1998) and Second Parliament (1999–2003) on dismantling apartheid laws and strengthening its legislative role after the 1994 democratic transition. The Third (2004–2008) and Fourth (2009–2014) Parliaments focused on consolidating their oversight and public participation roles, while the Fifth Parliament (2015–2019) asserted its budget amendment and fiscal oversight mandate and widened its international relations role (Williams 2017). The organisational structure of the PS has accordingly evolved incrementally, characterised by a substantial growth in staff numbers, the complexity of its organisational structures and its formal powers. From about 300 staff in 1994, PS personnel numbers tripled to about 1 000 in 2009 (POSA 2009), rising to 1 318 in 2018 (POSA 2019). Structurally, the two decades after democracy saw the addition of several key organisational components: a dedicated Human Resources (HR) section, adoption of a labour relations policy recognising the right of PS staff to affiliate to a trade union, recognition of organised labour, establishment and later expansion of research services and legal drafting services, expansion of committee support services, creation of posts for specialist strategic content advisers over and above committee secretary administrative support (for minute taking, drafting committee reports, securing venues etc.), establishment of an interpretation unit and creation of a Parliamentary Budget Office in 2014 (POSA 2013).

Yet questions around PS effectiveness have lingered. Despite the initial expansion of organisational capability and HR availability, the Independent Panel on the

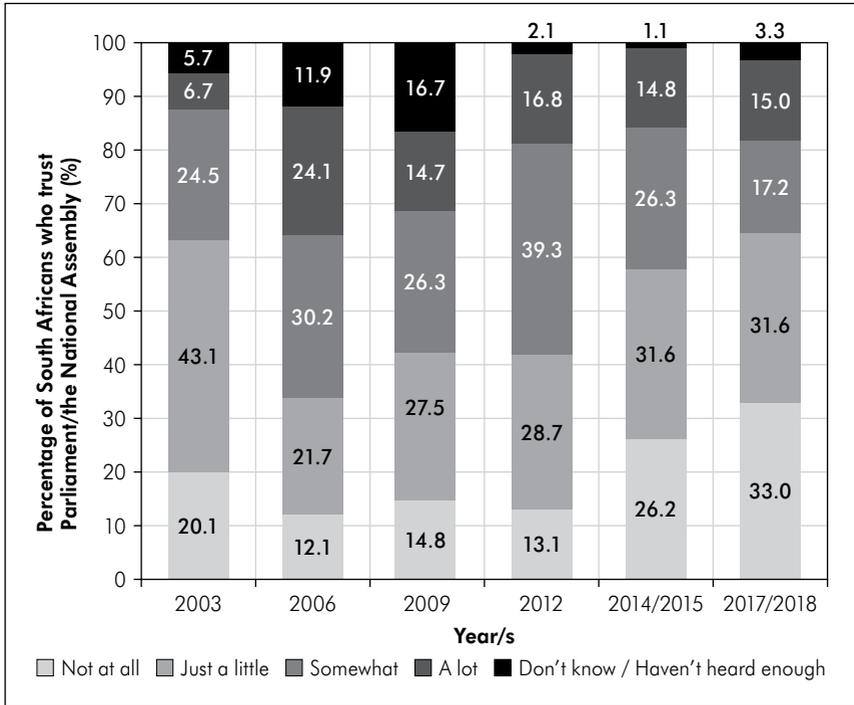
Assessment of Parliament reported in 2009 that MPs were still dissatisfied with the quality and efficiency of support received (POSA 2009). Despite an increase in the number of researchers from 10 in 1997 to 34 in 2007, there were still insufficient researchers at the time for the research model, which assigned one researcher to each parliamentary committee. By 2019 with more than 50 researchers and senior researchers, the same held true. Moreover, the researchers appointed at the time did not have all the requisite skill sets (for example, gender analysis) and MPs believed that the administrative structure did not permit researchers to develop the necessary skills (POSA 2013). The research operating model of one researcher and/or one content adviser per committee is being reviewed with a view to reorganising content support for the better utilisation of subject expertise among researchers and content advisers (Modise 2019: internet source) Parliament has also committed to institutionalising gender-based budgeting and to applying a gender-based lens in committee oversight activities (Modise 2019: internet source).

MPs viewed written reports as too long yet still omitting information crucial for oversight and believed that they were submitted too late in the process to be useful (Corder *et al.* 2009). Shortcomings in committee support included poor records and information management (of past minutes etc.), which posed a key risk of loss of institutional memory given high committee membership turnover. A content management system was proposed then to address this challenge, which in 2019 had still not been fully implemented. There were also backlogs with Hansard transcriptions. The Independent Panel recommended that the Language Service commit itself to improving turnaround time to 24 hours for unedited transcripts and to publishing Hansard soft-cover translations at least quarterly (POSA 2009).

The *Money Bills Amendment Procedure and Related Matters Act 9 of 2009* (MBPARMA) gave procedural substance to Parliament's constitutional prerogative to amend budgets. The Fifth Parliament was the first to exercise this power by amending the Adjustments Appropriation Bill in November 2017 (POSA 2019). The MBPARMA also laid the statutory foundations for an independent budget office. By February 2020, the position of Director of the Parliamentary Budget Office has been vacant for a protracted period and its effectiveness has been called into question (Muller 2019: internet source).

Another cause for concern is the deepening citizen trust deficit and the eroded legitimacy of Parliament in the wake of the deluge of state capture revelations, as illustrated in Figure 2. Afrobarometer (2019) indicates that the proportion of South Africans surveyed who had little or no trust in POSA increased from 42.3% in 2009 to 64.6% in 2017/18, a significant erosion of trust. By contrast, POSA in its Annual Report 2017/18 cites an IPSOS Survey commissioned by Parliament in which 57.33% of citizens sampled rated its performance as average or above (POSA 2019). Understanding why the apparent satisfaction with POSA's performance has not translated into increased trust is an interesting avenue for future research.

Figure 2: Percentage of South Africans who trust Parliament/the National Assembly, 2009–2017/18



Source: (Afrobarometer 2019)

During the Fifth Parliament, the Private Member’s Bill process and the new legal drafting unit enhanced Parliament’s capacity to initiate new legislation rather than relying solely on legislation emanating from the Executive. Encouragingly, from an oversight perspective, parliamentary inquiries were launched to scrutinise the South African Broadcasting Corporation, ESKOM, the Department of Social Development in relation to social grants and the funding of political parties (POSA 2019). Committee performance in this regard has been variable.

In its Legacy Report, the Standing Committee on Public Accounts – one of the more active committees – noted that it had referred instances of possible corruption for further investigation by the Anti-Corruption Task Team and had scrutinised tender processes at the State Information Technology Agency, the South African Police Service and the Department of Public Works and had made interventions in the Public Investment Corporation, the Department of Water and Sanitation and municipalities defaulting on ESKOM debt (Standing Committee on Public Accounts 2019).

CONTROL: A LACUNA IN THE LEGISLATIVE FRAMEWORK OF THE PARLIAMENTARY SERVICE

An interesting grey area relating to the PS is whether it forms part of the ‘public administration’ or the ‘public service’ as defined in section 197 of the Constitution, which employs these terms but does not define them explicitly: “Within public administration there is a public service for the Republic, which must function, and be structured, in terms of national legislation, and which must loyally execute the lawful policies of the government of the day”.

A separation of powers argument can be made that because POSA has a legislative role, all functions pursuant to that legislative mandate – including the PS – are part of the legislative arm. Conversely, it could be contended that the PS forms part of the public administration of South Africa (but not the public service) since it comprises a body of politically nonpartisan civil servants who implement rather than formulate policy and provide administrative support for the legislative business of Parliament.

Public administration must, in terms of section 195(1)(h) of the Constitution, include “good human resource management ... to maximise human potential” and, in terms of section 195(1)(i), “personnel management practices based on ability, objectivity, fairness”. Section 195(6) of the Constitution requires POSA to promulgate national legislation regulating public administration to give effect to the section 195 constitutional values and principles and permits this legislation to differentiate between sectors, administrations and institutions.

The basic constitutional principles in section 195(2) apply to administration in every sphere of government and all organs of state. It could be argued that the PS is an administration in the national government (see section 239(a) read together with section 43(a)) in terms of section 239(b) since it performs a public function. If this is the case, it could be argued that these constitutional principles also apply to the PS. It would be difficult to construct a compelling argument that these core values would apply only to an administrative structure in the Executive but not in the Legislature.

For the Executive in the national and provincial spheres (but not the local sphere, which does not form part of the public service), this national legislation is in the form of the *Public Service Act of 1994* (Proclamation 103 of 1994) (PSA), which complements the *Public Finance Management Act 1 of 1999* (PFMA). While Parliament has passed the FMPLA – the legislative sector counterpart of the PFMA – there is currently no POSA legislation that deals with HR management, PS accountability mechanisms and organisational design parameters. As a result, there is a substantial regulatory lacuna in these areas (as will be explored further below).

The Joint Rules Committee, which consists of the rules committees of both Houses, has subcommittees that cover the management and functioning of Parliament, including the financial management of Parliament, such as its sources of

funding, the budget, income and expenditure. The Joint Rules Committee also makes recommendations on the budget of Parliament to the Joint Standing Committee on the Financial Management of Parliament (JSCFMP) and the provision of facilities and other support to MPs to the Joint Standing Committee on Support to Members. Parliament's budget allocation for 2019/20 stood at R2 608 million, with a further R527 518 million for MPs' remuneration as a direct charge on the National Revenue Fund (Modise 2019). The Auditor-General expressed a clean audit opinion on Parliament's 2017/2018 financial statements. This means that the financial statements contained no material misstatements and there were no material findings on reporting on performance objectives or noncompliance with the FMPPLA.

As noted earlier, Parliament's financial governance regime has been formally codified in the FMPPLA, which designates the JSCFMP (which is also established in terms of the Joint Rules) as the fiscal oversight mechanism. Ironically, a former co-chair of the JSCFMP – ANC MP the Honourable Vincent Smith – was implicated in state capture at the Zondo Commission of Inquiry in 2019, having received more than R670 000 in monthly payments as well as gratuities in kind from Bosasa, a company involved in large-scale tender corruption (Dentlinger 2019: internet source). This is the same MP whom Mr Andrew Feinstein, a former ANC MP, characterised in his book *After the Party* as hell-bent on undermining the SCOPA inquiry into arms deal irregularities instituted by then SCOPA chair Mr Gavin Woods in order to protect the guilty parties from sanction (Feinstein 2007). Evidence at the Zondo Commission of Inquiry also implicated the Honourable Cecil Frolich, the House Chairperson, in corrupt dealings with Bosasa for a decade, allegedly receiving R40 000 a month (Umraw 2019: internet source).

In its Legacy Report, the JSCFMP observed that in its short existence, it had made very little impact on the performance of POSA since its recommendations had largely been ignored. These include recommendations for the speedy establishment of a treasury advice office that will provide technical support to the EA on matters relating to budgeting and financial management, and the need to improve the credibility of Parliament's performance information and disaggregate it to sub-subprogramme level. Despite the National Treasury's offer of assistance, POSA had not formulated a budget process by the end of the Fifth Parliament. In the interest of legislative independence, POSA should not be subject to the same budget process as the entities in the Executive branch (Phakathi 2019: internet source). In its Legacy Report on the Fifth Parliament, the JSCFMP noted with concern that the regulations that would expedite full implementation of the FMPPLA had been delayed and would need to be finalised during the term of the Sixth Parliament (JSCFMP 2019).

The absence of a legislative counterpart to the PSA has major implications for civil society and for members of the PS. At present, civil society's only means of interaction with the governance of the PS is via the JSCFMP. But HR and organisational design matters fall outside the purview of this committee, strictly speaking,

though HR statistics contained in POSA's annual reports are tabled at the committee. An example of an instance where an interface between civil society oversight and a POSA oversight mechanism would be in the broad public interest is the tragic passing by protest suicide of Mr Lennox Mzuhleli Garane, a senior manager, in his office on 14 September 2018 in response to the toxic and unaccountable workplace environment within the PS (Davis 2019a).

At his funeral, Mr Garane's family blamed POSA for his death, claiming that the institution – including its presiding officers – was aware of and had failed to resolve their father's 20-month dispute, during which he was arbitrarily removed from his position and moved to a post that he did not want. The Public Service Commission (PSC) was charged by POSA to investigate this matter. The final report of the PSC recommended that the Speaker re-evaluate the fitness and proficiency to remain in office of three implicated senior managers: Mr J Sithole (Mr Garane's supervisor), Advocate M Phindela (Mr Sithole's supervisor) and the acting STP, Ms P Tyawa (Davis 2019b).

Mr Garane's untimely death also illustrates the key implications for PS staff who – in the absence of an independent oversight body such as an ombudsman for the PS similar to the PSC – have no recourse except to the Council for Conciliation, Mediation and Arbitration (CCMA) and the Public Protector's Office. The CCMA is unfortunately only focused on narrow employment relationship and labour relations disputes, and broader violations relating to administrative justice, abuse of management prerogative or political patronage would fall outside its remit.

In its Legacy Report, the JSCFMP notes that "(t)he unpredictability of the parliamentary programme in the last months of the term further frustrated the JSCFMP's programming" (JSCFMP 2019:np). This inability of presiding officers and programming committees to plan in advance is a warning signal since it frustrates the ability of the PS to provide logistics efficiently and undermines civil society's ability to engage and partner with Parliament effectively since these changes create a barrier to participation and impose additional costs on civil society (Parliament Watch 2019).

ASSOCIATION: DYSFUNCTIONAL INTERNAL AND EXTERNAL STAKEHOLDER RELATIONSHIPS

Parliament Watch, a coalition of nongovernmental organisations (NGOs) monitoring parliamentary processes, has noted that committee performance between 2016 and 2018 has been uneven in terms of openness, independence and effectiveness. Parliament Watch raised concerns about more frequent attempts by committees to restrict access to meetings, partially or entirely. There were also less obvious attempts by committee chairs to hinder public access: "Other more subtle attempts, like continuing meetings in private lunch locations or requesting

responses from the executive in writing, prevented full meeting processes being conducted in an open and accessible manner. We were left with the impression that, particularly with high-profile matters, critical discussions and decisions were not being made in committee meeting spaces, but were being made elsewhere” (Parliament Watch 2019:21).

While many of these impediments emanated from committee chairs and committee members, other problematic aspects related to organisational dynamics (for example, programming) and the performance and attitudes of committee support staff. These planning and logistic failures include committee meetings being rescheduled or cancelled at short notice and support staff not communicating this effectively to the public, venues changing at short notice or being too small to accommodate the public, agendas not being circulated in advance, committee documents not being shared with parliamentary monitors or other members of the public attending meetings, poor meeting room signage, inadequate translation services and impeded access of people with disabilities (Parliament Watch 2019).

The relationship between organised labour and management of the PS has been conflictual and adversarial, reaching a low point when NEHAWU declared a dispute over the calculation of performance bonuses and embarked on an unprotected strike from 6 November to 5 December 2015 (POSA 2016). The breakdown of the employment relationship is evidenced by POSA’s perception that there was a “shift on the part of the union from the issues which ostensibly accounted for the illegal strike action to focus on personality attacks, recriminations and character assassination” (POSA 2015). Though a settlement was reached, labour relations have, until recently, remained tense.

The labour environment seems to have stabilised since then, with the number of labour disputes in 2017/18 declining to eight cases from 19 cases the previous year (POSA 2019). However, the JSCFMP noted in its Legacy Report that labour relations had been strained throughout most of the term of the Fifth Parliament and that despite the improvement in the last two years, “the high number of resignations and the tragic passing of a senior manager in September 2018 point to a working environment that remains hostile” (JSCFMP 2019: np).

NEHAWU levelled allegations of maladministration and abuse of power at STP, which were referred by the presiding officers of Parliament to its independent audit committee in May 2017. Mr Mgidlana applied for and was granted special leave on 9 June 2017 (POSA 2017). On the basis of the audit committee’s report, POSA instituted disciplinary proceedings against the Secretary in November 2017, placing him on fully paid precautionary suspension. The disciplinary hearings were protracted (Modise 2019). Given his annual cost of employment of just over R2.8 million in 2017/18, this long-drawn-out procedure would have cost the taxpayer over R6 million. NEHAWU was reported to have indicated the union’s willingness to embark on a protest if Mr Mgidlana were reinstated: “We don’t want him back. They are aware

and he is aware” (Modjaji 2019). Ms P Tyawa has acted in the position of STP for nearly three years, which fostered additional institutional instability.

NEHAWU also lodged a complaint against Mr Mgidlana with the Public Protector in June 2016. In response to this complaint, the Public Protector found evidence for three of the eight allegations: that the Secretary had used public funds to pay for his spouse’s travel to official functions, that he had misused and abused Parliamentary Protection Service vehicles and that he had committed financial misconduct by allowing a junior official to exceed her delegated authority and to incur irregular expenditure (Public Protector 2019). After nearly two and a half years, Mr Mgidlana’s protracted disciplinary proceedings were finally concluded in August 2019, with him being found guilty of serious misconduct and immediate dismissal being recommended (Davis 2019b).

ACTION: PARLIAMENTARY SERVICE PERFORMANCE

The action dimension of institutional analysis considers the routine processes and behaviours that constitute certain functions and generate goods and services.

Van der Westhuizen (2014) characterised the period from 2008 to 2013 as one in which Parliament’s formal powers increased relative to its post-1994 re-establishment phase but in which its capacity and effectiveness faltered. In a study of the Defence Portfolio Committee, Janse van Rensburg (2019:194) noted that the First Parliament had built a solid foundation for oversight of the military, that legislation facilitating oversight had been introduced and that new oversight structures and processes had been instituted between 2004 and 2014. Despite this, oversight over the military during the Fourth Parliament was characterised by declining political will and “a shift away from de-politicised, consensus-seeking oversight”.

While capacity within the PS had improved by 2017 (for example, budget analysis and research), significant capacity gaps remained; for example, the absence of electronic or manual systems for tracking resolutions and of an administrative unit to execute and monitor oversight and accountability implementation plans and standardised processes for the submission of petitions (Mbetse 2017:142–152). Research by Mbetse suggests that the Fourth Parliament – like its predecessors – was bedevilled by poor-quality committee reports that undermined effective oversight.

A factor that constrained the PS’s ability to build capacity in the face of increased demand for core support to the two Houses was its binding financial constraints, with a budget shortfall of R1.084 billion in 2017/18. Decreases in Parliament’s budget allocations from the National Treasury since 2016, coupled with steadily increasing personnel salary bill, have crowded out operational and capital spending (POSA 2019).

As a summary indicator of the PS's performance, 11 out of 19 performance targets set prior to the start of the financial year were achieved (57.9%, up from 46.9% the prior year). In 2017/18, 91.3% of advisory and information services were provided within the turnaround times specified in Parliament's services charter, up from 85.4% in 2016/17 but below the 95% target rate (POSA 2019). While the upward trend is encouraging, it is concerning that all these performance indicators relate solely to turnaround time and not to quality, given the concerns around quality of reports and support, which were discussed previously.

In 2017/18, 100% (ie138) unrevised Hansard reports were delivered within five days, which exceeded the performance target of 95%, driven by improvements in management systems and processes (POSA 2019). While unrevised Hansard records are made available promptly to the public on Parliament's website, a cursory glance at them on the website indicates that the quality of their editing still leaves much to be desired, suggesting that quality may have been sacrificed to meet time-based targets. The records of committee meetings by the Parliamentary Monitoring Group (an NGO) are of superior quality, timely and much more accessible to researchers and civil society than the official Hansard records.

The JSCFMP in its Legacy Report expressed dissatisfaction with the performance measurement and the definition of performance targets and indicators for budget programmes and subprogrammes, which it described as unreliable: "At the time of reporting, it remained impossible to measure the institution's true performance, as most sub-programmes were not measured. The absence of KPIs led the JSCFMP to in some instances question the existence of whole divisions within the institution because it was unclear what output they were expected to produce. In many instances where KPIs *had* been included, the targets that were meant to correspond to them were poorly developed and unmeasurable" (Parliament of South Africa 2019:np).

Parliament has also undertaken to review the parliamentary research operating model (which had been developed in 1997 and is based on one researcher per committee) in order to improve the scope and quality of research support and to reorganise the research function to make optimal use of the subject expertise of researchers and content advisors (Modise 2019). Given the Speaker's commitment to gender analysis and gender-based budgeting (Modise 2019), the requisite skills will have to be built among researchers, content advisors and MPs.

The PS is investing in information technology and innovation to drive efficiencies. The My Parliament App was rolled out to provide relevant, reliable and timeous information to MPs on a user-friendly mobile device. The PS is also finally rolling out an oversight monitoring and tracking system for House Resolutions, questions and other oversight instruments. That such a system, which was recommended in the Corder Report in 2009, is not operational after

two decades of Parliamentary oversight is a serious indictment to the PS. A digital recording and transcription system, is also being implemented (POSA 2019).

FINDINGS, RECOMMENDATIONS AND CONCLUSIONS

Reforms will have to create greater incentives for and a political culture of effective oversight of the Executive (both in POSA itself and in Cabinet). Multipronged responses are likely to be required, ranging from electoral reform to new oversight legislation. Another approach would be to review Parliament's OAM and – as suggested in the 2009 Corder Report – adopt an Accountability Standards Bill to set the broad framework and minimum requirements for accountability; and to provide an authoritative and mandatory framework within which committee members can perform their oversight function (Corder *et al.* 2009:23). Entrenching amendatory accountability will be critical. A North Gauteng High Court ruling in August 2019 set aside the findings of the Seriti Commission of Inquiry into the arms deal on the grounds that the Commission's proceedings fell short of the requirements of legality and rationality. This opens the way to review current *Commissions Act 8 of 1947* and Parliament's House rules (where necessary) to ensure that this legislation is congruent with constitutional intent.

To strengthen FMPPLA implementation and governance, POSA should finalise its budget process as a matter of urgency and take steps to improve the labour relations environment and its organisational culture. To fill the current regulatory lacuna, POSA should pass legislation analogous to the PSA to promote the values set out in section 195 of the Constitution (in particular, the need for HR management and career development to maximise human potential) and to provide for statutory HR management (including performance management) and organisational design standards against which the PS can be measured. Similar to the Australian Parliamentary Service Bill, the proposed legislation would outline a legal framework for the employment and management of PS employees. This may take the form of a revamped *Parliamentary Services Act 33 of 1974*.

Either the JSCFMP should be designated as the oversight mechanism for these HR and organisational design statutes, or a new oversight mechanism should be designated for the proposed Act. Public service employees in the Executive have recourse to the PSC in the event of a grievance or a dispute. Currently, PS employees have no similar mechanism and therefore need to go straight to the CCMA and the Public Protector. It is proposed that the new PS legislation incorporate a parliamentary service ombudsman to discharge that function.

Numerous systems still need to be put in place or refined (for example, systems for tracking committee recommendations, for strategic planning and for performance management). The capability of the PS to support MPs in exercising oversight also

needs to be strengthened. Parliament cannot rely solely on information from the Executive to hold it to account but needs to build sufficient own, independent research and analysis capability as well as possibly forensic audit capability, invest in library and information services and improve the quality of committee support to MPs. Whether POSA can dispel its current image as an expensive, largely ceremonial governance ornament and rebuild its credibility remains to be seen.

REFERENCES

- Abedian, I., Biggs, M. and Cronje, A. 1995. *Reforming South Africa's Budget Process: Some Lessons from International Experience*. Cape Town: The Budget Project Discussion Paper No. 5, School of Economics, University of Cape Town.
- Afrobarometer. 2019. Online data analysis tool. Available at: <http://afrobarometer.org/online-data-analysis/analyse-online> (Accessed on 26 August 2019).
- Ajam, T. 2009. Budget oversight and poverty alleviation: Opportunities and challenges. In Verwey, L., Lefko-Everett, K., Mohamed, A. and Zamisa, M. *Parliament, the Budget and Poverty in South Africa: A Shift in Power*. 43–61. Cape Town: Idasa.
- Andrews, M. 2013. *The Limits of Institutional Reform in Development*. New York: Cambridge University Press.
- Australia. 1999. *Parliamentary Service Act, 1999* (No 145 of 1999). Canberra: Government Printers.
- Bateman, B. 2019. State capture spotlight turns to Parliament's oversight role. Available at: <https://ewn.co.za/2019/06/10/state-capture-spotlight-turns-to-parliament-s-oversight-role> (Accessed on 3 September 2019).
- Campos, E. and Pradhan, S. 1996. *Budgetary Institutions and Fiscal Performance: Binding Governments to Fiscal Performance*. Policy Research Working Paper 1646. Washington DC: World Bank.
- Chêne, M. 2007. Parliamentary approaches to corruption. Available at: <https://www.u4.no/publications/parliamentary-approaches-to-corruption.pdf> (Accessed on 15 September 2019).
- Commonwealth Parliamentary Association (CPA). 2005. Administration and financing of Parliament. Commonwealth Parliamentary Association Report. Available at: http://www.cpahq.org/cpahq/Main/Document_Library/Political_and_Parliamentary_Systems/Administration_and_Financing_of_Parliament.aspx (Accessed on 15 September 2019).
- Corder, H., Jagwanth, S. and Soltau, F. 2009. Report on oversight and accountability: Final report on methods for scrutiny of legislation. Available at: <https://pmg.org.za/committee-meeting/2099> (Accessed on 18 August 2019).
- Davis, D. and Le Roux, M. 2019. *Lawfare: Judging Politics in South Africa*. Cape Town: Jonathan Ball.
- Davis, G. 2019a. Lennox Garane's family wants Parliament to act on PSC findings on his death. Available at: <https://ewn.co.za/2019/09/27/lennox-garane-s-family-wants-parliament-to-act-on-psc-findings-on-his-death> (Accessed on 5 May 2020)
- Davis, G. 2019b. Parly disciplinary panel finds Gengezi Mgidlana guilty of serious misconduct. Available at: <http://a.msn.com/01/en-za/AAH8QrT?ocid=scu2> (Accessed on 4 July 2019).

- Dentlinger, L. 2019. ANC MP Vincent Smith to meet with legal team following Agrizzi testimony. Available at: <https://ewn.co.za/2019/01/22/anc-mp-vincent-smith-to-meet-with-legal-team-following-agrizzi-testimony> (Accessed on 12 September 2019).
- Donnelly, L. 2011. High-flyers among Travelgate MPs. *Mail & Guardian*. 12 August 2011. Available at: <https://mg.co.za/article/2011-08-12-highflyers-among-travelgate-mps> (Accessed on 13 September 2019).
- Feinstein, A. 2007. *After the Party: A Personal and Political Journey Inside the ANC*. Cape Town: Jonathan Ball.
- Ile, I. and Makiva, M. 2017. Monitoring legislative oversight and accountability for sector-based transformation in South Africa: A petroleum downstream perspective. *African Journal of Public Affairs*. 9(6):12–24.
- Janse van Rensburg, W. 2019. Twenty years of democracy: An analysis of parliamentary oversight of the military in South Africa since 1994. Unpublished PhD dissertation, Stellenbosch University. Available at: <http://hdl.handle.net/10019.1/105774> (Accessed on 14 January 2020).
- Joint Standing Committee on the Financial Management of Parliament. 2019. Report of the Joint Standing Committee on the Financial Management of Parliament on its activities undertaken during the Fifth Parliament (May 2016 to March 2019). Available at: <https://pmg.org.za/tables-committee-report/3801> (Accessed on 23 July 2019).
- Manona, W. 2015. Critical analysis of the oversight role of the Education Portfolio Committee in Parliament of South Africa. *Africa's Public Service Delivery and Performance Review*. 3(3):72–94.
- Mbete, L. 2017. An evaluation of oversight and accountability by the Fourth Parliament of the Republic of South Africa. Cape Town: Unpublished master's thesis, Stellenbosch University. Available at: <https://pdfs.semanticscholar.org/203c/239f180fcdf21b746876f6e4748e7129f6a.pdf> (Accessed on 1 September 2019).
- Modise, T. 2019. Address by Speaker of National Assembly Thandi Modise, (MP) on occasion of Parliament's Budget Vote 2. Available at: <https://www.parliament.gov.za/press-releases/address-speaker-national-assembly-thandi-modise-mp-occasion-parliaments-budget-vote-2-16-july-2019> (Accessed on 30 October 2019).
- Modjaji, N. 2019. Mgidlana disciplinary drags on as parliamentary bosses fear he will reveal damaging info. *The Citizen*. 19 March 2019. Available at: <https://city-press.news24.com/News/mgidlana-disciplinary-drags-on-as-parliamentary-bosses-fear-he-will-reveal-damaging-info-20190319> (Accessed on 15 July 2019).
- Muller, S. 2019. South Africa needs a functioning parliamentary budget office – now's the time to fix it. Available at: <https://theconversation.com/south-africa-needs-a-functioning-parliamentary-budget-office-nows-the-time-to-fix-it-117555> (Accessed on 22 August 2019).
- Parliament of South Africa (POSA). 2015. Parliament committed to resolve impasse with union. Available at: <https://www.parliament.gov.za/press-releases/parliament-committed-resolve-impasse-with-union> (Accessed on 31 August 2019).
- Parliament of South Africa (POSA). 2016. Annual Report 2015/16. Available at: www.parliament.gov.za (Accessed on 31 August 2019).

- Parliament of South Africa (POSA). 2017. Secretary to Parliament granted special leave. Available at: <https://www.parliament.gov.za/press-releases/secretary-parliament-granted-special-leave> (Accessed on 1 October 2019).
- Parliament of South Africa (POSA). 2019. Annual Report 2017/18. Available at: www.parliament.gov.za (Accessed on 31 August 2019).
- Parliament Watch. 2019. Comprehensive Monitoring and Review Report for Parliamentary Committees (2016 to 2018). Available at: <https://dullahomarinstitute.org.za/women-and-democracy/parliament-watch/reports> (Accessed on 3 October 2019).
- Phakathi, B. 2019. Committee to look at Parliament's finances remains in the dark. *Business Live*. 25 April 2019. Available at: <https://www.businesslive.co.za/bd/national/2019-04-25-committee-to-look-at-parliaments-finances-remains-in-the-dark> (Accessed on 18 August 2019).
- Poterba, J.M. and Von Hagen, J. 1999. *Fiscal Institutions and Fiscal Performance*. Chicago: University of Chicago Press.
- Public Protector. 2019. Allegations of maladministration, improper conduct and abuse of power allegedly committed by Ms Gengezi Montgomery Mgidlana in his official capacity and during the course and scope of his employ as Secretary to Parliament of the Republic of South Africa. Report 21 of 2019/20. Available at: http://www.publicprotector.org/sites/default/files/legislation_report/Gengezi%20Mgidlana.pdf (Accessed on 31 August 2019).
- Schick, A. 1998. *A Contemporary Approach to Public Expenditure Management*. Washington, DC: Economic Development Institute of the World Bank.
- South Africa (Republic). 1947. *Commissions Act, 1947* (Act 8 of 1947). Pretoria: Government Printers.
- South Africa (Republic). 1974. *Public Service Act, 1974* (Act 33 of 1974). Pretoria: Government Printers.
- South Africa (Republic). 1993. *Constitution of the Republic of South Africa* (Act 200 of 1993). Pretoria: Government Printers.
- South Africa (Republic). 1994. *Public Service Act, 1994* (Proclamation 103 of 1994). Pretoria: Government Printers.
- South Africa (Republic). 1998. *Electoral Act, 1998* (Act 73 of 1998). Pretoria: Government Printers.
- South Africa (Republic). 1999. *Public Finance Management Act, 1999* (Act 1 of 1999). Pretoria: Government Printers.
- South Africa (Republic). 2000. *Promotion of Access to Information Act, 2000* (Act 2 of 2000). Pretoria: Government Printers.
- South Africa (Republic). 2003. *Municipal Finance Management Act, 2003* (Act 56 of 2003). Pretoria: Government Printers.
- South Africa (Republic). 2004. *Prevention and Combating of Corrupt Activities* (Act 12 of 2004). Pretoria: Government Printers.
- South Africa (Republic). 2009. *Financial Management of Parliament and Provincial Legislatures Act, 2009* (Act 10 of 2009). Pretoria: Government Printers.
- South Africa (Republic). 2009. *Money Bills Amendment Procedure and Related Matters Act, 2009* (Act 9 of 2009). Pretoria: Government Printers.

- South African Labour and Development Research Unit. 2019. Income comparison tool. Available at: <https://www.saldru.uct.ac.za/income-comparison-tool> (Accessed on 5 September 2019).
- Standing Committee on Public Accounts. 2019. SCOPA satisfied with its work in Fifth Parliament, 13 March 2019. Available at: <https://www.parliament.gov.za/press-releases/scopa-satisfied-its-work-fifth-parliament> (Accessed on 5 October 2019).
- Swilling, M., Bhorat, H., Buthelezi, M., Chipkin, I., Duma, S., Mondli, L. and Friedenstein, H. 2017. Betrayal of the promise: How South Africa is being stolen. Available at: <https://pari.org.za/wp-content/uploads/2017/05/Betrayal-of-the-Promise-25052017.pdf> (Accessed on 1 August 2019).
- Umrav, A. 2019. ANC MP Cedric Frolick in a 'corrupt relationship' with Bosasa for 10 years: Angelo Agrizzi. *Times Live*. 29 March 2019. Available at: <https://www.timeslive.co.za/politics/2019-03-29-anc-mp-cedric-frolick-in-a-corrupt-relationship-for-10-years-angelo-agrizzi> (Accessed on 4 September 2019).
- Van der Westhuizen, C. 2014. Working democracy: Perspectives on South Africa's Parliament at 20 years. Available at: <http://democracyworks.org.za/working-democracy-perspectives-on-south-africas-parliament-at-20-years> (Accessed 1 September 2019)
- Verwey, L. 2009. Pro-poor budgeting: General reflections and the South African situation. In Verwey, L., Lefko-Everett, K., Mohamed, A. and Zamisa, M. *Parliament, the Budget and Poverty in South Africa: A Shift in Power*. 6–25. Cape Town: Idasa.
- Wehner, J. 2009. South Africa's new parliamentary budget process: An initial assessment. In Verwey, L., Lefko-Everett, K., Mohamed, A. and Zamisa, M. *Parliament, the Budget and Poverty in South Africa: A Shift in Power*. 26–41. Cape Town: Idasa.
- Williams, S. 2017. Overview of the Fourth Parliament. Available at: https://www.pa.org.za/media_root/file_archive/Overview_of_Fourth_Parliament.pdf (Accessed on 3 September 2019).
- Woodhill, J. 2008. Shaping behaviour: How institutions evolve. Available at: <http://www.thebrokeronline.eu/Articles/Shaping-behaviour> (Accessed on 10 August 2019).
- Yamamoto, H. 2007. *Tools for Parliamentary Oversight: A Comparative Study of 88 National Parliaments*. Geneva: Inter-Parliamentary Union.

AUTHOR'S CONTACT DETAILS

Prof Tania Ajam
School of Public Leadership
University of Stellenbosch
Postal address:
P O Box 610
Bellville, 7535
South Africa
Email: tajam@sun.ac.za
Phone: 021 918 4124

Conducting Skills Audits in Local Government

Lessons from a South African Case Study

G van der Waldt

Research Professor: Public Governance
North-West University

ABSTRACT

Skills audits are typically conducted to ascertain the level of skills of employees. Such audits help identify gaps in required competencies, after which appropriate capacity building interventions can be designed. Furthermore, these audits establish the skills matrices for an organisation and measures existing competencies of employees against a predetermined set of skills required for a particular occupation. In a local government setting, skills audits are key instruments to map the competency profiles of municipalities. This is done by outlining gaps in individual skills, compiling strategies and plans for skills development, and improving municipalities' overall capacity to deliver on their developmental and constitutional mandates. However, destabilising political dynamics, organisational arrangements, and general demographic realities tend to complicate the design and implementation of skills audits in South African municipalities. The purpose of this article was first, to explore the fundamentals and methodologies of skills audits; second, to highlight lessons learnt from a comprehensive technical skills audit conducted in South African municipalities. This audit was commissioned by the Local Government Sector Education and Training Authority (LGSETA) in South Africa.

INTRODUCTION

Organisations that are concerned with their overall performance and capacity levels conduct regular audits of their employees' skills base. Such audits typically aim to identify skills gaps, guide job placement and promotion decisions, and

design appropriate interventions for skills development. The nature, scope and methodology for the design of skills audits should consider the following variables: the particular organisational setting, nature of the occupation, and the type of skills to be audited. A one-size-fits-all approach is thus not advisable for human resource specialists since there may be significant differences between organisations in private and public sector spheres.

Conducting skills audits in South African municipalities is complicated by a number of factors. These include: significant disparities between deep-rural, low-capacity, and high-capacity metropolitan municipalities, disruptive political dynamics underlying the structures of municipal councils, the general absence of clear job profiles and performance agreements, and the vast number of stakeholders involved. The analysis of skills-audit cases in municipal settings could reveal best practices and thus streamline the design, leading to a successful execution of similar operations in future.

The author of this article took part in a technical skills audit commissioned by the LGSETA. The aim was to determine the status of technical skills as well as the challenges associated with technical capacity and make recommendations to address identified skills gaps. The main purpose of this article is thus first, to explore the foundational principles and methodologies for skills audits, and second, to identify lessons that were learnt from a comprehensive technical skills audit commissioned by the LGSETA and conducted in the local sphere of government. It is suggested that these lessons should be incorporated in a best practice toolkit for skills audits in the mentioned sector.

SKILLS AND COMPETENCIES IN CONTEXT

According to Bontis *et al.* (1999) and Armstrong (2009:66), “human capital consists of the knowledge, skills and abilities of the people employed in an organisation”. Scarborough and Elias (2002) add that human capital is to a large extent “non-standardised, tacit, dynamic, and context dependent”. These characteristics complicate the evaluation or measurement of human capital bearing in mind that its core dimensions include rather intangible variables such as capacity of individuals, ability to develop skills, and levels of commitment and motivation (Davenport 1999). Thompson and Heron (2005:1032), however, suggest that institutions that invest time and effort in regular audits of their skills base, usually become “high-performance work organisations”. “A ‘skill’ can be regarded as abilities that a person has to execute tasks with pre-determined results within a particular time frame” (Warnich *et al.* 2017:143). A literature review revealed the following core characteristics and elements commonly ascribed to skills as a concept:

- proficiency or dexterity obtained, taught or developed through training interventions or practical work experience (Adeyemo 2010:5);
- abilities derived from applied knowledge and practice (Alsharif 2014:159);
- cognitive, technical and interpersonal abilities and capacities necessary to perform specified activities (i.e. job description) (Bhatnagar 2016:1014); and
- learnt capacity to deliver pre-determined results (Aggarwal, Grantcharov and Darzi 2007:699).

Skills could also be described as personality and behavioural traits that determine people's action in a workplace context. Such skills include how they manage themselves, perform their work, and interact with colleagues (Aggarwal, Grantcharov and Darzi 2007:699). When developing employees' skills base, attention must be paid to particular characteristics concomitant to the employees' skills. These include positive behaviour, work ethic, determination and persistence, eagerness and willingness to augment their own knowledge base; problem-solving ability and loyalty (Clardy 2008a:184).

Furthermore, skills are often categorised in so-called domain-general and domain-specific foci. In the context of municipal operations, general managerial skills typically include self-management, team leadership, organising, and planning, whereas domain-specific skills are generally useful only for particular occupations. According to Armstrong (2009:205), a technical skill refers to the possession of knowledge, understanding and expertise required to effectively complete certain functions. These skills are typically acquired through practice and learning.

Link between skills, competency, and capacity

Authors often use the terms "skills", "competency", and "capacity" interchangeably. However, an extensive literature review revealed that the scope and application of these concepts differ. The Oxford Dictionary defines competence as the quality of being competent, in other words, acquiring the necessary ability or knowledge to perform a task successfully. It could thus be argued that an employee must acquire the expertise or dexterity to do a particular job. Mansfield (1999:25) and Rankin (2002:3) in turn, define competency as underlying personal characteristics that lead to effective or superior performance.

It is evident from the definition above that competency can be regarded as a "cluster" of skills that enable individuals to act efficiently and effectively in a particular occupation or situation (Campion *et al.* 2011:227). Competencies may thus denote skills, but entails a more comprehensive concept that include abilities, knowledge and behaviour fundamental to skills use. Competency levels are typically categorised in terms of the triad, "core, key, and critical" (Rodriguez *et al.* 2002:311).

People or interpersonal competencies generally direct social interaction. These competencies describe expected behaviour required to get results through people and may include team participation, communication, leadership and decision-making, often referred to as “soft” skills (Rodriguez *et al.* 2002:312; Armstrong 2009:203). Armstrong (2009:313) and De Wet and Van der Waldt (2013:49) define competency as a combination of abilities, inherent capacities, knowledge, expertise, and skills. It is thus evident that competency concerns behaviours, while competence, as defined by Woodruffe (1990) in Armstrong (2009:231), is a “work-related” concept referring to work areas in which the person is adept. Competent employees thus meet their job-related performance expectations (Clardy 2008b:389). Competencies are also typified as “hard” skills (Freeman 2010:23). It thus seems that “technical competencies” and “competence” are related closely, although the latter has more specific meaning and contextual application value (Masada 2003:1862).

Watson (cited by Chakunda and Chakaipa 2015:149) noted that certain practices are identifiable in successful capacity building. These include the following:

- constant monitoring of an organisation’s clarity of vision, mission and strategic objectives to ensure all employees understand them and appreciate the way in which they could help operationalising these objectives;
- leadership that commit organisational resources for initiatives in capacity building;
- continuous organisational learning, or how well an organisation “learns from experience ... or mistakes”;
- emphasising performance contracts, performance appraisals, and capacity building to address the skills gap; and
- on-the-job development by assessing how organisations succeed in promoting life-long learning, particularly through practical, real-life methods.

The link between skills, competence and capacity can thus be summarised as follows: To improve the *capacity* of an organisation, all employees must increase their overall *competencies*. These consist of specific job-related *skills* for a collective improvement in the organisation’s general performance and its ability to operationalise its strategic objectives successfully.

Skills in the context of municipal capacity building

Municipal capacity building could be viewed from two different vantage points. The first takes a more macro-systemic perspective and deals with capacity building within South Africa’s local government sector. This is done by focusing on the ability of individual metropolitan, district and local municipalities to deliver on its constitutional and developmental mandates and thus contribute towards building

a capable state (National Development Plan: Vision 2030, 2011, Ch 13). In this regard, attention should be paid to instruments such as institutional plans, strategies and programmes to build the overall structural, systemic, and organisational capacity of municipalities.

The second perspective takes a micro-view by focusing on the capacity of municipal employees to execute their functions and duties effectively and efficiently. This perspective should consider the requirements to improve employees' ability (i.e. skills, knowledge, competencies, and behaviour) to deliver services in line with their job descriptions and delegated responsibilities.

These two perspectives are linked inextricably – the development of human capacity depends on a municipality's ability to utilise its systems, resources, and strategies optimally in developing institutional capacity. The opposite is also true: municipalities can only develop capacity if their employees have the necessary skills, competencies and knowledge to contribute towards the overall performance of the local government sector. This can be achieved through measures such as:

- recruitment of people with the right skills, competencies, experience, and qualifications;
- continuous staff development, capacity building, and training;
- regular skills audits to determine areas with excess capacity and shortfalls; and
- capacities of institutional learning to capture the knowledge from past experiences for future interventions.

Human resources development and capacity building of local government can thus be considered different sides of the same coin.

It should be noted that scholarly literature often uses the term *capacity development*. Scholars argue that *development* accepts a measure of intrinsic capacity, which has to be improved (De Wet and Van der Waldt 2013:51). According to authors such as Freeman (2010:15) and Rankhumishe (2011:787), *capacity building* assumes limited or no capacity at all. It could be argued that in South Africa as a developmental state there is limited people capacity. Based on data from Statistics South Africa's Quarterly Labour Force Surveys (2016/2017), it is evident that a significant part of the population does not possess even the most basic knowledge or skills on which to latch a programme for skills development or capacity building. In cases where basic education exists, a lack of competence inhibits efforts to improve capacity to promote efficient and effective capacity building. This is namely, capacity required for the delivery of high-quality services to members of society (Lancaster, Mabaso and Meyer 2001:86).

Capacity building typically refers to employees' ability to execute functions effectively, efficiently and economically (Grindle and Hildebrand 1995:442). Improving human capacity typically requires structural, functional, resource allocation and cultural adjustments in local government. Capacity building in South

African municipalities remains a challenge as the function of this sphere continues to be undermined by factors such as a low revenue base, poor leadership, appointment of senior officials with no or inappropriate qualifications and limited experience, as well as destabilising political dynamics (Freeman 2010:28).

Skills development in municipalities is complicated further by the way various categories of municipalities were established. These categories differ significantly in terms of size, area of jurisdiction and staff complement. The following typology is used for Section 57 managers in district and local municipalities in the following South African provinces: North West, Limpopo, Mpumalanga, and Gauteng (Cogta, s.a.):

- Type 1: No established town;
- Type 2: One or small town (former TBVC areas);
- Type 3: One or small towns (non TBVC areas);
- Type 4: Large urban areas; and
- Type 5: Metros.

These different “types” as referred to in the text, identify divergent needs and different capacities which employees will require. A Type 1 municipality, for example, may not require a qualified engineer, while a Type 2 may need only a technician with basic knowledge qualifications. Furthermore, the grading of competencies (e.g. basic, competent, advanced, and superior) depends on employees’ job profiles. For a number of smaller municipalities, a basic grading may suffice. However, in a metropolitan municipality, advanced competencies may be required due to a specific function’s complexity. These are important considerations when designing skills audits.

NATIONAL IMPERATIVES FOR SKILLS DEVELOPMENT

South Africa has developed an extensive statutory and regulatory framework to guide skills development in the local government sector. In this respect, the Skills Development Act 97 of 1998, the Skills Development Levies Act 9 of 1999, and the National Skills Development Strategy (NSDS III) (2011–2016) [26] can be regarded as the overarching framework to guide skills development. Other important legislation that informs skills development include the following Acts:

- South African Qualification Authority Act 58 of 1995;
- Higher Education Act 101 of 1997;
- White Paper on Human Resource Development, 1997;
- Local Government: Municipal Systems Act 32 of 2000;
- National Qualification Framework Act 67 of 2008; and
- Public Administration Management Act 11 of 2014.

Legislation directs the LGSETA's design and completion of sector-skills planning and its related implementation. This provides a framework for a levy on skills development, using resources in municipalities, as well as for guiding the National Skills Fund (NSF). Such a framework also determines linkages with, and responsibilities of, other education and training stakeholders. Furthermore, the Human Resource Development Strategy for South Africa, published by the Department of Higher Education and Training, functions as overarching framework for skills development. This strategy has two primary objectives: first, to ensure all components of the state coordinate to provide opportunities for human development. Second, the strategy must ensure those who have experienced discrimination in the past are favoured in terms of national priorities. These objectives cannot be achieved without cooperation and coordination from the relevant key stakeholders such as government, the LGSETA, municipalities, and other agencies.

National Treasury has also embarked on numerous programmes to strengthen capacity and enhance skills in municipalities. Examples of such programmes are the National Capacity-building Strategy for Local Government, the Cities Support Program, and the Municipal Infrastructure Support Agent's (MISA) Capacity Building Strategy introduced by the Department of Cooperative Governance and Traditional Affairs (Cogta). MISA as a government agency was established in terms of section 7(2) schedule 3 of the Public Service Act, 1994. One of MISA's primary aims is to improve municipalities' technical capacity to undertake efficient planning, delivery, operations and management of municipal infrastructure. A technical support programme was established to monitor and assist MISA in 27 priority municipalities.

For a municipality to receive the mandatory grant from the LGSETA, a signed workplace skills plan (WSP) must be submitted to the LGSETA by no later than the end of April each year. All municipalities must also appoint skills-development facilitators (SDFs) to assist with the analyses of the skills requirements within a municipality. SDFs should thus coordinate the execution of the Personal Development Plans (PDPs) of municipal employees, including its technical staff. SDFs should further monitor the compilation and implementation of skills plans for the workplace and report accordingly. If SDFs are properly qualified and their competencies and abilities are utilised correctly and constructively, they could add significant value to build municipalities' capacity.

A further unique feature in the landscape of South African municipalities is the establishing of Training Coordinating Committees. Workplace skills planning cannot be executed successfully without support from senior management and only through the efforts of the SDFs and other training stakeholders. Training Coordinating Committees play a significant role in this regard as a local government structure that forms part of the overall training system. These Committees support training provided by human resource departments and also ensure that

WSPs are designed and executed. WSPs must be based on data obtained from regular skills audits i.e. the effective identification of training needs and priorities. A skills audit means establishing the status of skills and human resource competencies and capacities in a municipality. A skills-gap analysis can reveal the discrepancies between the skill base available and those that are required to operate constitutional obligations of municipalities successfully. This gap analysis is an essential component of a skills audit.

Keeping the above-mentioned need in mind, Cogta developed the *GAPSKILL* software tool and made it available to all municipalities to assist in this regard. A well designed WSP should focus on current and future needs, considering the gaps that are identified through the following assessment methods: a skills audit or analysis of training needs, the performance management system, succession planning initiatives, and any changes in processes or technology planned for the current year.

ASSESSING MUNICIPAL CAPACITY THROUGH SKILLS AUDITS

A skills audit can be regarded as a process applied to determine the skills base of individuals or groups (Fletcher 2000:33). The main purpose for such audits is to identify the skills and competencies organisations require and to compare it with its current available skills and competencies. Skills audits furthermore provide management with data regarding training needs and the design of appropriate skills development interventions. Other reasons for such audits are organisations that restructure or deploy their staff. Skills audits gather more information than merely the qualifications of employees. According to Fletcher (2000:59) and Srivastava (2005:51), skills audits need to ascertain the following in an organisation:

- competency standards to appoint adequately skilled staff;
- generic competencies for different occupational groups and positions;
- data pertaining to skill deficiencies;
- assessment of skills and competencies specified by professional bodies; and
- the organisation's overall performance and capacity.

Swanson and Holton (2001:89), Velada, Caetano and Kavanagh (2007:12) and Westover (2008:4) point out that information gathered from skills audits is essential since it empowers organisations to:

- know in which functional domains improvement is required;
- plan improved interventions for training and skills development;
- determine recruitment needs to ensure the appropriate candidates are appointed;

- improve decisions on the job placement of employees; and
- make career pathing and succession planning more valid and accurate.

Data emanating from skills audits enables a thorough skills-gap analysis (Lancaster, Mabaso and Meyer 2001:86). Such an analysis directs management interventions regarding the allocation of resources to further develop employees' capacity as well as the design of appropriate training programmes (Mabey 2002:1143). Skills audits should also provide information that facilitates the selection of internal employees for vacant positions as well as the deployment of employees in certain positions. Outcomes of skills audits should be reported for each unit in an organisation (e.g. department, division, or directorate) to determine individual and unit competency gaps. This in turn, should inform WPSs in compliance with the Skills Development Act and LGSETA's regulations.

DESIGNING AND CONDUCTING SKILLS AUDITS

Numerous techniques are used to design and conduct skills audits based on the context and strategy of an organisation. It is thus essential that the first step in the design of a skills audit is to assess the organisation's functional environment and strategies in relation to the objectives of the audit. Contextual assessments may include socio-economic and political circumstances, logistical and resource issues, as well as the relative priority and purpose of the skills audits (Mabey 2002:1142). Organisational strategy coordination is also essential to ensure that current and future skills needs are aligned (Fletcher 2000:60).

To determine the necessary skills, organisations should identify current and future skills requirements for particular occupational groups. These requirements should be outlined on a detailed skills matrix (Mabey 2002:1143). Such a skills matrix should cover basic, intermediate, and complex proficiency levels per job category (Aggarwal, Grantcharov and Darzi 2007:672). Data obtained from skills audits should compare and contrast existing skills with information contained in the skills matrix. In this regard, skills audit panels should conduct audits in a fair and open fashion, where employees have the opportunity to submit portfolios of evidence and to engage panels on their findings in relation to the self-assessment of their skills. According to McDowell (2006:49), there are three types of evidence that may be presented for audit purposes, namely:

- direct evidence provided by employees (e.g. qualifications, training, etc);
- indirect evidence about the employee (e.g. ratings of peers and supervisors); and
- historical evidence outlining the employee's past performance (e.g. curriculum vitae, testimonials of previous employers, awards, etc).

Rating scales for audits normally allow for statistical analyses of audit results (Clardy 1997:30). Individual and panel skills ratings are allocated for each competency domain to calculate and interpret final ratings. These results inform training and development strategies, WSPs, individual development plans, and performance-related interventions (Clardy 1997:48). Such reports should be treated as confidential and archived. Access to and the use of these results should also be controlled.

CASE STUDY: LGSETA SKILLS AUDIT OF THE LOCAL GOVERNMENT SECTOR'S TECHNICAL CAPACITY

To operationalise the objectives of the South African NSDS III highlighted above, the LGSETA undertakes regular sector-wide research projects in support of municipal capacity building endeavours. The findings and results of these projects inform local government skills plans and annual performance plans. Further critical outputs of these research projects are the development of sectoral educational programmes and the design of focused skills development interventions for different job categories. These projects are underpinned by government's national priorities, strategic focus areas, and municipal support campaigns.

In spite of significant capacity building and support programmes, most municipalities in South Africa are characterised by general incapacity, serious financial constraints, and low competency levels. As a result, municipalities struggle to operate and maintain their basic service delivery infrastructure. In response, the LGSETA commissioned a research team to undertake a sector-wide skills audit in municipalities across South Africa, conducted from October 2017 to January 2018. The audit focused on technical staff responsible for basic infrastructure development and maintenance.

Project scope and deliverables

The scope of the project was to obtain a representative sample of all municipalities in South Africa to conduct a survey in all nine provinces. At the time of the survey, there were eight metros, 44 districts, and 205 local municipalities in South Africa. Of the municipalities 36 were both randomly and purposively sampled. Purposive sampling was important to make provision for inland and coastal regions, urban and deep-rural areas, as well as low- and high-capacity municipalities. The sample entailed one metro/or capital city per province and one district and two local municipalities per province ($n=36$). Based on the terms of reference, the deliverables of the project were as follows:

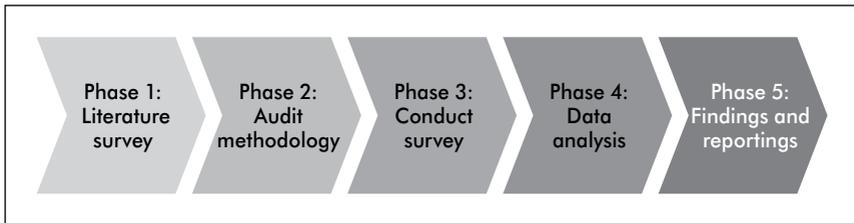
- conduct an in-depth analysis of the nature and scope of technical skills challenges in the local sphere of government;

- undertake a skills audit among technical staff in local, district and metropolitan municipalities;
- isolate factors that cause non-functionality in technical departments of municipalities; and
- propose interventions to address identified skills gaps in technical occupations.

Skills audit: Process and methodology

The research process followed a phased approach as depicted in Diagram 1 below.

Diagram 1: Research phases



Source: (Author's own depiction)

Phase 1: Conceptual and contextual analyses

An extensive literature survey isolated the theoretical underpinnings, principles, approaches, and processes linked to skills audits. The literature survey was supplemented with a situational analysis of the local government sector. This situational analysis guided the research team to outline the nature of technical skills, the occupational categories, post levels, competency requirements, and job descriptions. Furthermore, a document analysis covered official data on the status of local government, including surveys and reports from Statistics South Africa (StatsSA), Cogta, the South African Local Government Association (SALGA), and the Auditor General. The different data sets then informed the development of a comprehensive local government profile. This profile outlined the capacity of local, district and metropolitan municipalities in general and technical services in particular. This profile was necessary to identify low-, medium-, and high-capacity municipalities for sampling purposes.

Phase 2: Audit methodology

During the second phase, two groups (cohorts) were identified for data collection purposes. The first group comprised the primary target population, namely the supervisors and foreman of technical staff in municipalities. A mixed-method research design was adopted. A questionnaire was used as data collection instrument. The

questionnaire was piloted (pre-tested) with 13 respondents from the target group and then distributed via e-mail to 180 respondents who completed the questions online. To ensure an adequate response rate, telephonic follow-ups were made. The second group served as reference cohort to validate and cross-reference the responses gathered from the first group. This enabled a comprehensive systemic and strategic overview of challenges posed to technical skills in municipalities. The second selected cohort comprised the following participants:

- a. senior managers of corporate service departments;
- b. skills development facilitators;
- c. senior managers of infrastructure departments;
- d. senior managers of technical service units;
- e. the heads of project management units (responsible for infrastructure project design and implementation);
- f. the chairpersons of municipal public accounts committees; and
- g. the chairpersons of portfolio and/or standing committees responsible for infrastructure development oversight.

An interview schedule was designed and piloted to conduct face-to-face, semi-structured interviews. Rich data and thick descriptions were obtained from this cohort. This enabled a comparative analysis of data obtained from cohort 1.

Phase 3: Conduct the skills audit

Phase three entailed logistical arrangements and the training of fieldworkers for interviews with the first target group to cross-reference and verify data collected from the second target (i.e. reference) group. A response rate of 55% was achieved for the questionnaire (100/180) and 60% (152/252) for the interviews. The responses could thus be regarded as representative of the target population.

Phase 4: Data analyses

Data capturers recorded the gathered information on statistical software and Excel spreadsheets. Based on Chi-square tests, a comparative analysis was done to contrast and compare the responses of the two cohorts. Using ATLAS.ti (version 7), a thematic analysis followed to determine categories of responses obtained from the questionnaire and interviews (i.e. “coding”). Finally, a frequency analysis determined the relative importance or significance of responses about challenges hampering the development of technical skills.

Phase 5: Findings and submission of final research report

Phase 5 entailed the verification and cross-referencing of data. This included an analysis of key observations made by the research team during the audit process, as well as the final report based on the client’s terms of reference.

Case study analysis: lessons to be learnt

The purpose of this section is to highlight practical lessons gleaned from the technical skills audit in municipalities, as pointed out above. It is suggested that these lessons should inform similar future skills audits conducted within South African municipalities. It is recommended further that these lessons be incorporated into a best practice “toolkit” for skills audits.

Literature reviews and document analyses

It is evident that a robust literature review and relevant document analyses should precede the design of a skills audit. This is necessary to uncover the foundational and international best-practice principles, methodologies, instruments, and approaches relevant to such audits. Furthermore, a literature review should form the basis of the data-collection instruments such as questionnaires and interview schedules. A thorough document analysis will help researchers understand the nature and status of skills in local government, the role players involved as well as applicable legislation and policies. It will also identify and apply existing guidelines, strategies, programmes and mechanisms for effective skills development.

Consultative approach and climate-setting

A consultative approach was adopted to involve the client (LGSETA) in the design and roll-out of the audit. Such an approach furthermore engaged experts from the local government sector in the design of the project, thus making its findings more legitimate. It was thus imperative to establish a consultative platform comprising technical experts, educational professionals and infrastructure development consultants in the sector. This consultative forum was used to:

- identify the appropriate skills audit research design, methodology and data collection instrumentation;
- pinpoint critical elements for inclusion in the questionnaire and interview schedule;
- establish a conducive climate for the survey; and
- establish monitoring, control and reporting mechanisms between the research team, fieldworkers, and client.

Prior to the national roll-out of the audit project, the research team requested that the client (i.e. LGSETA) distribute a letter to the relevant role players and stakeholders informing them about the purpose, nature, scope and importance of the audit. This was necessary to create a positive climate for the project and give the research team the necessary credibility and legitimacy to conduct the fieldwork.

Skills-audit instruments

Instruments used for data collection should suit the profile of participants and respondents. Scientific principles informing each type of instrument should be followed to ensure the reliability and validity of the gathered data. These principles include ethical clearance, pre-testing (i.e. pilot) the instruments, and triangulation of the data, methods and sources. It is furthermore important to include adequate biographical details (e.g. years' experience in current position, qualifications, self-rating of own skills, etc.) into the instruments for accurate cross-references and data analyses.

From the outset, it was evident that a personal approach and direct contact would yield the most appropriate results. For example, the list of contact details for participants and respondents provided to the research team did not contain up-to-date and accurate information. A number of the people mentioned on the list also did not serve in that capacity anymore, or had resigned from their posts. A significant number of e-mailed questionnaires were returned as "undeliverable". The research team thus had to work through the respective switchboard operators at the municipalities to obtain accurate contact details. Thereafter, telephonic and personal contact was made, gaining commitment from the targeted sample to participate in the audit.

Scheduling the skills audit

Participation in the survey was challenged by the fact that it was conducted during the festive season. Furthermore, the team found it difficult to arrange all the interviews on a single day. At times, people were away from the office, and others were reluctant to attend due to their workloads. Coupled with this challenge, the sampled municipalities indicated that they are "overwhelmed" by similar surveys from other government agencies and institutions. This makes coordination of surveys between agencies and institutions imperative.

Political context and logistics

The inhibiting political dynamics at a number of municipalities complicated the audit process. In certain cases, fieldworkers travelled to sampled municipalities only to learn that some participants were unavailable or simply withdrew from the survey, in spite of prior confirmation of appointments. The mentioned state of affairs generally made respondents and participants less willing to participate since they viewed the audit as "very low on their priority list". As a result, re-appointments had to be made, leading to additional travel and excessive project costs.

Sampling procedures

For the sampling procedures it is important to differentiate between municipalities in terms of:

- rural and urban settings;
- local, district and metropolitan environments;

- realities of each of the nine provinces; and
- low, medium and high capacity.

Furthermore, the researcher found it necessary to divide the sample into two cohorts. The first cohort comprised the main target population, namely technical staff such as artisans, engineering technicians, or electricians. The second cohort was selected and sampled to capture broader contextual data about the status of technical skills in municipalities. This cohort also served as verification mechanism to compare and contrast data obtained from the first cohort.

Distinguish hard from soft skills

The findings showed that instruments for data collection should provide for the measurement of both hard and soft skills. Hard (technical) skills include bricklaying, electrical connections, piping and construction, while soft (personal) skills include aspects such as time- and self-management, organising, planning, or team participation.

Contextualising “skills”

It is important to understand that municipal employees’ skills are impacted significantly by contextual factors such as:

- level of political stability – factionalism, or various relationships: between the administration and council, Office of the Executive Mayor, Office of the Speaker, and Office of the Municipal Manager;
- conducting annual skills audits and the municipal performance management system (PMS);
- motivation and morale levels of employees;
- quality of leadership, supervision, coaching and mentorship;
- availability of resources, equipment and tools as well as employees’ ability to use it effectively;
- quality of on-the-job and other training programmes;
- retention levels of staff; and
- the nature and scope of career paths, mentorship.

The project team found that especially the following contextual factors complicated the audit process:

- The general absence of clear job descriptions and specifications made it extremely difficult to determine whether technical staff comply with the conditions and requirements of the position. Naturally, this hampers the measurement of skills gaps, the determination of appropriate skills development interventions, as well as consequence management.

- A general absence was found of skills-needs analyses, adequate WSPs, PDPs, and performance contracting.
- SDFs generally do not adhere to their intended responsibilities. Most SDFs revealed that they simply “tick some boxes for compliance sake”. It is furthermore evident that they are not used as a strategic asset to help improve skills in municipalities and to facilitate organisational performance. Approximately 40% of SDFs function in an acting capacity and are generally excluded from competency development initiatives.

The scope of the above-mentioned factors should be incorporated into the instruments for data collection.

Conceptualising “audit”

From the findings it became apparent that the term “audit” conjures images and perceptions of Auditor General-type assessments of financial statements, performance accounting and budget expenditure. When referring to “audit”, it was found that a number of officials were extremely reluctant to participate or speak freely about their challenges and concerns regarding skills development. Attitudes ostensibly became more positive when fieldworkers referred to the skills audit as a “survey” or “assessment”.

CONCLUSION

This article reflected on the role of skills audits in determining the competency profile of organisations. For this purpose, the case of a technical skills audit in the South African local government sector was explored with the aim to identify key lessons that could be learnt for similar audits in future. The findings showed that skills audits are linked to a specific context.

Skills audits typically are undertaken to determine the skills base of employees, thus identifying gaps in required competencies and designing appropriate capacity building interventions. Such audits furthermore identify the skills matrices for an organisation and measure the current competencies of individual employees against this predefined set of skills required to perform a specific function. The implication is that assessment of human resources and development practices as applied in the private sector cannot simply be transferred to the public sector. Several factors tend to complicate the design and implementation of skills audits in South Africa at local government level. These inhibiting factors include destabilising political dynamics, organisational realities, and employees’ diverse demographic profiles. By analysing similar cases, a best practice toolkit for skills audits can be designed to improve the overall competencies of public officials

and address the limited institutional capacities of municipalities. Such a toolkit should have at least the following four basic focal points:

- organisational advocacy, resource allocation, and general preparation for the audit;
- arrangements, methods and metrics to conduct the audit per job category, job level, job descriptions, and job specifications;
- analyses of data per job category and level; and
- planning for skills development interventions.

Such a toolkit can be tailored to suit the needs of local governments in other African states as well as in similar developing countries globally.

REFERENCES

- Adeyemo, S.A. 2010. The need for skill development/acquisition in science, technology and mathematics education (STEME) in Nigeria. *Journal of Science and Technology Education Research*. 1(1):1–9.
- Aggarwal, R., Grantcharov, T. and Darzi, A. 2007. Framework for systematic training and assessment of technical skills. *Journal of the American College of Surgeons*. 204(4):697–705.
- Alsharif, N.Z. 2014. Knowledge, skills and accountability? *American Journal of Pharmaceutical Education*. 78(9):159.
- Armstrong, M. 2009. *Armstrong's handbook of human resource management practice*. 11th ed. London: Kogan Page.
- Bhatnagar, S. 2016. Do medical professionals need skill development? *SM Journal of Pediatric Surgery*. 2(2):1014–1015.
- Bontis, N., Dragonetti, N.C., Jacobsen, K. and Roos, G. 1999. The knowledge toolbox: A review of the tools available to measure and manage intangible resources. *European Management Journal*. 17(4):391–402.
- Campion, M.A., Fink, A.A., Ruggeberg, B.J., Carr, L., Phillips, G.M. and Odman, R.B. 2011. Doing competencies well: Best practices in competency modeling. *Personnel Psychology*. 64(1):225–262.
- Chakunda, V. and Chakaipa, S. 2015. Local government capacity building and development: Lessons, challenges and opportunities. *Journal of Political Science and Public Affairs*. 3:149. doi: 10.4172/2332-0761.1000149.
- Clardy, A.B. 1997. *Studying your workforce*. London: SAGE.
- Clardy, A.B. 2008a. The strategic role of human resource development in managing core competencies. *Human Resource Development International*. 11(1):183–198.
- Clardy, A.B. 2008b. Human resource development and the resource-based model of core competencies: Methods for diagnosis and assessment. *Human Resource Development Review*. 7(4):387–407.

- Davenport, T.O. 1999. *Human capital*. San Francisco, CA: Jossey-Bass.
- De Wet, C. and Van der Waldt, G. 2013. Ascertaining South Africa's public service senior management competence domains from a developmental state landscape. *Administratio Publica*. 12(1):47–68.
- Fletcher, S. 2000. *Competence-based assessment techniques*. 2nd ed. London: Kogan Page.
- Freeman, K.M. 2010. Capacity development theory and practice: Lessons learnt from CORD and KITWOBE in Northern Uganda. MA dissertation. Oxford Brookes University.
- Grindle, M.S. and Hildebrand, M.E. 1995. Building sustainable capacity in the public sector: What can be done? *Public Administration and Development*. 15(5):441–463.
- Lancaster, K., Mabaso, J. and Meyer, M. 2001. *ETD practices in South Africa*. Johannesburg: Butterworths.
- Mabey, C. 2002. Mapping management development practice. *Journal of Management Studies*. 39(8):1139–1160.
- Mansfield, B. 1999. What is 'competence' all about? *Competency*. 6(3):24–28.
- Masada, M. 2003. Training, education, development and learning: What is the difference? *The European Scientific Journal*. 8(10):1857–1881.
- McDowell, I. 2006. *Measuring health: A guide to rating scales and questionnaires*. 3rd ed. New York, NY: Oxford University Press.
- Rankhumishe, E.M. 2011. The Implications of Training Measures to the Development action appointees: Insights from Mpumalanga Public hospitals. *Journal of Public Administration*. 46(1.1):785–797.
- Rankin, N. 2002. Raising performance through people: the ninth competency survey. *Competency and Emotional Intelligence*. January, pp. 2–21.
- Rodriguez, D., Patel, R., Bright, A., Gregory, D. and Gowing, M.K. 2002. Developing competency models to promote integrated human resource practices. *Human Resource Management*. 41(3):309–324.
- Scarborough, H. and Elias, J. 2002. *Evaluating human capital*. London: CIPD.
- South Africa. 2009. Human resource development strategy for South Africa (HRD SA) 2010–2030. Pretoria: Government Printers.
- South Africa. 2010. The framework for the national skills development strategy 2011/12 – 2015/16. First draft for consultation, 29 April. Pretoria: Government Printers.
- South Africa. 2011. National Development Plan: Vision 2030. Pretoria: National Planning Commission.
- Srivastava, S.C. 2005. Managing core competence of the organization. *Vikalpa*. 30(1):49–63.
- Swanson, R.A. and Holton, E.F. 2001. *Foundations of human resource development*. San Francisco, CA: Koehler.
- Thompson, M. and Heron, P. 2005. Management capability and high performance work organization. *The International Journal of Human Resource Management*. 16(6):1029–1048.
- Velada, R., Caetano, A. and Kavanagh, M.J. 2007. The effects of training design, individual characteristics and work environment on transfer of training. *Journal of International Training and Development*. 11(4):1–30.
- Warnich, S., Carrell, M.R., Elbert, N.F. and Hatfield, R.D. 2017. *Human Resource Management in South Africa*. 5th ed. Cape Town: Cengage Learning.

Westover, J. 2008. Effective human resource training and development: examination and application of adult learning theory in the human resource management context. *The Journal of Human Resource and Adult Learning*. 4(1):1–8.

AUTHOR'S CONTACT DETAILS

Prof Gerrit van der Waldt

Research Professor: Public Governance

Focus Area: Social Transformation

North-West University

Private Bag X6001

Potchefstroom

2520

Tel. +27 (018) 299-1633/ 082 4511752

E-Mail: Gerrit.vanderwaldt@nwu.ac.za

The Role of Parliamentary Budget Offices in Participatory Budgeting

Considerations for the South African Parliamentary Budget Office

M Jahed

School of Public Management, Governance and Public Policy
University of Johannesburg

ABSTRACT

The role of Parliamentary Budget Offices (PBOs) in supporting parliaments by enhancing participatory budgeting, is the key focus of this article. Participatory budgeting is recognised as a tool for empowering the public to actively participate in the fiscal and budgetary process. Parliaments are increasingly strengthening their capacities to exercise oversight over the public finance management process. PBOs are being established to empower parliaments to strengthen the budgetary oversight process. The South African Parliamentary Budget Office (SAPBO) provides the necessary technical support to Parliament regarding the budget process. A critical challenge is to obtain the involvement of the broader public in the budgetary process. While space for public participation has been established by the legislature, broader public involvement in budgeting should be enhanced. The article found that the SAPBO is well placed to ensure meaningful public engagement and build public capacity in support of participatory budgeting. In addressing the SAPBO mandate, access to information and engaging in budgetary capacity building should be a core function. Through communication with the public and soliciting their inputs, the SAPBO can play a key role in enhancing participatory budgeting.

INTRODUCTION

Legislatures are establishing themselves as key players in the budgetary processes. Legislatures have established their roles as budget amending and budget-making

entities, not merely as rubber stamps of the executive's budget proposals. Legislatures have further taken ownership of public financial management through increasing their technical and institutional capacities. The establishment of PBOs is a case in point. PBOs have enabled legislatures to entrench their critical role in the budget process. Legislatures have further recognised their critical role in public participation, and by extension, the participatory budget approach. While PBOs have emphasised the need for supporting and empowering legislatures, PBOs should consider their critical role in engaging citizen participation in the budget and the broader public finance management process. Participatory budgeting supports the call by the public to participate in budgetary inputs and decision-making. As participatory budgeting involves a broad range of stakeholders who have misgivings due to corruption, political agendas, favouritism and marginalisation, the facilitation of participatory budgeting by PBOs can assist in strengthening the effectiveness and accountability of parliaments in budget processes (Santiso and Varea 2013).

The SAPBO is well positioned to establish and encourage participatory budgeting. As the SAPBO matures in the functions of legislative support, the additional function of strengthening active involvement in the budget process by the broader public will further enhance legislative support through active citizen involvement. The SAPBO is a useful case study as it was established within the very specific socio-economic and political situation in South Africa. The unique South African socio-economic and political milieu has resulted in the establishment of the SAPBO that had to take cognisance of the following specific South African conditions:

- The nature of the legislature in relation to the executive.
- The role of political parties, with specific emphasis on political support for the PBO.
- The administrative environment regarding resource availability, both human and financial.
- The necessary legislation to support the establishment of the SAPBO, and to empower the SAPBO to function independently, efficiently and effectively.

Legislation that allowed the SAPBO to function free from political interference and with the necessary human and financial resources has contributed to the relative success of the SAPBO in performing its functions.

PUBLIC PARTICIPATION IN BUDGET PROCESSES

Governments are increasingly adopting public participation as a critical part of the fiscal and budgetary process. Governments have realised that participation and transparency are necessary for ensuring accountability, as well as adding value

in decision-making. Through access to information, participation in the budget process improves public financial management (Marchessault 2015).

Dias (2014) postulates that participatory budgeting is a new social and political movement of the 21st century. As an important component of participatory democracy, participatory budgeting empowers citizens in public finance management. The lessons and experiences of citizen participation in public finance management and policy making have emerged as a major trend in the sphere of public finance. While PBOs have placed emphasis on strengthening the public finance oversight function of legislatures, PBOs can further strengthen the oversight function through citizen empowerment in the budget process. Strengthening citizen participation through capacity building and information dissemination allows for public engagement in the public finance management decision-making process.

In defining participatory budgeting, consensus is that participatory budgeting refers to the participation of non-elected citizens in the conception and/or allocation of public finances. Participation by citizens is through debate on the budget, and hence, the engagement with the distribution of public financial resources. Clearly, participation in the budget process is an additional contribution to the enhancement of democratic governance processes. There is no precise model for participatory budgeting programmes, therefore the importance of developing home-grown participatory budget models is crucial (Wampler 2007).

In achieving effective participatory budgeting models, certain key criteria could be considered (Sintomer, Herzberg, Allegretti, Röcke and Alves 2013). These criteria include discussion of the financial and budgetary processes around the allocation of scarce resources and the involvement of decentralised governments who have control over the administration and resources. Participatory budgeting has to be an entrenched process where public engagement must be included as a key element of the engagement process, and there must be accountability concerning the process outcomes.

Additionally, when considering meaningful participatory budgeting, it should be taken into account that budgeting affects all citizens through the allocation of resources, therefore decision-makers are obliged to involve citizens in the budgetary decision-making processes. A commitment should be made that the public contribution will influence decision-making. The needs and interests of all, including decision-makers, should be recognised. Crucially, the public should be involved in developing the frameworks for how they will engage and participate. Information should be provided for efficient and effective public participation. Budgetary information can be complex and difficult to understand, therefore information must be provided in a manner that is easily digestible for ordinary citizens. Of importance, is that the public are informed of the impact and influence of their inputs on the outcomes of the public participation process (Wampler 2007).

The criteria mentioned emphasise a recognised public engagement process in the budget process, with clear outcomes that are measurable. Merely inviting the public to meetings is not sufficient. The values discussed are crosscutting of all areas of public participation. The criteria could be regarded as a guide for ensuring greater levels of participatory budgeting and legislatures would enhance participatory democracy by adhering to the criteria. Concerning participatory budgeting, access to information that is easily understood and made less complex will significantly enhance meaningful public financial management. Parliamentary oversight is enhanced through the provision and access to information. In addition, access to information places the public on an equal footing in the budget process. The lack of access to information results in the exclusion of many groups (Moynihan 2007). The Commonwealth Parliamentary Association (CPA) Study Group on Access to Information in particular advises that parliaments should “play a leading role in promoting access to information...” (Mendel 2005). PBOs are well placed to provide access to information given that a primary function is to make financial and budgetary information available to legislatures.

Clearly, participatory budgeting is a supportive instrument for good governance as it allows the public to influence government decisions and to hold governments accountable. Participatory budgeting further enables capacity building and educating the public about public financial management. If appropriately implemented, participatory budgeting enhances both the public’s and government’s attitudes towards accountability, resource allocation and service delivery.

A critical factor is that while participatory budgeting increases public involvement in fiscal decision-making, the risks in participatory budgeting are that specific interest groups can dominate the participatory process and can influence the process through specific economic and fiscal ideology. Hence, influencing the allocation and distribution of resources towards specific groups or programmes. In addition, interest groups’ “capture” can lead to corruption, patronage and influence over decision-making. The “voiceless” groups can be excluded, allowing only those groups who have the technical and financial resources to participate. A fundamental risk is that the governing elite may exclude the involvement of the broader public, as well as decentralised levels of government. The inputs of the broader public and decentralised levels of government are limited and the risks should always be centre in designing the participatory process. Wampler (2007), notes: “Political and social actors have different motivations for promoting and participating in participatory budgeting...Participatory budgeting programmes is an important step toward political inclusion and greater social justice, but they are by no means a magic bullet”.

Moynihan (2007), stresses that for participatory budgeting to be meaningful, the principles of transparency and direct participation are important. Ideological

battles that will be encountered in participatory budgeting should be considered as a fundamental risk factor.

Participatory budgeting can add significant value in the public finance management sphere. Participation in fiscal and budgetary decision-making adds to good governance and reinforces the democratic processes. However, the critical issue is to ensure appropriate design of the participatory process, which will ensure broad-based participation. While there is no one-size-fits-all approach to participatory budgeting, a key criterium is that the approach should be home-grown. Participation is further dependent on access to information, feedback, and ensuring that outcomes are communicated to the public. Of course, political will in ensuring participatory budgeting is a necessary condition as participatory budgeting is a process of capacity building at all levels of society around public financial management.

ROLE OF PBO IN SUPPORTING PUBLIC PARTICIPATION

Legislatures are recognising the necessity and importance of participatory budgeting in strengthening the oversight function. Public participation in the budgetary process improves transparency, accessibility to information, public monitoring and evaluation, and stakeholder engagement. Stakeholders include the public, individuals, NGOs and academics (Marchessault 2015). Legislatures are aware that consensus in the budgetary process is limited by party ideologies. In addition, the lack of capacity by legislatures when dealing with complex economic and financial data encourages inputs from various stakeholders. Legislatures are also at a disadvantage in relation to the executive who have large bureaucracies to deal with complex budgets (Schick 2002). Participatory budgeting therefore has an important role to play in adding to the capacity of legislatures.

Public participation in the budget process is dependent on the authority or legislative powers of Parliament in the budget process, research capacities and the important role of the committee system (CABRI 2018). The committee system is the engine room of parliaments, where most of the deliberations happen. The tasks of Parliament regarding the budget engagement is allocated to committees. Due to the importance of the committee system in the budget process, it becomes imperative that the committees are capacitated to deal with complex budgetary data and information. Hence, PBOs also have been established to address the gap in providing technical support to legislatures and committees.

Legislative authority is influenced by the nature of the party system, the willingness of parties to collaborate, and ideological persuasion regarding economic systems. The capacity of legislatures regarding the ability of legislators, and the capacity of staff and supporting structures in Parliament, are further critical

considerations in ensuring that the committee system is effective. The necessity for effective committee systems is therefore crucial for exercising budgetary oversight by the legislature. Through the strengthening of the committee system, effective participatory budgeting can be enhanced and it further allows the public to gain meaningful access to information, key financial debates and the decision-making processes.

In engaging citizens in the participatory budgeting process, parliamentary committees often engage in public hearings on fiscal and budgetary issues (CABRI 2018). Public committee hearings and the acquisition of public input are the two key methods used by legislatures to entrench participation. Legislatures also invite Civil Society Organisations (CSOs) and experts to comment or provide technical information. Discussion and debate between civil society and parliamentarians has been key in promoting improved fiscal openness and transparency.

For Parliament's oversight of the budget process to be effective, strengthening the capacity of the legislature to deal with complex fiscal and economic information is critical. The establishment of an independent non-partisan PBO is a growing move meant to strengthen the legislature's oversight role in the budget process. Parliamentary committees are effective and efficient where technical staff are available to analyse and summarise submissions for parliamentarians. The PBO is available to collect the information, including civil society input, and this enhances participatory budgeting. PBOs are relevant and central in providing fiscal analysis support to parliaments and their committees. With access to appropriate information, parliamentarians are empowered to engage meaningfully in the fiscal and budgetary process. PBOs also produce and publish their own macro-economic and fiscal forecasts, which enhances the PBOs recognition as a source of independent, objective and non-partisan information. Generally, PBOs advise and support Parliament in budget-related matters, thereby strengthening public financial management.

PBOs provide the capacity to legislatures to counter the executive's monopoly on budget information. Independent PBOs have the expertise to simplify complex information and to make complex budget information understandable to the legislature, as well as to the media, academia, and the public. PBOs have the potential of becoming permanent sources of information and analysis for Parliament regarding the issues related to fiscal policies, budget management, and the fiscal impact of public policies. Stable sources of information are specifically crucial due to the high degree of turnover of legislators and parliamentary committees because of elections (Santiso and Varea 2013).

The importance and necessity for PBOs to be non-partisan and independent, serving all political parties, cannot be overemphasised. In a similar vein, political parties must provide PBOs with political support and protection from political interference. Legislation, which secures the independence of and frees PBOs from

political interference, is a necessary measure. PBOs, as independent budget units, can provide much more rapid responses to budget inquiries from the legislature. PBOs support the parliamentary committee system (Anderson 2006), hence, all work undertaken by the PBO has to be undertaken on the instruction of committees. When PBO capacity is available, individual members of parliament could be supported with technical assistance.

According to Santiso and Varea (2013), the greatest contribution of a PBO resides in strengthening fiscal governance. The PBO “simplifies the complexity, promotes transparency, improves credibility, promotes responsibility, improves the budget process, serves both the majority and the minority, and provides rapid responses” (Santiso and Varea 2013). PBOs contribute to technical expertise and, in a certain manner, help depoliticise the budget debate. The de-politicisation is achieved mainly through commissioning of work through the committee system that comprises all political parties. The added value of PBOs is to serve society and to improve the whole budget process through participatory budgeting.

THE ROLE OF PBOS IN SUPPORTING PUBLIC PARTICIPATION IN SOUTH AFRICA

The South African Parliament is empowered to debate fiscal policies and the budget. In this regard, a sense of citizen participation and public engagement is engendered and the oversight role and fiscal transparency goals are achieved (Mfono 2014:81). The establishment of the SAPBO provided further impetus to the goals of legislative oversight and citizen engagement in the public finance management process. While the core clients of the SAPBO are the Finance Committees, significant space exists for the SAPBO to actively include and engage the public as clients. Public participation by the South African Parliament is encouraged through access to information as a key element of good governance. With the development of the National Development Plan (NDP), the public interest in the allocation and distribution of resources in achieving the goals of the NDP has been heightened (National Planning Commission 2012).

South Africa’s legislature formally established the SAPBO in June 2013 during the fourth Parliament. The SAPBO was established through section 15 of the Money Bills Amendment Procedures and Related Matters Act 9 of 2009 (Money Bills Act). The main objective of SAPBO is to provide independent, objective, and professional advice and analysis to the two Finance and Appropriations Committees located in the National Assembly (NA) and National Council of Provinces (NCOP), on matters related to the budget and other Money Bills. The Finance and Appropriations Committees in both Houses are the core clients of the PBO as per sub-section 15(2) of the Money Bills Act. The chairpersons of the Finance and Appropriations

Committees in both Houses with the NA and NCOP House chairpersons, conjointly serve as the SAPBO Advisory Board (Kithatu and Jahed 2019).

In 2018 the Money Bills Amendment Procedure and Related Matters Amendment Act 13 of 2018, was introduced to amend the Money Bills Amendment Procedure and Related Matters Act 9 of 2009. The amendments sought to further clarify the powers and functions of the SAPBO. Of importance, is that the amendments provided both the political, legal and resource support. Hence, the independence of the SAPBO was clarified and entrenched by amending Section 15 of Act 9 of 2009:

“(a) by the substitution for subsection (1) of the following subsection:

(1) There is hereby established a Parliamentary Budget Office as a juristic person headed by a Director, the main objective of which is to provide independent, objective and professional advice and analysis to Parliament on matters related to the budget and other money Bills”.

The Amendment of 2018 strengthened and further clarified the PBO as “a juristic person and to strengthen the accountability model of the parliamentary Budget Office; and to provide for matters connected therewith”. The Director of the SAPBO is recognised as the Accounting Officer accountable to Parliament. The Director, in consultation with the Advisory Board (two House Chairpersons and four chairs of finance and appropriations committees) determines the structure and conditions of service of the PBO. Of importance is the transfer of funds to the PBO from Parliament, in accordance with the Public Finance Management Act 1 of 1999 (PFMA).

The core functions of the SAPBO included in the Amendment are as follows:

- undertaking research and analysis for the aforementioned committees;
- annually providing reviews and analysis of the documentation tabled in Parliament by the Minister of Finance;
- providing advice and analysis on proposed amendments to the Fiscal Framework, Division of Revenue Bill and Money Bills and on policy proposals with budgetary implications;
- monitoring and synthesising matters and reports tabled and adopted in a House with budgetary implications, with particular emphasis on reports by other committees;
- keeping abreast of policy debates and developments in key expenditure and revenue areas; monitoring and reporting on potential unfunded mandates arising out of legislative, policy and budgetary proposals.

In addition to the core functions of the SAPBO, the South African Parliament has established as part of its core objective on public participation, that “information

provided to the public remains a vital focus of Parliament” (Parliament of the Republic of South Africa. Strategic Plan for Third Parliament 2008) Consequently, “Being an activist Parliament requires consistent interaction with our citizens, and being responsive to their needs...” (Parliament of the Republic of South Africa. Annual Report 2018/19).

As an institution of the South African Parliament, the SAPBO is obliged to share information and engage with the public. The call for participatory budgeting is therefore implied as a core function of Parliament and the SAPBO. At present all documents and information produced by the SAPBO are published on the Parliamentary website. Parliamentary committees engage the public at the budget enactment stage by inviting comments at each budget-tabling occasion. The public is allowed to prepare and submit submissions in writing and present them at the committee hearings. Committees prepare reports of public participation and the decisions taken. The SAPBO technical staff collect all information, including civil society input and prepare relevant analysis and assessments at the request of parliamentary committees (CABRI 2018).

Space for public participation has been established by the legislature in the process of finance committees’ deliberations on budget processes. However, there is also space to enhance participatory budgeting through citizen engagement in public financial management. The SAPBO is well placed to ensure meaningful public engagement and build public capacity in support of participatory budgeting.

In addressing the SAPBO mandate, access to information and engaging in budgetary capacity building should be a core function. Through communication with the public and soliciting their inputs, the SAPBO can play a key role in enhancing participatory budgeting. A case in point in enhancing participatory budgeting is the NDP that is recognised as the development programme for South Africa. The national budget allocation is aligned to the NDP objectives, targets, and programmes. The impact and necessity of public participation in the national budget therefore becomes crucial. At the very least, understanding government resource allocation and public financial management, leads to the monitoring and evaluation of the NDP programmes and the related budget allocations. Participatory budgeting in South Africa has been further entrenched with the legislature moving from a budget approving to budget amending legislature. As a result, there is space for the public to engage on the NDP outcomes and related aligning of fiscal resources.

For enhanced participatory budgeting, it is necessary for the SAPBO to engage the public. Public participation in the budget process improves transparency and the allocation and distribution of fiscal resources. The SAPBO should establish processes for engaging with Community Based Organisations (CBOs) and the broader public. These processes could include meetings, social media, consultations, web-based

outreach, focus groups and workshops. The inputs from these processes could be brought to the attention of the Finance Cluster Committees. Critical in this process is ensuring that the public have access to information and that Parliament gains access to inputs and comments provided by the public.

PBOs should also play a supportive role in enhancing public participation in budget processes. As PBOs are an essential service to Parliament, by extension, PBOs are influential in the budgetary process and public financial management. Extending public participation in the budget process should be a core mandate. While engagement with experts and specialised CBOs is important, the broader public must be consulted. The involvement of experts “should not be a substitute” for public participatory budgeting (Krylova-Mueller 2016). With the rise of the Fourth Industrial Revolution, there are increasing opportunities for meaningful public participation in the budgetary process. The inputs and comments of organised groups, such as labour, NGOs, business and experts are currently well represented in the deliberations of the Finance Committees. The voice of ordinary citizens is less well articulated. The SAPBO should consider obtaining inputs from the marginalised public and feed these inputs into the deliberations of the Finance Cluster Committees.

In enhancing participatory budgeting, the SAPBO can extend the use of communication and information technology to create access to information by way of engaging the public in surveys around budget allocation and specific programmes. In this regard, the SAPBO can assist Parliament in choosing programmes for public engagement. The SAPBO has a role in setting the objectives for public participation as it has the technical expertise to identify relevant expenditure items and programmes that the public have interest in. The SAPBO could enhance Parliament’s public participation through identifying the relevant groups for engagement.

THE CHALLENGES OF THE SAPBO

The SAPBO has a crucial role in identifying the budgetary phases at which public engagement is most relevant. The legislation provides the necessary legal framework and fiscal processes where participatory budgeting could enhance the budget process. While the SAPBO has the requisite supportive legislative framework that entrenches its independence and the technical support capacity to Parliament, there are challenges to be addressed, which impedes participatory budgeting. The challenges faced by the SAPBO range from gaining access to financial and human resources, support from all political parties, ensuring broader public participation in the budget process and identifying entry points for the public to engage in participatory budgeting.

For the SAPBO to significantly encourage and support participatory budgeting, both human and financial resources are required. The SAPBO has limited human resource capacity and is barely able to provide technical support to the Finance Cluster Committees. Financial resource limitations, in terms of its own budget, do not allow for the appointment of additional technical and administrative staff. The lack of resources has limited the SAPBO from engaging in public participation events of Parliament. The lack of financial resources, has additionally, seen very limited participation of the SAPBO in capacity building initiatives both nationally and internationally. These events are significant in experiential learning around public engagement in budget planning and consultation. A typical event of Parliament is the National Council of Provinces “Taking parliament to the people” which occurs regularly. The limited resources, both financial and human, have made it impossible for the SAPBO to engage in participatory budgeting by not engaging in these events.

Since its inception in 2013, the SAPBO has had to contend with criticism from political parties. The criticism ranges from it only being supportive of the ruling party and ignoring the interests of opposition parties, in a sense that it espouses certain economic ideologies. Contestation of the technical work by the SAPBO is often labelled as ideologically nuanced. These criticisms cast doubts on the technical work and on the capabilities of the staff. The criticisms further impede consensus building by all political parties around the budget and limits the participatory budgeting approach. Limited resources have therefore led to limited political support, while impeding the participatory budget approach.

A critical challenge is the participation of the public. The same CSOs, experts and individuals mainly participate in Finance Cluster Committee engagement. These participants are drawn from formal, established and well-resourced parts of society. Broader participation must be solicited and encouraged as the less well-resourced segments of society are excluded from participation in committee engagements. Committee engagements are held at Parliament in Cape Town and the location excludes the broader public from other provinces in the country. Broader public participation requires that committees consider holding engagements with the public in all provinces. As committees are the working groups of Parliament, participatory budgeting in South Africa will not be achieved if measures are not put in place to allow broader participation in committee deliberations and decision-making. In this regard, the SAPBO could play an important role in preparing the committees for public engagement around budget matters, such as the key programmes and resource allocations. The SAPBO, if resourced and capacitated, could prepare and engage in preparatory meetings with the public and identify issues for the committees’ attention when undertaking committee deliberations.

Participatory budgeting requires time. Committee deliberations are limited by the amount of time allocated to deliberations. Well-structured presentations

are allowed, as they are time bound. As a result, only well-resourced and organised groups and individuals have the opportunity to engage in committee deliberations. Almost no time is allowed for the public, especially when it relates to budgetary deliberations. The opinions and comments of the poor and less well-resourced are not heard in committee deliberations. The SAPBO has a role to play in establishing, organising and documenting the inputs of the “marginalised”. The SAPBO has the responsibility of arranging public engagements around budget issues, highlighting key economic and financial data and issues, building capacity among the public and providing feedback on budgetary decisions and outcomes.

Participatory budgeting must be continuous and iterative. For the public to be actively engaged in the process of budgetary input and decision-making, consideration should be given to continuously engaging and deliberating with the public during the entire budget cycle. Importantly, participatory budgeting should be an iterative process of providing feedback to the public on decisions around budgeting. A capacitated and resourced SAPBO should ideally establish a unit dedicated to continuous and iterative public participation. Entry points for direct public participation can be created during each of the stages of the budgeting process (Marchessault 2015).

The challenges above are not exhaustive, but highlight the critical challenges. For effective participatory budgeting to occur in South Africa, these challenges must be addressed. Political will for participatory budgeting is a requirement, with the political will among political parties to cooperate on participatory budgeting, as the first step. The SAPBO should be recognised as an important tool in participatory budgeting and should be well resourced. The SAPBO is supportive to committees in the participatory budgeting process. In this regard, the SAPBO’s role in enhancing technical support and capacity building for the public should be recognised. The SAPBO is a resource in addressing the limited time constraints of committees by organising, documenting and providing feedback on broader public engagements concerning budgetary matters.

CONCLUSIONS

Governments are increasingly adopting public participation as a critical part of the fiscal and budgetary process. Participation in the budget process is an additional contribution to the enhancement of democratic governance processes. Wampler (2007) argues that political and social actors have different motivations to promote participation in budgeting. Citizens participate in participatory budgeting programmes in order to increase access to public decision-making activities, gain access to information, and improve the quality of services provided under a participatory budgeting system. CSOs participate in order to build

broader networks of supporters and enhance their ability to influence policies (Shah 2007). In achieving effective participatory budgeting, various criteria have been advocated for. While participatory budgeting increases the public's involvement in fiscal decision-making, the risks in participatory budgeting are a critical factor. Superficial or poorly designed public participation efforts can waste time and money and erode trust. The risks should always be centre in designing the participatory process. Regardless of how participants are selected in consultation processes, it is important that selected groupings do not dominate the deliberations and that marginalised but affected groups are included. In more restricted consultation processes, selection criteria should be established that are fair, inclusive and well documented. However, the critical issue is to ensure appropriate design of the participatory process, which will ensure broad-based participation.

Participatory budgeting is a process of capacity building at all levels of society around public financial management. If legislatures are to play a substantive role in the budget formulation process, they will be well served by an independent source of budget information. Public participation in the budget process is dependent on the authority or legislative powers of Parliament in the budget process, research capacities and importance of the committee system. Notably, the committee system is the engine room of parliaments, where most of the deliberations happen. Discussion and debate between civil society and parliamentarians have been crucial in promoting improved fiscal openness and transparency. The establishment of an independent non-partisan PBO is a growing move, meant to strengthen the legislature's oversight role in the budget process. The value add of PBOs is to serve society at large and actually improve the whole budget process through participatory budgeting. Extending public participation should be a core mandate of the SAPBO. While engagement with experts and specialised CBOs is important, the broader public must be consulted. For effective participatory budgeting to occur in South Africa, the challenges of the SAPBO must be addressed and it should be recognised as an important tool in participatory budgeting.

REFERENCES

- Anderson, B. 2006. The value of a nonpartisan, independent, objective analytic unit to the legislative role in budget preparation. The Southern Political Science Association Annual Meeting–The Role of Parliaments in the Budget Process. *Oversight*. 131. Available at: <https://elibrary.worldbank.org/doi/pdf/10.1596/978-0-8213-7611-9#page=148> (Accessed on 31 March 2020).
- Dias, N. 2014. Hope for Democracy – 25 Years of Participatory Budgeting Worldwide. In *Loco Association Avenida Da Liberdade*, 101 São Brás De Alportel, Portugal. Available at: http://www.in-loco.pt/upload_folder/edicoes/1279dd27-d1b1-40c9-ac77-c75f31f82ba2.pdf (Accessed on 30 March 2020).

- CABRI. 2018. The role of the legislature in the budget process in Kenya. Available at: <https://www.cabri-sbo.org/en/publications/the-role-of-the-legislature-in-the-budget-process-kenya> (Accessed on 31 March 2020).
- Kithatu-Kiwekete, A. and Jahed, M. 2019. Enhancing the legislature's fiscal oversight the case of South Africa's Parliamentary Budget Office. *Administratio Publica*. 8(27):2.
- Marchessault, L. 2015. Public participation and the budget cycle: Lessons from country examples. *London: Global Initiative for Fiscal Transparency*. Available at: <http://www.fiscaltransparency.net/resources/files/files/20151116137.pdf> (Accessed on 30 March 2020).
- Masutha, M. 2014. The role of constitutional institutions supporting democracy in facilitating effective and proactive oversight over the executive. *Journal of the South African Legislative Sector*. 1(1):64-80.
- Mendel, T. 2005. Parliament and access to information: Working for transparent governance. International Bank for Reconstruction and Development/the World Bank. Available at: <http://documents.worldbank.org/curated/en/704531468139797130/pdf/33639a10WBIOPa1ccess1t01Information.pdf> (Accessed on 31 March 2020).
- Mfono, K. 2014. The independent financial scrutiny or oversight of the budget by legislatures. *Journal of the South African Legislative Sector*. 1(1):81.
- Money Bills Amendment Procedures and Related Matter Act 9 of 2009. Pretoria: Government Printers.
- Money Bills Amendment Procedures and Related Matter Act 13 of 2018 Pretoria: Government Printers.
- Moynihan, D.P. 2007. Citizen participation in budgeting: Prospects for developing countries. *Participatory budgeting* in Shah 2007. Pp.55-87. Available at: <https://openknowledge.worldbank.org/bitstream/handle/10986/6640/39498.pdf?Sequence=1&isAllowed=y> (Accessed on 31 March 2020).
- Mueller, O.K. 2016. Assessment of Public Expenditure Management Oversight Mechanisms in Georgia. Europe Foundation. Available at: http://www.epfound.ge/wp-content/uploads/2016/09/PFM-Assessment-Report_Final-Version_ENG_for-publishing-1.pdf (Accessed on 31 March 2020).
- National Planning Commission. 2012. The National Development Plan 2030: Our future – make it work. Pretoria, SA: The Presidency. Available at: <https://www.gov.za/issues/national-development-plan-2030> (Accessed on 31 March 2020).
- Parliament of the Republic of South Africa. Annual Report 2018/19. Available at: <https://www.parliament.gov.za/storage/app/media/BusinessPubs/AnnualReport2018-2019.pdf> (Accessed on 31 March 2020).
- Parliament of the Republic of South Africa. 2008. Strategic Plan for Third Parliament 2004-2009. Accessed at: <https://www.parliament.gov.za/storage/app/media/StratPlan/3/strategic-plan-for-third-parliament-2004-2009.pdf>. Page 35.
- Public Finance Management Act 1 of 1999. (PFMA). Pretoria: Government Printers.
- Santiso, C. and Varea, M. 2013. Strengthening the capacities of parliaments in the budget process. *Inter-American Development Bank, Institutional Capacity of State Division, Policy Brief No. IDB-PB-194*. Available at: <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.862.1384&rep=rep1&type=pdf> (Accessed on 30 March 2020).

- Schick, A. 2002. Can national legislatures regain an effective voice in budget policy? *OECD Journal on Budgeting*. 1(3):15-42. Available at: <http://www.oecd.org/gov/budgeting/43514045.pdf> (Accessed on 30 March 2020).
- Shah, A. 2007. *Participatory Budgeting*. Washington, DC: The World Bank. Available at: <https://openknowledge.worldbank.org/bitstream/handle/10986/6640/39498.pdf?Sequence=1&isAllowed=y> (Accessed on 31 March 2020).
- Sintomer, Y., Herzberg, C., Allegretti, G., Röcke, A. and Alves, M.L. 2013. Participatory budgeting worldwide. *Dialog Global*. (25):1-93. Available at: <https://estudogeral.uc.pt/bitstream/10316/42267/1/Participatory%20Budgeting%20Worldwide.pdf> (Accessed on 30 March 2020).
- The Money Bills Amendment Procedure and Related Matters Amendment Act 13 of 2018. Pretoria: Government Printers.
- The Money Bills Amendment Procedures and Related Matters Act 9 of 2009. Pretoria: Government Printers.
- Wampler, B. 2007. A Guide to Participatory Budgeting. In Shah, A. 2007. *Participatory Budgeting*. Washington, DC: The World Bank. Available at: <https://openknowledge.worldbank.org/bitstream/handle/10986/6640/39498.pdf?sequence=1&isAllowed=y> (Accessed on 31 March 2020).

AUTHOR'S CONTACT DETAILS

Prof Mohammed Jahed

School of Public Management, Governance and Public Policy
College of Business and Economics
University of Johannesburg
P O Box 524
Auckland Park
2006
Tel: 011-5593225
Email: mjahed@uj.ac.za

The Interrelationship between Ethics and Integrity in Public Administration

D Fourie

School of Public Management and Administration
University of Pretoria

J Kimaro

School of Public Management and Administration
University of Pretoria

ABSTRACT

This article aims to provide clarity on the contextual confusion that exists between ethics, integrity and its associated terminology. A review of public administration theories related to ethics and integrity is traced back to early philosophers' thinking, after which the social contract is discussed. Countries have developed and implemented codes of conduct and frameworks for preventing and managing ethics and integrity in the public service. The article analyses the context and effectiveness on both the preventive and management fronts using qualitative research methods to present an overview of ethics, integrity and related concepts, the changing and growing nature of ethics and integrity in public administration, ethics frameworks and whistle-blowing as a means to clamp down on corruption. As act-focused interventions fail to address ethical and integrity issues, the article argues that actor-based approaches focused on public servants present a robust complementary approach to curb vices. The article concludes by presenting possible areas for future research on ethics and integrity in public administration.

INTRODUCTION

Over the past decades, public administration has shown a growing interest in ethics and integrity. Public service reforms, poverty reduction measures, demands for improved services and stern financial resource management in

institutions are key factors in this debate. It has fuelled interest in analysing ethics and ethical behaviour, the effects of unethical behaviour and a lack of integrity within public administration.

Discussions surrounding ethics supersede integrity, as reflected in ancient philosophies (Sloan 2010:236; Jonas 2018:987–990). Ethics and integrity are common terminologies in Public Administration studies and show continuity and growth in the debate around the two concepts (Huberts 2018:S18; Kitcher 2014 in De Waal, Churchland, Pievani and Parmigiani 2014:121–122). Scholars and professionals have shown a growing interest in ethics and related issues, as these have a direct effect on the development of a country (Mphendu and Holtzhausen 2016:234; Pring and Vrushi 2019:15). Professional associations for medical doctors, nurses, accountants, the media and teachers have embarked on promoting professional ethics and integrity by defining related parameters and expectations from the public service conduct. Ethics and integrity feature among the top subjects in conferences, summits and academic gatherings. Universities and research institutions strive to uphold ethical conduct, and ethical analysis of academic work is a prominent criterion for universities' ranking at a country, regional and global level.

Confusion exists on the context of ethics, integrity, corruption, values and norms (Kolthoff 2007:37). Furthermore, countries develop various forms of codes of conduct and frameworks aiming to prevent ethical malpractices and to manage ethics and integrity. To provide more clarity, this article centres on how ethics and integrity are defined, and the purpose of their existence in public administration. The key underlying questions are: What are ethics and integrity, and for what purpose? The article also reviews their context, effectiveness and alternative solutions that focus on the public servant.

CONTEXTUALISATION OF ETHICS AND INTEGRITY

Ethics and integrity are sometimes used individually or interchangeably (Huberts 2018:S18; Six and Huberts 2008 in Huberts, Maesschalek and Jurkiewicz 2008:68), however, certain authors suggest variations in the two terminologies. First, ethics and integrity can be viewed as two separate phenomena or second, as a single concept, for example, “ethics and integrity”, “ethics for integrity” or “ethics and integrity for governance”. This article suggests that integrity supersedes ethics and lays the foundation of all assessments and judgements of ethical actions. Integrity begins with the social contract, which refers to the obligations of the public office or official in exchange for legitimacy that is willingly received or coerced from the citizenry. A public official or government may be ethical but lack integrity.

Ethics is defined according to existing ideologies that define truths, values and the beliefs of a certain society or group of people over time. Kolthoff (2007:37) states that the origin of ethics can be traced back to the Greek word, *Ethika*, which means principles or standards of human conduct (sometimes referred to as morals). Lasthuizen, Huberts and Heres (2011:387) also create linkages between ethics and morals. According to the authors, "The moral nature of these values and norms refers to what is judged as right, just, or good conduct. Values are principles that carry a certain weight in one's choice of action (what is good to do, or bad to refrain from doing). Norms indicate morally correct behaviour in certain situation" (Lasthuizen *et al.* 2011:387).

Ethical discourse refers to an agreement on what is good and bad behaviour (Lawton 2008:51; Menzel 2012:3) in matters that affect dignity and integrity. Ethics links with policy processes, a term that refers to content of decisions, policies, laws that focus on the consequences or results of policy, as well as the moral quality of the political or governance processes related to policy development and implementation (Huberts 2018:S19). Ethical norms link to both public interest and accountability. As such, clarity is needed to unravel complexities surrounding terms related to the same phenomenon (Fourie 2015:875). There is a gap between academic research and practice, as institutions focus more on corruption as a problem or ethics management in general (Lasthuizen *et al.* 2011:386). Within the public service, ethics not only focuses on direct or indirect private gains against acceptable norms and values. In reality, it covers a wide spectrum of duties, obligations and work processes that a public official or institution must fulfil.

DeGeorge (1993 in Huberts 2018:S20) states that acting with integrity is the same as acting ethically or morally. Integrity focuses on creating trust (Lawton *et al.* 2013:6; Kolthoff 2007:40) as it forms a public service principle, "public servants shall exhibit the highest standards of professional ethics and competence, working with skill, care and diligence; and will carry out their duties with energy and goodwill, with efficiency and effectiveness" (Lawton, Rayner and Lasthuizen 2013:6).

Klockars (1997 in Lasthuizen *et al.* 2011:387) ties integrity to the quality of individuals and organisations. Furthermore, the author defines integrity of governance as the quality of acting in accordance with relevant moral values, norms and rules. However, this definition of integrity is limiting, as it does not consider integrity from a responsibility point of view that extends beyond being ethical towards meeting citizens' expectations. Notably, integrity underscores the actions or inactions of individuals or the government in fulfilling public duties and responsibilities. In democracies and during elections, particularly in the developing world, voters' choice of government is based on the social contract, rather than spontaneous ethical dilemmas or scandals occurring from time to time.

The literature raises concerns on the incomplete nature of integrity research and the lack of conceptual clarity and robust measurements to determine a

variety of preventive and management measures that are not counterproductive (Huberts *et al.* 2008:65; Lasthuizen *et al.* 2011:384). While integrity is raised as an important concept in governance, it does not replace challenging debates on “ethics theories and approaches”. Within this context, proposals must be embedded within existent approaches and theory development (Huberts 2018:S18). Huberts *et al.* (2008:68) summarise the premises for analysing integrity as:

- wholeness or completeness that is consistent and coherent with principles and values, also supported by Kolthoff (2007:40);
- professional wholeness or responsibility;
- one or more set of values, such as incorruptibility, honesty, impartiality, accountability;
- the relationship between integrity and morals through defining right and wrong, good or bad;
- clarity of laws defining conduct and acting premises; and
- an umbrella concept with a combined set of values to judge the actions of public officials (Huberts 2018:S19-S20).

The above principles’ subsets serve as a means to create governments and individuals with integrity. Although ethics and integrity seemingly share some commonalities, they differ in terms of scope, where the former is a subset of the latter. Due to this interchange, this article extends the discussion to cover the integrity of a state that creates trust in terms of its public institutions and officials. Ethics and integrity (and their underlying variables) correlate because “...individuals and organisations possess moral standards and principles (ethics), and their behaviour may accord more or less with their ethics (individual or organisational integrity). Similarly, social (sub) sectors like professions share moral values and standards (e.g. professional ethics), conformity to which corresponds with professional integrity” (Kolthoff 2007:41).

THE RATIONALE FOR PUBLIC SERVICE ETHICS AND INTEGRITY

The growing interest in ethics during the last three decades stems from rapid public service reforms, more stern financial measures, increasing demands for improved services and the increased use of information technology (Organisation for Economic Co-operation and Development (OECD) 2000:28; Kolthoff, Huberts and Van den Heuvel 2007:400–403). There are increasingly more debates on ethics and integrity and the challenges emanating from a lack of ethics and integrity in both the developed and developing world. While discussions vary, they are skewed towards developing countries and corruption as the main vice in public

administration. Kitcher 2014 (in De Waal *et al.* 2014:121–122) presents an argument for the continuity of ethics-related discussions in public administration to progress further away from the past predicaments of *hominid* ancestors, where there was limited responsiveness to well-being and human development.

The concept of the “social contract theory” began with Thomas Hobbes, who defined life without society, government, law or regulations (state of nature) as oppressive, brutal and short. Laskar (2013:1) argued that Hobbes’ work described people moving away from the *hominid* state of nature through entering into agreements called “*Pactum Unionis*” (for protection of their lives and property) and “*Pactum Subjection*” (a united people who pledge to obey an authority and surrender the whole or part of their freedom and rights to an authority). The early philosophers stated arrangements in terms of the social contract through the public agent notion, as conceptualised by Aristotle. Within this context, the social contract defines the state-related arrangements and obligations of government in terms of what they ought to do for citizens. Governments therefore become unethical and lack integrity when they provide goods and services. This failure to honour the social contract agreements relates to a particular setting and takes place on a periodic basis. In developing countries, this exposes the vast majority of citizens who cannot afford basic goods and services, to extreme forms of poverty (Menzel 2012:4).

Unethical dilemmas take place when governments fail to provide the necessary inputs and an official is prompted to make professional or non-professional decisions on issues that are not included in established frameworks or guidelines. This contributes to a lack of integrity that can have unintended consequences. Apart from the well-known correlation with underdevelopment, unethical political behaviour and a lack of integrity have devastating effects (Mphendu and Holtzhausen 2016:234,246). It can lead to civil war, genocide, displacement, violence against women and children and the formation of ethnic- or religious-based terrorist groups.

Theories on ethics and integrity

Ethics is referred to as a growing enterprise, evolving over time depending on conditions of human life: “The primary task of the ethical theorist is to expose the character of this enterprise, the conditions that give rise to it, the nature of whatever progress it can achieve, andto consider ways in which the ethical resources we have inherited might further be modified or elaborated” (Kitcher 2014 in De Waal *et al.* 2014:110).

Mapping the purpose of ethics and integrity in public administration starts with fulfilling government or state duties attached to the social contract. The social contract addresses the questions of “why” the public administration or government

is connected to “what” citizens ought to receive in exchange for legitimacy. On the other hand, an ethical government does not necessarily offer a panacea for integrity. Ethics discourse promotes guidance and prevents behaviour or practices that contribute to non-fulfilment of duties to provide goods and services.

While ethics covers actions, integrity focuses on trust and/or trustworthiness on a wider scale and stems from fulfilling social contract obligations. Any obstacle that prevents the government from fulfilling its public administration duties (such as ethics) remains a topic for discussion and links to the described evolving nature of ethics and integrity phenomena. The scope of ethics and integrity theories covers the desire to sanction wrongdoers. Within this context, both unethical conduct and a failure to fulfil duties, as per the social contract, manifest in democratic and non-democratic processes. In summary, a discussion on the theory’s road map attempts to answer the “when”, “what”, “why” and “how” of specific ethical conduct.

Theories in public administration are evolving and so are those related to ethics. Arguments exist that ethics theories are incomplete and need revision (Kitcher in De Waal *et al.* 2014:113). The evolution of the conceptualisation of ethics and integrity starts with human gatherings to develop rules and regulations that guide conduct, stating the “do’s” and “don’ts” and the consequences of non-compliance, including fear of shame, punishment or seclusion from the community.

The following section builds an argument for the existence of ethics and integrity in ancient societies, as documented by the early philosophers. The article argues that the early philosophers laid the foundation for how we developed and conceptualised ethics and integrity phenomena. The focus falls on the work of Aristotle, followed by highlights of how it influenced other public administration approaches.

Socrates, Plato and Aristotle’s notion of ethics

Scholars appreciate the contribution of Socrates, his student Plato, and later Aristotle in determining the foundation of ethics and integrity. An ethical life and reflections on the topic progressed through those who crafted the earliest cities and was later passed on to form the cornerstones of present codes of conduct (Kitcher 2014 in De Waal *et al.* 2014:112). It is believed that ethics can be traced to Socrates, and was later documented by Plato, his student. Jonas (2018:987) presents Socrates’ beliefs on cultivating virtues by encouraging people to participate in this practice, in addition to convictions of ethical truths through philosophical reasoning and argument.

According to Jonas (2018:987), Socrates reasoned that encouraging individuals to act virtuously helps moderate their appetites and passions so that they do not influence or distort ethical reasoning while making decisions. Socrates proposes

learning and practice to help an agent choose virtuous actions that bring happiness and avoid suffering, without which there will be no consistent practice to act justly. However, this notion contradicts the fact that humans have innate selfish or personal desires, which implies that they are not always rational beings. Moreover, it fails to consider the environmental factors that affect ethical decision-making.

Aristotle raised key ethical variables for analysis, starting with the virtue to contribute to the happiness of citizens, thus emphasising the mutual connection between governments and the governed. Aristotle describes virtuous or good actions that result in a good end. Sloan (2010:237) points to Aristotle's differentiation between voluntary and involuntary acts, which makes an act virtuous or shameful. Aristotle presents virtuous actions as an end and provides a framework for assessing virtuous actions to determine the existence of a good end. According to Hirji (2018:1007), Aristotle's notion of "ethics of care" is connected to a public agent's deep desire to ensure the well-being of another person. Aristotle raised key ethical variables, namely options an agent has at their disposal based on their character or pursuit of happiness; a process to be followed to achieve some form of action; and an action (virtuous or non-virtuous) leading to an end (good or bad). In this regard, Ward (2015:20) presents Aristotle's 11 moral virtues and their corresponding vices, namely courage, moderation (self-restraint), generosity, magnificence, magnanimity, ambition, gentleness, friendliness, truthfulness, wittiness, and justice.

Summarised, the ethics and integrity pathway involve a choice of action, a process and the result of the chosen action. Apressyan (2016:457) supports the pathway by stating that official actions are not spontaneous but deliberate and reflexive actions. Within this context, a person as subject of the action bears a reflexive relationship to their actions, as they think about them and actively constructs a relationship with others. Aristotle sets the foundation for making choices within public administration, as manifested in the classical, rational, scientific management, system approaches, New Public Management (NPM) and New Public Governance (NPG).

In addition to his work on ethics, Aristotle proposes that friendships and relationships influence both parties, determine the institutional character and mould the characteristics they approve of (determined virtues and the differentiation between right or wrong) (Curzer 2007:226). This proposal unveils certain contextual issues surrounding ethics and integrity. Importantly, it provides clarity and emphasises the environment where an unethical action took place and the culture embedded in the institution or group of people.

When the agent performs non-virtuous actions due to ignorance of facts surrounding an event or act, Aristotle suggests that the issue of non-voluntary acts comes into play. Within this context, the same non-voluntary act can turn into an involuntary act when the public agent shows regret. An act is only deemed

virtuous or shameful when the agent performs an act voluntarily. Aristotle states that the difference between voluntary and involuntary acts can benefit ethics' students and legislators who administer rewards and punishments. Analysis of the agent's act states that applying the virtuous or shameful lens involves a state of 'voluntariness'. Therefore, Aristotle states that ethics students and legislators who administer rewards and punishments should be taught the difference between voluntary and involuntary acts.

In his work on Ethical Intuitionism, Johnson (1957:195) presents intuitionistic theories through four moral judgement parameters, namely imperatives of action or a duty to fulfil promise; providing help whenever needed; general judgements of intrinsic value (e.g., pleasure is better than pain and a life of justice has an intrinsic worth); and the moral imperative or maximising good. Johnson's parameters for supporting or condemning an act by public office or a public official supports Aristotle's (in Sloan 2010:237–238) ethical circumstances. This further links to the government's obligation to focus on citizens' welfare – a failure to do so can be deemed unethical. However, the question remains on how many people judge governments that fail to provide the required goods and services as being unethical. The framework for analysing ethics and integrity has diverted from this moral value and is now viewed as corruption.

Aristotle's foundation, as presented above, cites the difference between virtue and vice (good and wrong), choices, morality and decision-making processes with a good end-result. These tenets form the basis of highlighting how other public administration approaches view ethics and integrity. Utilitarianism by John Stuart Mill (1806–1873) rates actions according to their consequences (Menzel 2012:8). Aristotle underscored the importance of attaching an end-result to the pursuit of happiness. Likewise, Utilitarianism calls for actions that benefit many and, once an end is good, then the action is desirable and ethical. Utilitarianism, as a teleological theory of ethics, justifies the morality of an action on the basis of consequences (the end justifies the means). Hence "happiness" remains a focal point when a public administrator pursues their duties, as well as choices on policy, budgeting and community segmentation (Geuras and Garofalo 2011:50). Criticism regarding utilitarianism centres on the fact that various segments of society have different ways of measuring happiness. This makes it difficult for a public administrator to set priorities and to define its context. Furthermore, concentrating on an end rather than means could lead to challenges in managing unethical behaviour and the abuse of power and non-accountability among public officials.

To Weber, ethics means roles and rules. Within this context, ethics refers to following Weberian norms of bureaucratic behaviour within formal structures regardless of its implications on efficiency (Christensen and Lægveid 2011:460). Unethical acts do not follow rules and norms. Weber supports scientific evaluations that are objective, valid and verifiable, as opposed to practical value

judgements that are faith-based and subjective (Roederer 2000:82). Thus, Weber argues that ethics means making a rational choice and following due process within established structures, rules and norms. Weber's complete exclusion of morality and values remains a major flaw in his discourse on ethics, as his ethical and integrity specifications fall short of assessing actions based on values, environment and consequences.

Conversely, an action can follow due process but fail to result in a good end. Carol Lewis (2008 in Huberts *et al.* 2008:47,62) argues that ethics is grounded on virtue, moral character and approaches linked to common sense and human emotion. Acting ethically and with integrity entails more than merely complying to rules and regulations. Without the ability to judge circumstances using formal and informal criteria of norms and values, an official can become a willing accomplice in an autocratic or corrupt regime.

Kimaro (2018:49) highlights that the informal human attributes in public institutions form the social ethics and balance between individual and institutional interests. Despite the existence of various approaches and perspectives, public administration ethics management tilts towards the legalistic compliance mode (Geuras and Garofalo 2011:7), aligned with the Weberian position, among others.

The systems approach diverts from the rational approach, which fixes ethical choices and processes within a public institution (Kimaro 2018:46). It claims that a public official's decisions are based on interdependent parts within and outside an institution. As such, this approach points to the need for a balance between internal and external factors of influence (Kimaro 2018:48). A systems approach suggests that ethical behavioural analysis should focus on understanding causality and examining the business operating environment instead of searching for culprits (O'Neill and Hern 1991:129–130).

Under NPM, Lawton (2008:54) presents the character of an ethical discourse for, and within, organisations, namely promoting public interest, drawing a distinction between ethical conduct and good behaviour and unethical and illegal conduct and recognising the importance of an ethical culture. While the term "public interest" carries a broad definition, Fourie (2009:627) links it to the objective and efficient application of resource management and accountability. Within this context, NPM introduced a private sector culture and operational focus to the public sector. The focus shifted from governments as sole providers of goods and services to including the private sector through outsourcing, privatisation and competition. NPM requires governments to become entrepreneurial and move resources from low-return to high-return areas. A failure to adopt these business administration techniques leads to a narrow focus, an unwillingness to follow rules and a lack of accountability in the quest for efficiency (Kolthoff *et al.* 2007:404–405).

The purpose of public administration (social contract) is to focus on the provision of goods and services, which is broader than making profit and ensuring

efficient service delivery. In this regard, Geuros and Garofalo (2011:17,20) state that governments' cornerstone of existence is to pursue projects, values and services that citizens consider worthy of public funding and to embrace people's expectations for claiming legitimacy and legality. These tenets of the social contract cannot be seen in the same light as the private sector values of profit-making and service provision.

Undermining the foundational values of public administration leads to integrity-related challenges, as it partly undermines governments' duties and responsibilities to citizens. Huberts (1998 in Kolthoff *et al.* 2007:411) states that integrity questions raised under regimes adopting the NPM approach include corruption, kickbacks, fraud, questionable gifts, nepotism, the abuse and manipulation of information, waste and abuse of resources including time, and improper use of violence towards citizens. Menzel (2012:5) states that the disappearance of boundaries between the private and public domain leads to increased complexities in applying ethics.

However, the discussion continues on how private sector values influence ethics and integrity within the public sector. To date, there is no empirical evidence to substantiate the claim of increased unethical conduct due to these new values. However, from a value and morality perspective, outsourcing, privatisation, public-private partnership (PPPs) and other private-public service provision hybrids raise ethical dilemmas to a public official. In this regard, Menzel (2012:5) states that, "...the modern public administrator is sometimes torn between loyalties and responsibilities...she may be caught between the interest of the public and those of her organisation. Such a conflict is more a temptation to favour organisational loyalties over the public interest...the administrator of a private corporation that has contracted to perform a public service has dual loyalties: to the stakeholders of the corporation and to the public".

The NPG's emphasis on ethics focuses on values related to social accountability, collaboration and gaining the trust of non-public agents or citizens. With NPG, citizens have the upper hand in defining what is good or bad in the context of the actions of public agents or institutions, service delivery and individual actions. Promoting ethics and integrity under NPG calls for supporting a demand for accountability, promoting transparency and creating avenues for continuous interactions with the citizens.

ETHICS AND INTEGRITY FRAMEWORKS

Scholars and practitioners contemplate the existence of universal ethics, and the applicability of universal frameworks that apply across countries and institutions. Diversities among countries, cultures and the type of governments cause

disparities in the application of general rules on ethics and integrity. Thus, the varied context and scope of ethics and integrity remains a key determining factor for developing corresponding ethical frameworks (Lasthuizen *et al.* 2011:385). Governments can use ethical codes of conduct, analysis, judgements and sanctions to reward, protect or punish political opponents. As ethics discourses change over time depending on the culture and environment when an act happens, official action can be condemned as unethical at present but treated differently in the future.

Plato's work includes his description of the Nocturnal Council that preserves laws, where he advocates the importance of fully understanding the target (also referred to as a virtue) that the law aims to protect. This assertion, and that described by Aristotle's virtue judgement, correlate to the principal-agent theory, where the actions of agent(s) and consequences thereof are well specified. Aristotle provides key questions for analysing whether actions are a 'virtue' or a 'vice'.

In order to categorise, analyse or investigate an act by the public agent, Aristotle suggests the following seven sequential circumstances, which have been adopted in current formal ethics and integrity frameworks and informal assessments: *"Therefore, it is not a pointless endeavour to divide these circumstances by kind and number; (1) the who, (2) the what, (3) around what place or (4) in which time something happens, and sometimes (5) with what, such as an instrument, (6) for the sake of what, such as saving a life, and (7) the how, such as gently or violently"* (Eth. Nie. 1111 a3-8 in Sloan 2010:239).

CATEGORIES OF ETHICS AND INTEGRITY FRAMEWORKS

Geuras and Garofalo (2012:109) describe ethical codes of conduct as broad mission statements that provide project ideals, norms and obligations. Organisations, including the public service, develop codes of ethics and integrity for preventive purposes, also for management of unethical conduct. Rossouw (2008:78) argues that codes of ethics and integrity differ in scope, ranging from simple ethical standards to detailed directional documents. Menzel (2012:19) states that governmental ethics and integrity fall under the deontological theory category, as they are compliance-based and aligned with traditional bureaucratic theory that stresses hierarchy, rules, regulations and work classification. More than two-thirds of OECD countries have established a legal framework for the standard behaviour expected from public officials, ranging from the Constitution (Turkey); administrative procedural law (Greece, Portugal), codes of standards of conduct (the United States [US]), and Canada's The Conflict of Interest and Post-Employment Code for the Canada Public Service (OECD 2000:38). The third type contains

frameworks covering professions in both the public and private sectors, such as nurses, lawyers, the media, accountants and human resource practitioners. This category stems from professional associations developed in consultation with the government, which promote and guide professions' ethics and integrity of the public service officials.

In the public service, ethical frameworks are represented as principles, values and norms. Christensen and Læg Reid (2011:461–463) reviewed the work of Lynch *et al.* (2007) and identified three categories of ethical theories that focus on both institutions and individuals. The work of Lynch described deontological ethics that deals with right and wrong based on formal, rigid principles. Under this theory, the code and frameworks are compliance-based, stating right and wrong. Consequential or teleological ethics focuses on the consequences of decisions and codes, while frameworks are instrumental and preoccupied with effectiveness or efficiency. Virtue ethics emphasises virtuous character traits, takes the high moral ground and assumes that virtue forms an integral part of management competencies. The German philosopher Immanuel Kant, described the so-called Kantian virtue ethics that points to a duty that is exemplified to an extent of becoming a universal law. Within this context, ethical humans are duty bound and there are motives based on the principles of doing the right thing (Menzel 2012:8). Under virtue theory, codes and frameworks embody ethical norms, values. However, this may be a fallacy in the real life of a public official with personal interests and needs in an unethical environment.

In addition to the theory-based outlook of ethics and integrity frameworks is analysis based on values promoted and considered important by a government/ regime. The criteria of analysis based on values includes ensuring compliance to rules and regulations; viewing unethical behaviour as a cost factor; promoting learning organisations with frameworks that promote exchange of ethics and integrity information; implementing network governance that calls for creative ethics management strategies; and implementing cultural-based frameworks to support an ethics- and integrity-positive culture (Menzel 2012:19–22).

A critical look at Rossouw and Menzel's description of ethical codes and frameworks points to shortcomings in addressing ethical challenges. For example, learning approach/-based frameworks encourage interactions and networks on ethics. However, this level of analysis operates at an organisational level only and is limited to the public service or to a political system. Culture-based frameworks consider an important element in the successful management of ethics and integrity in the organisation but may exclude other pertinent factors such as business processes relating to service delivery, the capacity of officials, interaction with citizens. In summary, the development and analysis of ethics and integrity frameworks need to be all-inclusive and comprehensive to address competing values and ethical challenges.

THE EFFECTIVENESS OF ETHICS AND INTEGRITY FRAMEWORKS

Ethics and integrity frameworks or codes of conduct are prescriptive in nature and may ignore the reasons for officials' ethical or unethical conduct. On the other hand, ethics management faces challenges due to the failure to understand the nature of an ethical dilemma, a lack of clarity and a lack of capacity to analyse and judge ethical or unethical behaviour. The effectiveness of ethics and integrity frameworks depends on varying factors, ranging from creating a supportive institutional environment that prevents unethical behaviour to handling unethical events. While countries implement ethics and integrity codes of conduct, they still face unethical events. Budhram (2018:126) points out that South Africa has various codes of ethics and integrity frameworks for preventive and management purposes, such as the Public Service Act 103 of 1994; the Prevention and Combating of Corrupt Activities Act 12 of 2004; the Promotion of Access to Information Act 2 of 2000; the Protected Disclosures Act 26 of 2000; the Public Financial Management Act 56 of 2003; and the Promotion of Administrative Justice Act 3 of 2000. Nonetheless, the country grapples with serious ethical dilemmas and corruption.

The 2019 Afro Barometer study that covered 35 African countries measured people's perception on the level of corruption in general and the levels of bribery and corruption by institutions. According to the study, the least corrupt countries are Tanzania, Lesotho, Sierra Leone, Ghana and Gambia, while the most corrupt countries include Gabon, Madagascar, Sudan, Democratic Republic of Congo (DRC) and Uganda (Pring and Vrushu 2019:11). Citizens in countries with high corruption rates believe that top leadership is corrupt: Uganda (37%); DRC (82%); Sudan (49%); Madagascar (33%); Gabon (71%). Respondents in countries ranked as less corrupt believed that their governments were taking substantive measures to tackle corruption. The data indicates that the effectiveness of a code of ethics and frameworks depends on other factors, such as support and integrity of the leadership, non-governmental organisations (NGOs) and the religious community.

Despite the existence of ethical codes of conduct and frameworks, governments and institutions should focus on transparency regarding policymaking processes, accountability for actions, protecting service recipients, promoting engagement between citizens and government and reviewing business processes and capacity building. Furthermore, there is a need for creating a supportive institutional environment that builds capacity by providing training on creating an ethical culture. Based on the aforementioned, various countries provide ethics and integrity training in the public sector as a preventive measure for unethical conduct and also support propositions made by Socrates.

A failure to achieve intended ethical conduct through codes of ethics and frameworks has prompted public administration institutions to embark on

additional efforts to address “actors” rather than “acts”. Within this context, the focus remains on organisational culture, with the public servant acting as the key to facilitating positive change (Rossouw 2008:79). This approach entails moving away from actions and prescriptions towards addressing public servants’ behaviour and organisational culture. OECD countries invest in compulsory and voluntary ethics and integrity training that covers either the entire or part of the public service (OECD 2000). A review of business processes plays a vital role in creating ethical officials and institutions. It removes processes that trigger unethical behaviour and develops a transparent business processes model based on accountability. Geuras and Garofalo (2012) argue that ambiguous ethical and integrity questions can be reduced to a legalistic conundrum (legislation and regulations). When conflicting values and competing obligations are not addressed, it reduces the effectiveness of ethical codes and frameworks.

One of the key issues this article addresses is the role public servants play in addressing unethical conduct and integrity issues in the public service. To this end, the following section highlights current practices, as well as the role of the government and other actors in protecting the public servant whistle-blowers.

Whistle-blowers’ role in highlighting unethical conduct

Bashir *et al.* (2011:286) and Pring and Vrushi (2019:20) describe a “whistle-blower” as a person exposing unethical acts, wrongdoing, falsehood and corruption. Holtzhausen (2012:84) adds that the act of “whistle-blowing” takes place through pre-established internal and external channels. While whistle-blowing exposes unethical acts and injustices, it can also be used as an act of retaliation between individuals or a group of individuals. A whistle-blower takes this brave action while being aware of the consequences. Pring and Vrushi (2019:20), Bashir *et al.* (2011:287), Holtzhausen (2012:84) and the OECD (2000:54) state that the consequences of reporting unethical conduct include accusations of dissent or betrayal, a loss of employment and physical injury or harm. Unsurprisingly, two-thirds of African citizens, mostly from Gabon, Eswatini, Malawi, São Tomé and Príncipe, Uganda, Nigeria, Kenya and Togo fail to report unethical conduct out of fear of reprisal (Pring and Vrushi 2019:20).

At an international level, organisations have developed frameworks or guidelines for countries to customise to their local circumstances (Holtzhausen 2013:60). Based on NPM and NPG paradigms’ focus on citizen engagement, whistle-blowing extends beyond public institutions’ internal arrangements. The public service offers protection through anonymity and legal support. However, these measures may not be effective in some settings with a high level of corruption. In the US, for example, anonymity is applied to guard against reprisals and ensure the safety of a whistle-blower (OECD 2000:55). In turn, the South African

Public Service Commission (PSC) guidelines on whistle-blowing procedures state that where employees fear victimisation, they may opt to use a general disclosure to the broader public through pre-established channels (Holtzhausen 2013:64). In certain countries, it is against the law to publish a whistle-blower's identity.

Based on experiences on whistle-blowing in both developing and developed countries, it is clear that the public service needs to complement rules and procedures with strategies relating to a codes of ethics section. Jonas (2018:989) argues that a person with sufficient knowledge of virtue will act virtuously on every occasion. Therefore, it is important to focus on knowledge transfer and development among public servants and promoting a culture of organisational ethics and integrity. Moreover, a focus on ethics and virtue may create a culture favourable for effective whistle-blowing and ethics management. Mphendu and Holtzhausen (2016:240–241) also state that qualified and motivated staff may contribute towards combating of administrative corruption. According to the authors, countries like Georgia and Singapore invest in public servants as a way of curbing corruption and unethical behaviour, in addition to enforcing the regulatory framework enforcement.

CONCLUSIONS AND PROPOSALS

This article presented similarities and points of convergence between ethics and integrity. The arguments presented on the evolving nature of ethics and integrity promote the discourse and establish a need for continuous generic and customised research. The ethics and integrity theory road map presented in the article started with human gathering, as conceptualised and documented by Socrates, Plato, Aristotle and modern public administration theories, such as NPM and NPG. However, the article argues that further theoretical and conceptual clarity between the two is needed, specifically linking it to a wider scope of integrity and theories of public administration. The article established that public service ethics and integrity codes of conduct and frameworks exist to prevent and manage violations. However, the literature suggests a greater focus on management than prevention.

While ethics and integrity frameworks help curb unethical acts, disparities within frameworks cause challenges. Also, when combined with other contributing factors such as national or institutional culture, democratic space and resources, their effectiveness remains unclear. In this regard, scholars reiterated weaknesses in the discourse and how it bends towards corruption, for example, bribes, grand corruption in monetary terms.

The public administration cannot avoid the 4th Industrial Revolution (4IR) and the increased use of information technology in service delivery. The 4IR decreases human interaction, while increasing technology-based services. This shift

from individuals or humans to technology may cause a conservative ethics and integrity paradigm shift in terms of values, morality, codes of ethics and ethics management. As this remains an unexplored area in public administration, clarity is needed on possible ethics and integrity challenges and solutions to the issue of choice, process and an end (of an act). Would technology promote ethics and integrity? Will it undermine the importance of culture in ethics and ethics management? What possible unethical and integrity-related conduct can we foresee in the medium and longer term? What will the management of ethics and integrity look like in the future?

Possible areas of future research include the tenets of collaboration and the public's role in enforcing ethical values and integrity. Debates exist on the parameters for comparing and differentiating between ethics and integrity and private and public values. Within this context, the observation of ethics and integrity requires a comparative empirical analysis. Furthermore, Kolthoff (2007:424–425) questions whether NPM values lead to more public service integrity. Thus, researchers ought to clarify the claim that NPM has eroded ethics and integrity by including the private sector within the public sector.

REFERENCES

- Apressyan, R. 2016. Whether the golden rule is in Aristotle's ethics. *Russian Studies in Philosophy*. 54(6):456–470.
- Bashir, S., Khattak, H., Hanif, A. and Chohan, S. 2011. Whistle-blowing in public sector organisations: Evidence from Pakistan. *The American Review of Public Administration*. 41(3):285–296.
- Burdham, T. 2018. The role of investigative ethics and good governance in addressing corruption. *Journal of Public Administration*. 53(1):120–133.
- Christensen, T. and Læg Reid, P. 2011. Ethics and administrative reforms. *Public Management Review*. 13(3):459–477.
- Curzer, H. 2007. Aristotle: Founder of the ethics of care. *The Journal of Value Inquiry*. 41:221–243.
- De Waal, F., Churchland, P., Pievani, T. and Parmigiani, S. (Eds.). 2014. *Evolved morality. The Biology and Philosophy of Human Conscience*. Cambridge: William B. Eerdmans Publishing Company.
- Fourie, D. 2009. Ethical conduct as the cornerstone of public sector procurement. *Journal of Public Administration*. 44(3):626–637.
- Fourie, D. 2015. The management of public funds: An analysis of performance of the South African government. *Journal of Public Administration*. 50(4):873–886.
- Geuras, D. and Garofalo, C. 2011. *Practical Ethics in Public Administration*. (3rd Ed). Virginia: Management Concepts, Inc.
- Hirji, S. 2018. Acting virtuously as an end in Aristotle's Nicomachean Ethics. *British Journal for the History of Philosophy*. 26(6):1006–1026.

- Huberts, W., Maesschalek, J. and Holtzhausen, N. 2013. Policy and management considerations for whistle blower protection. *African Journal of Public Affairs*. 6(4):59–70.
- Holtzhausen, N. 2012. Variables influencing the outcomes of the whistle blowing process in South Africa. *Administratio Publica*. 20(4):84–103.
- <http://pubdocs.worldbank.org/en/137501556202719739/EBC-AR18-External-Web-FINAL.pdf>integrity (accessed on 10th July 2020)
- Huberts, L. 2018. Integrity: What it is and why it is important? *Public Integrity*. 20(1):S18-S32.
- Huberts, L., Maesschalek, J. and Jurkiewicz C. (Eds.). (2008). *Ethics and Integrity of Governance. Perspective Across Frontiers*. Cheltenham: Edward Elgar Publishing Limited.
- Huberts, L. 1998. Blinde vlekken in de politiepraktijk en de politiewetenschap [Blind Spots in police practice and police sciences]. In Kolthoff, E., Huberts, L. and Van den Heuvel, H. 2007. The Ethics of New Public Management: Is integrity at stake? (pp 28–30). *Public Administration Quarterly*. 30(3/4):399–439.
- Johnson, O. 1957. Ethical intuitionism: A restatement. *The Philosophical Quarterly*. 7(28):193–203.
- Jonas, M. 2018. The role of practice and habituation in Socrates' theory of ethical development. *British Journal for the History of Philosophy*. 26(6):987–1005.
- Jurkiewicz C. (Ed.). 2008. *Ethics and Integrity of Governance. Perspective Across Frontiers* (pp. 143–158). Cheltenham: Edward Elgar Publishing Limited.
- Kimaro, J. 2018. *Analysis of monitoring and evaluation systems: A case study of Tanzania's local government*. Pretoria: University of Pretoria.
- Kitcher, P. 2014. Is naturalized ethics possible? In De Waal, F., Churchland, P., Pievani, T. and Parmigiani, S. (Eds.). *Evolved Morality. The Biology and Philosophy of Human Conscience*. Cambridge: William B. Eerdmans Publishing Company.
- Kolthoff, E. 2007. *Ethics and new public management. Empirical research into the effects of business-like government on ethics and integrity*. The Hague: Bju Legal Publishers.
- Kolthoff, E., Huberts, L. and Van den Heuvel, H. 2007. The ethics of new public management: Is integrity at stake? *Public Administration Quarterly*. 30(3/4):399–439.
- Laskar, M. 2013. Summary of Social Contract Theory by Hobbes, Locke and Rousseau Available at: <http://dx.doi.org/10.2139/ssrn.2410525>. (Accessed on 19 November 2019).
- Lasthuizen, K., Huberts, L. and Heres, L. 2011. How to measure integrity violations. *Public Management Review*. 13(3):383–408.
- Lawton, A. 2008. The language of ethics: Understanding public service ethics through discourse. *Public Integrity*. 11(1):45–62.
- Lawton, A., Rayner, J. and Lasthuizen, K. 2013. *Ethics and Management in the Public Sector*. New York: Routledge.
- Lewis, C. 2008. Ethical norms in public service: A framework for analysis. In Huberts, W., Maesschalek, J. and Jurkiewicz, C. (Eds.). *Ethics and Integrity of Governance. Perspectives Across Frontiers*. Cheltenham: Edward Elgar Publishing Limited.
- Menzel, D. 2012. *Ethics Management for Public Administration. Leading and Building Organisations of Integrity*. (2nd Ed). New York: Taylor & Francis.

- Mphendu, U. and Holtzhausen N. 2016. Successful Anti-corruption Initiatives in Botswana, Singapore and Georgia. Lessons for South Africa. *Administratio Publica*. 24(2):234–251.
- Organisation for Economic Co-operation and Development (OECD). 2000. *Trust in government. Ethics measures in OECD countries*. Paris: OECD.
- Pring, C. and Vrushji J. 2019. *Global corruption barometer Africa 2019. Citizens' views and experiences of corruption*. Berlin: Transparency International.
- Roederer, C. 2000. Ethics and meaningful political action in the modern/postmodern age: A comparative analysis of John Dewey and Max Weber. *South African Journal of Philosophy*. 19(2):75–94.
- Rossouw, D. 2013. Aristotle in the modern corporation: From codes of ethics to ethical culture. *Phronimon*. 9(1):77–84.
- Six, F. and Huberts, L. 2008. Judging a public official's integrity. In Huberts, W., Maesschalek, J. and Jurkiewicz, C. (Eds.). *Ethics and Integrity of Governance. Perspectives Across Frontiers*. Cheltenham: Edward Elgar Publishing Limited.
- Sloan, M. 2010. Aristotle's Nicomachean Ethics as the original locus for the *septem circumstantiae*. *Classical Philology*. 105:236–51.
- Transparency International. 2019. Corruption Perception Index 2019 Report. Resource document. Available at https://www.transparency.org/news/feature/cpi_2018_global_analysis. (Accessed on 4 July 2019).
- Ward, A. 2015. Theory and Akrasia in Aristotle's ethics. *Perspectives on Political Science*. 44:18–25.
- Woller, G. and Patterson, K. 1997. Public administration ethics: A postmodern perspective. *American Behavioral Scientist*. 41(1):103–118.

AUTHORS' CONTACT DETAILS

Prof Dawid Fourie

School of Public Management and Administration
Faculty of Economic and Management Sciences
University of Pretoria
Lynnwood Road
Pretoria
Cell: 083258273
Email: prof.djfourie@up.ac.za

Dr J Kimaro

School of Public Management and Administration
Faculty of Economic and Management Sciences
University of Pretoria
Lynnwood Road
Pretoria
Email: josephinekimaro@yahoo.com

Customer Satisfaction and Service Delivery

A Case Study of the Port of Durban

S Sreenivasan*

School of Management, IT and Governance
University of KwaZulu-Natal

Y Penceliah

School of Management, IT and Governance
University of KwaZulu-Natal

ABSTRACT

Port operation is a highly specialised service, which involves high capital and operational costs. Maintaining and gaining a market share is extremely vital, not only for an organisation's survival but also for the economy of a country. The main purpose of the article is to reflect on findings of a study conducted to evaluate customers' satisfaction regarding the services delivered by the Port of Durban. The study design was descriptive and methodology was empirical, based essentially on primary data. The population comprised the organisations that were the customers of the Port of Durban. The findings of the study revealed that there was a high level of satisfaction among the different categories of customers regarding service delivery in the Port of Durban. Notwithstanding the high level of satisfaction, some gaps were identified. The main factors that require attention are the upgrading of infrastructure, improvements in service delivery to justify the higher Port costs. It is envisaged that addressing the gaps identified through the study would assist the Port of Durban in sustaining market share and minimise the risk of losing its customers to the competing ports in the neighbouring countries especially Namibia and Mozambique.

INTRODUCTION

In a public service organisation, the parameters of its performance are usually prescribed by the state. Ports, however also have a commercial obligation

towards their customers who are generally commercial entities. In an age of competition, commercial organisations are driven by market forces and the changing external environmental conditions of international trade. In the case of the Port of Durban, its organisational performance can be measured based on its service excellence and the level of satisfaction that the customers have with the services offered by the Port. A customer may be influenced positively or negatively by the nature and quality of their service experience from an organisation. The authors explored various documented theories on service delivery and customer satisfaction. A review of the literature suggested that the phenomenon of customer service has undergone a major structural change. In the domain of marketing as a discipline, there has been a paradigm shift about maintaining good relationships with customers. The synchronisation of theory and practice has led many organisations to adopt customer-focused policies. There is a plethora of literature on theoretical reflections and organisational practices pertaining to service delivery and customer satisfaction across various industries. However, there is a knowledge gap due to lack of independent study on the ports sector. Most of the ports globally are under state ownership and there is the bureaucratic red tape factor that can hamper conducting study on such entities. The available literature on the subject is in the form of reports from governing authorities. Among a few related studies, the following were relevant: “Measuring port effectiveness: what really determines cargo interests: evaluation of port service delivery” (Brooks and Schellinck 2013:3); “Service quality and satisfaction measurements in Nigerian ports: an exploration” (Ugboma, Ogwude, Ugboma and Nnadi 2007:331–346); and “A model for measuring the quality of port services in a container terminal” (Veldman and Bückmann 2003:3–22). However, there has been no recorded evidence of study into service delivery in Southern African ports. Though the main purpose of this article is to reflect on findings of a study conducted to evaluate customers’ satisfaction regarding the services delivered by the Port of Durban, it is also aimed at closing the existing knowledge gap with regard to the lack of studies pertaining to customer satisfaction and service quality in the Southern African port sector through the primary data collected for the study. For the purposes of the study, only those customers and port users licensed by the Port of Durban were included. The study was conducted upon obtaining permission from the Port of Durban.

The article will begin with a conceptual framework for customer satisfaction and service excellence. Second, the theoretical and conceptual variables influencing customer satisfaction and service delivery. Third, the methodology used in this article will be explained. Fourth, a case study of the Port of Durban and the threat it is facing from the competitors will be discussed. Lastly, the article will provide an account of the quantitative and qualitative

results followed by the review of the results and recommendations based on the gaps identified.

A CONCEPTUAL FRAMEWORK FOR CUSTOMER SATISFACTION AND SERVICE EXCELLENCE

The conceptual framework was based on the theoretical principles of the SERVQUAL Model of Berry, Parasuraman and Zeithmal (1988:35–43). However, operationalisation of the model was customised to meet the requirement of the study. A number of service delivery indicators for the Port of Durban are evaluated against customers' perceptions and expectations. Port infrastructure plays an important role in facilitating the maritime traffic and ease of operations therefore, it is one of the service delivery indicators that contribute towards evaluating the expectations of the customers. Consistency in service delivery is also an important factor that contributes towards the customers' satisfaction, and in this case, consistency refers to the reliability of the services that the Port of Durban offers its customers. Security is one of the indicators that attract businesses and provide the basis for long-term continuity. In recent years technology, particularly the field of information technology, has evolved and been embraced by leading ports. Further indicators included are the basic port services that are expected at any port by customers; such as firefighting, medical assistance, storage facilities, repair facilities, technologically equipped offices, berthing and un-berthing services, stevedoring and waste disposal services. The quality of these basic services provided is an indicator that the port has an organisational infrastructure to offer the minimum expected services at the port. Customers intending to avail themselves of these services usually make comparisons of their quality against that of the services offered by competing ports. If the service received is better than that of the available alternatives, then the level of customer satisfaction will be higher. In terms of customer expectations, customers do expect competitive costs that are aligned to their business objectives. They expect that the costs they have incurred are justified i.e. that they received 'value for their money'. The article also explores whether the costs at the Port of Durban are higher or lower than those of its competitors. Human factors such as staff competence, courtesy and customer centredness are some of the expectations that customers have. When a service is delivered and the customer judges the actual service received against the expected service there are two possible responses; either the customer is satisfied or dissatisfied. The level of satisfaction and dissatisfaction may, however, vary among different customers. Satisfied customers usually stick to a brand, a service or a company for a longer period. In this article, the loyalty of the customers is investigated in terms of their years of association and the likelihood of continuing their association as customers of the Port of Durban. Longer years of

association with an organisation is one of the prominent indicators of customer loyalty. Comparatively new customers explicitly indicating the likelihood of continuing with an organisation is possibly another indicator of satisfied customers.

THE THEORETICAL AND CONCEPTUAL VARIABLES INFLUENCING CUSTOMER SATISFACTION AND SERVICE DELIVERY

Customer satisfaction and service delivery are the two main variables, and the objectives and questions are derived from these variables. Customer satisfaction is assessed considering the service offerings at the Port of Durban. The customers associated with the Port of Durban for more than 10 (and more than 20) years are considered loyal customers, so their responses to the questions regarding the quality of the service, and their level of satisfaction and the areas in which they are dissatisfied are particularly important. As they have already proven their loyalty, they need to be retained as customers. The responses provided by them may be taken as a snapshot of the current corporate image of the Port of Durban as a commercial organisation and will provide insight on the way forward. The indicators of service excellence will be divided primarily into four categories. The first category includes the service quality. The second category comprises of the various essential services offered by the Port of Durban. The third category evaluates the customers' expectations. The final category will be the comparative analysis of the Port of Durban with its competitors. The ports of Namibia and Mozambique are taken as the competing ports due to their proximity to South Africa. Other South African ports are not considered as all the commercial ports in the country are operated by the same entity (Transnet). It is worth noting that the types of customers in each demographic variable have different services that they regard as important, so their level of satisfaction with the variables/services that are important to them are key to their respective overall level of satisfaction. For instance, turnaround times at the port are crucial for ship liners, importers and exporters. Maintenance services are of more importance to the stevedoring companies and waste disposal companies. Courtesy of the port staff, security at the port and the use of technology are common variables for the customers that will contribute towards their level of satisfaction with the Port of Durban's service delivery. The increased intangibility of service delivery means, in most cases, customers can only perceive them in their minds. Thus, measuring the quality of service delivery as a perception of the user is particularly appropriate for assessing the quality of services. Even though customer service, service quality, customer satisfaction and customer loyalty are distinct concepts, they are all interrelated. Table 1 illustrates the literatures reviewed and the rationale for selecting them.

Table 1: Literatures reviewed and the rationale for selecting them

Name	Rationale	Authors
SERVQUAL Model	Most popularly used in service research literature. Formed basis for the research questions	Berry, Parasuraman and Zeithmal (1988)
Relationship Marketing (RM) and Customer Relationship Management (CRM) theories	Formed basis for the research questions	Al-Safi, Al-Safadi, and Al-Mudimigh (2012); Kaul (2017); Godson (2009); Gummesson (1997)
Customer service	Formed basis for the research questions	Schneider and White (2004); Shah and Jain (2015); Peelen, Van Montfort, Beltman and Klerkx (2009); Dias, Azevedo, Ferreira and Palma (2009); Kaul (2017); Joireman, Grègoire and Tripp (2016)
Service quality	Formed basis for the research questions	Nikou and Khiabani (2016)
Customer loyalty	Formed basis for the research questions	Nikou and Khiabani (2016); Godson (2009); Ballantyne, Christopher and Payne (2003); (Sibanda, 2012); Kotler (1991); Keller (2004)
Benchmarking	Formed basis for the research questions	Barros (2012); Wever, Boks, Marinelli, and Stevels (2007); Milosevic, Djuric, Filipovic and Ristic (2013); Maltz and Bateman (2016); Oláh, Nestler, Nobel, Rákos and Popp (2018); Jeevan, Salleh, Loke, and Saharuddin (2017); Rankine (2003); Raymond (2008)
Batho Pele principle	South African ethos underlying service delivery	White paper on transforming public service delivery (1997)
National Commercial Ports policy	South African policy underlying service delivery for ports	White paper on National Commercial Ports Policy (2002)

Source: (Authors' own representation 2020)

Table 1 exemplifies selected literature on service delivery and customer satisfaction. While the theories formed the basis for the research questions the literature review provided the foundation for the research design.

METHODOLOGY

Empirical research methodology was used in this study for evaluation of customer satisfaction and service excellence. It was based on a mixed-methodology approach that required the use of data collection tools to collect both qualitative and quantitative data. However, theoretical research that relied upon ideas which had at some previous time been based on specific observations or original evidence collected by means of empirical work was used as well. This was regarded as secondary data, and the proposition advanced here was that the theory could not be generated without data and that data could not be collected without a theoretical framework.

The population comprised the organisations that were customers of the Port of Durban. All of the customer names from the 'customers' contact list' were included in the survey to eliminate any element of bias. Thus, an opportunity was availed to the whole target population to participate in the survey. A total population sampling technique (TPS) was applied for this study. Of the total study population of 162 organisations, only 126 of the sample responded; 102 completed questionnaires were returned and 24 field interviews were conducted. The total response rate was 78%.

Data collection tools included questionnaires and interviews. The survey instrument was divided into four sub-sections: Section A to evaluate the 'service quality'; Section B to evaluate the 'overall service delivery'; Section C to evaluate the customers' expectations and priorities in deciding on choosing a suitable port; and finally, Section D to evaluate the Port of Durban against its competitors, based on service delivery. The main advantage of the face-to-face interview is that a question may be rephrased if necessary to offer more clarity to the respondent. The other advantage is that 'qualitative' aspects may be added to the survey. For example, if the respondent felt 'extremely satisfied' with an aspect of service delivery, the interviewer would be able to prompt and determine why the respondent felt that way.

A CASE STUDY, THE PORT OF DURBAN

The Port is currently operated by Transnet National Ports Authority (TNPA), which is a state-owned enterprise. The National Commercial Ports Policy (Department of Transport 2002) authorises the TNPA as its proprietor to manage and administer the commercial ports in South Africa. The main operational and administrative functions of the port are as follows: maintaining the basic port infrastructure; providing pilotage and tugs to the vessels entering and leaving the harbours; providing stevedoring services; managing the handling of cargo

ashore; providing security for the port; providing repair and maintenance facilities for the vessels; providing fire-fighting services to the port; providing waste disposal facilities for the vessels; providing transshipment and temporary storage facilities for the cargo; and providing facilities for customs clearance, storage and distribution of cargo.

The Port of Durban handles a wide range of commodities including coal, mineral ores, granite, chemicals, petrochemicals, steel, forest products, citrus products, sugar and grain, among others. The Port also serves as a transshipment destination for second-hand cars imported mainly from Japan that have a growing market in various Southern African countries such as Botswana, Namibia, Zambia, Zimbabwe and Malawi. For decades, the Port of Durban has been the only reliable 'gateway' to and from various sub-Saharan countries due to its infrastructure and comparatively efficient service delivery when compared to the other ports in neighbouring countries, such as Maputo and Walvis Bay. In recent years neighbouring countries, namely Mozambique and Namibia, have taken measures to improve their infrastructure and service delivery to compete with the Port of Durban. Their geographical proximity to other sub-Saharan countries and South African Northern Provinces provides them with a competitive advantage over the Port of Durban. These countries have already attracted customers to use their ports and continue to pose the serious threat of poaching more customers from the Port of Durban.

According to the Rail Road Association (RRA) (2006), the Mozambican Minister of Transport at the time, Mr Antonio Munguambe, announced the country's plans to invest about US\$50 million in the Maputo Port to take advantage of the Port's closer proximity to Zimbabwe and Malawi than the Port of Durban. The Mercury (2011) reported that the Mozambique government announced its plan to build a major oil and coal harbour just 20km north of the KwaZulu-Natal border. The R54-billion *Punto Techobanine* plan involved digging a deep-water port and running an 1 100 km railway line. The new railway line, along with new pipelines, were intended to transport coal, crude oil, liquid fuels and other goods from Botswana and Zimbabwe through the planned new seaport to India and China, bypassing South African harbours, especially the Port of Durban. According to reports published by the Namibian Ports Authority (Namport 2019), the completion of the expansion project at the Port of Walvis Bay was co-financed by the African Development Bank. The expansion was part of Southern Africa's wider trade integration agenda. More than half of the Southern African Development Community (SADC) members are landlocked and countries like Botswana, the Democratic Republic of the Congo, Malawi, Zambia and Zimbabwe grapple with congestion at the Port of Durban. Already, the Port of Walvis Bay has witnessed a surge in cargo volumes destined for Zimbabwe, which had traditionally used the ports of Cape Town and Durban. As some countries improve their infrastructure,

it would appear that they are taking some business away from South Africa. In this regard, South Africa needs to keep an eye on the situation so it does not lose ground. Road Ahead Online (2010) suggests that industry leaders such as Sturrock Shipping and the Road Freight Association (RFA) are of the view that ports in South Africa have been losing a market share to Maputo due to faster turnaround times. While trucks can be stuck in queues for 12 hours or more in ports such as Durban, the turnaround time in Maputo is much quicker and without any holdups.

From the above assertions, it is clear that South Africa's neighbouring countries, namely Mozambique and Namibia, are taking bold measures to improve their service delivery to attract customers who traditionally used the Port of Durban. Splash247.com (2019) reported that chronic congestion in Durban forces carriers (liner ships) to deploy extra loaders, reaffirming that the problem still exists and is current. Therefore, it is critical for the Port of Durban to ensure that its customers remain satisfied, failing which the customers are likely to use these alternative neighbouring ports. As Watkins (2002:147) observes, "despite a genuine interest in meeting customer expectations, many companies miss the mark by thinking inside out – they believe they know what customers should want and deliver that, rather than finding out what they do want". This can result in companies providing services that do not match their customers' expectations, thus missing their market share when the customers take their business elsewhere.

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Data is presented in two sections: Section one covers the details regarding the quantitative data and Section two comprises the qualitative analysis of the collected data.

Section one: Quantitative data analysis

The data was analysed using the IBM Statistical Package for Social Sciences (SPSS), version 22. The normality of distribution was analysed using the Kolmogorov-Smirnov test and the data was found to deviate significantly from a normal distribution. It was not in the scope of this article to go into the mathematics behind the normality tests but, basically, when there is a small deviation from a normal distribution (i.e. the responses more-or-less resemble a bell-shaped distribution) then the p-value (i.e. Asymptotic Significance) will be larger than 0.05 (i.e. $p > 0.05$). Conversely, when there is a large deviation or skew from a normal bell-shaped distribution then $p < 0.05$. In this case the p-values are

smaller than 0.05 (i.e. 0.00) and we thus conclude that the data is not normally distributed and have used non-parametric in place of parametric methods.

The level of experience and association with the Port of Durban showed that a large majority of respondents had an association spanning more than five years. Of the respondents 38% have had an association of between 10 and 20 years, and 32% had more than 20 years of association with the Port. The percentage of respondents who had less than five years of association was 15%, and interestingly, the companies with more than 20 years of association comprised 15% of the respondents.

Overall satisfaction with the Port of Durban

Of the respondents 19% asserted that they had an excellent experience with the Port of Durban, and 40% of the respondents were happy to record their responses as good. The average number of responses received on the overall experience at the Port of Durban was 26%. A further 10% of the respondents reported satisfaction with the level of service, and 5% of the respondents reported an extremely poor level of satisfaction. Though the number did not seem to be significant, it showed that a certain level of discontent and dissatisfaction prevailed within all categories of respondents.

Table 2: Overall customer satisfaction scores

Customer category	N	Mean	Median	Standard Deviation
Ship agent	32	4.09*	4.00	0.69
Terminal operator and tenant	47	3.47	4.00	0.99
Waste disposal	17	3.82	4.00	0.81
Stevedoring	16	3.44	3.50	1.03
Other services	14	3.57	3.50	0.85
Number of years				
Less than 5 years	14	2.86	2.50	1.41
5–9 years	33	3.13	3.00	0.81
10–20 years	58	4.10*	4.00	0.52
More than 20 years	21	3.90*	4.00	0.77
Overall	126	3.69	4.00	0.91

Table 3: Kruskal-Wallis test on overall customer satisfaction

Statistic	Customer category	Number of years
Chi-Square	11.22	38.72
Df	4	3
Sig.	0.02*	0.01*
*p < 0.05		

Service quality evaluation

The participants were required to rate several service quality related aspects of the Port of Durban and the results are indicated in Figure 1. The attribute that received the highest rating was responsiveness (Mean = 3.89) and the lowest rated was physical facilities (Mean = 3.65). The overall service quality evaluation mean score was 3.77 and this represented the average of the five listed attributes measured.

The overall service quality evaluation score was then compared by customer categories and the number of years as customers (See Table 4).

Figure 1: Service quality evaluation (n=126)

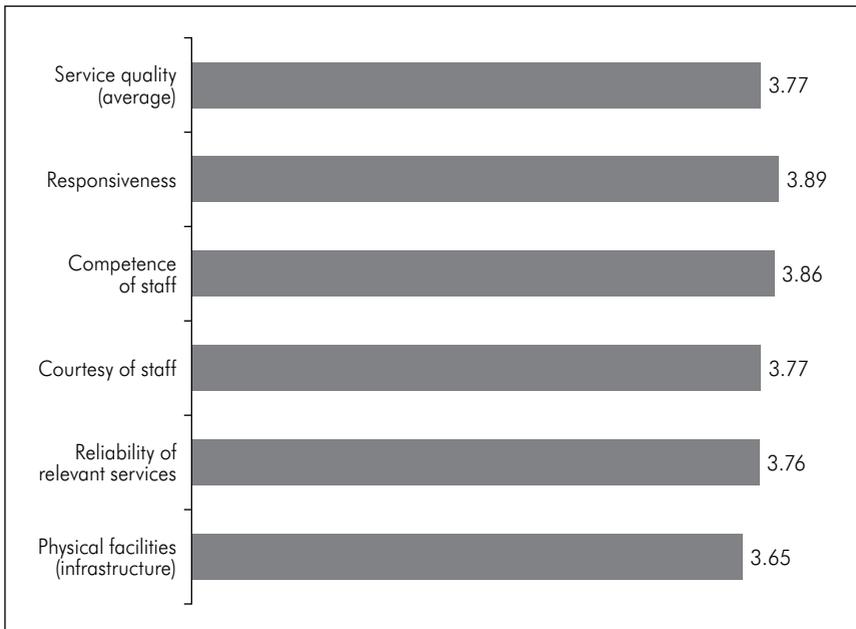


Table 4: Service quality evaluation by customer categories

Customer category	N	Mean	Median	Standard Deviation
Ship agent	32	4.03*	4.00	0.41
Terminal operator and tenant	47	3.65	4.00	0.72
Waste disposal	17	3.74	4.00	0.65
Stevedoring	16	3.65	4.00	0.74
Other services	14	3.79	3.80	0.59
Number of years				
Less than 5 years	14	2.72	2.70	0.95
5–9 years	33	3.66	3.70	0.65
10–20 years	58	4.03*	4.00	0.24
More than 20 years	21	3.92*	4.00	0.40
Total	126	3.77	4.00	0.64

Table 5: Kruskal-Wallis test results on service quality evaluation

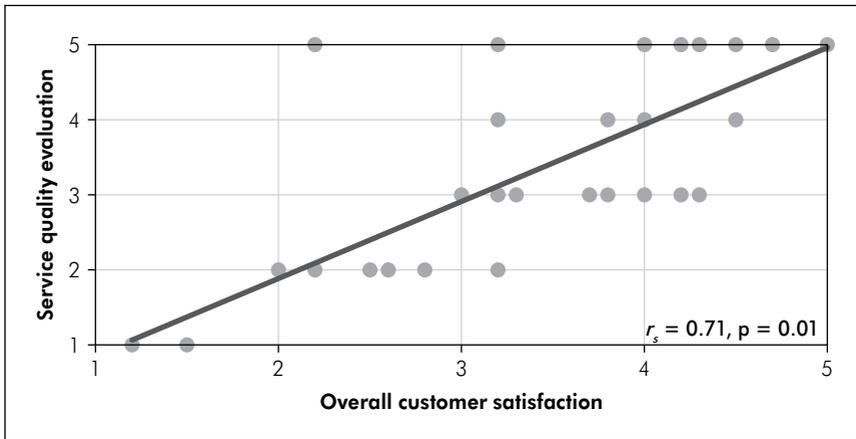
Statistic	Customer category	Number of years
Chi-Square	9.69	34.30
Df	4	3
Sig.	0.04*	0.01*
*p < 0.05		

Consistent with the results on overall satisfaction, ship agents (Mean = 4.03, SD=0.41) gave a significantly higher service quality evaluation score compared to other customer categories (Chi-square = 9.69, $p = 0.04$). The service quality evaluation scores were also significantly higher among participants who had been customers for 10 years or more, compared to those with less than 10 years of association (Chi-square = 34.30, $p = 0.01$).

Correlation between service quality and customer satisfaction

There was a significant positive correlation between service quality evaluation and overall customer satisfaction ($r_s = 0.71$, $p = 0.01$). This meant that customers

Figure 2: Correlation between service quality and customer satisfaction (n = 126)

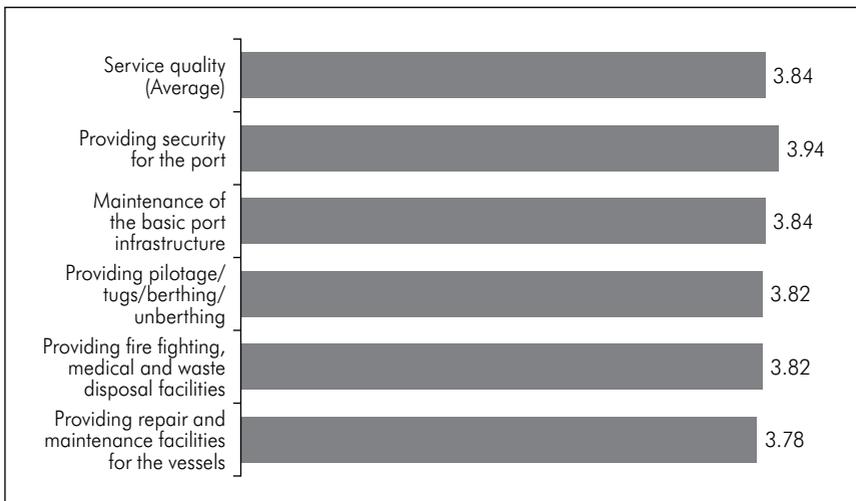


who gave high service quality ratings also tended to indicate high levels of overall satisfaction with the Port of Durban, and *vice versa*.

Service delivery evaluation

The participants were required to rate several service delivery related aspects of the Port of Durban and the results are shown in Figure 3. The attribute that

Figure 3: Service delivery evaluation (n=126)



received the highest rating was the provision of security (Mean = 3.94) and the lowest rated was the provision of repair and maintenance facilities (Mean = 3.78). An overall service delivery evaluation mean score of 3.84 was computed as the average for the five attributes.

Service delivery averages were compared by customer category, and the number of years as a customer. There were no significant differences in the service delivery evaluation scores by customer categories (Chi-square = 2.05, $p = 0.73$). However, the service delivery evaluation scores were significantly higher among customers with 10 years or more of service from the Port, compared to those with less than 10 years of service (Chi-square = 26.64, $p = 0.01$).

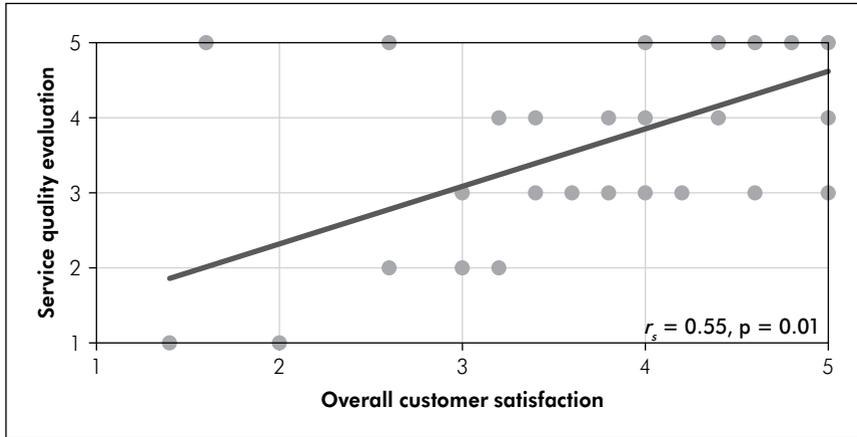
Table 6: Service delivery evaluation by customer categories

Customer category	N	Mean	Median	Standard Deviation
Ship agent	32	3.99	4.00	0.39
Terminal operator and tenant	47	3.74	4.00	0.75
Waste disposal	17	3.73	4.00	0.74
Stevedoring	16	3.79	4.00	0.76
Other services	14	3.97	3.90	0.62
Number of years				
Less than 5 years	14	2.94	3.00	0.98
5–9 years	33	3.77	3.60	0.77
10–20 years	58	4.06*	4.00	0.30
More than 20 years	21	3.91*	4.00	0.42
Total	126	3.84	4.00	0.66

Table 7: Kruskal-Wallis test results on service delivery evaluation

Statistic	Customer category	Number of years
Chi-Square	2.05	26.64
Df	4	3
Sig.	0.73	0.00*
*p < 0.05		

Figure 4: Correlation between service delivery and customer satisfaction (n = 126)



Correlation between service delivery and customer satisfaction

There was a significant positive correlation between service delivery evaluation and overall customer satisfaction ($r_s = 0.55, p = 0.01$). This showed that customers who gave high service delivery ratings also tended to indicate high overall satisfaction with the Port, and *vice versa*.

Customers’ expectations and priorities when deciding on the best suitable port

The participants had to rank the five factors in Table 8 in order of importance when selecting a suitable port for their businesses. The highest ranked attribute was assigned a ranking code of one and the lowest ranked a code of five. Therefore, the closer the mean ranking score was to the value of one, the higher

Table 8: Ranking of port selection factors

Attributes	N	Mean	Median	Standard Deviation
Reliability of the port	126	1.29	1.00	0.79
Technologically up to date infrastructure	126	2.37	2.00	0.91
Security at the port	125	3.05	3.00	0.80
Cheaper port costs	126	3.63	4.00	1.02
Competent port staff	123	4.64	5.00	0.71

the ranking of the factor overall. Reliability of the Port was the highest ranked attribute overall (Mean = 1.29, SD = 0.79), while competence of staff was the least ranked of the five factors (Mean = 4.64, SD = 0.71). There were no significant differences by customer categories in the factor rankings.

Likelihood of continuing to use the Port of Durban

About 8 in 10 (81%) of the participants would certainly continue using the Port of Durban, while another 12% said there was a high chance that they would remain customers of this Port. Only 7% of the participants indicated a low likelihood of remaining as customers of the Port of Durban. None of the respondents indicated that they would no longer deal with the Port. The likelihood of continuing to use the Port of Durban was significantly lower among newer customers (Chi-square = 54.07, $p = 0.01$) but did not differ significantly by customer category (Chi-square = 12.72, $p = 0.12$).

Figure 5: Likelihood of continuing to use the Port of Durban (n = 126)

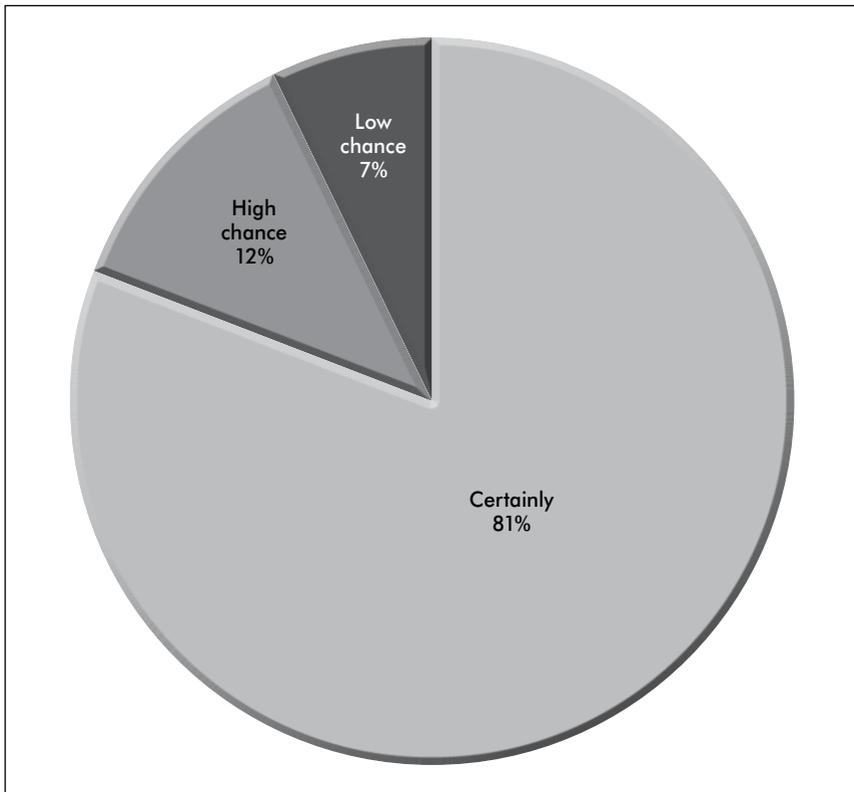


Table 9: Likelihood of continuing to use the Port of Durban by customer categories (n = 126)

Customer category	Certainly	High chance	Low chance
Ship agent (n=32)	91%	6%	3%
Terminal operator and tenant (n=47)	80%	11%	9%
Waste disposal (n=17)	76%	12%	12%
Stevedoring (n=16)	100%	0%	0%
Other services (n=14)	56%	44%	0%
Number of years			
Less than 5 years (n=14)	25%	25%	50%*
5–9 years (n=33)	76%	21%	3%
10–20 years (n=58)	98%	2%	0%
More than 20 years (n=21)	81%	19%	0%

Table 10: Pearson's Chi-square test results on the likelihood of continuing to use the Port of Durban

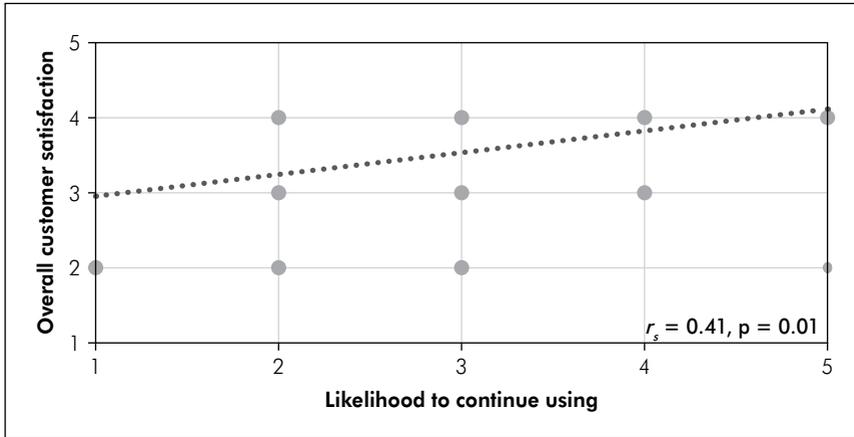
	Value	df	Sig.
Customer category	12.72	8	0.12
Number of years	54.07	6	0.01*
*p<0.05			

Correlation between customer satisfaction and customer loyalty

There was a significant positive correlation between overall customer satisfaction and the likelihood of continuing to use the Port ($r_s = 0.41$, $p = 0.01$). This meant that customers who gave high satisfaction ratings also tended to indicate a high likelihood of continuing to use the Port.

Customer loyalty and customer satisfaction are linked concepts. The more customers are satisfied, the more likely are they to continue as a loyal customer. From the data it could be construed that the years of association a customer had with the Port also played an important role in the overall satisfaction of the Port's customers. Repeat purchases or continuous association with a service provider is a pointer of quality. If one looks closely, customers may be considered as loyal

Figure 6: Correlation between customer satisfaction and customer loyalty (n = 126)



if they have had 10 or more years of association with the Port of Durban. It was clearly indicated that they were not only satisfied with the service received; they were also the most likely to continue as customers of the Port.

Section two: Qualitative data analysis

The primary data collected through interviews is presented in the form of narratives hereunder:

Question one: “Please elaborate on why you feel that way?” about the overall satisfaction level at the Port of Durban?

Upon rating their overall satisfaction with the Port of Durban as either excellent, good, average or poor, users were probed to elaborate on why they felt that way. The quotation below provides a summary of the positive factors that the users highlighted in explaining their satisfaction with the Port of Durban. The Port’s infrastructure and facilities were among the most mentioned attributes that influenced customer satisfaction with the Port.

“It is one of the busiest ports and has a good infrastructure in Southern Africa. Facilities for cruise ships are also the best in the region”

– Ship Agent

It was clear that in evaluating the Port of Durban’s infrastructure as good, the users were doing so mostly in comparison to the facilities available at other ports

in the region; hence the use of the term “relatively better infrastructure” by one of the ship owners and liner operators.

Some of the users regarded the Port of Durban as most suitably located in the region, in relation to their businesses or geographic locations and operations.

“[The] Port of Durban is the best for our business due to its location and more ships calling [on] the Port when compared to others in the region”

– Diving Services

Not only was the Port strategically located, there was good road and rail linkage from Durban to the hinterland, and to neighbouring markets.

“There is good connectivity to inland areas and neighbouring countries”

–Importer/Exporter

Consistent with the varying levels of satisfaction reported in the quantitative results, not all the open-ended remarks were positive. Indeed, there was a noticeably stronger negative than positive sentiment in the feedback. This negative feedback was mainly in relation to the factors listed below.

One of the main sources of dissatisfaction with the Port of Durban, as evidenced by its recurrence across the users’ remarks, was the perceived unequal treatment of Port users by the Port Authorities, who favoured or even colluded with big businesses at the expense of smaller and new businesses.

“Port policies do not promote new business chances. [The] Port tends to listen to institutions such as SAASOA, which is a cartel formed by big business owners”

–Ship Agent

The Port costs were perceived to be rather high. Some of the users, therefore, did not feel they were getting good value for money, especially since overall service delivery was not at an optimal level.

“Efficiency should be improved upon. Higher Port costs are not justified for the services being offered”

– Ship owner/liner operator

There was an expectation among the users that the Port ought to be marketing itself more aggressively globally and promoting the range of services that it offered.

“The Port does not promote bunker service business globally to take advantage of [the] geographical advantage of [the] Durban Port”

–Bunker Service

There was a call for more effective marketing, not just by those providing bunker services but by other business categories as well.

“More ships, more business. The Port should market its services globally”
– **Diving Services**

“Port management do not appear to understand market driving factors”
– **Terminal Operator (tenant)**

Question two: “Which services should the Port of Durban improve on, in order for it to be globally competitive?”

The most cited aspect that the Port of Durban had to improve on to become globally competitive, in the opinion of the users, was overall efficiency and faster turnaround times for the ships. Once again, it was clear that when the users spoke about service delivery levels, they had the relatively high Port costs at the back of their minds too.

“Turnaround time requires improvement. Port costs are high when compared to other Ports in the region such as Walvis Bay”
– **Ship owner/liner operator**

Indeed, the existing Port costs were said to be negatively impacting business volumes.

“It is difficult to gain business with high Port costs”
– **Ship Agent**

Not surprisingly, when asked which services the Port of Durban needed to improve on to be globally competitive, the users largely repeated the same factors they had already highlighted, such as those pertaining to infrastructure. In relation to infrastructure and facilities, there was a view that space was insufficient for some of the services.

“Not sufficient berth space for passing ships if they wish to call in [to the] Port of Durban [to] do a quick underwater inspection”
– **Diving Services**

REVIEW OF THE RESULTS

Based on the service quality experience with the Port of Durban, the respondents gave an average satisfaction rating/score of 3.77, on a scale of 5. This equated to

a 75% satisfaction level. Out of five attributes considered when evaluating the service quality, the respondents scored highest (3.89 out of 5) on 'Responsiveness of the Port' and lowest (3.65 out of 5) on 'Infrastructure of the Port'. The low level of satisfaction with the infrastructure of the Port reaffirmed the background of the study, and the outline of the research problem. The scoring indicated that there was a 'gap' between customers' perceived service quality and the Port's perception of service quality. A lack of 'solid' competition for the Port of Durban was considered a factor for its complacency, lack of modern infrastructure and deteriorating service delivery. The evaluation of *customers' expectations and priorities* when deciding on the port best suitable for their business revealed that reliability of the port was the highest ranked attribute.

RECOMMENDATIONS

Based on the gaps identified, the following recommendations are proposed to the management of the Port of Durban:

Recommendation 1: Service delivery needs to be improved

The respondents claimed that service delivery at the Port had been deteriorating over the years, while the port costs have been escalating. It is recommended that overall service delivery is improved to justify the higher port costs.

Recommendation 2: Higher level of reliability

The respondents ranked 'reliability' as the most important factor when deciding on a suitable port for their business. 'Reliability' means offering services as promised within the specified time. The Port of Durban should focus on achieving a higher percentage of reliability, i.e. over 95% compared to the current rating of about 75%. The rationale for the suggestion to achieve a high rating for reliability is as follows: As most of the respondents pointed out, it is not an easy decision for a ship owner or a terminal operator to switch ports as it involves huge capital investment on an alternative logistics supply chain and terminal infrastructure. However, once a decision has been made to use one of the alternative ports, the customers usually commit to the change for a long period, i.e. at least a couple of decades, if not more. Therefore, it is not easy for a new port to gain a customer from an existing port unless the customer has compelling reasons to decide on switching ports. Similarly, once a port loses an existing customer, it is highly unlikely they will be able to regain that lost customer. For this reason, it is important for the Port of Durban to ensure that its customers remain satisfied, failing which the customers are likely to use alternative ports.

CONCLUSION

The aim of this article was to evaluate the level of customer satisfaction on service delivery at the Port of Durban. The article succeeded in achieving this objective by analysing the quantitative and qualitative data produced by the study. The article considered a large array of preliminary literature but discovered that there was a lack of study pertaining to customer satisfaction studies in the port sector. Therefore, not much was available in terms of secondary data. Primary data was obtained from customers of the Port of Durban by means of questionnaires and interviews. The primary data revealed that overall there was a higher level of satisfaction among customers regarding service delivery in the Port of Durban. The more satisfied customers were ship agents, terminal operators/ tenants and new waste disposal companies. Regardless of the category of customer, the number of years of association with the Port was linked to the level of satisfaction among the customers. Both qualitative and quantitative data indicated that the organisations with 10 years or more of association as customers of the Port of Durban had higher levels of satisfaction. Organisations with less than five years of association had the lowest level of satisfaction with the Port's services. Representatives of some of these companies revealed that small companies found it difficult to compete in the Port environment that was characterised by a monopolistic atmosphere created by the big business players who were financially sound and had superior and efficient connectivity within the industry. Service delivery and customer satisfaction are the main constituents for any organisation to succeed and survive in today's competitive environment. Despite this, no evidence exists of any comprehensive study having been carried out in the South African port environment to measure customer satisfaction. The *primo* search revealed that past studies conducted in the port environment had been limited to port productivity, infrastructure development and logistics integration. Therefore, in the South African context, this article is valuable as it is the first-of- its-kind that focuses on customer satisfaction and service delivery in the port sector. Thus, the article will fill the huge void that currently exists in the South African port sector. The article will contribute meaningfully to the Port's management and assist them to take the appropriate measures required to deal with the threats that the Port of Durban is currently experiencing. This article could act as a guide for future studies within Southern African ports. The following are recommended future study areas within the Southern African port sector: A comparative study of the various ports within Southern Africa in terms of the types of cargo handled and the hinterland they serve; an evaluation of the best industry practices for efficient port operations; a feasibility study on cooperation among the competing Southern African ports to provide a superior customer service by understanding each port's strengths and weakness.

NOTE

- * This article is partly based on the Doctorial thesis titled “An Evaluation of Customer Satisfaction and Service Excellence: A Case study of the Port of Durban – a State Owned Enterprise” completed by Sivashankar Sreenivasan under the supervision of Professor Y Penceliah and submitted at the University of KwaZulu-Natal in 2019.

REFERENCES

- Al-Safi, A.M., Al-Safadi, L. and Al-Mudimigh, A. 2012. CRM scorecard–CRM performance measurement. *International Journal of Networked Computing and Advanced Information Management (IJNCM)*, 2(1):08–21.
- Ballantyne, D., Christopher, M. and Payne, A. 2003. Relationship marketing: looking back, looking forward. *Marketing Theory*. 3(1):159–166.
- Barros, C. 2012. Productivity assessment of African seaports. *African Development Review*. 24(1):67–78.
- Berry, L., Parasuraman, A. and Zeithaml, V. 1988. The service-quality puzzle. *Business Horizons*. 31(5):35–43.
- Brooks, M. and Schellinck, T. 2013. Measuring port effectiveness in user service delivery: what really determines users’ evaluations of port service delivery? *Research in Transportation Business & Management*. 8:87–96.
- Department of Public Service and Administration. 1997. *White paper on transforming public service delivery*. Pretoria: Department of Public Service and Administration. Government gazette number 18340: 1 October 1997. Department of Transport. 2002. *White paper on National Commercial Ports Policy*. Pretoria: Department of Transport. Government gazette number 23715: 8 August 2002.
- Dias, J., Azevedo, S., Ferreira, J. and Palma, S. 2009. A comparative benchmarking analysis of main Iberian container terminals: a DEA approach. *International Journal of Shipping and Transport Logistics*. 1(3):260–275.
- Godson, M. 2009. *Relationship Marketing*. 1st ed. Oxford: Oxford University Press.
- Gummesson, E. 1997. Relationship marketing as a paradigm shift: some conclusions from the 30R approach. *Management Decision*. 35(4):267–272.
- Jeevan, J., Salleh, N., Loke, K. and Saharuddin, A. 2017. Preparation of dry ports for a competitive environment in the container seaport system: a process benchmarking approach. *International Journal of e-Navigation and Maritime Economy*. 7(1):19–33.
- Joireman, J., Grègoire, Y. and Tripp, T. M. 2016. Customer forgiveness following service failures. *Current Opinion in Psychology*. 10(1):76–82.
- Kaul, D. 2017. Customer relationship management (CRM), customer satisfaction and customer lifetime value in retail. *Review of Professional Management—A Journal of New Delhi Institute of Management*. 15(2):55.
- Keller, K. 2004. Consumer brand relationships. *Journal of Brand Management*. 21(5):361–365.

- Kotler, P. 1991. *Marketing management*. 1st ed. Englewood Cliffs, N.J.: Prentice-Hall.
- Maltz, E., Bi, H. and Bateman, M. 2016. Benchmarking sustainability performance: the next step in building sustainable business models. *Journal of Public Affairs*. 18(3):1606.
- Mercury. 2011. *Port plan a threat to SA and conservation*. Available at: <http://www.iol.co.za/mercury> (Accessed 21 February 2012).
- Milosevic, D., Djuric, M., Filipovic, J. and Ristic, S. 2013. Benchmarking as a quality management tool in public administration. *Inzinerine Ekonomika-Engineering Economics*. 12(02):364–372.
- Namport. 2019. *Namibia launches the expanded Walvis Bay Port*. [online] Available at: <https://www.namport.com.na/news/445/namibia-launches-the-expanded-walvis-bay-port> (Accessed 27 October 2019).
- Nikou, S. and Khiabani, M.M. 2016. Service quality, customer satisfaction, and customer loyalty: a comprehensive literature review (1993–2016). *International Journal of Advanced Scientific and Technical Research*. 06(06):29–46.
- Oláh, J., Nestler, S., Nobel, T., Rákos, M. and Popp, J. 2018. Development of dry ports in Europe. *International Journal of Applied Management Science*. 10(4):269–286.
- Peelen, E., Van Montfort, K., Beltman, R. and Klerkx, A. 2009. An empirical study into the foundations of CRM success. *Journal of Strategic Marketing*. 17(6):453–471.
- Rail Road Association. 2006. *Rail Port of Maputo threat to Durban*. Available at: <http://www.rra.co.za> (Accessed 21 February 2012).
- Rankine, G. 2003. *Benchmarking container terminal performance*. Rotterdam: Beckett Rankine Partnership.
- Raymond, J. 2008. Benchmarking in public procurement. *Benchmarking: An International Journal*. 15(6):782–793.
- Road Ahead Online. 2010. *Transnet's limited capacity to deliver, particularly with regard to Ports, is not having a positive impact*. Available at: <http://www.roadaheadonline.co.za>. (Accessed 5 March 2012).
- Schneider, B. and White, S. 2004. *Service quality*. Thousand Oaks, Calif: Sage Publications.
- Shah, T. and Jain, A. 2015. Customer oriented service culture and its impact on customer loyalty in organised retail context. *International Journal of Indian Culture and Business Management*. 11(1):23–42.
- Sibanda, M. 2012. Monitoring customer-focused quality service delivery in local government: conceptual issues and perspectives for consideration. *Africa's Public Service Delivery and Performance Review*. 1(1):4–15.
- Splash247.com. 2019. *Chronic congestion in Durban forces carriers to deploy extra loaders*. Available at: <https://splash247.com/chronic-congestion-in-durban-forces-carriers-to-deploy-extra-loaders> (Accessed 10 July 2019).
- Ugboma, C., Ogwude, I., Ugboma, O. and Nnadi, K. 2007. Service quality and satisfaction measurements in Nigerian ports: an exploration. *Maritime Policy & Management*. 34(4):331–346.
- Veldman, S. and Bückmann, E. 2003. A model on container port competition: an application for the West European container hub-ports. *Maritime Economics & Logistics*. 5(1):3–22.

- Watkins, C. 2002. *Marketing, sales and customer services*. Delhi: A.I.T.B.S. Publishers and Distributors.
- Wever, R., Boks, C., Marinelli, T. and Stevels, A. 2007. Increasing the benefits of product-level benchmarking for strategic eco-efficient decision making. *Benchmarking: An International Journal*. 14(6):711–727.

AUTHORS' CONTACT DETAILS

Sivashankar Sreenivasan

Doctor of Administration candidate
School of Management, IT and Governance
College of Law and Management
University of KwaZulu-Natal
Private Bag X54001
Durban
E-mail: ssivashankarin@gmail.com
Tel: 0823321744

Professor Yogi Penceliah

Honorary Research Fellow
School of Management, IT and Governance
College of Law and Management
University of KwaZulu-Natal
Private Bag X54001
Durban
E-mail: penceliah@ukzn.ac.za
Tel: 0833400490

Leadership Imperatives for Local Government Service Delivery

Case of a Selected Local Municipality in the Eastern Cape, South Africa

N S Ngqwala*

Department of Public Administration and Governance
Cape Peninsula University of Technology (CPUT)

H H Ballard

School of Public Leadership (SPL)
University of Stellenbosch

ABSTRACT

Effective leadership at local government level or the lack thereof is the subject of an ongoing debate within the mass media and academia. The foregoing is manifested by the findings contained in the annual Auditor-General reports and failure to achieve the service delivery targets detailed in the Integrated Development Plans. An important imperative for effective leadership is the cooperation between all the role players within the community to achieve the constitutional development mandate of local government and to ensure sustainable effective service delivery.

To test this imperative, a municipality with various service delivery challenges, was selected in the Eastern Cape Province and treated as a single-case study serving one rural ward. Key role players such as the Integrated Development Planning Manager, relevant ward councillor and traditional leaders were purposively selected as participants in this qualitative survey. In addition, residents from the relevant ward were also randomly selected as participants.

The most common theme arising from the qualitative analysis of the data results was that a monitoring structure be established at ward level to include traditional leadership in decision-making as it relates to financial management and the implementation of development programmes.

INTRODUCTION AND BACKGROUND

The article embarks on exploring leadership imperatives in support of effective service delivery at a selected local municipality in the Eastern Cape Province, South Africa. Leadership is regarded as a key success factor for all activities to achieve an organisation's mandate and effective performance, of its operations to achieve the constitutional objectives of local government.

The selected local municipality was confronted with various service delivery challenges such as infrastructure backlogs, provision of basic needs of the community as well as challenging Local Economic Development (LED) initiatives. The local municipality had undergone a number of amendments in terms of municipal and ward demarcations, which had a profound impact on spatial and development planning in the area. The area is mainly rural, with the existing development initiatives not all being pro rural development.

The article attempts to explore and assess the leadership imperatives for improving informed effective service delivery. The article further explores key issues and service delivery challenges, confronted by the municipal leadership. The background, exploratory explanation of leadership imperatives, the research design and approach and the findings arising from the results collated from the purposive selected participants, such as the Integrated Development Planning Manager, the ward councillor and the traditional leadership as well as the randomly selected residents of this rural municipal ward.

EXPLORING LEADERSHIP IMPERATIVES IN LOCAL GOVERNMENT

Concelman (2014:3) notes that in the present era of local government administration, with the complex, uncertain and stressful state of roles and responsibilities, performance has become more complicated, demanding and immeasurable. Leaders therefore need to restructure the operational activities to fulfil the organisation's mandate. A need exists to be prepared, as service delivery is constantly changing, depending on diverse complexities and dynamics of each community and situation. The manner in which the municipal councils lead for development is dependent on various approaches to ensure service delivery development is an attainable goal. Approaches should *inter alia*, encourage communities, private sector and non-government organisations to participate in the development of the communities. The design and development of an Integrated Development Plan (IDP) is another standard approach towards fulfilling a municipality's mandated developmental role.

Nealer and Naude (2011:162) contend that South African local government has made great strides in moving away from a historical record of racially separated

municipalities as 800 municipalities merged to form the current 297 municipalities which cover all provinces of the country and is focused on local government development, economic growth and maintenance and provision of basic municipal services.

Khosa (2000:2–3) states that as there are many factors such as infrastructure backlogs and unsatisfactory distribution of basic public services, especially in rural areas, the government will have to consider prioritising pressing service delivery issues in a more proactive manner by focusing on the most urgent challenges and addressing them in a more coordinated and practical manner that will benefit all citizens.

Shabangu (2008:1) highlights that the new democratic South Africa brought about various government leadership challenges in the local government sphere which were established in the Constitution of the Republic of South African Act, 1996. The focus on leadership in local government resulted in the election of municipal councillors which included areas under traditional leaders' authority that required cooperative governance by these traditional leaders and ward councillors. However, the Constitution Act, 1996 only outlines the powers and functions of traditional leadership, therefore, their service delivery roles and responsibilities are still matters of ongoing debate.

Even though the functions and powers of councillors are also outlined in Section 156 of the Constitution Act, 1996 they overlap with those exercised by traditional leaders. Only the roles and responsibilities of municipal councillors are legislated in sections 152(b) and 153(b) of the Constitution Act, 1996. The provisions stipulate that local government, through councillors, should ensure the provision of services to communities in a sustainable manner, and should also structure and manage the municipality's administration, budgeting and planning processes to give priority to the basic needs of the community.

Madumo (2012:1) recommends that transformational and democratically elected local government leadership needs to be responsible for improved living conditions of the communities they serve. Hence, there have to be a strong relationship between local government leadership and the communities to promote sustainable local development. Madumo (2012:2) further states that leadership must be carefully analysed as it is a collaboration of diverse leadership, that is, an institution of traditional leadership, municipal councils and ward councillors. In working towards the common goal of service delivery development, Madumo (2012:2) further contends that it should be noted that traditional municipal services are entirely a component of this development and that municipalities are, therefore, expected to plan, lead and manage this development.

Mokwena, Paradza and Richards (2010:10) are of the opinion that local government leadership is about promoting and encouraging communities' contributions and involvement in local government affairs. Eligible people are thus required who are well equipped to lead people and are prepared to scrutinise

and provide better outcomes regarding issues affecting communities they serve. Among the challenges that are confronted by the councillors, is the role of elected officials and people they collaborate with in support of a service delivery developmental role. Mokwena, Paradza and Richards (2010:10) conclude that as roles evolve over time, based on various factors such as tradition, personal expectations and what seems to work in a given situation, it is important to have an ideal model and implementation strategy as, in many cases, regular occupations do not normally equip elected councillors as officials responsible for policymaking.

In view of the foregoing, George (2010:94) recommends that local government consider a bilateral system in rural areas to avoid developmental barriers. George (2010:94) further recommended that the collaboration between traditional councils and local municipalities must be legislatively braced, strengthened through other cooperative measures and directed by cooperative governance principles.

Bvuma (2014:230) emphasises that in local government the municipality needs to develop its leadership structure as a system that will shape the organisation through teamwork from both political and administrative leaders as the organisation's objectives cannot be entirely realised without this collaboration.

Oberholzer and Diedricks (2013:10) emphasise that leadership is a crucial pillar that holds everything together and all else revolves around it. Local government finances and service delivery development are meaningless without the role of good leadership which encourages good principles. Clean audits and sustainable good performance are influenced by a number of factors such as sound financial management, frequent skills empowerment, good governance and the ability to apply appropriate corrective measures and compliance. In local municipalities, executive members (the mayor, the council, municipal managers and senior officials) are expected to lead by example, be accountable and ensure that clean audits are achieved. A very important factor is the local municipalities' mission to accomplish alignment between administrative and political leadership.

Oberholzer and Diedricks (2013:10) state that in many cases, ineffectiveness and lack of sustainability are triggered by tension, lack of role clarification and alignment between politicians and officials. Guidance and legislation should support municipal development. However, lack of implementation occurs due to incapacity, lack of skills and lack of leadership accountability. Municipal leadership has made strides in addressing service delivery internal control, audit findings and internal control mechanisms; however, municipalities are still confronted by multifaceted and huge human resources challenges. Unfortunately, many municipalities appoint inexperienced, non-skilled officials; resulting in an absence of effective performance management frameworks and coordination.

Leaders are said to have the greatest influence on the way the organisation is shaped, transformed and renewed, according to Bell (2006:123). Bell (2006:123) also argues that leadership is not about the positions that people occupy but

rather, their actions. Leaders in organisations adapt naturally by portraying expertise, experience and knowledge that develops the organisation.

Coles (2006:2) explains that leadership is about sustainable development of the organisation's culture through a number of leadership functions such as inspiring, empowering and guiding the team, putting in place necessary corrective measures and reversing unwanted practices. South African local government was transformed from an apartheid regime to a democratic institution with a developmental mandate. Subsequently, in 2000, a new municipal system was established. Though local government has made a difference, achieved through a number of good service delivery results which has reached marginalised areas, challenges remain daunting. Citizens have negative perceptions, have lost confidence in the government as a whole and see their municipalities as masters of corruption, inaccessibility and under-performance.

The causes of administration failures and under-performance are complex. The issue raised about the elected government representatives is that they are unresponsive and inaccessible. People see the council, especially the ward councillors, as self-centred, inattentive and worried about political dynamics and administration technicalities. It is debated that councillors are often seen as failures in service delivery aspects that the municipality itself has little or no control over (De Visser, 2010:88). In developing countries such as South Africa, corruption is found to be harmful as it diminishes the country's quality of governance. Developing countries rely on fewer resources and need to utilise them in an effective manner. The effect of corruption can also deteriorate economic stability and cause income inequality – the present situation in South Africa. In order to minimise corruption and even prevent corruption, Kroukamp (2014:13–15) is of the view that leadership should be considered as it plays an integral role in the operations of an organisation. Khanyane and Khondlo (2010:19) urge that any public servant or politician in any institution should present themselves in a professional manner and portray high standards of ethics that are non-negotiable.

As technical skills are no longer sufficient for leaders to lead, leaders are faced with many challenges. A need exists to advance new leadership skills and blend them with leadership ethics and professionalism. Leaders are expected to be deliberate, lead beyond expectations and focus on the organisation's vision of achieving its objectives. Furthermore, according to Khanyane and Khondlo (2010:20) leaders should be seen as champions of service delivery and should be expected to effectively lead its processes until they are delivered to the public. Despite the negative perception of poor leadership, there are leaders who demonstrate a sense of responsibility and display positive attitudes and enthusiasm in the workplace. According to Kuye and Mafunisa, (2003:10) this leadership invests more effort to ensure that quality services are delivered to the communities. The public feels valued when served by such leaders.

The reviewed literature validated the fact that leadership holds everything together and all institutional operations revolve around it. Therefore, there is a need for competent and unified municipal leadership where leaders are expected to lead by example through promoting moral actions, integrity, accountability and transparency as well as building healthy relationships with the communities they serve, which includes traditional leadership. Considering the communities' concerns, it is apparent that the challenge impacting leadership and service delivery seems to be increasingly complex. Leadership has a broad proximity as it is applied at a personal, team and organisational level. With diverse leadership approaches to encourage ethical conduct in improving service delivery and effective governance in the local sphere, it is still crucial to establish a number of interventions to close the gaps, build trusted municipalities that are value-driven and manifest its effectiveness in combating all service delivery inadequacies.

The reviewed literature provided the premise for the adopted research approach and design detailed hereunder.

RESEARCH APPROACH AND DESIGN

The study was guided by a qualitative research methodology and adopted a single case study research design. The participants comprised the purposively selected IDP manager, the ward councillor and the traditional leadership as they were the closest to the community. Residents of this local municipality were also included in the survey and were selected randomly. The office of the IDP was selected as a key informant as it is responsible for infrastructure development and service delivery. All the participants were selected in terms of purposive and random sampling techniques. Open-ended interviews were adopted as a data collection technique.

The resident population was estimated at approximately 4 000. The random sample comprised of 90 residents from nine villages located in this ward. Separate interviews were conducted with the IDP manager, the ward councillor and the traditional leadership (headmen and the chief). Interviews with the residents were facilitated by liaising with the ward committee members and interviews were scheduled with all the participants.

The results arising from the qualitative data collected were subjected to a thematic analysis as per individual participant and the residents collectively.

RESULTS AND FINDINGS

A narrative of the findings arising from the analysis of the results is presented per participant hereunder:

Integrated Development Planning Manager

The IDP manager's philosophy is that leadership of this local municipality is transformational and democratic – they are passionate, accountable, competitive, promote diversity and advance service delivery according to the aspirations of the people. Leaders of this selected local municipality were described to be leaders who always provided services to residents and promoted transparency regarding service delivery processes, and decisions and challenges that affected the local municipality. The IDP manager further stated that the local municipality was portrayed as a municipality that possesses high standards of ethics and professionalism which are evident in Ethics Committee meetings, and it efficiently enacts the Code of Conduct as stipulated in the Local Government Municipal Systems Act 32 (2000). Regular workshops and induction programmes are held by the municipality to ensure efficient and effective administrative operations within the municipality.

The IDP manager stated that when the ward councillors were introduced to this selected local municipality, there was reluctance from the traditional authority to welcome this form of transformation because of the manner in which the ward councillors had previously conducted themselves. This relationship had been difficult. It had, however, improved as traditional leadership was invited to serve on the Municipal Council. The collaboration was further improved by involving traditional leaders in the IDP outreach programmes where the Mayor and Executive Committee Members conduct consultations with communities in an attempt to raise service delivery levels and concerns around development.

Since services are delivered according to the municipality's IDP, the community relies on the ward councillors to be their 'voice' and to facilitate access to all their basic needs. It was further revealed that there was still a need to guide and educate the residents of this local municipality with concerning local government operations, collaboration and service delivery. The relationship with other stakeholders and national departments should also be explained. The IDP manager suggested that the relevant stakeholders and departments need to implement plans according to service priorities listed in the municipality's IDP. The effectiveness of service delivery at this local municipality is measured through the implementation of the Service Delivery and Budgeting Implementation Plan (SDBIP) and a monthly reporting process, which is presented to the Municipal Council.

It was emphasised that there were legislation gaps and concerns within the municipal space with the municipal Spatial Planning and Land Use Management Act (SPLUMA). The view was expressed that the municipality should plan not only for urban centres, but also for rural areas that are under traditional leadership; because this poses land ownership or governance challenges in rural areas. There were cases where the municipality could not initiate certain developments in

areas that were under traditional jurisdiction. It was also reported that there were still gaps that needed special attention in the municipality to improve community participation in the development of the IDP; for example, other departments' and stakeholders' reports or inputs are tabled at provincial level. It was suggested that relationships would be strengthened if they consider involving communities for input and comments at municipal level.

This challenge makes it difficult for the municipality to attend to the communities' service delivery complaints and concerns that were not formally mandated, channeled and reported. It was emphasised that, though the Intergovernmental Relations Framework Act (2005) is in place to ensure cooperation with other departments, it is mostly implemented at a district level. Considering this, it was suggested that Local Intergovernmental Relations Structures needed to be established as the Office of the Premier is the only platform in place that ensures that other departments are accountable. This local municipality monitors projects through the Project Steering Committee which consists of the community members, the project manager and the ward councillors who are also involved in the implementation of the project. The project manager monitors the project regularly and submits the reports to the infrastructure manager for approval and to assess if the service provided corresponds with the given standards of the project.

Ward councillor

The ward councillor was of the view that public leaders should be transparent, be accountable and lead by example. The public leaders have the greatest influence on the way the municipality is shaped, transformed and renewed for service delivery. It was confirmed that the ward councillors are familiar with and well-informed on all the legislation frameworks that mandate local government operations, service delivery and leadership.

Although municipal leadership is expected to be democratic and serve the community effectively, the ward councillor was of the view that it is important to consider the fact that the municipal development mechanisms and approaches will differ from one municipality to another, taking into account the diverse political dynamics of each municipality. It was emphasised that ward councillors were elected to serve the people, deliver services and disregard dynamics that would potentially impact transformation, development and effectiveness. It was further reported that wards manage resources in an accountable, sustainable and transparent manner in compliance with the municipality's IDP and always inform the community about the changes made to the implementation of the programmes. It was also confirmed that this selected local municipality has achieved a number of positive results in terms of the mandates of local government to rationalise functions, structures, legislation and available resources. There were, however,

still challenges with non-financial measures such as product quality, service providers and customer satisfaction, to ensure better long-term performance by this local municipality. It was emphasised that traditional leadership was neither well represented nor engaged in service delivery matters and there is a need for empowerment. There should be an establishment of a service delivery development framework that would administer proper cooperation between ward councillors and traditional leaders to eliminate tension between the two authorities.

Traditional leadership

Traditional leadership expressed concerns about being consulted by the respective ward councillor when there were projects and programmes that needed to be implemented in the community. A concern was expressed about the ward councillors' transparency regarding service delivery processes and it was reported that traditional leaders were excluded from decision-making processes and were invited only as members of the community to the meetings. It was emphasised that the role of traditional leadership was undermined and sidelined, especially in matters that involve finances. This affected service delivery progress and the relationship between councillors and traditional leaders. It created the impression that traditional leaders do not add value to the community or to service delivery. One of the traditional leaders pointed out the water pipes that were installed without the traditional leaders ever being informed of the implementation of the project. The matter was escalated to the Chief who was also not aware of such a project implemented in the village. There was emphasis on the need for a monitoring structure in the community to ensure the inclusion of traditional leaders in service delivery decisions and processes.

Residents

The residents emphasised that a public leader should be someone who reaches out, understands the community's service delivery needs and adheres to municipal processes in an efficient, effective and legal manner. It was confirmed that the ward councillor holds public consultations in each of the villages and these engagements were helpful in addressing service delivery matters. It was stated that there was, however, still lack of attendance and participation by traditional leaders in these engagements.

Most residents seem to have little understanding and information about the ward councillor's role. Most respondents confirmed that they were provided with the basic needs except for some residents residing at a newly-developed village and residents of another village experiencing infrastructure and service challenges. Residents complained about water provisions and bad roads that affected

transportation when there were heavy rains in some villages. The respondents reported that public meetings were properly announced and they were informed about some of the service delivery programmes. There were, however, concerns that certain processes such as criteria to appoint service providers and project implementation plans were not properly communicated to the community. This resulted in the residents losing confidence in the entire municipal leadership. The residents also confirmed that public consultations were frequently conducted. There was, however, division and tension during these meetings that were caused by lack of cooperation among traditional leaders, ward committee members, the ward councillor and the community. It was emphasised that the community was not given a proper platform to voice concerns and complaints where discretion was guaranteed. Most residents reported that there was no sense of control, and lack of integrity among the leaders and ward committee members which resulted in the community consulting the traditional leaders with their complaints. Residents of one village reported that they were not given a chance to exercise their voting rights and there was no form of explanation of how the ward councillor was appointed.

The respondents emphasised that there were leadership challenges in community engagements, where some of the residents felt that the ward councillor lacks control in chairing the meetings. The respondents further agreed that they were informed about service delivery processes and decisions to a certain extent, but in some instances they were only informed about the services and projects when activities were not planned or implemented properly. It was suggested that they be regularly consulted during the implementation of the projects.

The respondents were of the view that the previous municipal leadership served well and those who did not previously serve the community well were eliminated in the new term. The participants expressed that there was a need for services such as streetlights, projects that would improve LED, public facilities such as old-age homes, and clinics closer to certain villages as there is one clinic that is far away from most villages. Road infrastructure also needs to be addressed as some of the villages are not easily reachable, especially when there are heavy rains. There was also a concern about safety in the community, especially for the elderly who stay alone or who have grandchildren in their homes.

Residents had either no understanding or insufficient information of municipal service delivery processes and the local municipality's mandate. Most residents understood the role of the ward councillor as far as service delivery is concerned. There were, however, concerns about the division and tension that are potentially caused by lack of transparency, lack of accountability, ineffective monitoring systems and non-constitutionalised functions of traditional leaders. There were also ethical and professionalism concerns at ward level, which would require the establishment of a new monitoring structure or the strengthening of the existing

municipal monitoring structure. It was also suggested that there should be an establishment of a service delivery development framework that would administer proper cooperation between ward councillors and traditional leaders.

Most respondents emphasised the importance of transparency, especially concerning the allocation and utilisation of resources, including financial resources. There is also a need for proper communication regarding decisions that affect the community, development and service delivery. It was observed that the traditional leadership lost interest in service delivery matters and municipal development because of how they were treated. There was also a lack of confidence by the traditional leadership to fully raise their concerns and complaints in meetings arising from the fear of being seen as being opposed to the ward councillor and developmental issues.

FINDINGS AND CONCLUSION

The findings arising from the exploration and assessment of leadership imperatives for effective service delivery at the selected municipality provided conclusions to serve the objective that this study sought to fulfil. Considering the perceptions that were drawn from the findings of the survey, leaders should be approachable, accountable, flexible, transparent, principled and reliable. Although some of the leaders at this selected local municipality are demonstrating some of these qualities, there are, however, defined gaps and ongoing challenges of reliability, transparency and accountability that surpass the overall leadership effort to improve service delivery at this selected local municipality. The residents are affected by the division between traditional leadership and ward councillors which resulted in ineffective delivery of services, as well as lack of responsiveness at ward level. The municipal leadership adds value to the community in a manner that the residents are informed as far as basic needs are concerned.

However, imbalances still exist regarding leadership service delivery roles and functions. There were also a number of service delivery challenges that are faced by the leadership and community. Among these challenges are the impact of local government legislation gaps, resource deficits, service quality, involvement and empowerment of traditional leadership in service delivery development and lack of cooperation. The communities' concerns included limited provision of service delivery information, lack of transparency, accountability and ethical leadership. Although local government legislation that guides service delivery and leadership is in place, there are still concerns that need special attention such as the establishment of a monitoring structure at ward level to ensure the inclusion of traditional leadership in service delivery decisions, especially in financial

decisions and implementation of programmes. Interventions are in place to empower leadership, however, reflection and improvement are still needed in order to strengthen the working relationship between ward councillors and traditional leadership for service delivery development.

NOTE

- * This article is based on a Master's thesis submitted by Ms Nosicelo S Ngqwala in 2019 under the supervision of Professor Harry Herbert Ballard. *Leadership imperatives for local government service delivery: Case of a selected local municipality in the Eastern Cape, South Africa*. Unpublished thesis submitted in accordance with the requirements for the degree of Master of Public Administration. Cape Town: Cape Peninsula University of Technology (CPUT).

REFERENCES

- Avolio, B.J., Walumbwa, F.O. and Weber, T.J. 2009. Leadership: Current Theories, Research, and Future Directions. *Annual Review of Psychology*. 60:421–449.
- Babbie, E. 2007. *The practice of social research*. 11th Ed. Belmont: Thomson Wadsworth.
- Barker, R.L. 2003. *The social work dictionary*. 5th ed. Washington, DC: NASW Press.
- Bass, B. and Bass, R. 2008. *The Bass Handbook of Leadership: Theory, Research and Managerial Application*. New York: Simon & Schuster.
- Bell, A. 2006. *Great Leadership*. Mountain View. London: Davies–Black Publishing.
- Bvuma, S.V. 2014. *A model of shared leadership in local government*. Pretoria: University of South Africa.
- Charry, K. 2012. *Leadership Theories–8 Major Leadership Theories*. Available at: <http://psychology.about.com/od/leadership/p/leadtheories.htm>. (Accessed on 23 March 2014).
- Chirwa, D.M. and Nijzink, L. 2012. *Accountable government in Africa. Perspective from Public Law and Political Studies*. New York: United Nations University Press.
- Coles, M. 2006. *Corporate Culture and Personality*. Available at: <http://wincities.bizjournals.com/wincities/stories/2006/12/11/editorial.html>.
- Concelman, J. 2014. *The people leader imperatives*. London: Development Dimensions International, Inc.
- Craythorne, D.L. 2006. *Municipal Administration: the handbook*. Sixth edition. Cape Town: Juta & Co. Ltd.
- Cronje, H. and Willem, P. 2010. A collaborative leadership process for sustainable development. (pp. 4–7). South Africa: Africa Leadership Development Initiative Lecture. Unpublished.
- DePoy, E. and Gilson, S. 2008. *Evaluation practice: how to do evaluation research in work settings*. London: Routledge Taylor & Francis Group.

- De Visser, J. 2010. The Political-administration interface in South African municipalities: assessing the quality of quality of local democracies. Commonwealth Journal of Local Government Conference. Freeport, Bahamas.
- Dicicco-Bloom, B. and Crabtree, B. F. 2006. *The qualitative research interview*. New York: Medical Education.
- Dorasamy, N. 2010. Enhancing an ethical culture through purpose – directed leadership for improved service delivery: A case for South Africa. *African Journal of Business Management*. 4(1):56–64.
- Fox, W., Schwella, E. and Wissink, H. 2004. *Public Management*. Cape Town. Juta & Co. Ltd.
- George, K. 2010. *The role of Traditional leadership in governance and rural development: A case of the Mgwalana Traditional Authority*. Port Elizabeth: Nelson Mandela Metropolitan University.
- Greenleaf, R.K. , Porter, R.E. and Bigley, G.A. 1998. *Theories of Leadership*. New York: McGraw Hill.
- Gqamane, Z. 2013. *Capacity building for effective local government*. Port Elizabeth: Nelson Mandela Metropolitan University.
- Heywood, A. 2007. *Politics. 3rd edition*. Hampshire and New York :Palgrave:
- House, R.J. and Shamir, B. 1998. *Toward the integration of transformational, charismatic and visionary theories*. Sydney: Academic Press, Sydney.
- Kazdin, A. E. 1982. *Single-case research designs: Methods for clinical and applied settings*. New York, NY: Oxford University Press.
- Khanyane, M.K. and Kondlo, K. 2010. *The Zuma Administration*. Available at: www.hsrcpress.ac.za.
- Khosa, M. 2000. *Empowerment through service delivery*. Pretoria: Human Science Research Council.
- Koma, S.B., 2010. *The State of Local Government in South Africa: Issues, trends and options*. Pretoria: School of Public Management and Administration, University of Pretoria.
- Kroukamp, H. 2014. South African local government in quandary: How to overcome ever-increasing challenges to excellence in service delivery. *Journal for New Generation Sciences*. 4(1)13–15.
- Kroukamp, H. 2007. *Leadership in local governance: A prerequisite for good governance and effective service delivery*. Bloemfontein: University of Free State.
- Kuye, J.O. and Mafunisa, M.J. 2003. Responsibility, accountability and ethics: The case for Public Service Leadership. *Journal of Public Administration*. 38(4). University of Pretoria.
- Lutabingwa, J., Sabela, T. and Mbatha, S. 2006. Traditional Leadership and Local Governments in South Africa: Shared Governance is Possible. *Politeia*. 25(1).
- Madumo, O.S. 2012. The promotion of Developmental Local Government to facilitate a developmental State. *Administration Publication*. 20(3):40–54.
- Matshabaphala, M.D.H. 2007. Strategic Leadership challenges for service delivery in South Africa. *Journal of Public Administration*. 42(3).
- Mbazira, C. 2013. Service delivery protests, struggle for rights and the failure of local democracy in South Africa and Uganda: parallels and divergences. *South African Journal of Human Resources*. 29:251–275.
- McLennan, A. 2009. *The politics of service delivery*. Johannesburg: Wits University Press.
- Merriam, S. 2009. *Qualitative Research: A guide to design and implementation*. San Francisco, CA: Jossey-Bass.

- Mhlanga, F. 2012. An assessment of the relationship between traditional leaders and ward councillors and its impact on service delivery. A case study of Mquma local municipality of Amathole District Municipality. Unpublished masters dissertation. University of Fort Hare.
- Mokwena, L., Paradza, G. and Richards, R. 2010. *Assessing the role of councillors in service delivery at local government level in South Africa*. Johannesburg: Centre for Policy Studies.
- Moldoveanu, G. and Sabie, O. 2009. Leadership – vector of organizational development. *Administration and Public Management Review*. 12:110–119.
- Naylor, J. 1999. *Management*. Harlow, England: Prentice Hall.
- Nealer, E.J. and Naud, M. 2011. Integrated co-operative governance in the context of sustainable development. *The Journal for Trans-disciplinary Research in Southern Africa*. 7(1):117–195.
- Nekhavhambe, M.M. 2014. *The role of municipal councillor and traditional leaders in service delivery*. University of Venda, 49(4):1139–1152.
- Nnadozie, R.C. 2013. Access to basic services in post-apartheid South Africa: What has changed? Measuring on a relative basis. *The African Statistical journal*. 16:81–103.
- Northouse, P.G. 2016. *Leadership: Theory and practice*. Seventh Edition. Thousand Oaks, CA: Sage Publications.
- Oberholzer, C. and Diedricks, J. 2013. *Municipal leadership collectively responsible for achieving clean audit*. Institute of Municipal Engineering of Southern Africa, 3SMedia, Pretoria.
- Shabangu, M.H. 2008. The role of traditional leaders in the improvement of the lives of communities in South Africa. *Journal of Public Administration*. 43(3):324–338.
- South Africa. 1996. South African Constitution Act, 108 of 1996. Pretoria: Government Printer.

AUTHORS' CONTACT DETAILS

Ms N S Ngqwala

Postgraduate Student
 Department of Public Administration &
 Governance
 Faculty of Business and Management Sciences
 Cape Peninsula University of Technology
 (CPUT)
 Cell: 083 348 6628
 E-mail: Ngqwalans@gmail.com

Prof H H Ballard

Extraordinary Professor
 School of Public Leadership
 University of Stellenbosch
 Cell: 082 200 7043
 E-mail: ballardh15@gmail.com

Testing Outsourced Employee Perceptions Regarding the Applicability of New Public Management as a Viable Option for Improved Service Delivery

Z Mthembu*

School of Management IT and Public Governance
University of KwaZulu-Natal

S Mutereko

School of Management IT and Public Governance
University of KwaZulu-Natal

ABSTRACT

Outsourcing as an emerging business and management strategy was introduced into the South African economy by the government over a decade ago to enhance the quality of services provided to the public, reduce government expenditures and create job opportunities. This was one of the public service reforms carried out to improve efficiency and to meet the needs of society. However, the perception of employees of private contractors in KwaZulu-Natal has revealed the adverse effect of outsourcing on employees' well-being. Despite overwhelming empirical studies on the benefits of outsourcing, there seems to be a dearth of studies on its unintended implications. This article contributes to the growing body of literature on outsourcing by providing insight into its negative impact. Data for this study was collected using qualitative and quantitative research approaches from two private contractors that provide cleaning services to various government departments in KwaZulu-Natal. Participants were conveniently and purposively selected (N=66), in-depth interviews, focus group discussions, and surveys were employed for the data collection. The findings reveal that outsourced employees perceive outsourcing as being beneficial to the government but inimical to their well-being. Insights from this study provide an essential springboard for asking more precise questions on a large scale study by scholars.

INTRODUCTION

Outsourcing has been judged as being one of the most successful business and management concepts in recent times. Proponents of this concept argue that the adoption of outsourcing allows a company to concentrate more on areas of competence by outsourcing other production processes or services to external companies with better, faster and cheaper expertise (Gurung & Prater 2017:50). Scholars have also explored various dimensions such as innovation, management strategy, cost reduction, and efficiency as an approach to this concept (Akbari, Clarke & Far 2017:16; Alonso-Jose, Clifton & Díaz-Fuentes 2015:650). For instance, with globalisation, many companies now worry less about the production of certain goods and services that are outside their areas of expertise or competence. Also, companies now enter into an outsourcing arrangement with other companies located at different geographical locations. Outsourcing has opened up a global workforce market, where there is now easy access to pools of talents. This has caused global competitiveness, improved quality of products and services and led to cost reduction. While extensive research has portrayed the New Public Management (NPM) informed outsourcing as a strategy to enhance efficiency (Mthembu & Mutereko 2018), there have been few empirical studies on the working conditions of the employees of the contract companies. Recently, there has been a shift in scholarly focus towards the unintended effects or externalities of outsourcing away from the often-reported efficacy. For instance, in a recent study, Mohamed (2019:90) examined the perception of the outsourced staff in a Libyan Oil Company concerning the future of outsourcing and payment satisfaction. The result of the study showed a negative perception of outsourcing. Heires (2014:1–3) investigated the implication of outsourcing in public services which also revealed a negative impact on the community. However, the result of these studies failed to address the impact of outsourcing on the well-being of the employees of the outsourced private contractors.

Recently, research has shown that outsourcing has several unintended consequences which has led to the reduction of the wages of outsourced workers (Lockett & Mzobe 2016:96). Though, the intention is to improve the quality of service, reduce government expenditure and increase efficiency, yet, there is no empirical proof to substantiate these claims (Petersen & Hjelm 2014:16). As part of its inherent implications, private contractors cut employees' wages and fringe benefits to match competitors in tender applications and to maximise profit (Heires 2014:1–3). Within the context of this article, the cardinal question to be addressed is: How do employees of private contractors who provide services to KwaZulu Natal (KZN) Provincial Departments perceive outsourcing? Drawing on the cases of two contract companies in KZN, this study seeks to explore the perception of contract employees on these issues to provide a

source of evidence-based decision-making and to create space for scholarly and theoretical discourse.

Following this introduction, the next section lays out the relevant literature on outsourcing and its theoretical dimensions. This is followed by a section that outlines the methodology used to gain insight into how the contract employees perceive outsourcing. The third section presents the analysis of the results of the survey, interviews and the focus group discussion, including the perceptions of employees on the effects of outsourcing that have been mainly ignored by scholars. The last section does not only conclude the findings but also shows the unsustainability of some of the unwanted effects of outsourcing employees in the public sector organisations and provides recommendations to address such ills.

EFFECTS OF OUTSOURCING ON CONTRACT EMPLOYEES

The existing body of research on outsourcing suggests that it has affected the employees of the contract companies negatively. Recently, Mohamed (2019:91), when exploring the perception of employees of the Libyan Oil Company about their perception on being outsourced to private contractors, tested two hypotheses. The first one is that employees' perceptions of future outsourcing on the individual are related to payment satisfaction. Second, employees' perceptions of future outsourcing on the profession are also related to payment satisfaction. The results from this study, which was conducted with 184 participants, out of 300 employees, show that employees perceive outsourcing negatively. Furthermore, his study reveals a positive relationship between the perceived outsourcing impact on individuals and the profession, with payment satisfaction. The evidence reviewed here seems to suggest that the perception of employees on outsourcing is influenced by whether or not they are satisfied with their income.

Similarly, Heires (2014:1) has shown how outsourcing of support services has impacted negatively on the community. The author argues that the contractors frequently attain their savings by dropping the earnings and fringe benefits of the workers, and this occurs at a high cost to the community. He then concludes by saying that outsourcing has reduced employees' wages and aggravated inequality. This view is supported by Luckett and Mzobe (2016:94) who recorded how universities, in an endeavour to lower public spending, had undertaken significant retrenchment of workers and the contracting out of all support services such as catering, cleaning, and maintenance. Furthermore, the authors argue that with outsourcing, some employees were terminated as university employees and were then employed by private contractors. Of great concern was the fact that the outsourced services were 'non-core' services which were predominantly performed by black people, while the core services were conducted by skilled personnel

who were mostly white and middle class. Therefore, the authors infer that outsourcing strengthened the social and economic segregation that was experienced during apartheid governance. Consequently, outsourcing had a material adverse effect on employees, and when matching the wages of workers prior- and post-outsourcing, the authors concluded that the workers' earnings were higher before outsourcing.

Conversely, Oliveira and Costa's (2019:38) study compared the attitudes of public servants with that of outsourced workers of the Federal University of the State of Rio de Janeiro (UNIRIO) concerning three aspects: job satisfaction, turnover intentions, and organisational commitment. On the one hand, their results show a higher level of job satisfaction and turnover intention for outsourced workers than for the public servants. On the other hand, there was a higher level of organisational commitment for public servants than for outsourced workers. While some investigators such as Mohamed (2019:84) and Lockett and Mzobe (2016:96) have observed that outsourcing of services has led to the precariousness of work for the outsourced employees, the outsourced workers at UNIRIO unexpectedly seem to be content with their jobs. However, what is surprising is that these workers are more likely to leave the organisation due to the uncertainty of job security (Oliveira and Costa 2019:49; Doellgast and Pannini 2015).

In favour of outsourcing, a study by Agrawal, Barton, Dal Bianco, Hovig, Sarley and Yadav (2016:359) conducted in Senegal suggests that there was an improved performance as a result of health commodities being easily attainable following the outsourcing of supply chain logistics to private contractors. Subsequently, Agrawal *et al.* (2016:359) contended that there were no reported incidences of commodities that ran out of stock. The authors offer the advice that the effective service delivery that is managed by the contract companies relies on clarified roles, the strong commitment of government, effective collaboration of multi-stakeholders and accountability mechanisms. The evidence presented here suggests that ideally, outsourcing was meant to benefit organisations, and it is useful in understanding the rationale behind public service organisations opting for outsourcing support services.

OUTSOURCING REDUCES COSTS

Some investigators have examined various benefits to organisations choosing to offer services through private contractors. The main reason why institutions opt for contracting out services is to reduce the operational costs. For instance, Cali, Cogswell, Buzwani, Ohadi, and Avila (2016:116) when pointing out the benefits to outsourcing stated that "in the private sector, managers can lower costs, bring on new techniques to deliver services including new technology". In the research

conducted in a Botswana hospital, these authors suggest that the benefits for contracting out encompass saving the costs for the hospital in equipment, supplies, human resources, training and management since the hospital no longer bears these costs. Of particular concern, these authors have observed that literature around contracting out support services is not definite in stating whether outsourcing reduces costs and increases efficiency or not. In the same way, Doellgast and Pannini (2015) claim that the choice to contract out or not is frequently grounded on the fact that newer firms can accomplish efficacy by investing and specialising in modern technologies.

However, while acknowledging that lowering the costs is often the motive for outsourcing, Heires (2014:3) reports that savings are insignificant and in general, the costs are higher when the service is rendered by contractors than when it is rendered in-house. Further, he states that savings are temporary, and after some time, they diminish because of the lack of competition and some other issues. A case study by Akbari *et al.* (2017:17) on firms in Iran focuses on investigating the best practice of outsourcing in the construction industry. Their research focuses on four characteristics of outsourcing. In particular, these are reasons for outsourcing: types of outsourcing; levels of outsourcing; and the success of outsourcing. The study established that operational expertise was the top outsourcing reason. Organisations choose to outsource to reduce operational costs.

THEORETICAL PERSPECTIVE OF OUTSOURCING

This study is underpinned by the NPM theory. The theory emerged as a result of the deficiencies and limitations of the traditional public administration theory. The traditional model of public administration had been characterised by a bureaucratic system that emphasised the top-down control in the form of monocratic hierarchy (Benz, Siedentopf & Sommermann 2004). Benz *et al.* (2004) note that the NPM theory aimed to remedy the old bureaucracy that was hierarchically structured and to eliminate authority-driven hierarchical systems. In the history of the development of Public Administration (PA), NPM has been thought of as the key governance approach in reforming the public sector. Due to the economic and financial crisis experienced by the state in developed countries, the state embarked on cost-cutting measures to reduce the budget deficit. Thus the public sector outsourcing was thought of as an effort to reduce the government expenditure (Alonso-Jose, Clifton, & Díaz-Fuentes 2015:634).

Similarly, Bertucci (2009:6) argues that in socio-economic development, the state had been the core driver. Also, Dzimbiri (2008:44) maintains that the state had been investing directly, not only in public utilities and infrastructure but also in agriculture, the operation of industries and other commercial activities. Several

scholars such as Alonso-Jose *et al.* (2015:634), Dzimbiri (2008:44) and Bertucci (2009:7) maintain that NPM emerged in 1970 intending to address the fact that the state had become too large and that it was becoming involved in too many activities; rendering it inefficient. Through NPM, there was a greater reliance on the private sector and delivery of services was done through contracting out and outsourcing (Dzimbiri 2008:44).

NPM has its roots in several theories. Gruening (2001:3) reports that NPM has its origins in managerialism and in the public-choice theory which looks at the transferring of marketing ideas from the private to the public sector (Gruening 2001:3). NPM is also supported by the principal-agent theory, which looks at the provision of incentives to monitor the relationship between the principal (for this study, the government) and agent (the contractor). The transaction cost theory influences NPM, which evaluates whether the hierarchy or the market is the most efficient form of organisation or not (Simonet 2015:804).

In terms of effectiveness, Alonso-Jose *et al.* (2015:634) evaluate the effect of NPM on the size of the public sector. In making this evaluation, the authors use two significant components of NPM, which are, outsourcing and decentralisation. Under each element, the authors derive two sets of hypotheses. For outsourcing, the authors hypothesise that the government contracting out policies results in public sector size reduction and government contracting out may not necessarily involve reducing the public sector size. For decentralisation, it is hypothesised that a greater degree of decentralisation leads to a reduced public sector size and a degree of decentralisation leads to a larger public sector size (Alonso-Jose *et al.* 2015:634).

NPM has not escaped criticism from academics. As shown above, one of the features of NPM is the decentralisation of power and decision-making. However, Mongkol (2011:36) argues that decentralisation is ironic, and to explain what he means by this, the author states that giving power to the principals to manage programmes has led to the centralisation of the decision-making among them instead of decentralisation as NPM envisaged it. Moreover, Mongkol (2011:36) argued that while NPM encourages the use of private sector management methods, there are risks related to employing private sector practices. This is simply because most private sector administration areas have different constitutional, political, social and ethical dimensions that make the private sector distinct from the public sector. Additionally, due to the contextual variances between the public sector and the private sector, it may be detrimental to employ the models of the private sector in the public sector. The order of relationship between the public sector management and political leadership differs from any relationship in the private sector (Mongkol 2011:36). In the same vein, Simonet (2015:805) advocates that not all the recipes for the private sector can be transferred to the public sector due to contextual differences. However, he adds that the budget within the private sector can be reviewed at any given time, whereas in the public sector, budgets

must be determined and planned. Moreover, public sector budgets are made using incremental budgets, meaning that they are prepared using the previous year's budget as a benchmark.

NPM provides useful theoretical lenses to understand outsourcing initiatives introduced by governments across the world. NPM's emphasis on deregulation and privatisation is useful for thinking through how such initiatives unfolded, particularly in the developing world. However, its seeming silence on how such initiatives could affect the people employed by the contracted companies is a question that is yet to receive scholarly attention. This is the area of concern that this study seeks to shed some light on using an empirical study involving the workers who are at the forefront of outsourcing.

METHODOLOGY

In order to gain insight into how the employees of private contractors perceive outsourcing, this study adopted a convergent parallel mixed method. Convergent parallel mixed method as described by Creswell (2014:15) "is a form of a mixed method strategy whereby the researcher merges the quantitative and qualitative data in order to provide a comprehensive analysis of the research problem".

The target population for this study was 136 outsourced employees of the two contract companies (Company A and Company B, identified in this way to preserve confidentiality) as well as members representing the management of the contract companies (see Table 1) from which 66 were conveniently and purposively recruited to participate in the study illustrated in Table 1. The study employed a convenience sampling technique for respondents who participated in a survey and focus group discussion. The researcher in this study used the participants that were readily available on the day scheduled to collect data. Furthermore, a purposive sampling method was employed to collect data from management representatives of contract companies. For this sampling method, the researcher purposefully selected the supervisors as they represent the managers of the contract companies. Surveys were conducted with 51 respondents of which 21 were from company A and 30 were from company B. There were two focus groups. One comprised seven respondents from Company A and focus group 2 consisted of five respondents from Company B. Further, the researcher had a one-on-one interview with two supervisors.

The majority of the workers in these companies are women (78.4%). The percentage of respondents between 20 and 25 was 43.1%, while the percentage of respondents between 26 and 35 was 7.8%. Less than 20% of the participants were above 46 years. Only 24% of these participants were married. A mere 7% of these participants had post-secondary education.

Table 1: Population and sampling

Organisation	Population	Sample	Data collection method		
			Interview	Focus Group	Survey
Company A	47	28		1(7)	21
Management of Company A	3	2	2		
Company B	80	35		2(5)	30
Management of Company B	6	1	1		
Total	136	66	3	12	51

The study used survey questionnaires and interview guides to collect data. Questionnaires were chosen because they permitted the collection of data from the participants at any time and are inexpensive and not time-consuming. The researcher translated the questionnaire from English into isiZulu. With an understanding of the level of education of the respondents it was important for the researcher to translate the questionnaire into a vernacular language. The questionnaire used the Likert scales as a measurement which sought to determine the participants with predetermined attitudes towards outsourcing. To achieve this, a five-point Likert scale was used, where 1: was strongly disagree, 2: disagree, 3: somewhat agree, 4: agree, and 5: strongly agree. Interview guides were also designed to gain a deeper understanding of the participants regarding the effects of outsourcing. The Cronbach alpha coefficient of reliability was 0.73.

Following the obtaining of permission to collect data, posters were placed in strategic positions notifying the participants about the study. Selected participants (N=51) were 21 from Company A, and 30 from Company B. Participants were given the questionnaires to complete in their own time. The completed questionnaires were collected at a later date. To solicit the views of the two outsourced companies on the impact of outsourcing on support services the researcher had a one-on-one interview with two supervisors of Company A and one manager of Company B. "The in-depth interview allowed the researcher to ask participants to clarify a point and to provide a more detailed explanation to learn more about their opinions and views" (Du Plooy-Cilliers *et al.* 2014:142). The researcher audio recorded the conversations which assisted in remembering the process of the interview.

The interview responses were transcribed verbatim from the interview recordings and were categorised into themes. The themes were based on the responses

and were categorised into codes and then transcribed into text. Also, the technique for quantitative data analysis was used to determine the perception of employees of private contractors on outsourcing in the KwaZulu-Natal provincial department. The respondents' level of agreement was measured and analysed using descriptive analysis. Also, Chi-square was used to calculate the level of significance of the respondents' views on the research questions.

FINDINGS

Three main themes emerged from the data, namely the motive for outsourcing, the impact of outsourcing, and its termination.

Outsourcing as a means to reduce costs

Prior studies have noted that the reason behind the outsourcing of support services involves, among others, reducing government spending (Akbari, Clarke, and Far 2017:17; Alonso-Jose, Clifton, and Díaz-Fuentes 2015:650). In exploring the perception of employees, the researcher wanted to understand their perception on what motivated the government departments in South Africa to outsource support services. To be precise, the researcher wanted to know if outsourcing support services reduced government operating costs or not. Table 2 illustrates the views of the respondents.

A minority of respondents (19.6%) agreed with the statement that the reason why the government decided to outsource support services to private companies was to reduce costs (Table 2). The majority of the respondents (37.3%) did not agree with the statement. The results obtained from these responses can be further compared in Table 2. The Table illustrates that 46.7% of all the respondents in Company B strongly disagreed with the statement that reducing costs was the reason why government outsourced support services. It also shows that 73.7% of all the respondents who strongly disagreed were in Company B. On the other hand, 23.8% of all the respondents in Company A strongly disagreed with the statement while 26.3% of all the respondents who strongly disagreed were from Company A. From this analysis, it is apparent that the highest number of respondents who strongly disagreed were from Company B. However, the views of the respondents were insignificantly related to the company of respondents as shown in Chi-square test ($\chi^2 = 4.133$, $df = 4$, $p = 0.388$). Therefore, it can be concluded that the variations were a result of chance.

Turning to the interviews on the same question, some respondents agreed that the government outsourced support services to reduce its expenditure. On the other hand, others reported that the motive was to create job opportunities

Table 2: Outsourcing reduces costs by company

			Outsourcing reduces costs					Total
			SD	D	SWA	A	SA	
Company	Company A	Count	5	7	1	4	4	21
		% within Company	23.8%	33.3%	4.8%	19.0%	19.0%	100.0%
		% within Outsourcing reduces costs	26.3%	63.6%	50.0%	40.0%	44.4%	41.2%
	Company B	Count	14	4	1	6	5	30
		% within Company	46.7%	13.3%	3.3%	20.0%	16.7%	100.0%
		% within Outsourcing reduces costs	73.7%	36.4%	50.0%	60.0%	55.6%	58.8%
Total	Count	19	11	2	10	9	51	
	% within Company	37.3%	21.6%	3.9%	19.6%	17.6%	100.0%	
	% within Outsourcing reduces costs	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
SD = Strongly Disagree, D = Disagree, SWA = Somewhat Agree, A= Agree, SA= Strongly Agreed. Source: Field Survey 2019. Sample size = 51.								

for people and to reduce the level of unemployment. Remarks below show the interviewees' comments:

The government was avoiding paying out pension[s] to the employees upon retirement (FG1R1).

The majority of people are unemployed; therefore the government wanted to reduce [the] unemployment rate and crime (FG2R1).

The government wanted to create more job opportunities for those who are unemployed and who do not have qualifications (FG1R2).

Commenting on the reasons for outsourcing, managers or supervisors reported that:

The government wanted to ease the burden because in outsourcing, you need to consider a lot of things, e.g. acquiring cleaning chemicals. The government paid the companies to take care of all that, so the private contractors take care of everything. Further, it was for creating job opportunities because private contractors employ more than the government could do (IR1).

The government is running away from paying the benefits, which has a detrimental effect on the workers (IR2)

In summary, while the respondents surveyed did not agree that outsourcing reduces costs, the respondents interviewed showed varied views on why the government embarked on outsourcing support services. While some interviewees indicated that the government outsourced these services to create more job opportunities thus reducing the rate of unemployment, both workers and managers perceived that the government outsourced services to avoid paying benefits to the employees and in that way reducing its expenditure.

Impact of outsourcing on workers

The introductory section of this study reports that outsourcing has had a negative effect on the outsourced employees. The researcher also needed to understand how the outsourcing of support services has impacted on the employees of outsourced companies. Table 3 illustrates the feelings of the respondents towards outsourcing.

It is evident from Table 3 that a majority of respondents (49%) reported that the outsourcing of support services had had a negative impact on them and, 35.3% said that it had harmed them as outsourced workers. The evidence from these results suggests that outsourcing has adversely affected the employees of private contractors. A possible explanation for these results may be due to poor working conditions for these workers, and wages. Further analysis shows that, 71.4% of all the respondents in Company A reported that outsourcing has a bad impact, and this was based on the responses of 15 respondents. 60% of all the respondents who reported that outsourcing had a negative impact, were from Company A. On the other hand, 33.3% of all the respondents in Company B reported that outsourcing has a very bad impact while 40% of all the respondents who reported negative impact were from Company B. The 10 respondents in Company B who reported a very bad impact constitute 33.3% of the group. It is apparent from these results that the majority of responses showing a negative impact of outsourcing support services on workers were from Company A. Remarkably, Company A was comprised of a minority of respondents (21) compared with Company B (30). The Chi-square test shows that the views of the respondents were not significantly associated with their companies ($\chi^2 = 9.714$, $df = 4$, $p = 0.046$).

Table 3: Impact of outsourcing on an outsourced worker by the company

		Impact of outsourcing as an outsourced worker					Total	
		VB	B	SWG	G	E		
Company	Company A	Count	15	6	0	0	0	21
		% within Company	71.4%	28.6%	0.0%	0.0%	0.0%	100.0%
		% within Impact of outsourcing	60.0%	33.3%	0.0%	0.0%	0.0%	41.2%
	Company B	Count	10	12	2	4	2	30
		% within Company	33.3%	40.0%	6.7%	13.3%	6.7%	100.0%
		% within Impact of outsourcing	40.0%	66.7%	100.0%	100.0%	100.0%	58.8%
Total	Count	25	18	2	4	2	51	
	% within Company	49.0%	35.3%	3.9%	7.8%	3.9%	100.0%	
	% within Impact of outsourcing	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
VB = Very Bad, B = Bad, SWG = Somewhat good, G = Good, E = Excellent Source: Field Survey 2019. Sample size = 51.								

Turning now to the focus group (FG) discussion and interviews, the same question was asked relating to the perception of employees on outsourced support services. Two focus group interviews were conducted, one from Company A (FG1) and the other from Company B (FG2). Some of their perceptions are presented here.

We can't meet our basic needs like bus fare for children, school fees, transport fare for myself. We have to reduce food in trying to meet these needs (FG1R1).

It is injurious to us to a great extent. You have to pay for kids' transport, food, clothing and you end up with loan sharks, even coming to work you are not happy (FG1R2).

All respondents concurred that they must be equally paid as government cleaners (FG2R1).

The majority of the respondents from the focus group reported that outsourcing does not have a positive impact on them because the wages they are receiving

cannot cover most of their basic needs. The majority of respondents also reported that the issue of a three-year contract of employment is problematic because it means that workers' future is uncertain. On the other hand, one interviewee reported that outsourcing has a positive impact on workers as the lives of the workers have changed after the expiry of the contract. This could be because the company advises the workers on the economic usage of their finances and on saving for the period when they will be without a job. The results from the survey on the question of how the employees perceive outsourcing revealed a negative impact. This was confirmed with the findings from the interview discussions. Taken together, these results suggest that the outsourcing of support services has a negative impact on the employees of private contractors.

Government to terminate outsourcing of support services

There is evidence that some public institutions in South Africa have experienced service delivery interruptions due to protests of outsourced workers demanding the termination of outsourcing of support services. In understanding the perception of employees on the outsourcing of support services, the researcher asked respondents if they could say that the government should terminate the outsourcing of their services and employ them directly. Table 4 presents the results obtained from the surveyed respondents.

Table 4 shows that over half of those surveyed (66.7%) strongly agreed that the government should terminate the outsourcing of support services and employ them, followed by those that agreed (19.6%). It can also be observed that 5.9% of the respondents disagreed with the question and 3.9% strongly disagreed. Only 3.9% of respondents somewhat agreed to indicate uncertainty. Further analysis comparing the results from Company A and Company B shows that 85.7% of all the respondents in Company A strongly agreed that the government should terminate the outsourcing of support services and employ them. The 18 respondents in Company A who strongly agreed constitute 85.7% of this group. Of all the respondents who strongly agreed, 52.9% are in Company A. It is apparent that 53.3% of all the respondents in Company A strongly agreed that the government should terminate the outsourcing of support services and employ them, and this group is comprised of 16 respondents. Additionally, Table 4 shows that all the respondents who strongly agreed are in Company B. However, the respondents' views were insignificantly related to their companies as shown in a Chi-square test ($\chi^2 = 7.359$, $df = 4$, $p = 0.118$). Therefore, it can be concluded that the variations are also a result of chance.

The same sentiments were observed with the respondents who were interviewed. When asking the supervisor of Company A about how the workers feel about the outsourcing of cleaning services, she made the following comment:

Table 4: Government should terminate outsourcing by company

			Government should terminate outsourcing					Total
			SD	D	SA	A	SA	
Company	Company A	Count	0	0	1	2	18	21
		% within Company	0.0%	0.0%	4.8%	9.5%	85.7%	100.0%
		% within Government	0.0%	0.0%	50.0%	20.0%	52.9%	41.2%
	Company B	Count	2	3	1	8	16	30
		% within Company	6.7%	10.0%	3.3%	26.7%	53.3%	100.0%
		% within Government	100.0%	100.0%	50.0%	80.0%	47.1%	58.8%
Total	Count		2	3	2	10	34	51
	% within Company		3.9%	5.9%	3.9%	19.6%	66.7%	100.0%
	% within Government		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SD = Strongly Disagree, D = Disagree, SWD = Somewhat Agree, A= Agree, SA= Strongly Agreed. Source: Field Survey 2019. Sample size = 51.

Workers do not feel right according to my view as the supervisor. You see them when there are things happening which they are not happy with, they can show and they report to the authorities of the department, showing a feeling of insourcing (IR1).

Overall, it can be observed from the data presented here that the outsourced employees feel that government should do away with the outsourcing of cleaning services and that they should be employed by government. The most striking observation to emerge from this data comparison was that almost all the respondents in Company A agreed that the outsourcing of services must be terminated and there is nobody (0%) that disagreed with this statement. Unlike in Company B where there were at least a few that disagreed. The observed feeling of insourcing of support services could be attributed to poor working conditions such as low wages, contract of employment which is very short suggesting job insecurity, and unclear benefits. Moreover, it is also noted that this feeling of insourcing is very strong in Company A and the possible explanation for this is that workers reported an unsafe working environment in which they work, which is something that was not observed with Company B.

DISCUSSION

The first research question in this study sought to determine how the employees of private contractors perceive the outsourcing of support services. The researcher intended to understand the perception of the employees regarding the reasons that motivated the government of South Africa to outsource support services. Thematic issues that emerged from this question included the reduction of costs as the reasons for outsourcing, the impact of outsourcing on workers and termination of outsourced services, and these are discussed below.

Outsourcing as a means to reduce costs

Outsourcing is one of the components of NPM, and NPM is more focused on achieving efficiency. When asked if the government outsourced services as a means to reduce costs, the views of the surveyed respondents were contrary to what is being argued by NPM. The respondents did not think that outsourcing support service was a means to reduce costs. Although these findings do not seem to adhere to the NPM theoretical arguments, they are consistent with Heires' (2014) findings which reported that the costs for the outsourcing of services are higher when the service is rendered externally by the private contractors than when it is rendered internally. Also, Cali *et al.* (2016:116) when analysing the cost-benefit of outsourcing cleaning service in Botswana, report that in countries such as Jamaica and Tunisia where non-core services were outsourced, the quality of service had improved but at a higher cost. Cali *et al.* (2016:120) further report that the analysis of the outsourcing costs included the direct costs of outsourcing. Nevertheless, additional to the direct costs were the indirect costs like costs for utilities, training that had to be offered to the private contracting company on infection control that needed to be taken cognisance of when calculating costs. With all that being said, previous scholars concluded that even though outsourcing may improve the quality of service, it is too costly if one also considers the indirect costs. An implication of this finding is the possibility that ideally, outsourcing is expected to reduce the operational costs of the government; however, the views of the respondents were opposed to this expectation.

The views of the interviewed respondents were contrary to the survey and they felt that the government outsourced these services to avoid paying for benefits to employees and cleaning chemicals and in that way the expenses for the government are reduced. The views of the respondents seem to suggest that the government's running costs have been reduced but at a great cost to the outsourced employees. This result reflects that of Lockett and Mzobe (2016:96) who found that the universities achieved a reduction in their spending by retrenching their workers and outsourcing of the support services including maintenance, security, cleaning and catering. Also, this is in line with Akbari *et al.* (2017:18) and Heires

(2014:3) who found that organisations choose to outsource to reduce operational costs and the contractors achieve their savings by dropping the workers' wages and benefits. This is also barely distinguishable from the work of Alonso-Jose *et al.* (2015:634) which reports that outsourcing as a component of NPM, did not reduce government expenditure.

Impact of outsourcing on workers

On the question of how the employees perceive outsourcing, this study intended to understand the impact of outsourcing on the employees of the private contractors. The current study established that outsourcing has a negative impact on employees. Respondents reported that the wages they are earning are only enough to buy food and they cannot meet other essential needs like paying education fees for their children, or paying for their transport fees and clothing. Moreover, the workers end up in the hands of loan sharks in trying to meet these needs which happen at a great cost to them. In addition, they alluded to the fact that the ending of a contract after three years adds more stress to them because it means that their future is uncertain. This finding confirms the earlier observation that showed that contracting out had adverse material consequences for the outsourced employees in South African universities because the services that were outsourced were non-core services and were mostly performed by black employees (Lockett & Mzobe, 2016:96).

One more recent study that supports the negative impact of outsourcing is that of Wekullo (2017:454) which examined the effectiveness of outsourcing in higher education institutions. His finding revealed that although outsourcing enhanced the quality of outsourced services, these services became more expensive and therefore, unaffordable to the students. Central to the complaints of the workers was the issue of low wages which are not on par with the wages that the government used to pay workers while the services were rendered in-house. This result was also reported by Doellgast and Pannini (2015) who observed that wages of internal employees were higher by 18% than what the outsourced workers earned, and this had a negative impact on the workers. From what other scholars have observed, it is evident that outsourcing has affected the black community as this is the population group that is mainly involved in outsourced services. In light of the foregoing, the present study raises worrying concerns as to whether or not sociological and economic inequalities in South Africa have worsened since the end of the apartheid government system.

Government to terminate outsourcing of support services

Concerning the perception of employees on outsourced employees, the study aimed to ascertain the feelings of the outsourced employees on the termination

of outsourced services. The results of this study indicate that all employees shared the same sentiment that the government should do away with outsourcing and that they wished to be employed directly by the government. The survey questionnaire used closed-ended questions; however, the last question asked respondents to write comments regarding outsourcing. Almost 90% of their comments showed a plea for the government to employ them. Very little was found in the literature that supports this finding. For instance, Lockett and Mzobe (2016:95) report that while students at South African universities were demanding that *'#fees must fall'*, the protests were joined by the outsourced workers demanding that universities end outsourcing. Moreover, these results are in accordance with the recent news reports which indicated that the cleaning, security, and catering outsourced personnel were seen picketing and demonstrating outside the gate of PMMH in Umlazi. They were protesting against the poor working conditions, low wages and outsourcing of their services. The news reported that the workers were demanding the government to do away with outsourcing and to absorb them into its payroll (Ndaliso 2016). Based on the results of this study and what other scholars have demonstrated against outsourcing, it could, therefore, be concluded that the government should review the decision to outsource support services.

CONCLUSION

While the arguments for outsourcing are compelling and defensible, this article has demonstrated a side that is often overlooked by researchers. This study has illustrated how outsourcing has become a tool of exploitation in the hands of private contractors who engage these outsourced employees. Some salient issues underscored in this study include unethical conditions of service, the negative impact of outsourcing on well-being, the state of the impoverished and loss of economic power, and lack of due consultation by the government. This study set out to understand the perception of the employees of the private contractors. The findings reveal that, though the intention of outsourcing was potentially positive, the impact has been negative. This result is not unconnected to the conditions of service available to these embattled workers. Also, in the context of economic viability, the study reveals that though outsourcing was meant to curb the rate of unemployment in the economy, the outcome has not only been detrimental but has also impoverished the employees. Also, the exclusion of health care benefits and other entitlement has exposed these workers to health dangers and other work-related risks. Beyond raising these issues, this study raises profound questions on the perception of the outsourced employees on outsourcing. Before this study, evidence showed that the NPM concept is an approach to reform the public sector by engaging the private sector for efficient service delivery. This study,

however, found an ethical problem with this, in that, outsourcing seems to only benefit the private contractors while the employees bear the brunt of this initiative. This study also reveals the failure of government to intervene on this issue. The apparent lack of due consultation with the stakeholders and the absence of any notable act of parliament to regulate the activities of the private contractors would not leave government exonerated. The findings here reveal a disconnect between government and the stakeholders going by the number of protests recorded as a result of outsourced public service. It is, therefore, imperative that a tactical approach is employed before government embarks on the outsourcing of any public service. This is germane to forestall the perceived impression that government outsources to avoid paying wages and other benefits in an attempt to reduce running costs.

Taken together, these findings reveal that practitioners both private and government, need to take into serious consideration the plight of the embattled outsourced employees in the planning and the implementation of outsourcing policy. Also, the conditions of service should be regulated and guided by an established act of parliament. While this study was small in scale in terms of focus, its findings have important implications for policymakers, practitioners and scholars working in the field of public management. An approach to tackle the working conditions issue is for government to determine threshold earnings and benefits, particularly for the outsourced employees.

NOTE

- * This article is partly based on an unpublished Master of Administration degree thesis, titled: Mthembu, Z. 2020. "Exploring the effects of public sector outsourcing on support service workers" under supervision of Prof Sybert Mutereko, in the Public Governance Discipline at the University of KwaZulu-Natal.

REFERENCES

- Agrawal, P., Barton, I., Dal Bianco, R., Hovig, D., Sarley, D. and Yadav, P. 2016. Moving medicine, moving minds: helping developing countries overcome barriers to outsourcing health commodity distribution to boost supply chain performance and strengthen health systems. *Global Health Science and Practice*. 4(3):359–365.
- Akbari, M., Clarke, S., and Far, S. M. 2017. *Outsourcing best practice-the case of large construction firms in Iran*. Paper presented at the In SITE 2017. Informing Science+ IT Education Conferences: Vietnam. Available at: https://www.researchgate.net/publication/317661484_Outsourcing_Best_Practice_The_Case_of_Large_Construction_Firms_in_Iran. Accessed on 25 March 2019.

- Alonso-Jose, M., Clifton, J., and Díaz-Fuentes, D. 2015. Did new public management matter? An empirical analysis of the outsourcing and decentralization effects on public sector size. *Public Management Review*. 17(5):643–660.
- Benz, A., Siedentopf, H., and Sommermann, K. 2004. Traditional Public Administration versus The New Public Management: Accountability versus Efficiency James P. Pfiffner. *Institutionenbildung in Regierung and Verwaltung: Festschrift für Klanus*. Available at: http://piffner.gmu.edu/files/pdfs/Book_Chapters/NewPublicMgt.doc.pdf. Accessed on 12 May 2019.
- Bertucci, G. 2009. *The Contribution of the United Nations to the Improvement of Public Administration A 60-Year history Economic & Social Affairs*, New York, N.Y: United. Nations Publications. Available at: <https://digitallibrary.un.org/record/663715?ln=fr>. Accessed on 23 June 2019.
- Cali, J., Cogswell, H.A., Buzwani, M., Ohadi, E., and Avila, C. 2016. Cost-benefit analysis of outsourcing cleaning services at Mahalapye hospital, Botswana. *Journal of Hospital Administration*. 5(1):114–124.
- Creswell, J.W. 2014. *The Research Design*, London: SAGE.
- Doellgast, V. and Pannini, E. 2015. The impact of outsourcing on job quality for call centre workers in the telecommunications and call centre subcontractor industries. In Drahoukoupil, J. (Ed.). 2015. *The Outsourcing challenge: Organizing workers across fragmented production networks*. European Trade Union Institute (ETUI), Brussels. 117. Available at: <https://pdfs.semanticscholar.org/a2e4/55da09ef616c591b2d0dbd3597e7e4981873.pdf>. Accessed on 29 January 2019.
- Du Plooy-Cilliers, F., Davis, C., and Bezuidenhout, R. 2014. *Research matters*. Cape Town: Juta.
- Dzimhiri, L.B. 2008. Experiences in new public management in Africa: The case of performance management systems in Botswana. *Africa Development*. 33(4):43–58.
- Gruening, G. 2001. Origin and theoretical basis of New Public Management. *International Public Management Journal*. 4(1):1–25.
- Gurung, A., and Prater, E. 2017. A research framework for the impact of cultural differences on IT outsourcing. In Global sourcing of services: strategies, issues and challenges. *World Scientific Journal*. 49–82.
- Heires, G.N. 2014. Contracting out public services worsens inequality and lowers wages. *The New Crossroads*. 1–3. Available at: <https://www.thenewcrossroads.com/2014/04/14/contracting-out-public-services-worsens-inequality-and-lowers-wages>. Accessed 16 May 2019.
- Lockett, T. and Mzobe, D. 2016. Outsourcing Mustfall: The role of workers in the 2015 protest wave at South African universities. *Global Labour Journal*. 7(1):94–9.
- Mohamed, W. 2019. Employees' outsourcing perceptions and satisfaction: the case of Libya oil company. *International Journal of Economics & Business Administration (IJEBA)*. 7(3):84–95.
- Mongkol, K. 2011. The critical review of new public management model and its criticisms. *Research Journal of Business Management*. 5(1):35–43.
- Mthembu, Z. and Mutereko S. 2018. Unintended Consequences of the Public Sector Reforms in KZN, South Africa. In Farazmand, A. (Eds.). *Global Encyclopedia of Public Administration, Public Policy, and Governance*. Springer, Cham.
- Ndaliso, C. 2016. Outsourced workers battle 'greedy fat cats'. *Daily News*. 19/05/19. Available at: <https://www.iol.co.za/dailynews/news/outsourced-workers-battle-greedy-fat-cats-2023440>. Accessed 6 May 2019.

- Oliveira, L.B. and Costa, E.M.T.C.M. 2019. Comparing attitudes of public servants and, outsourced employees. *RAUSP Management Journal*. 54(1):38–53.
- Petersen, O.H. and Hjelmar, U. 2014. Marketization of welfare services in Scandinavia: A review of Swedish and Danish experiences. *Scandinavian Journal of Public Administration*. 17(4):3–20.
- Simonet, D. 2015. The new public management theory in the British health care system: a critical review. *Administration and Society*. 47(7):802–826.
- Wekullo, C.S. 2017. Outsourcing in higher education: the known and unknown about the practice. *Journal of Higher Education Policy and Management*. 39(4):453–68.

AUTHORS' CONTACT DETAILS

Ms Zamazulu Mthembu

School of Management, IT and Public
Governance
University of KwaZulu-Natal
2nd Floor M Block, Room 212
Westville Campus Durban
Tel: +27 (0) 31 260 7951
E-mail: zamazulu.mthembu@drdlr.gov.za

Prof Sybert Mutereko

Associate Professor
Academic Leader – Public Governance Discipline
School of Management, IT and Public
Governance
University of KwaZulu-Natal
2nd Floor M Block, Room 212
Westville Campus Durban
Tel: +27 (0) 31 260 7951
E-mail: sybert@ukzn.ac.za

Towards a Learning Organisation

Calibrating Mintzberg's Model in Developing Streamlined and Innovative Organisational Structures

D M Mthembu*

School of Management, IT and Governance
University of KwaZulu-Natal

T I Nzimakwe

School of Management, IT and Governance
University of KwaZulu-Natal

ABSTRACT

This article seeks to bring under the microscope emerging models of crafting organisational structures which are hierarchical, innovative and capable of catapulting previously bureaucratic organisations to much vaunted learning organisations. The article is directed especially at South African municipalities which still have bureaucratic tendencies largely entrenched in their structural configurations. This is reinforced by an *in loco* benchmarking exercise undertaken by the researchers in 2018 involving major metropolitan municipalities around the country. Henry Mintzberg's model, comprising five organisational parts namely, strategic apex, operating core, middle line, techno structure and support staff is used as a simple, yet practical and effective framework to take a bureaucratic organisation *en route* to a level of learning organisations. As it will be seen, this framework lacks the radicalism associated with other models of organisational restructuring and is therefore as a change instrument, ideal for South African municipalities at this level of their development. The article concludes with an example of how Mintzberg's framework can be operationalised in a municipal environment.

INTRODUCTION

In this modern era, many organisations are constantly on the lookout for new methods of doing work which will improve service delivery. A case in point are

South African municipalities which are still largely bureaucratic in nature, making it an arduous task to render services to communities at an acceptable level. While the ideals of bureaucracy namely, rationality, order and efficiency have withstood the test of time, these are now challenged by newer approaches for crafting organisational structures which are characterised by *inter alia* flexibility, adaptability and horizontal decentralisation. These are called organic structures which are marked by flatter structural configurations. Many scholars regard organisations with such structures as learning organisations (LOs). If LOs are the remedy, then a change from bureaucratic structures to organic ones is an indispensable condition. This article looks at the journey that has to be navigated from a bureaucratic organisational structure to a streamlined, innovative and flatter one that is characteristic of LOs. Henry Mintzberg's model of organisational design developed in 1981 will be used to dissect the discussion due to its practical applicability, especially to developing organisations like the South African municipalities, which this discourse is intended to assist. The article adopted a qualitative observational approach by comparing, contrasting, critically analysing and synthesising relevant documentary and literature sources in terms of a desktop study methodology.

CONCEPTUALISING A LEARNING ORGANISATION

Several scholars have provided definitions of an LO. Senge (2006:3) contends that where there is continual expansion of people 's capacity to create the results they truly desire, where the new and expansive patterns of thinking are nurtured, where there is a 'setting free' of collective aspiration and where there is continual learning by people on how to learn together, represents an LO. Some of the qualities of an LO: it facilitates learning and personal development of all its employees, while transforming itself on a continual basis (Beck 1992:22); it represents the way firms build, supplement and organise knowledge and routines around their activities and within their cultures, develop and adapt organisational efficiency (Dodgson 1993:377); it on a continual basis, improves rapidly, creating and refining the capabilities needed for success in the future (Wick and Leon 1993:124); it is an organisation skilled at acquiring, creating and transferring knowledge and at modifying its behaviour to reflect new insights and knowledge (Garvin 1993:80).

Pedler, Burgoyne and Boydell (1991) cited by Farrukh and Waheed (2015:75) mention the following 11 characteristics of an LO:

- A learning approach to strategy
- Participative policymaking
- Informing
- Internal exchange
- Boundary workers as environmental scanners

- Reward flexibility
- Self-development for everyone
- Formative accounting and control
- Learning climate
- Intercompany learning
- Enabling structure

The mention by Pedler, Burgoyne and Boydell (1991), as cited in Farrukh and Waheed (2015:76), of the “enabling structure” as an important characteristic of an LO is intrinsic to this article as it seeks to discuss organisational structures as a critical element in an LO. To effectively illustrate this, it is important to understand the concept ‘organisational structure’.

THE CONCEPT ‘ORGANISATIONAL STRUCTURE’

Galbraith and Greenberg (2011) cited by Lunenburg (2012:1) define organisational structure as a formal configuration between individuals and groups with regard to task allocation, authority and responsibilities within the organisation. It is an enduring allocation of work roles and administrative mechanisms that create a pattern of work activities that are interrelated, thereby allowing the organisation to conduct, coordinate and control its activities (Jackson & Morgan 1982:230; Schein 2010:44). Johnson, Whittington, Scholes, Angwin and Regner (2017:439) simply refer to structures as frameworks that give people formally defined roles, responsibilities and lines of reporting. Cummings and Worley (2015:339) state that organisational structure describes how the overall firm’s work is divided into subunits and how these are coordinated for the completion of the task.

According to various scholars, structures are designed to fit within the contingency perspective, meaning, as Montana and Charnov (2008:1) put it, the most appropriate organisational structure depends on the situation; for example, technology, the environment and many other dynamic forces. Cummings and Worley (2015:340) refer to these contingencies as the organisational strategy, organisation size, environment and technology. However, there is agreement that the type and number of factors may vary from situation to situation. Tran and Tian (2013:229) believe that external contingency factors include economic factors, socio-economic factors and political-administrative factors. Internal factors will include mission statements and organisational instruments. Additionally, Hatch (2006:2) contends that environmental factors include culture, physical structure, social structure and technology.

The foregoing scholarly arguments and perspectives have assisted to explain the concept ‘organisational structure’. However, a deeper phenomenological understanding will be gathered from viewing this phenomenon through a theoretical lens.

THEORETICAL PERSPECTIVE OF ORGANISATIONAL STRUCTURE

Jain and Gupta (2004:1) state that Kurt Lewin once famously proclaimed that “There is nothing as practical as a good theory”, meaning that a good theory lends itself to application in many contexts. The bureaucratic theory which will be used as one of the two theories in dissecting the organisational structure, is that kind of theory. The other theory which will be used in juxtaposition to the bureaucratic theory is Mintzberg’s framework of five organisational structures. While Weber’s bureaucratic theory traditionally forms the basis for organisational structures, Mintzberg’s framework takes the argument further beyond the traditional realm to other aspects which are intrinsic for the LO.

Weber’s bureaucratic theory

According to Mulder (2017:1) bureaucracy is an organisational structure characterised by many rules, procedures and requirements, standardised processes, clear hierarchies, meticulous division of labour and responsibility and professional, almost impersonal interactions among employees. Mulder (2017:1) considered bureaucracy as technically superior to all forms of organisation and as such indispensable to complex and large enterprises. According to Kellner, Parenti and Perinbanayagam (2014:5) bureaucracy was buttressed on a complex, conceptual apparatus of rationality, rationalisation and reason. The goal of bureaucracy, according to Jain and Gupta (2004:2) was efficiency maximisation.

Weber identified important and key factors of bureaucracy and Jain and Gupta (2004:2) cite these as follows:

- Formal and unambiguous hierarchical distribution of authority and power.
- An elaborate, systematic and rationally derived division of labour.
- A set of exhaustive, explicit, general, formal and mostly stable rules.

Laegaard and Bindslev (2006:17) add the following characteristics of bureaucracy to the above list:

- An administrative hierarchy.
- Separation of personal rights and possessions for the office.
- Written communication.
- Technical qualifications.

Weberian characteristics are further simplified by Nel, Van Dyk, Haasbroek, Schultz, Sono and Werner (2004:380) as follows:

- Each position has fixed official duties.
- Employment is a full-time occupation for organisational members.

- Appointments to office are made by superiors.
- Promotions are based on merit.

The applicability of bureaucracy is universal and as Kellner *et al.* (2014:2) put it, its applicability has extended to churches, armies, trade unions, government and other social aggregates. Moerdyk and Van Aardt (2003:50) posit that, in South Africa, its structures continue to exhibit strong elements of Weberian bureaucratic thinking. According to Laegaard and Bindslev (2006:19), Weber's contention about the structure as a link between the organisation's strategy and the implementation of action plans gave rise to the following models for organisational structures:

- Simple structure.
- Hierarchical system.
- Functional organisation.
- Product organisation.
- Matrix organisation.

Simple structure

Laegaard and Bindslev (2006:20) state that the simple structure consists of the simplest type of hierarchy and is found in small organisations/firms. In this type of structure, coordination occurs spontaneously, with no identifiable levels between employees and employers/owners.

Hierarchical organisation

According to Laegaard and Bindslev (2006:20) the hierarchical system grows in tandem with the growth of the organisation. Markovie (2009) quoted by Farrukh and Waheed (2015:75) asserts that this form of organisation consists of a more or less arbitrary set-up to which an adjustment for an individual to do certain things in a predestined way is a requisite, as well as obedience to orders from designated people and working cooperatively with others. The concepts of staff and line functions appear more noticeable in these kinds of structures (Laegaard and Bindslev 2006:20).

Functional organisation

Montana and Charnov (2008:2) state that this form of departmentalisation entails the grouping of related functions by specialised functions, for example, finance, operations and marketing. Laegaard and Bindslev (2006:20) posit that this form of organisation results in distance forming between groups, misunderstanding and

conflict occur between them as different professional groups isolate and distinguish themselves.

Product organisation

This form of departmentalisation is ideal whenever specialised knowledge of certain services/products is required (Montana & Charnov 2008:2). Laegaard and Bindslev (2006:21), however, maintain that this form of organisation is significant for the modern era structures as it enhances competitiveness by creating specialists in the organisation that are able to concentrate on one product/service group and make instantaneous decisions.

Matrix organisation

Cummings and Worley (2015:344) regard the matrix structure as an upshot of maximisation of the strengths and minimisation of the weaknesses of both the functional and divisional structures. According to these scholars, matrix structures were popular where changing customers' demands and technological conditions gave rise to a focus by managers on lateral relationships between highly specialised functions for the development of an adaptable and flexible system of procedures and resources for the achievement of project objectives. An example of a matrix structure by Cummings and Worley (2015:345) is delineated in terms of three roles: top manager, balancing and heading dual chains of command, the matrix manager sharing subordinates and a few "two-boss" managers reporting to two different matrix leaders managing workers deployed to specific programmes or products. However, while the matrix organisation is still popular, Laegaard and Bindslev (2006:24) argue that it has its own challenges, for instance, shared starting point, shared task image, slow progress in the group, communicating strategy to all parts of the organisation and creating and maintaining involvement.

BUREAUCRACY IN THE SOUTH AFRICAN METROPOLITAN COUNCILS

Moerdyk and Van Aardt (2003:50) state that by and large, South African management and their organisations continue to show strong elements of both Taylor's Scientific Management and Weberian bureaucratic thinking. They attribute this to the fact that management has not always caught up with the modern globalised economy and has stuck to bureaucratic management principles and labour-intensive technologies that have always worked in the past.

In November 2013, eThekweni Metropolitan Municipality undertook a benchmarking exercise with major metros in South Africa, namely Johannesburg, Tshwane and Cape Town. The following statistics reflected in Table 1 delineate the results of that benchmarking exercise.

Table 1: Statistics of South African metropolitan municipalities

Dimension	Johannesburg	Tshwane	Cape Town	eThekweni
Number of Clusters	4	5	14	8
Number of Units/ Depts.	60	34	84	42
Number of Municipal Managers	1	1	1	1
Number of Deputy Municipal Managers	3	3	1	7
Total staff	32000	25000	25700	25000

Source: (EThekweni Municipality 2017)

From Table 1, it is implied that the level of bureaucratisation in the South African metros is quite high. The number of clusters, units and departments point to the level of departmentalisation and hierarchical arrangements in the organisational structures of these metros. The upshot of these hierarchical arrangements is the astronomic rise in the establishments in these municipalities (all in excess of 25 000 and 32 000 in the case of Johannesburg Metropolitan Municipality) with a concomitantly hefty staff bill.

Sinding and Waldstrom (2014:400) refer to such bureaucratic structures as mechanistic, marked by rigid and strict rules, and narrowly defined tasks and top-down communication. Nel *et al.* (2004:380) decry the fact that the lack of change in both the external and work environments is the bedrock of such structures. On the other hand, if these structures were to change, it must be to configurations which stand in direct juxtaposition to this form. Sinding and Waldstrom (2014:400) call the structures which are in stark contrast to mechanistic structures, organic structures; which are comprised of flexible networks of multi-talented people performing a variety of tasks and engaging in decentralised decision-making. These structures are more adaptive to changing circumstances (Cummings & Worley 2015:355). Suffice to say, therefore, that to effectively deal with modern day challenges, organisational structures must change from mechanistic to organic forms. However, Sinding and Waldstrom (2014:400) recognise that change into “pure” types is rare and there is a tendency for organisations to be relatively mechanistic or relatively organic.

This last contention by Sinding and Waldstrom (2014:401) therefore, calls for some hybrid form of organisation which can be ideal for the South African organisations, especially in ameliorating the status quo of metropolitan councils mentioned above. This brings the discussion to a level of recognising first and determining what form of organisation we want before we decide on its structural configuration. Sinding and Waldstrom (2014:396) believe that structural forms are closely linked to the idea that form is determined by the situation an organisation finds itself in at that specific time, the so-called “contingency perspective”. Suffice to say, therefore, that the metropolitan municipalities find themselves hard pressed to deliver services rather than looking at linking strategy to structure and environmental considerations when designing organisational structures and hence, this continues to be a difficult proposition. However, in modern times a move towards designing organisational structures that take cognisance of strategy and the environmental factors is a *sine qua non*. This cross-over can be achieved through the use of a framework that consists of the elements which are familiar on both ends of the continuum. This model, which is considered intrinsic in organisational structures, is called the Mintzberg framework.

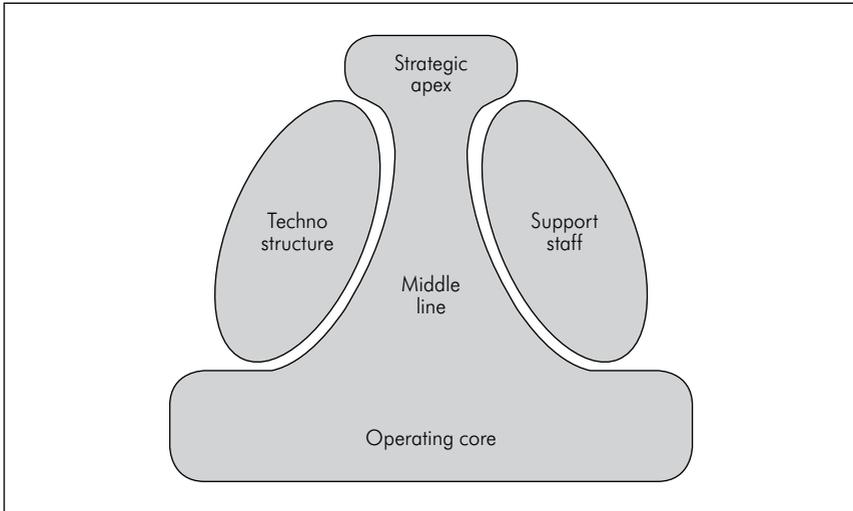
Mintzberg’s Framework of Organisational Structure

According to Lunenburg (2012:1), Henry Mintzberg suggests that organisational differentiation can be achieved along three basic dimensions, namely (1) key parts of the organisation that play a pivotal role in the determination of its success or failure; (2) prime coordinating mechanism which encapsulates the major methods the organisation utilises to coordinate its activities; and (3) types of decentralisation it utilises, which encapsulates the extent to which it involves subordinates in the decision-making process. In this regard, Mintzberg suggests that the strategy adopted by the organisation and the extent to which it practises that strategy results in the following structural configurations, namely simple structure, machine bureaucracy, professional bureaucracy, divisional form and adhocracy (Lunenburg 2012:1).

In an article by MindTools Ltd (2018), it is stated that Mintzberg contended that an organisation’s structure emerges from an interplay of the strategy of the organisation, the environmental forces it experiences, and the organisational structure itself. Mintzberg’s work was buttressed by theorists like Alfred Chandler (2003) who had traced its development to large American corporations like DuPont, General Motors and Sears (Lunenburg 2012:1). Prior to defining the basis of his model, Mintzberg noted that there is no dependent or independent variable in a system, everything has a dependency on something else (Schmidt 2006:1).

Kumar (2015:2) quoting Mintzberg, emphasised that there are five parts in each organisation which are reflective of five types of tasks. These are shown in Figure 1.

Figure 1: Mintzberg's five basic parts of organisations



Source: (Kumar 2015)

Kumar (2015:2) describes the above parts as follows:

- Strategic apex – top management (Managers and Directors) and support staff.
- Middle line – middle and lower level management. They have responsibility over sub-elements of the firm's structures.
- Operating core – line personnel executing core tasks of the organisation.
- Techno structure – staff personnel consisting of analysts such as engineers, planners and accountants.
- Support staff – people providing indirect service, not core tasks, but allowing the execution of operational tasks.

According to Mintzberg, the strategy and the extent to which the organisation practises that strategy results in five structural configurations (Kumar 2015:3). These are summarised in Table 2.

According to Mintzberg, quoted by Kumar (2015:4), the five organisational structures are described succinctly as follows:

- **Simple structure** – part of the strategic apex, utilises direct supervision as well as vertical and horizontal centralisation. Examples of this structure include new government departments, small corporations and medium-sized retailers.
- **Machine bureaucracy** – comprises the technostructure and uses standardisation of work processes as its prime coordinating mechanism and employs limited horizontal decentralisation. Kumar (2015:4) states that this type of organisation resembles Weber's (1947) ideal bureaucracy and Hage's (1965)

Table 2: Mintzberg’s five organisational structures

Structural configuration	Prime coordinating mechanism	Key part of the organisation	Type of decentralisation
1.Simple structure	Direct supervision	Strategic apex	Vertical and horizontal centralisation
2.Machine bureaucracy	Standardisation of work process	Technostructure	Limited horizontal decentralisation
3.Professional bureaucracy	Standardisation of skills	Operating core	Vertical and horizontal decentralisation
4.Divisional form	Standardisation of output	Middle line	Limited vertical decentralisation
5.Adhocracy	Mutual adjustment	Support staff	Selective decentralisation

Source: (Kumar 2015)

mechanistic organisation with centralised decisions, narrow span of control, hierarchy and high formalisation and work specialisation. Large government organisations are an example of machine bureaucracy.

- **Professional bureaucracy** – operating core is its key part, and it utilises standardisation of skills as its prime coordinating mechanism and employs vertical and horizontal decentralisation. While the organisation is relatively formalised, it is also decentralised to provide autonomy to professionals. The organisation consists of highly trained individuals performing non-routine tasks, consisting of small top management, few middle managers with a small techno-structure and a large support staff providing clerical and maintenance support. Professional bureaucracies have a goal of providing innovative and high-quality services, examples are universities, hospitals and large law firms.
- **Divisional form** – with the middle line as its key part, this form uses standardisation of output as its prime coordinating mechanism, utilising limited vertical decentralisation with decision-making decentralised at divisional level. The coordination between separate divisions is minimal, with the corporate level providing some coordination. There is relative centralisation in each division and therefore each division resembles a machine bureaucracy.
- **Adhocracy** – with support staff as its key part, this form of structure utilises mutual adjustment as a coordination means, while maintaining selective patterns of decentralisation. The structural configuration reflects low formalisation and decentralisation and the techno-structure is small as technical specialists play a part in the organisation’s operative core but the support staff is fairly large to support the big structure. The primary goal of adhocracy is innovation and

rapid adaptation to a changing environment. Adhocracies use sophisticated technology and they engage in non-routine tasks and use resources efficiently. The adhocracy is somewhat the same as Haye's (1965) organic organisation.

According to Sinding and Waldstrom (2014:404), Mintzberg has added more dimensions of structures in his book, fittingly called *Mintzberg on Management* (1989). However, these dimensions may be combined with any of the five principal dimensions mentioned above. These dimensions, quoted by Sinding and Waldstrom (2014:401) are:

- **Entrepreneurial** – which in terms of structural configuration, coordinating mechanism, part of organisation and decentralisation type, is the same as the simple structure. Entrepreneurial types are founded mostly to introduce a new product or idea.
- **Innovative** – which is the opposite of bureaucratic organisation, consists of high level of decentralisation and teamwork, limited authority, limited rules, often matrix in form, bottom-up decision-making, and open, innovative character.
- **Missionary** – marked by a strong mission to which organisation members ascribe to, which is enforced by charismatic leaders. Although missionary organisations are decentralised in their operations, there is strong centralisation through leadership and values binding the members and ensuring that tasks are coordinated. Missionary types can be found in combination with entrepreneurial or machine types.
- **Political** – which is dominated by organisational politics and power, coordinated by political manoeuvring. Decision-making power is also limited by politics. This dimension can be found in combination with other organisation types, e.g. machine organisations.

Mintzberg's second basic dimension of an organisation is its prime coordinating function (Kumar 2015:2) consisting of the following:

- Direct supervision – one person responsible for the working of others.
- Standardisation of work processes – when work content is specified or programmed.
- Standardisation of skills – when necessary, kind of training is specified.
- Mutual adjustment – when work is coordinated through informal communication.

Mintzberg's third dimension of the organisation encapsulates the type of decentralisation it employs (Kumar 2015:3), consisting of the following:

- Vertical decentralisation – distribution of power down the chain of command.
- Horizontal decentralisation – extent to which non-administration (including staff) make decisions of shared authority between staff and line.

- Selective decentralisation – extent of delegation of decision-making power to various units within the organisation.

Streamlining structure towards a learning organisation and implications of Mintzberg’s model in the journey forward

Streamlined organisational structures are key elements of an LO and this is buttressed by Cummings and Worley (2015:586) who stated that changes in organisational design are intended to create an LO that promotes affective organisational learning processes. LOs do not benefit from structures and management processes, norms and values that are based on unilateral control of environment and task as these inhibit learning (Cummings & Worley 2015:587). This negates all forms of Weberian mechanistic approaches. On the other hand, in line with contentions of Cummings and Worley (2015:586), Nel *et al.* (2004:500) equate LOs to organisations that continually strive to renew themselves, expanding its capacity to overcome organisational entropy. Similarly, Van Dyk and Coetzee (2012:9) state that LOs are those that learn faster and adapt to rapid change.

Senge (1990), quoted by Nel *et al.* (2004:500) sees five elements which he calls component technologies of the LO, namely systems thinking, mental modules, shared vision, team learning and personal mastery. Cummings and Worley (2015:587) further elucidate on the nature of LOs by mentioning the following essential features thereof:

- Structure – LO structure should emphasise fewer layers, teamwork, networking across organisational boundaries and strong lateral relations.
- Work design – LO favours job enrichment and self-managed teams.
- Human resources practices – Human resources recruitment practices in an LO favour people who are achievement-driven and have high expectations for change.
- Management processes – LO involves systems and processes that facilitate rapid acquisition, processing and sharing of rich information. Organisation design features that promote information sharing, involvement in decision-making, empowerment and systems thinking become intrinsic in LOs.

According to Cummings and Worley (2015:587) LOs are generally implemented using organisational design interventions that favour moves from previously mechanistic to organic designs. The following delineates a comparison between mechanistic and organic designs as described by Cummings and Worley (2015:536).

Table 3 illustrates the LO should be in the third column under Organic Design. However, Kerka (2016:4) quoting other scholars as well, puts it eloquently that an LO is thought of as a journey not a destination (West 1994), also “a philosophy not a program” and “always evolving” (Solomon 1994). Kerka (2016:4) goes on

Table 3: Organisational Designs

	Mechanistic Design	Organic Design
1. Strategy	Cost minimisation	Innovation
2. Structure	Formal, Hierarchical	<ul style="list-style-type: none"> ■ Flat, lean, flexible ■ Matrix, process and network
3. Work Design	<ul style="list-style-type: none"> ■ Traditional Jobs ■ Traditional Work Groups 	<ul style="list-style-type: none"> ■ Enriched jobs ■ Self-managed teams
4. HR Practices	<ul style="list-style-type: none"> ■ Selection of fit jobs ■ Upfront training ■ Standard reward mix ■ Pay for performance and individual merit ■ Job-based pay 	<ul style="list-style-type: none"> ■ Selection to fit organisation ■ Continuous training and development ■ Individual choice rewards ■ Pay for performance and business success ■ Skill-based pay
5. Management Process	<ul style="list-style-type: none"> ■ Centralised decision- making ■ Top-down goal setting and communication 	<ul style="list-style-type: none"> ■ Employee involvement ■ Transparent information

Source: (Cummings & Worley 2015)

to say that, few organisations today would argue that bureaucracy, Taylorism or passive leaning are best ways to learn and work, and the LO has much to offer to the reform and restructuring of organisations. However, Kerka (2016:4) further notes, building an LO is an “enormous task”.

Comments like the foregoing make Mintzberg’s model ideal to use *en route* to becoming an LO. The first decision to make as a former bureaucratic/mechanistic organisation is what structural configuration will be changed to.

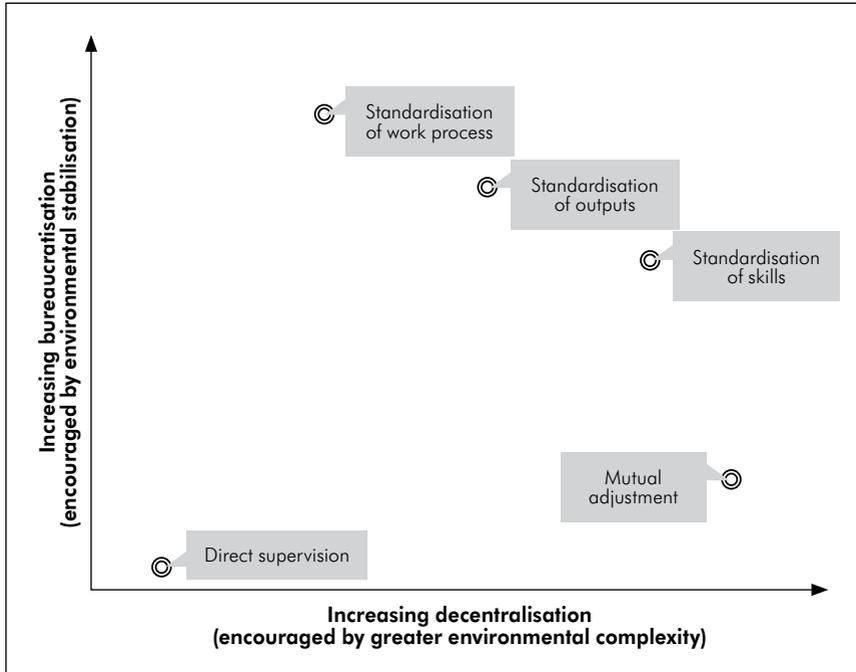
Strategy and structure

The first step to take is to consider the work begun by Chandler (1962) and extended by Mintzberg (1989) on strategy and structure. Mintzberg, quoted by Lunenburg (2012:6) recognised the existence of the relationship between an organisation’s strategy and its structure. In fact, the five structural configurations according to Mintzberg were an upshot of the strategy an organisation adopts and the extent to which it practises it (Lunenburg 2012:7). Chandler, quoted by Johnson *et al.* (2017:448) calls this the strategy and structure fit.

Coordinating mechanism

A process known as strategic planning is a vehicle towards achieving alignment between strategy and structure. Strategic planning will assist organisational design

Figure 2: Decentralisation and bureaucratisation coordinating mechanisms



Source: (Schmidt 2006)

strategies that are directed towards the achievement of goals of an organisation. Mintzberg's model premised on coordinating mechanisms is buttressed by Johnson *et al's.* (2017:428) contention that strategic planning plays a role as a coordinating and communication mechanism. Strategic planning will assist to bring an understanding of how far removed we are from reaching the superordinate goal (strategy) of the organisation; and what structure we will need to craft for the full realisation of those goals. Goldman, Scott and Follman (2016:52) state that while some contemporary scholars have argued that autonomous actions are imperative to strategy adaptation and that planning inhibits change, conversely, a bigger number argues that centralised planning coordinates responsive actions and stimulates adaptive strategic thinking, which is more amenable to the LO. This is reinforced by Schmidt (2006:3) who contends that coordination will be achieved through the standardisation of work output and skills of employees. This last point emphasises the alignment of business processes with the skills set of employees which is intrinsic to the LO.

This is illustrated in Figure 2 where the coordination mechanism based on bureaucratisation and decentralisation is reflected.

Extent of decentralisation

It is critical to determine what type of decentralisation will be employed by the organisation. The type of decentralisation will determine whether the organisation remains a bureaucracy or a more decentralised form or an adhocracy as conceptualised by Mintzberg. Mintzberg, quoted by Kumar (2015:14) mentions three types of decentralisation, namely, vertical decentralisation, horizontal decentralisation and selective decentralisation. Mintzberg, quoted by Lunenburg (2012:3) described decentralisation types as follows:

- Vertical decentralisation: distribution of power down the chain of command.
- Horizontal decentralisation: extent to which non-administrators (including staff) make decisions, or shared authority between line and staff.
- Selective decentralisation: extent to which decision-making power is delegated to various units within the organisation.

Drawing from what Kumar (2015:14) mentions above, therefore a structure built on a strategy comprising horizontal as well as selective decentralisation will facilitate easier communication, speed of decision-making, delegation, innovation and empowerment. These elements are more amenable to the LO as conceptualised by a myriad of scholars as quoted by Farrukh and Waheed (2015:75–77) such as Pedler (1991) who mentioned *inter alia*, enabling structure; Philips (2003) communication, innovation and decision-making; and Senge (1990) system thinking, shared vision and team learning.

Mintzberg's adhocracy and a learning organisation

An article by MindTools Ltd (2018:4) describes an adhocracy as a new innovative organisation that needs to function on an “ad hoc” basis for its survival. According to Schmidt (2006:12) an adhocracy is preferred when the environment is dynamic and the problems to be solved are complex, requiring that the organisational structure be both adaptive and very flexible. Schmidt (2006:12) further stresses that such a structure, as envisaged in an adhocracy, consists of a very organic structural configuration marked by very minimal behaviour formalisation.

Kumar (2015:17) postulates that Mintzberg (1979) required an adhocratic organisation to possess little job specialisation but to rely on liaison devices to encourage natural adjustment. Mintzberg stated that the innovative organisation cannot rely on any form of standardisation for coordination purposes. Consequently, Mintzberg contended, the adhocracy might be considered the most ideal structure for an innovative organisation intent on hiring and giving power to experts and professionals whose knowledge and skills have been honed in training programmes (Kumar 2015:17).

Aptly put therefore, an adhocracy would be more amenable to what Cummings and Worley (2015:536) uphold as characteristics of an organic organisation; *inter alia* innovation, flat, lean flexible design, process and network, continuous training and development, employee involvement and transparent information. An adhocracy therefore stands in stark juxtaposition to a bureaucracy.

Other structural forms with high level of decentralisation:

Cummings and Worley (2015:535) mention the following types of structures with high levels of decentralisation:

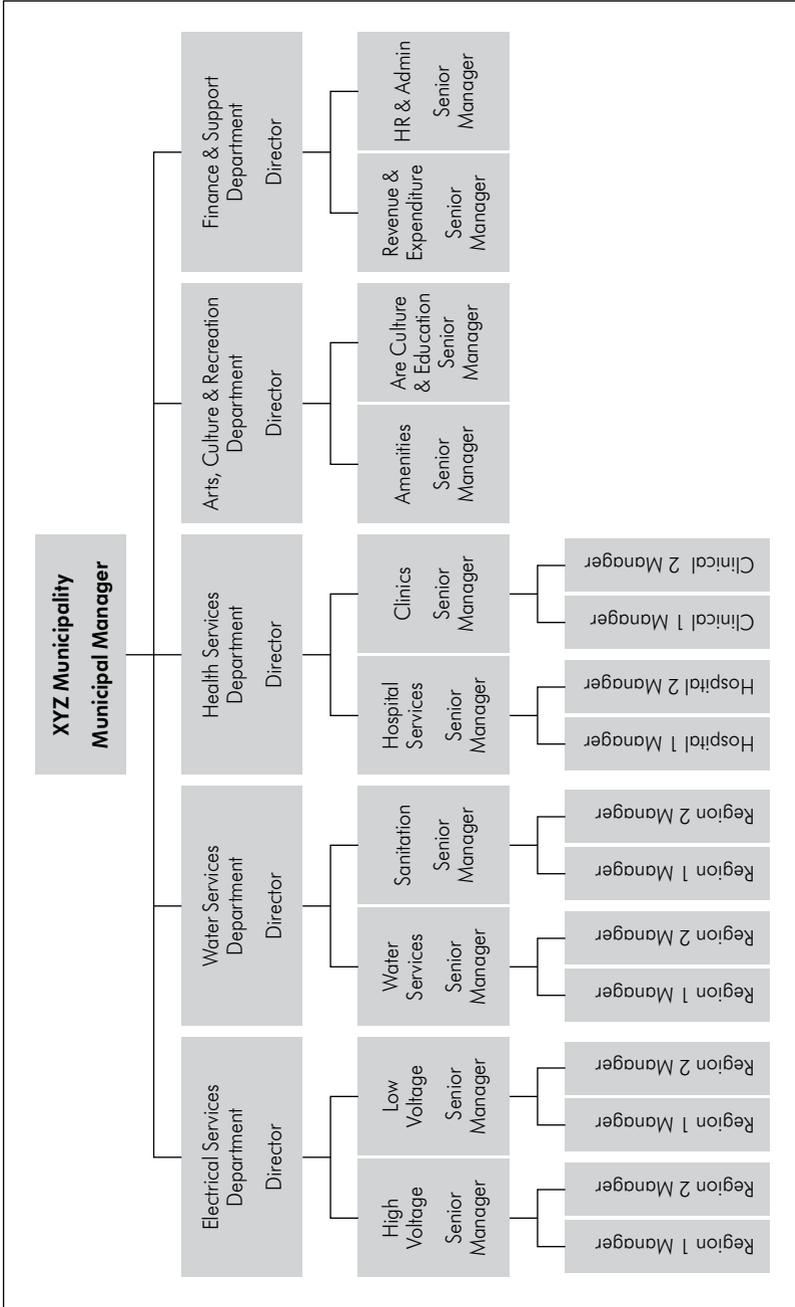
- Matrix structure – superimposes a lateral structure or a vertical function configuration.
- Process structure – consists of lateral relationship referred to as team-based boundary-less or horizontal.
- Network structure – highly flexible and adaptable to changing circumstances and conditions (Cummings & Worley 2015:535).

An example of streamlined structures using Mintzberg's framework

Figure 3 delineates a classical bureaucracy as Weber conceptualised it: tall, hierarchical structure with a multiplicity of levels and a myriad of technocrats, permeating the complex structural configuration down to the lower levels. Testimony to XYZ municipality's bureaucratism, is the number of Directors (5), Senior Managers (10) and Managers (12) all resorting under one Municipal Manager. The structure is fraught with technically qualified staff, manning the various directorates, divisions and regions. This organisation has all the elements of an ideal bureaucracy as envisaged by Laegaard and Bindslev (2006:17): established work distribution between organisational members, selection of employees in accordance with technical qualifications, career-oriented employment and a rule-oriented authority. The results of this structure, *inter alia*, are fragmented, rigid processes, silo mentality, colossal and heavy salary bill, slow service delivery, and dissatisfied staff.

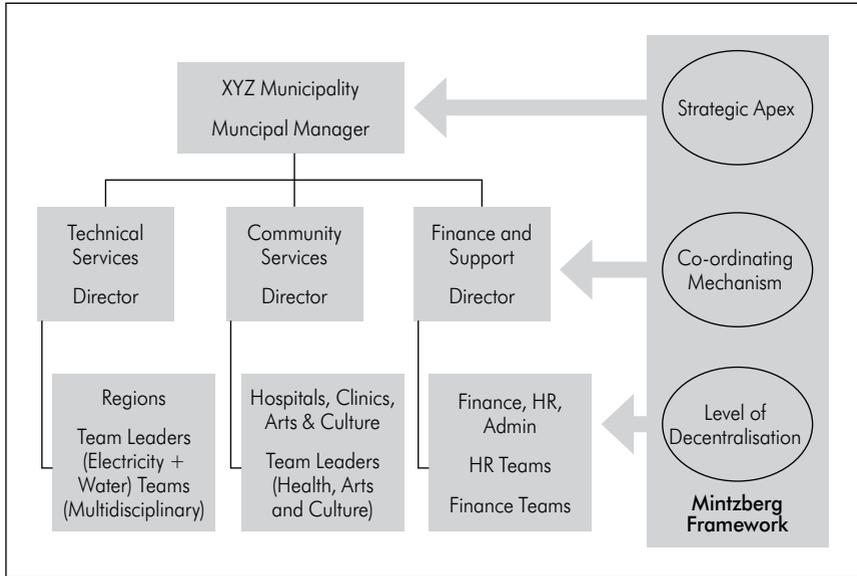
On the other hand, Figure 4 delineates a re-engineered structure along the lines of Mintzberg's framework. As Lunenburg (2012:6) contends, Mintzberg pronounced the importance of linking strategy to structure. The new XYZ strategy therefore, is buttressed on "rendering municipal services in a holistic, integrated manner". To achieve integration, work must be aligned in terms of Mintzberg's coordinating mechanism, whereby according to Lunenburg (2012:3); standardisation of work process, output of work and skills of employees must prevail. In this regard, the Electrical and Water services work processes are coordinated to form

Figure 3: A bureaucratic structure of a municipality



Source: (Authors' own conceptualisation of a Bureaucracy)

Figure 4: An integrated streamlined structure



Source: (Authors' conceptualisation of the Application of the Mintzberg Framework)

the Technical Services. The Health Services and Art and Culture work processes are integrated into Community Services. In each case as Mintzberg wrote, standardisation should be accompanied by training of incumbents in the new work process as well as the reviewing/redrafting of job descriptions to give effect to the new process. The result will be three directorates, namely, Technical Services, Community Services and Finance and Support, instead of five directorates as in the bureaucratic structure depicted in Figure 3.

The final layer in the streamlined/re-engineered structure of the XYZ municipality delineates the decentralised business model adopted by the municipality. The work is performed by multidisciplinary teams who resort under team leaders who are multi-skilled. The work is integrated and decision-making is left to the various teams who operate in the mould of Quality Cycles and take responsibility for the tasks at their level. This equates to Mintzberg's forms of decentralisation as mentioned by Lunenburg (2012:3), namely, horizontal decentralisation (extent to which non-administrators make decisions or shared authority between line and staff) and selective decentralisation (extent to which decision-making power is delegated to various units within the organisation). The structure is flatter, making XYZ municipality respond more quickly and effectively to service delivery demands. XYZ becomes an innovative, new era organisation, adaptable to progressive initiatives of the ilk of LOs.

CONCLUSION

Based on the findings, it is clear that to be effective and respond effectively to challenges of the modern era, organisations must endeavour to change from traditional Weberian bureaucratic structural configurations to more innovative, adaptive and flexible ones. Mintzberg offers a simple yet practical model based on three dimensions, the key part determining the organisation's success or failure, the prime coordinating mechanism and the type of decentralisation it utilises. South African government organisations as described by Van Dyk and Coetzee (2012) are still based on bureaucratic practice and testimony to that it is the structure of four metropolitan councils, namely, eThekweni, Johannesburg, Cape Town and Tshwane, where an *in loco* benchmarking exercise was undertaken. LOs, among other characteristics, thrive on innovation, participative policy and decision-making, communication, flexibility, self-development, learning and an enabling structure.

Mintzberg's model offers the most practical framework for streamlining and transforming traditional Weberian structures to modern, adaptable and flexible configurations associated with LOs. The alignment of structure to strategy, the coordination achieved through standardisation of work outputs and skills of employees and the determination of the extent of decentralisation will culminate in flexible and quick decision-making, communication and a flatter structure that will respond positively to the demands of an LO.

NOTE

- * This article is partly based on an unpublished Doctoral thesis, "*The Role of Organisational Development in Increasing Productivity in Municipalities: A Case of eThekweni and uMkhanyakude Municipalities*", by D M Mthembu, completed in 2020 at the University of KwaZulu-Natal, under supervision of Professor T I Nzimakwe.

REFERENCES

- Beck, U. 1992. *Ecological Enlightenment: Essays on the Politics of the Risk Society*. Available at: <https://www.amazon.com/Ecological-Enlightenment-Ulrich-Beck/dp/1573923982>. (Accessed on 20 July 2018.)
- Chandler, A.D. 2003. *Strategy and Structure: Chapters in the history of the American industrial enterprise*. Frederick, MD: Beard Books.
- Cummings, T.G. and Worley, C.G. 2015. *Organisational Development and Change*. 10th Edition. Stamford, USA: Cengage Learning.

- Dodgson, M. 1993. Organisational Learning: A Review of Some Literatures. *Organization Studies*. 14(3):375–394.
- EThekweni Municipality. 2017. *Annual Report, 2016/2017*. EThekweni Municipality Organisational structure. Durban: eThekweni PMU.
- Farrukh, M. and Waheed, A. 2015. Learning Organisation and Competitive Advantage: An Integrated Approach. *Journal of Asian Business Strategy*. 5(4):73–79.
- Garvin, D.A. 1993. *The Role of Learning Organization in the Opportunity Recognition Process*. Department of Management Studies, College of Business Administration, University of Illinois at Chicago.
- Goldman, E.F., Scott, A.R. and Follman, F.M. 2015. Organizational practices to develop strategic thinking. *Journal of Strategy and Management*. 8(2):155–175.
- Hatch, M.J. 2006. *Organization theory: Morden, Symbolic, and Postmodern perspectives*. 2nd edition. Oxford: Oxford University Press.
- Jackson, J.H. and Morgan, C.P. 1982. *Organisation Theory*. 2nd edition. Upper Saddle River: Prentice Hall.
- Jain, S.K. and Gupta, G. 2004. Measuring Service Quality: Servqual vs Servperf scales. *The Journal for Decision Makers*. 29(2):25–38.
- Johnson, G., Whittington, R., Scholes, K., Angwin, D. and Regner, P. 2017. *Exploring Strategy: Text and Cases*. 11th edition. Harlow: Pearson Education Limited.
- Johnson, C.E. 2018. *Organizational ethics: A Practical Approach*. 4th edition. Newberg, Oregon: SAGE Publishing Inc.
- Kellner, D., Parenti, M. and Perinbayayagam, R. 2014. *Bureaucracy as Class Domination: Weber vs Critical Theory*. Available at: <https://docplayer.net/38815548-Bureaucracy-as-class-domination-weber-vs-critical-theory.html>. (Accessed on 19 July 2018).
- Keller, S., Neumann, J., Rosenkranz, D., Lebedeva, S., Ketting, R.F., Zischler, H., Schneider, D. and Helm, M. 2014. Profiling of RNA modifications by multiplexed stable isotope labelling. *The Royal Society of Chemistry*. 50:3516–3518.
- Kerka, S. 2016. *The Learning Organisation*. Available at: <http://www.inspiredliving.com/business/learning-org.htm>. (Accessed on 25 August 2018).
- Kumar, P. 2015. An analytical study on Mintzberg's Framework: Managerial roles. *International Journal of Research in Management and Business Studies*. 2:12–19.
- Kumar, S.A. and Suresh, N. 2015. *Operations Management*. New Delhi: New Age International (Pty) Ltd.
- Laegaard, J. and Bindslev, M. 2006. *Organisational Theory*. London: Ventus Publishing APS.
- Lunenburg, F.C. 2012. Organizational Structure: Mintzerg's Framework. *International Journal of Scholarly, Academic, Intellectual Diversity*. 14:1–6.
- MindTools. 2018. *Mintzberg's organizational configurations*. Available at: <https://www.mindtools.com>. (Accessed 05 September 2018).
- Moerdyk, A. and Van Aardt, C. 2003. *Organisational Development. New Models and Methods for South Africa*. Glosderry: New Africa Books (Pty) Ltd.

- Montana, P.J. and Charnov, B.H. 2008. *Management*. 4th Edition. New York: Barron's Educational Series Inc.
- Mulder, P. 2017. *Bureaucratic Theory by Max Weber*. Available at: <https://www.toolshero.com/management/bureaucratic-theory-weber>. (Accessed on 16 July 2018).
- Nel, P.S., Van Dyk, P.S, Haasbroek, G.D., Schultz, H.B., Sono, T. and Werner, A. 2004. *Human Resources Management*. 6th edition. Cape Town. Oxford University Press.
- Schein, E.H. 2010. *Organizational Culture and Leadership*. 4th edition. San Fransisco, CA: Jossey-Bass.
- Schmidt, T. 2006. *A review of Structure in Fives: Designing Effective Organizations*. Available at: <https://pdfs.semanticscholar.org>. (Accessed on 17 July 2018).
- Senge, P.M. 1990. *The fifth discipline: The art and practise of the Learning Organisation*. London: Century Business. New York: Doubleday Press.
- Senge, P.M. 2006. *The fifth discipline: The Art of Science of the Learning Organization*. 2nd Edition. New York, NY: Currency Doubleday.
- Sinding, K. and Waldstrom, C. 2014. *Organisational Behaviour*. 5th Edition. Berkshire: McGraw-Hill Education.
- Tran, Q. and Tian, Y. 2013. Organizational Structure: Influencing Factors and Impact on a Firm. *American Journal of Industrial and Business Management*. (3):229–236.
- Van Dyk, J. and Coetzee, M. 2012. Retention factors in relation to organisational commitment in medical and information technology services. *SA Journal of Human Resource Management*. 10(2):1–11.
- Wick, C.W., and Leon, L.S. 1993. *The learning edge: How smart managers and smart companies stay ahead*. New York: McGraw-Hill.

AUTHOR'S CONTACT DETAILS

Dennis Maqhawe Mthembu

School of Management, IT and Governance
University of KwaZulu-Natal
Private Bag x54001
Durban 4000
Email: mabika21@gmail.com
Tel: 083 3813427

Thokozani Ian Nzimakwe

School of Management, IT and Governance
University of KwaZulu-Natal
Private Bag x 54001
Durban 4000
Email: nzimakweth@ukzn.ac.za
Tel: 031 2602606 and 082 9592635

An Integrated Talent Management Model for the Public Service

The Case of the Western Cape Provincial Government

J C Lee*

South African Revenue Service
Cape Town

G van der Waldt

North-West University
Potchefstroom Campus

ABSTRACT

Human resource literature and international best practice confirm the significance of talent management to strengthening employee capacity and potential to deliver productive and high- quality work. The human resource function in the South African Public Service is generally responsible for securing a steady flow of talented, committed, and productive public servants. It is also tasked with the maintenance of a talent pool through workforce planning, up-skilling and training, talent mentoring and coaching, career progression, performance appraisals, rewards and recognition, as well as general employee well-being. Recent official reports from the Public Service Commission, the Auditor General, and the Department of Public Service Administration reveal, however, that government departments experience significant challenges insofar as the talent of their staff complement is concerned.

This article reports on findings of an empirical investigation conducted in the Western Cape Provincial Government with the purpose to ascertain the status of talent management policies and practices. The findings revealed that human resource practices in general and talent management functions in particular are not adequately aligned and coordinated. In order to address this situation, the article proposes an integrated talent management model for the Public Service.

INTRODUCTION

The scholarly discourse on human resource praxis in general and talent management in particular, established a corpus of knowledge that supports the notion that motivated, committed, competent and skilled employees are key success factors for organisational excellence. People capital is commonly regarded as the single most significant factor for organisations to achieve their mission statements and to operationalise their strategic objectives. The need to establish talent pools in organisations is accentuated by the dynamic nature of the labour market. Often unpredictable socio-economic and political factors heighten the necessity to acquire, train, engage, reward and retain talented individuals in key positions.

Talented employees are an essential prerequisite to operationalise the constitutional mandate and statutory obligations of the South African Public Service. National and provincial departments should be characterised by high levels of productivity, a strong service ethos, efficiency, effectiveness, and prompt customer services. The reality in the Public Service is, however, often far removed from these ideals. Official reports from oversight institutions such as the Public Service Commission, the Auditor General, and the Department of Public Service Administration reveal that departments experience significant challenges insofar as the talent of their staff complement is concerned. The National Development Plan (2011), for example, indicates that a significant number of public officials are “demotivated, have low morale, low levels of service commitment, experience limited engagement, and have insufficient skills and competencies to perform their responsibilities”. This problem is exacerbated by the fact that senior managers and human resource (HR) directorates in government departments often treat the multitude of talent management functions such as performance management, recruitment, training and development, rewarding, career development and mentoring and coaching, in isolation. In other words, there is a dire need to effectively manage talent in the Public Service by following an integrated talent management approach.

The purpose of this article is to reflect on findings of an empirical study conducted in selected departments of the Western Cape Provincial Government (WCPG) to determine the status of talent management praxis. The survey revealed that significant gaps exist between international best practice cases and existing talent management practices in provincial departments. Based on an extensive gap analysis as well as data, source and method triangulation, an integrated talent management model (ITMM) for the South African Public Service was designed.

TALENT MANAGEMENT: A CONTEXTUAL AND CONCEPTIONAL EXPOSITION

The notion of “talent” generally refers to a distinctive inherent ability, aptitude or skill; a capability for achievement or competence (Collings and Mellahi 2009:305; Höglund 2012:126; Dries 2013:274; Meyers *et al.* 2013:305). This definition implies that talent is innate, that it cannot be developed and is therefore unique, scarce and exceptional (Michaels *et al.* 2001:1). However, other scholars opine that talent can be acquired through personal development. Scholars such as Ericsson *et al.* (2007:116), Barret (2011:1), Czakan (2012:1), and Meyers *et al.* (2013:315) assert that talent can be taught, that it is obtainable through training, coaching and mentoring and that it can be methodically developed. The assumption is thus made that all individuals are born with particular aptitudes, although these may be dormant and should in some instances be nurtured and grown through development interventions. The development of already present, but untapped talent is essential for improved personal and organisational performance. In this regard, theorists such as Deci and Ryan (2008:183) and Moczyłowska (2012:434) confirm that talent should match particular organisational expectations and intents. However, it may be argued that, although all employees in an organisation should be exposed to development opportunities, those who are regarded as talented (i.e. top performers) can be further developed as part of a succession planning strategy (Armstrong 2012:658; Harrel 2016:1–6). This could ensure that there is a so-called “talent pool” available to fill vacant positions. In following this practice, organisations can proactively make provision for the continuity of performance and activities that contribute to the achievement of strategic priorities. Protagonists of this perspective generally do not focus on the identification of employees who are regarded as talented, but rather aim to highlight and develop the capabilities of all employees in the organisation in order to pair them with suitable posts, responsibilities and challenges (Yost and Chang 2009:444). In this regard, studies conducted by Meyer and Herscovitch (2001:299–303), Deci and Ryan (2008:182–184) and Meyers *et al.* (2013:198–199) illustrate the connection between talent development and employee commitment, which both enhance the overall performance of organisations.

Scholars such as Lewis and Heckman (2006:140) and Collings and Mellahi (2009:305), view talent management as synonymous with human resource management (HRM). They regard talent management as merely “relabelled” HRM. However, a robust literature review has confirmed that this viewpoint is not commonly held and that it is mostly confined to strategic HRM practices. The majority of scholars seem to concur that HRM is a far broader, overarching concept which is aimed at all aspects of employee affairs and does not focus exclusively

Table 1: Theoretical underpinnings of talent management

Theoretical domains	Perspectives, theories and approaches
Meta-theory (philosophical underpinnings)	<ul style="list-style-type: none"> ▪ Innate and acquired talent perspectives ▪ Inclusive and exclusive talent perspective ▪ Exclusive talent perspective ▪ Stable talent perspective ▪ Inclusive and developable talent philosophy ▪ Object and subject perspectives to talent ▪ Transferable and context-dependable talent perspectives ▪ Humanistic approach ▪ Competitive approach ▪ Entrepreneurial approach ▪ The competitive talent management perspective ▪ The process talent management perspective ▪ The human resource development perspective ▪ The cultural talent management perspective ▪ The change talent management perspective ▪ The talent decision science perspective
Middle-range talent management theories	<ul style="list-style-type: none"> ▪ Psychological Contract Theory ▪ Organisational Support Theory ▪ Organisational Commitment Theory ▪ Human Relations Theory ▪ Generational Theory
Value-driven approaches to talent management	<ul style="list-style-type: none"> ▪ The people approach ▪ The practise approach ▪ The position approach ▪ The strategic pools approach

Source: (Authors' own construction)

on employee development or talented employees per se. As alluded to above, all employees should ideally be exposed to developmental practices (which falls under the ambit of HRM), but HRM is broader than talent management. As stated earlier, HRM also includes functional activities and practices such as leave administration, change management, administration, employee benefits, group life benefits, payroll management and so forth (Akinnusi 2008:25–30; Barret 2011:46–47; Schoeman 2014:26–28).

Talent management is accepted to be one of the key HRM challenges for organisations as it places significant value on the availability of competent, well-trained and highly-skilled individuals to achieve strategic objectives and financial success (Cherkesova *et al.* 2015:399; King 2015:4; Beamond, Farndale and Hartel 2016:501). In this regard, scholars such as Anderson (2017:1–2) and Newell (2017:1–3) strongly argue that organisations should accept the strategic value and contributions of talent management and that it should permeate all organisational decisions, functions and processes.

In order to make a meaningful scholarly contribution to the corpus of knowledge of talent management, it is imperative to scrutinise its underlying philosophical assumptions, theoretical perspectives and approaches. A literature survey revealed that talent management theories, perspectives and approaches are generally largely unexplored territory since it is a relatively new management application (*cf.* Thunnissen 2016:58). Its basic meta-perspectives generally stem from Behaviourist theory, Human Resource theories and theories pertaining to Psychology (Oladapo 2014:19; Sparrow *et al.* 2015:249; Kheswa 2016:8–11). A review of scholarly literature on talent management revealed various theoretical domains, perspectives and approaches. Table 1 outlines the key meta-theoretical, middle-range theories, and value-driven approaches to talent management relevant, uncovered and analysed for this study.

These meta-theoretical, middle-range theories, and value-driven approaches to talent management were absorbed in the ITMM.

TALENT MANAGEMENT MODELS

Talent management models are generally intended to illustrate the interrelationship between all talent management processes and depict how these processes could add value to an organisation. Such models generally guide human resource policy decisions, management interventions, organisational systems and processes, as well as required behaviour to achieve overarching talent management objectives (Millar 2013:1, Tetik 2017:42). An analysis of international and national talent management models is necessary to pinpoint best practices and to identify core and non-core dimensions and elements associated with these models. This analysis served as a further data set to design an ITMM for the South African Public Service. It also assisted as conceptual framework to design a draft ITMM, which acted as the foundation for the empirical investigation. Input from senior talent management practitioners was obtained to improve, expand, and validate the content thereof.

The analysis of talent management models was instrumental in uncovering common human resource dimensions that underpin these models. The following ITMMs were analysed to determine dimension commonalities and unique features:

- The Best Practice Institute's (BPI) ITMM
- Expert 360's ITMM
- University of Kansas' ITMM
- Brown's ITMM
- John Hopkins University's Talent Management Model
- Fish Camp Learning's ITMM

- Berenson and Smith's Talent Management Model
- National Research Council of Canada's Talent Management Model
- Development Dimensions International ITMM
- The Integrated Talent Management Wheel
- Bersin and Associates' ITMM
- Armstrong's ITMM
- Kock and Burke's Integrated Talent Management Wheel
- City of Cape Town's Talent Management Framework
- BIoSS SA's Talent Management Model
- University of Southern Queensland's Talent Management Framework
- BeamPines ITMM
- Oracle Integrated Talent Management Framework

Based on a comparative analysis of these models, the following six core common dimensions were extracted:

- workforce planning
- talent acquisition (i.e. recruitment and selection)
- learning and development
- succession planning
- performance management
- compensation and benefits

The final ITMM was designed in such a way that it makes provision for the inclusion of these core dimensions.

TALENT MANAGEMENT IN THE SOUTH AFRICAN PUBLIC SERVICE: THE CASE OF THE WESTERN CAPE PROVINCIAL GOVERNMENT

The South African government has, since democratisation in 1994, made significant progress as far as the design of a comprehensive statutory framework for HRM is concerned. However, in spite of the comprehensive nature of legislation, scholars such as Koketso and Rust (2012:2221) and Dries (2013) argue that the Public Service experiences difficulty in attracting, recruiting, developing, training, coaching, mentoring and retaining the most talented employees. In addition, Barkhuizen (2014:2232) also asserts that improving current HRM practices within the Public Service places a strong reliance on statutory provisions in an effort to establish an environment which is conducive to transparency, openness, productivity, sound labour relations and honesty, in government departments. The statutory framework for HRM practices in the Public Service, as outlined below, set

broad parameters for the improvement of HRM practices and the development of talent management excellence in the Public Service:

- *The Constitution of the Republic of South Africa*, 1996
- The Occupational Health and Safety Act 85 of 1993
- The Public Service Act 103 of 1994
- The South African Qualification Authority Act 58 of 1995
- The Labour Relations Act 66 of 1995
- The Basic Conditions of Employment Act 75 of 1997
- The Employment Equity Act 55 of 1998
- The Skills Development Act 97 of 1998
- The Promotion of Administrative Justice Act 3 of 2000
- The Public Administration Act 11 of 2014

As far as the regulatory framework for talent management is concerned, some of the most significant documents include the following:

- White Paper on the Transformation of the Public Service, 1995
- White Paper on Transforming Public Service Delivery, 1997 (*Batho Pele*)
- White Paper on Human Resource Management in the Public Service, 1997
- Public Service Commission: Report on the State of Human Resources Management in the Public Service, 2010
- Guide on the Practice of Career Management in the Public Service, 2011
- The National Development Plan: Vision 2030 (2011)
- The Medium-Term Strategic Framework, 2014–2019
- Public Service Regulations, 2016
- The Public Service Sector Education and Training Authority's (PSETA) Skills Gap Analysis, 2017
- The Public Service Commission's Recruitment, Retention, Career pathing and Utilisation of Senior Management Service Members' Expertise and Skills in the Public Service, 2017

It is evident that the Public Service is guided by a comprehensive framework insofar as HR practices and functions are concerned. The stated ideal of building a "democratic developmental state", as expressed in the National Development Plan: Vision 2030, can only be realised with due cognisance of the significant contribution that talent management could make in this regard. The Public Service should act as a catalyst for transformation and is ideally placed to achieve this aspiration through competent leadership, the implementing of effective HR policies and procedures, as well as the recruitment and retention of talented employees in the Public Service.

The Western Cape is situated on the south-western tip of the African continent and is one of the nine provinces of South Africa. The province houses 11.3% of the

national population: approximately 6.3 million people live in the Western Cape on 129 370 km² of land (PGWC: Provincial Treasury: Provincial Economic Review & Outlook 2016). Currently, the provincial government consists of 13 departments. Collectively, these departments currently have 69 393 full-time employees in the salary bands 9–16. With a budget of R67 148 billion (2019/2020 financial year), these departments are responsible for implementing national legislation and providing services to citizens of the province (RSA 2019:1). Content analysis of various HRM policy documents, strategies, official guidelines as well as annual reports was conducted. Inferences were drawn from this analysis regarding the status of HRM and talent management within the South African Public Service in general and the WCPG in particular. The content analysis revealed the following talent management-related challenges:

- high staff turnover and vacancy rates;
- human resource administrative systems that are heavily reliant on conventional and rather technologically outdated paper-based, bureaucratic systems;
- organisational culture and values with a high level of “entropy” (i.e. loss of human energy hampering organisational productivity and personal performance);
- a silo-mentality in applying HRM and talent-related processes;
- high levels of employee frustrations and concerns;
- internal red tape and a bureaucratic style of leadership and management;
- change fatigue and low organisational resilience leading to low morale;
- a lack of trust in departmental and political leadership;
- incomplete delegation of responsibility and authority to employees;
- people- (talent-) related activities are performed on an ad hoc, uncoordinated basis; and
- people management is transactional, administrative, bureaucratic and compliance- driven.

Based on these challenges it can be argued that an ITMM could significantly benefit the WCPG in particular and the broader Public Service in general.

Probably the most significant initiative as far as talent management is concerned, is the design and implementation of the Province’s People Management Strategy (PMS) (2012–2019). The primary aim of the WCPG’s PMS (2012–2019) is “to radically transform the current state of HR practices in the province; the core focus is to encourage service excellence with people, in other words, utilising its talented, committed and trained employees to achieve its strategic objectives” (RSA 2016:3). The PMS consists of five strategic initiatives to support its overall people strategy, namely:

- an empowering and enabling people governance framework;
- a performance conducive workplace;
- organisation values and culture alignment through leadership excellence;

- talent management excellence; and
- strategically focused people management data and analytics.

Only strategic initiative (4) specifically refers to talent management. WCPG defines the latter as “people management value-chain excellence” (RSA 2016:28) and highlights the following support practices:

- “interdependency with overall organisational strategy;
- definition of types of talent should be specified;
- focus on mission-critical job positions;
- demand for and supply of talent;
- sound talent-informed intelligence; and
- an environmental scan of applicable talent processes, leading practices and legislation on a quarterly basis”.

According to the WCPG’s PMS (RSA 2016:43), the state of strategic initiative (4) is listed as:

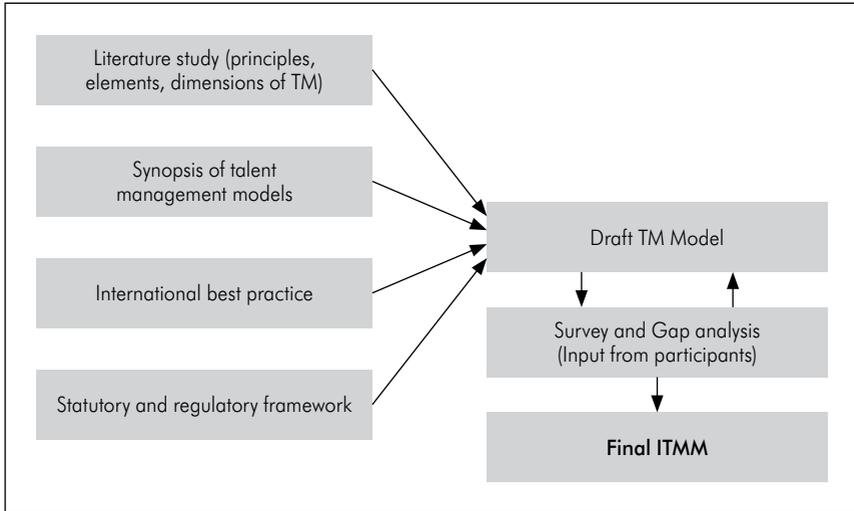
- “People management practices are not integrated through and supported by standardised competency frameworks;
- People management functions i.e. performance management and individual assessment systems are not integrated;
- Line managers do not take up their responsibility as people managers;
- No benchmarking and/or evaluation of talent management strategic impact;
- Inefficient talent management processes (e.g. turnaround time);
- Talent information management system ineffective at identifying fit for purpose people;
- Inefficient paper-based people administrative practises” (RSA 2016:43).

It can be concluded that the WCPG could benefit from the introduction of an ITMM, which will in all probability mitigate most of the talent risks and challenges identified in its PMS.

RESEARCH METHODOLOGY

By following a qualitative case study research design in an interpretivist paradigm, this study utilised the principles of method and data triangulation to design an integrated model for talent management. Data was triangulated from a literature review covering theory of talent management, the statutory and regulatory framework, and a comparative analysis of national and international talent management models and practices. These three sets of data were then contrasted with the status of talent management in the Public Service by means of a case study, namely the

Figure 1: Research design, methods and model development framework



Source: (Authors' own construction)

WCPG. These provincial departments thus comprise the units of analysis within the case. A gap analysis was conducted by means of semi-structured, face-to-face interviews with participants who are actively engaged with talent management matters in these departments. The research design, methods and model development framework are illustrated in Figure 1.

There are 13 provincial departments ($n=13$) in the WCPG. The Department of the Premier has its own Chief Directorate: People Management. This department serves 11 departments across the province, thus covering 11 of the 13 departments. This department therefore is the central policy and administrative hub regarding people management functions in the WCPG and can be regarded as representative of talent management practices in the province. The department further has six HR sub-directorates that serve the 11 provincial departments. These sub-directorates are:

- Auxiliary Services;
- Employee Relations;
- Performance and Priority Unit;
- Policy and Planning;
- Recruitment and Selection; and
- Service benefits.

Written permission was obtained from the Deputy Director General (DDG) in the Premier's Office and the Chief Director: People Management in the Department of the Premier to conduct research in these six sub-directorates, on their premises

during office hours. The study population was the Chief Directors, Directors and Deputy Directors responsible for People Management in the WCPG. One participant from each of the six sub-directorates was purposively sampled based on their expert knowledge and work experience regarding talent management practices. It should be noted that the purpose of this study was to ascertain the status of talent management practices in the WCPG. Therefore, the number of departments sampled was statistically more significant than the number of participants surveyed.

An interview schedule was designed to ascertain the status of talent management in the province, inclusive of policies, strategies, practices, functions and challenges. All participants confirmed the need for an integrated talent management system within the WCPG, as well as for the entire Public Service. Participants generally concurred that the PERSAL (Personnel Salary) system as payroll and HR administrative instrument is outdated and cannot support an ITMM in its current format. The majority of participants (67%) alluded to career management as the most significant area of concern as far as talent management is concerned. Other challenges highlighted include:

- The performance management system (PERMIS) is a “stand-alone” system, which has the functionality to draw salary, performance and personal information from the PERSAL system, but is not comprehensive enough to serve as an integrated talent management system
- Employment equity targets that are merely “tick-box exercises”
- Absence of coaching and mentoring guidelines and practices
- Poor recruitment and selection practices
- The general absence of detailed succession planning
- Absence of talent pools
- Unduly influence of organised labour on HR policies and decisions

Aspects identified that may have a positive influence on talent management include the following:

- the development of an Employee Relations (ER) strategy for the province;
- the functioning of a Wage Bargaining Forum to negotiate HR policies with labour unions;
- the implementation of a Case Management System to track and manage all grievances or misconduct cases in the province; and
- the establishment of Internal Control Performance Consulting Units within the Chief Directorate: People Management Practices that are tasked with assisting line managers to build capacity, supply performance data and support coaching of poor performers.

Participants lamented the fact that these initiatives are not adequately aligned or integrated to serve as a comprehensive talent management framework. The

survey revealed that significant gaps exist between the best practice cases and existing talent management practices in provincial departments. Participants confirmed the absence of an integrated approach to talent management. All participants were furthermore requested to comment on the draft ITMM that was designed based on a synthesis of the literature review, an assessment of existing talent management models, international best practice, and statutory and regulatory prescripts. Based on their input, the draft model was adjusted and finalised.

AN INTEGRATED TALENT MANAGEMENT MODEL FOR THE PUBLIC SERVICE

The ITMM makes provision for the alignment of core and non-core dimensions of talent management as well as for the dynamics in the external (macro), meso, and internal (micro) environments. The ITMM consists of the following four levels or layers:

- A: Macro-level (strategic) environment
- B: Meso-level (tactical) environment (core components)
- C: Meso-level (tactical) environment (non-core components)
- D: Micro-level (internal) environment

The macro-environment (A) refers to the broader political, economic, social, technological and “business” environment context of talent management. This context signifies the strategic dimensions of talent management and includes the broader supply and demand factors influencing the labour market in general and talent management in particular. For purposes of the ITMM, the macro-layer includes the following:

- an analysis of the external environment of public institutions identifying key strategic driving and constraining forces influencing talent management;
- an assessment of the South African statutory and regulatory framework governing HRM in general and talent management in particular;
- an evaluation of international best practices and values supporting talent management, with specific reference to public sector settings;
- a synthesis of talent management approaches and theories; and
- an assessment of talent management meta-perspectives in designing and utilising support guidelines for the implementation of the ITMM in the Public Service.

The external macro-environment serves as the outer layer of the ITMM.

The meso-level environment of the ITMM is based on two distinct functions, namely the core components (B) and non-core (support) components (C), which are extracted from the analysis of international best practices and talent management models. These talent management components form the second layer of the ITMM. This is typically the domain of responsibility of senior and middle managers within

the Public Service. The non-core support functions include the establishment of various mechanisms, instruments and approaches in government departments to facilitate the successful implementation of the core components for talent management.

The micro-level talent management dimensions (D) of the ITMM were extracted from the analysis of findings obtained from the empirical survey in terms of existing talent management approaches and practices in the Public Service. The micro-level talent management environment consists of the following functions, placed at the centre of the model:

- Creating a workplace talent culture and mindset;
- Developing an organisational Talent Management Strategy; and
- Aligning the above components with the organisational and departmental strategies.

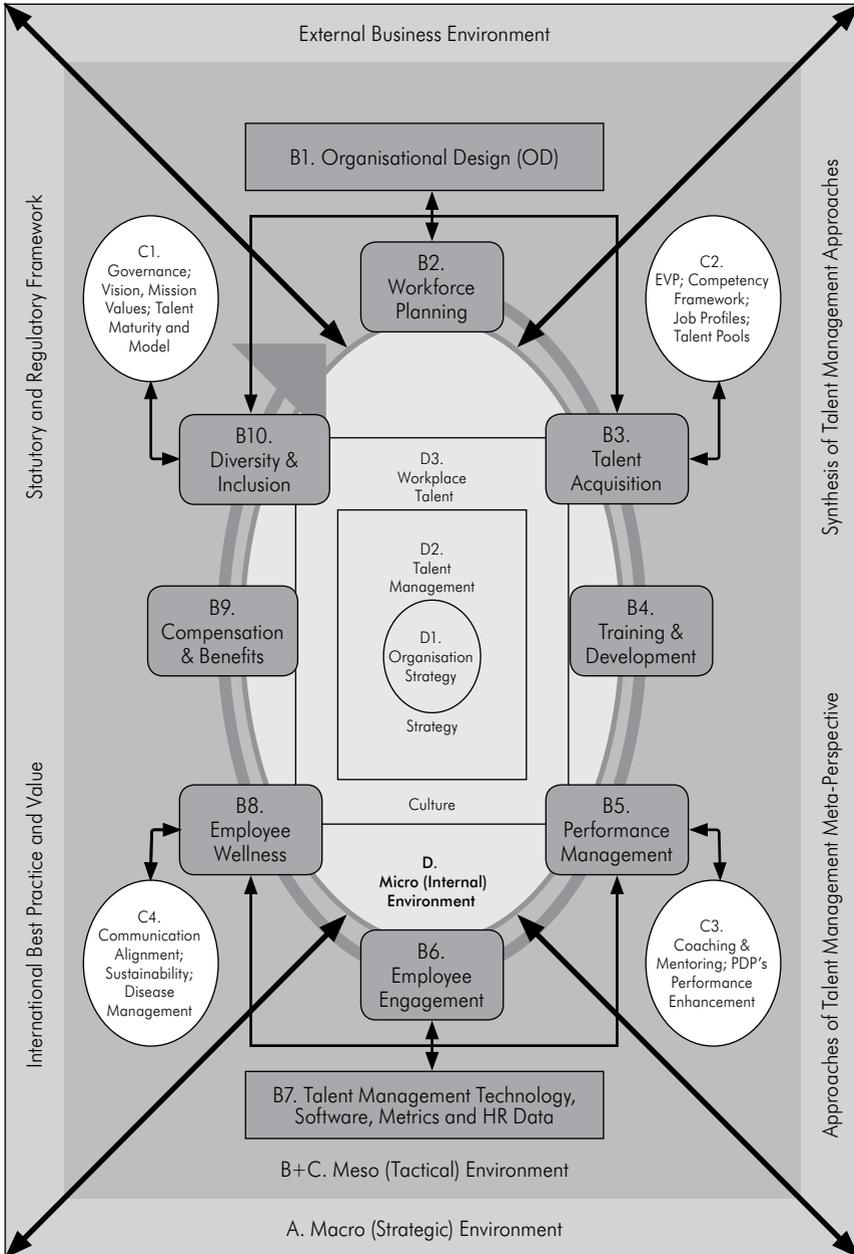
These micro-level talent management functions form the nucleus of the ITMM. Every decision made and every action taken by political leadership and senior management in the Public Service should be informed and influenced by these functions. The micro-level thus refers to the operational dimensions of public institutions. Front-line operational or supervisory officials typically interact with employees who render customer services within various departments. In this environment it is imperative that the groundwork is set for the development of an ITMM. The ITMM should thus be flexible to accommodate bottom-up information from operational staff. In other words, operational talent management issues will inform the ITMM, but are also operationalised or implemented on this level. These bottom-up and top-down interfaces will enhance the success of the model since it will foster alignment between the strategic objectives of the department and the talent development goals of individual employees. It is also on this level that it is imperative that a conducive workplace talent culture and mindset be inculcated.

These three environmental layers of the model should thus be closely aligned to have a positive influence on the levels of productivity, efficiency, competency and capacity of officials. The (A) macro-level model formed the outer layer, while the (B&C) meso-level formed the inner tactical layer and the (D) micro-level environmental model is the internal environment for ITMM. The various components are integrated into a single ITMM model schematically presented in Figure 2.

RECOMMENDATIONS FOR THE APPLICATION OF THE MODEL

The successful implementation of the model is dependent on a number of critical success factors. These success factors emerged from the analyses of international cases as well as from the responses obtained from the participants. The following

Figure 2: An integrated talent management model for the Public Service



Source: (Authors' own construction)

recommendations are suggested for the South African Public Service to implement the ITMM at national and provincial spheres of government:

- The commitment and involvement of executive and senior managers (e.g. departmental leadership) is imperative to drive the successful implementation of the model. This includes resource allocation, assignment of responsibilities, the design of operational policies and guidelines and the strategic alignment of the model with departmental strategic plans. Such policies and guidelines should make provision for the implementation of the model on strategic (executive/senior management), tactical (middle-management) and operational (supervisors) echelons in government departments.
- Public Service departments should constantly scan the external environment, inclusive of the labour market, to proactively identify trends in talent management and the potential influence on the availability of talent in public institutions.
- Senior managers in the Public Service should utilise value-driven approaches to ensure that government becomes the employer of choice to attract and retain talent. The integrated components and elements of the ITMM make provision for the alignment and implementation of such value-driven approaches. Value-driven approaches to talent management should include the establishment of a talent management culture and mindset that is supportive and interwoven with departmental strategies.
- The integration of the multitude of talent management dimensions and variables, as contained in the ITMM, should facilitate a more coordinated and comprehensive approach to talent management in the Public Service and will therefore steer public institutions away from the current perceived “silo mentality” regarding people management practices.
- The implementation of the ITMM should be strongly supported by the identified “non-core” talent management components. This includes the use of talent management technology, software, metrics and data analytics to establish a high level of accurate, reliable and up-to-date people intelligence. Such intelligence will positively guide talent management-related decisions and resource allocations.
- It is recommended that a project coordinator and various change agents be appointed to drive the systematic and incremental implementation of the ITMM within the Public Service.

CONCLUSION

All government departments on national and provincial spheres must comply with existing HR legislation, policies and official guidelines. However, the analysis of the case study, the WCPG, revealed that the absence of an ITMM contributes to various HR-related challenges currently experienced by provincial departments.

These include uncoordinated and unaligned practices, a silo mentality between various directorates and departments, skills gaps, tedious paper-based administrative systems, and inadequate supply and retention of competent and talented staff in key positions. All of these factors lead to employee frustrations and entropy. In response to this situation, an ITMM was developed. It is suggested that the implementation of this ITMM will have a positive influence on the current levels of commitment, productivity, efficiency, performance, retention and overall dedication of public officials. If the talent of public officials is nurtured, it will eventually lead to a more professional Public Service that is competent and able to render quality services to the South African society.

NOTE

- * Dr J C Lee is Manager: Human Resource Business Partnering at the South African Revenue Service, Cape Town. This article is based on his doctoral thesis under the supervision of Prof Gerrit van der Walddt titled “An integrated talent management model for the Public Service: The case of the Western Cape Provincial Government”.

REFERENCES

- Akinnusi, D.M. 2008. Benchmarking of human resource management in the public sector: Prospects, problems and challenges. *SA Journal of Human Resource Management*. 6(2):25–31.
- Al Ariss, A., Cascio, W.F. and Paauwe, J. 2014. Talent management: Current theories and future research directions. *Journal of World Business*. 49(2):173–179.
- Anderson, V. 2017. HRD standards and standardization: where now for human resource development? *Human Resource Development Internationa.*, 20(4):327–345.
- Armstrong, M. 2012. *Armstrong’s Handbook of Human resource management practice*. 12th ed. New York, NY: Kogan Page.
- Barkhuizen, N. 2014. How relevant is talent management in South African local government institutions? *Mediterranean Journal of Social Sciences*. 5(20):2223–2230.
- Barrett, M. 2011. Help your talent manage their short term risk: talent-retention. *HR Future*. 12(2011):46–47.
- Beamond, M.T., Farndale, E. and Härtel, C.E. 2016. MNE translation of corporate talent management strategies to subsidiaries in emerging economies. *Journal of world Business*. 51(4):499–510.
- Cherkesova, E.Y., Belikova, S.S., Popova, E.M., Sukhova, A.A. and Demidova, N.E. 2015. Mechanism of development of human capital within human resources management of modern organization. *Mediterranean Journal of Social Sciences*. 6(5):399–404.
- Collings, D.G. and Mellahi, K. 2009. Strategic talent management: A review and research agenda. *Human Resource Management Review*. 19(4):304–313.

- Czakan, T. 2012. Steps to sustainable change: talent-mobility. *HR Future*. 11(1):44–45.
- Deci, E.L. and Ryan, R.M. 2008. Self-determination theory: A macro theory of human motivation, development, and health. *Canadian psychology/Psychologie canadienne*. 49(3):182–204.
- Dries, N. 2013. The psychology of talent management: A review and research agenda. *Human Resource Management Review*. 23(4):272–285.
- Ericsson, K.A., Prietula, M.J. and Cokely, E.T. 2007. The making of an expert. *Harvard Business Review*. 85(7/8):114–132.
- Harrel, E. 2016. Succession Planning: What the Research Says. Available at: <https://hbr.org/2016/12/succession-planning-what-the-research-says>. (Accessed on 15 May 2019).
- Höglund, M. 2012. Quid pro quo? Examining talent management through the lens of psychological contracts. *Personnel Review*. 41(2):126–142.
- Kheswa, P.T. 2016. Street smarts for talent managers: cover story-talent management. *HR Future*. 3(2016):8–11.
- King, K.A. 2015. Global talent management: introducing a strategic framework and multiple-actors model. *Journal of Global Mobility*. 3(3):273–288.
- Koketso, L.P. and Rust, A.B. 2012. Perceived challenges to talent management in the South African public service: An exploratory study of the City of Cape Town municipality. *African Journal of Business Management*. 6(6):2221–2233.
- Lewis, R.E. and Heckman, R.H. 2006. Talent management: A critical review. <http://www.sciencedirect.com>. (Accessed on 15 July 2019).
- Meyer, J.P. and Herscovitch, L. 2001. Commitment in the workplace: Toward a general model. *Human resource management review*. 11(3):299–326.
- Meyers, M.C., Van Woerkom, M. and Dries, N. 2013. Talent – Innate or acquired? Theoretical considerations and their implications for talent management. *Human Resource Management Review*. 23(4):305–321.
- Michaels, E., Handfield-Jones, H. and Axelrod, B. 2001. *The war for talent*. Boston, MA: Harvard Business Press.
- Millar, B. 2013. Essential Tools of Talent Management. Forbes Insights. Available at: <https://www.forbes.com/sites/forbesinsights/2013/04/24/essential-tools-of-talent-management/#541515c37540>. (Accessed on 22 November 2019).
- Moczydłowska, J. 2012. Talent Management: Theory and Practice of Management. The Polish Experience. *International Journal of Business Management & Economic Research*. 3(1):432–438.
- Newell, C. 2017. Why Every CEO Should Give HR A Seat at the Table. Available at: <https://www.forbes.com/sites/forbeshumanresourcescouncil/2017/08/09/why-every-ceo-should-give-hr-a-seat-at-the-table>. (Accessed on 23 November 2019).
- Oladapo, V. 2014. The impact of talent management on retention. *Journal of business studies quarterly*. 5(3):19–28.
- Republic of South Africa (RSA). 2016. A toolkit on Recruitment and Selection. Public Service Commission (PSC). Available at: <http://www.psc.gov.za/documents/docs/guidelines/PSC%20Toolkit.pdf>. (Accessed on 13 August 2019).

- Republic of South Africa (RSA). 2016. HR challenges facing HR planning, management and development in the Public Sector in SA. Department of Public Service and Administration (DPSA). Available at: <https://www.thensg.gov.za/wp-content/uploads/2016/09/DPSA-Presentation-HRM26-September-2016.pdf>. (Accessed on 20 May 2019).
- Provincial Government of the Western Cape (PGWC). 2016. Provincial Treasury Annual Report 2016/2017. Available at: https://www.westerncape.gov.za/assets/departments/treasury/Documents/Annual-Report/2017/2016_pt_annual_report_vote_3_2nd_printers.pdf. (Accessed on 13 April 2019).
- Republic of South Africa (RSA). 2017. Western Cape Strategic Plan 2015–2020. Available at: https://www.westerncape.gov.za/assets/departments/social-development/strategic_plan_2015-20.pdf. (Accessed on 15 March 2019).
- Schoeman, A.M. 2014. Enhance your employee value proposition-part 2: strategy-talent management. *HR Future*. 8(1):26–28.
- Sparrow, P.R., Hird, M. and Cooper, C.L. 2015. *Strategic talent management*. London: Palgrave Macmillan.
- Sparrow, P.R. and Makram, H. 2015. What is the value of talent management? Building value-driven processes within a talent management architecture. *Human resource management review*. 25(3):249–263.
- Tetik, S. 2017. Talent Management: A Review of Theoretical Perspectives and a Guideline for Practitioners. *Nile Journal of Business and Economics*. 2(4):40–56.
- Thunnissen, M., Boselie, P. and Fruytier, B. 2013. Talent management and the relevance of context: Towards a pluralistic approach. *Human Resource Management Review*. 23(4):326–336.
- Thunnissen, M. 2016. Talent management: For what, how and how well? An empirical exploration of talent management in practice. *Employee Relations*. 38(1):57–72.
- Western Cape Provincial Government (WCPCG). 2016. A People Management Strategy (PMS) for the Western Cape Government: 2012–2019. Available at: https://www.westerncape.gov.za/your_gov/395/contact-us. (Accessed on 9 November 2019).
- Yost, P.R. and Chang, G. 2009. Everyone is equal, but some are more equal than others. *Industrial and Organizational Psychology*. 2(4):442–445.

AUTHORS' CONTACT DETAILS

Dr J C Lee

Manager: Human Resource Business Partnering
 South African Revenue Service
 Cape Town
 Tel: 021-9437118
 Cell: 082 4967064
 E-Mail: jlee@sars.gov.za

Prof Gerrit van der Waldt

Research Professor: Public Governance
 North-West University
 Private Bag X6001
 Potchefstroom
 2520
 Tel: 018 2991633
 Cell. 082 4511752
 E-Mail: Gerrit.vanderwaldt@nwu.ac.za

Contextualising Public Value Theory and its Measurement in Public Administration

I Naidoo*

School of Public Management and Administration
University of Pretoria

N Holtzhausen

School of Public Management and Administration
University of Pretoria

ABSTRACT

This article provides the contextualisation of public value theory and its measurement in Public Administration. It explores the various definitions of public value and how the public value theory has evolved over the past two decades. The article also proposes theoretical propositions that influence the provision and measurement of public value. With the acknowledgement that there is no widely accepted definition of public value, the views of various authors on what this concept entails and how to go about creating it are explored. The article focuses on the various frameworks to measure public value, including the contributions of Moore (1995), Meynhardt (2017) and Faulkner and Kaufman (2017) in terms of the most appropriate approach to measure public value as identified for this study. The methodology involves a critical desktop research in terms of a conceptual analysis of the various frameworks to measure public value to develop the most appropriate approach to measure public value.

INTRODUCTION

This article traces the origins of public value management, to its initial introduction by Moore (1995) as an alternative to New Public Management (NPM). While NPM focused on ensuring that government becomes more effective and resourceful, public value management underscores the value public managers must create for citizens through their work. Public value is a relatively recent approach, having

been first introduced as a Public Administration theory just over two decades ago. At its core it includes the needs of citizens as well as ensuring that the goods and services they receive from government are of value to them as individuals and as a community. Beyond the needs of citizens, public value also has significant implications for public managers who, Moore (1995:28) suggests, are tasked with the responsibility of creating public value. This article explores the development of public value and its emergence and relevance in public administration. With the acknowledgement that there is no widely accepted definition of public value, the views of various authors on what this concept entails and how to go about creating it are explored. The definition of public value relevant to this article is presented. The focus then turns to the various frameworks to measure public value, including the scorecards developed by Moore (1995), Meynhardt (2017) and the systematic review of literature on public value measurement of Faulkner and Kaufman (2017). Reflecting on the work by various authors, the most appropriate approach to measure public value is identified for this study.

EMERGENCE OF PUBLIC VALUE MANAGEMENT

Public value was originally created as a “management approach for the public sector” (Strathoff 2016:16). Public value theory was first introduced by Mark Moore in his seminal work *Creating Public Value: Strategic Management in Governance*, in which he suggests that “the aim of managerial work in the public sector is to create public value” (1995:28).

Moore introduced public value management as an alternative to NPM. According to Bozeman (2007 in Strathoff 2016:17), NPM “to some extent codified and prescribed governance approaches based on economic individualism and market mechanisms”. Drawing on the private sector management *modus operandi*, NPM focused on ensuring that government became more effective and resourceful as well as elevating the individual rather than the collective. Elements of the NPM approach included outsourcing by the public sector; considering the public as government’s customers; and the establishment of regulating processes to be utilised as key performance indicators (Strathoff 2016:17).

Public value is rooted in the concept of the public being the appropriate mediator of public value, emphasising the societal component in public management instead of economic individualism (Benington & Moore 2011:10; Strathoff 2016:17). The public value theory puts forward a public administration theory that is democratic, cooperative and underscores governance (Turlak & Turlak 2016:7). It places the onus on the public sector to broaden its focus and create values that stakeholders and the public require rather than merely ensuring efficiency (Gil-Garcia, Zhang & Puro-Cid 2016:527). While public value acknowledges public

administration's preoccupation with efficiency at the time, it also focuses on other principles such as objectivity, equality, democracy and justice (Bryson, Crosby & Bloomberg 2015:5).

Collaboration and engagement emerge as an important aspect of public value management. At the very heart of public value management is the aspiration to attain public value and determine what it constitutes as a process that requires collaboration from public managers and eminent stakeholders. The public value management approach is concerned with understanding what the public considers of significance and as such, stakeholders form an important part of this approach. With this approach, a decision is considered to be legitimate only when the relevant stakeholders have had a say in it (Stoker 2006 in Herder 2017:4; Pyun & Gamassou 2018:252). Todurt and Tselentis (2015:77) also note the requirement for public value goals to be sanctioned by citizens through platforms such as ongoing discussions and negotiations. Turkel and Turkel (2016:3) argue that with democracy and citizens as its focal point, public value aims to meet objectives resourcefully by reaching out to citizens and ensuring communication among citizens, public managers and professionals.

CONCEPTUALISING PUBLIC VALUE

Public value can be defined as “the value created by government through services, laws regulation and other actions” (Kelly, Mulgan & Muers 2002:4). It is a complex structure, which arises from a communal articulation. It cannot be achieved just by realising certain outcomes but through a course of action that produces fairness and trust (O’Flynn 2002 in Todurt & Tselentis 2015:75). Moore’s preferred definition of public value is the “managerial success in the public sector with initiating and re-shaping public sector enterprises in ways that increase their value to the public in both the short and long run” (1995:10). In fact, public managers, with the assistance of other role players, are viewed as pioneers, who set out to unearth, explain and ultimately create public value (Stoker 2006:42; Moore 1995:20).

While Moore concentrates on the role of public managers in relation to public value, Bozeman’s interest lies with the “policy or societal level and highlights the intersection of market success and failures with what he calls public value success and failures” (Bryson *et al.* 2015:6). It must be noted that Bozeman’s focus is on the public values of a nation and not individuals (2007:132). Public values are those which give rise to the ideal unanimity of:

- The privileges, gains and entitlements citizens should be permitted.
- The responsibilities citizens have to each other, the public and the state.
- The central beliefs which policies and the public sector should build on (Bozeman 2007:17).

Focusing on the democratic context, Kelly *et al.* (2002:4) state that in such a society, it is the citizenry who define public value. Pyun and Gamassou (2018:252) concur and posit that while public officials are instrumental in the creation of public value, it is the citizens who decide what it should constitute. This value that is decided upon is based on the inclinations of citizens which is then articulated in various ways and somewhat modified through the elected officials' pronouncements (Kelly *et al.* 2002:4).

Herder (2017:5) identifies the three elements of public value as effectiveness, quality and legitimacy. The author argues that with the public value management approach, public managers are tasked with developing systems and ensuring that the institution makes an impact. Furthermore, public managers must be accountable and engage with citizens, interested parties and elected representatives. Finally, while public officials have flexibility in executing their duties, they must do so according to the stipulations of the law, and in accordance with constitutional and democratic principles (Herder 2017:5).

CREATING PUBLIC VALUE

Moore (1995:71), established the notion of "strategy" in the public service to help assess what public value entails and how to go about creating it. This led to the strategic triangle which urges public managers in the Public Service to deliberate on three key ideas before embarking on a specific path. According to Moore (1995:71), the three elements that should be considered include:

- The significant public value the entity wants to create.
- The sources of legitimacy and support needed to give the entity the power to follow a particular path and supply the means to support value creation.
- The operational capabilities the entity would either look to or need to establish to deliver its goal.

These three elements are the requirements that must be met in order to produce public value (Moore 1995:71).

In his explanation of the strategic triangle, Omar (2015:29) states that the crafting of public value relates to the benefit the public institution intends to generate, through its targets and goals. Political sustainability and legitimacy is considered the basis for the mandate and means that the public institution relies on to deliver services. Operational capabilities are linked to the resources – human, technological and monetary – required for the public institution to function (Omar 2015:29). Strathoff (2016:20) postulates that Moore perceives the public managers' responsibilities to extend far beyond the administrative application of policies, encouraging them to become more involved and innovative, and ultimately produce value.

Prebble (2018:104) adds that Moore's theory of public value underscores the significance of participatory democracy and also focuses on the obligations linked to the use of public authority. In Turrel's (2017:1) view co-production is essential to create public value. Public managers, the clients they deliver services to and citizens are expected to work together to plan the provision of services and ensure it actually materialises. Public value allows for the consideration of relevant role players when decisions are taken by government (Pyun & Gamassou 2018:252).

Bryson *et al.* (2015:5) note the criticism levelled at Moore's theory of public value by Rhodes and Wanna (2007:408), who point out that it is "all things to all people" after being described as, *inter alia*, a concept, paradigm, story and model. Rhodes and Wanna further argue that Moore's theory gives much credence to the role of public managers, with limited consideration to elected officials and politics.

Moore's later works also mention the arbiters of public value, who determine how valuable a particular social outcome is when compared to another. The arbiters refer to people acting in their own interests, in collaboration with each other in the context of democratic processes, and the public as a whole (Prebble 2018:104). It is the latter concept – the public as a whole – that Prebble takes exception to. The author (2018:104) argues that the concept of the public as a whole can result in a misguided sense of certainty in knowing what the community considers to be of value. Simultaneously, it also suppresses the opportunity to discover how members of the public respond in relation to the exercise of public authority.

Taking a closer look at Bozeman's approach to public value, Bryson *et al.* (2015:6) argue that the approach infers that in a democratic context, public values are generally disputed and an agreement on these is seldom reached. In Bozeman's view, the failure of public values is the inability of either the markets or the state to deliver the goods and services essential to achieve public values. The author suggests a public value mapping model which includes general criteria, or a set of diagnostics, that could prove valuable when examining public value (Bozeman 2007:144). This model is aimed at detecting failure in relation to public value. "Public values failure occurs when core public values are not reflected in social relations, either in the market or in public policy" (Bozeman 2007:145). The criteria identified include mechanisms for values, imperfect public information, distribution of benefits, provider availability, time horizon, substitutability vs. conservation of resources, ensuring subsistence and human dignity.

In their analysis of public value, Jørgensen and Bozeman (2007:358–369) note 72 registered values that emerged (refer to appendix), which were examined thoroughly. Of these values, the authors identified seven constellations of public value. These constellations included:

- Values associated with public sector's contribution to society.
- Values associated with transformation of interests to decisions.

- Values associated with the relationship between the public administration and politicians.
- Values associated with the relationship between public administration and its environment.
- Values associated with intra-organisational aspects of public administration.
- Values associated with the behaviour of public-sector employees.
- Values associated with the relationship between public administration and the citizens.

While Jørgensen and Bozeman's constellations and registered values are extensive, these are summarised and mirrored in Kelly *et al.*'s. (2002:11) three categories of services, outcomes and trust, which will be discussed. The registered values do, however, become useful when measuring public value, which will be discussed later in this article. Kelly *et al.* (2002:4) place such credence on the creation of public value that the authors argue government's legitimacy is largely reliant on how successful it is in producing such value. The fundamental characteristics of public value can be classed in the three categories, according to the more prominent issues the public veers towards. These categories are services, outcomes and trust (Kelly *et al.* 2002:11). These categories can be described as the foundations of public value creation (Omar 2015:31).

With regard to the category of services, an issue that is essential to public value is citizens' satisfaction with the services provided by government (Kelly *et al.* 2002:11–12). The level of contentment with services is determined by a number of elements which Kelly *et al.* (2002:11–12) describe as:

- **Choice** – A variety of choices was found to raise the levels of satisfaction, even in instances where these choices had no significant effect on the quality of services.
- **Information** – A vital tool in efforts to strengthen interaction between citizens and the government services they receive. While information is not the sole determination of citizens' opinions of services, there is a link between the contentment with the provision and how knowledgeable the consumers are thereof.
- **Customer service** – Citizens place value on how they are treated by public officials.
- **Use of services and advocacy** – Citizens are more inclined to be satisfied with services that they have actually utilised rather than those they have only heard of. Furthermore, citizens tend to place more confidence in individuals who are in their vicinity rather than organisations. This suggests that advocacy by those who utilise services can be effective in raising the levels of satisfaction.

The category of services goes beyond citizens' satisfaction. It also incorporates the equitable delivery thereof as well as ensuring equality among the citizenry

(Yotawut 2018:172). In terms of the outcomes category, Kelly *et al.* (2002:15) note that in the eyes of citizens, outcomes are an important part of the interactions between themselves and government. Public health, the eradication of poverty, caring for the environment and peace and security are some of the outcomes citizens have been concerned with over the years (Kelly *et al.* 2002:15). The authors acknowledge that outcomes often intersect with services, citing the example of improved delivery offered by a school correlating to the outcome of a better educated society. However, Kelly *et al.* (2002:15) are quick to point out that services and outcomes are unique and should, therefore, be administered differently. The value in a better educated population extends beyond the quality of services offered by a particular school. Recently, governments have accentuated outcomes which are viewed as better targets. As a result, funding is now directly coupled with outcomes (Kelly *et al.* 2002:16).

An important factor for outcomes is that public value can be co-produced by public officials and citizens. In certain instances, the delivery of outcomes is not solely dependent on government (Kelly *et al.* 2002:16). For example, improved health care is not only reliant on the services offered by hospitals and clinics but also depends on the lifestyle of citizens and cannot be achieved if they shun exercise, follow poor diets and engage in reckless behaviour. Therefore, the role of the public is critical in producing the desired outcomes. Kelly *et al.* (2002:17) underscore that trust is at the core of the connection between government and citizens. The authors add confidence and legitimacy to the category of trust. Citizens place high value on trust which motivates them to contemplate participating in government actions (Kelly *et al.* 2002:17; Yotawut 2018:172). Trust is a critical issue when dealing with services that have a bearing on freedom and life, such as policing and health. However, it also has a bearing on most other services. Trust is such a critical component that a lack thereof has the potential to quash public value, even in instances where goals related to outcomes and services have been achieved (Kelly *et al.* 2002:17).

There are three principal arguments of what influences levels of legitimacy and trust, namely:

- Citizens' trust in government is moulded by common levels of public trust and the predisposition to place trust in organisations.
- Citizens' trust in government is fashioned by how efficiently it oversees the economy and provides services.
- Citizens' trust in government is influenced by the conduct of elected officials and the institutions they represent (Kelly *et al.* 2002:18).

Kelly *et al.* (2002:17) note that evidence suggests there is a multifaceted underlying connection between government performance and trust. Broader social shifts, service delivery, elected officials and their organisation's conduct, and

outcomes influence this relationship. Efforts to strengthen trust in any of these areas mentioned above could be impeded by changes in any of the other dimensions. Hence, for the purpose of this article, public value is defined as the value public officials create, in collaboration with citizens, through the services they help deliver, laws and their actions (Moore 1995; Kelly *et al.* 2002:4). This value is defined by citizens and key to its creation are three categories – services, outcomes, and trust (Kelly *et al.* 2002:11; Omar 2015:31).

MEASURING PUBLIC VALUE

While public managers are tasked with creating public value, as described by Moore, equally important is the need to analyse and measure the value created. According to Moore (1995:57), public managers are answerable for the value created by the institutions they belong to because these institutions utilise public resources to conduct their daily functions. Failure to justify the value created during the course of this work calls into question the legitimacy of the institution, and as a result, the public manager's leadership abilities (Moore 1995:57).

Moore points to three reasons, in particular, of the importance of measuring public value: These are: "to meet demands for external accountability; to establish a clear, significant mission and goal for the organization and to foster a strong sense of internal accountability" (Moore 2007:97).

Despite highlighting the significance of public managers being accountable for the public value created, Moore offers no clarity on how to measure public value in *Creating Public Value: Strategic Management in Governance*. The author suggests elements of the strategic triangle. However, Ćwiklicki (2016:21) highlights that these elements are not fully explained and are open to interpretation.

Faulkner and Kaufman (2017: 69) hold that there is no concrete method to measure the public value produced by an organisation. Mendel and Brudney (2014:33) suggest that public value "remains elusive, with little attention and some speculation". While there is no universal measure of public value, efforts have been made to develop methods to do so. This has resulted in the formulation of various frameworks aimed at encompassing public value.

Moore's public value scorecard

Almost 20 years after his seminal work, Moore suggests a scorecard to determine public value. Moore's public value scorecard is an adaptation of the management tool known as the Balanced Scorecard, which the author believes is inadequate for non-profit organisations (Moore 2013:106). Two key elements of Moore's scorecard is that it acknowledges the significance of decreasing costs in producing

value; and provides a means for government entities to track the outcomes, both envisioned and unforeseen, which emanate from their work (Moore 2013:48–53). Meynhardt *et al.* (2017:144), in their criticism of Moore’s scorecard, argue that it is a repetition of the strategic triangle and its sole focus is on public sector and non-profit organisations predominately connected to a United States perspective.

Meynhardt’s public value scorecard

Meynhardt’s public value scorecard “focuses directly on de facto public value creation along the four theory-based basic public value dimensions: moral-ethical, hedonistic-aesthetic, utilitarian-instrumental, and political-social” (Meynhardt *et al.* 2017:144). In an attempt to appease management officials who would in all likelihood reject a framework that does not include a financial measure, Meynhardt integrates financial-economic, which is the fifth dimension, into the instrumental-utilitarian dimension (Meynhardt *et al.* 2017:144). Adopting a psychologically-based approach, in Meynhardt’s view, the construction of public value is located in the association between an individual and society (Bryson *et al.* 2014:450). It originates in a person, comprises subjective assessments weighing up basic needs; is triggered and understood in emotional-motivational situations; and created and recreated in systems which are rich in experience. Meynhardt’s approach does not consider the organisation’s systems that play a role in the production of public value (Bryson *et al.* 2014:450).

Faulkner and Kaufman’s systematic review

More recently, in an attempt to offer some clarity on how to measure public value, Faulkner and Kaufman (2017:69) set out to systematically review literature on public value measurement. Their qualitative synthesis of the themes evident in 19 studies measuring public value yielded four central elements, namely: outcome achievement, trust and legitimacy, service delivery quality and efficiency. According to Faulkner and Kaufman (2017:69), “these four themes appear to present key dimensions essential for measuring public value”. The authors suggest that the themes should be considered when research is conducted on public value measurement in the future.

The four themes identified by Faulkner and Kaufman (2017:81) “constitute public value across a broad array of national and policy constructs”. Highlighting the significance of the themes, Faulkner and Kaufman (2017:77–81) assert that these phrases were utilised widely to illustrate elements of public value measurement and can also be applied to most public institutions. The authors argue that the four themes that emerged from their research revealed a group of common elements that could be of value to the majority of people (Faulkner & Kaufman

2017:81). Furthermore, the themes reflect the categories (services, outcomes and trust) introduced by Kelly *et al.* (2002:11) which are considered the sources of public value. It is for these reasons that this study relied on the four themes – outcome achievement, trust and legitimacy, service delivery quality and efficiency – to measure public value.

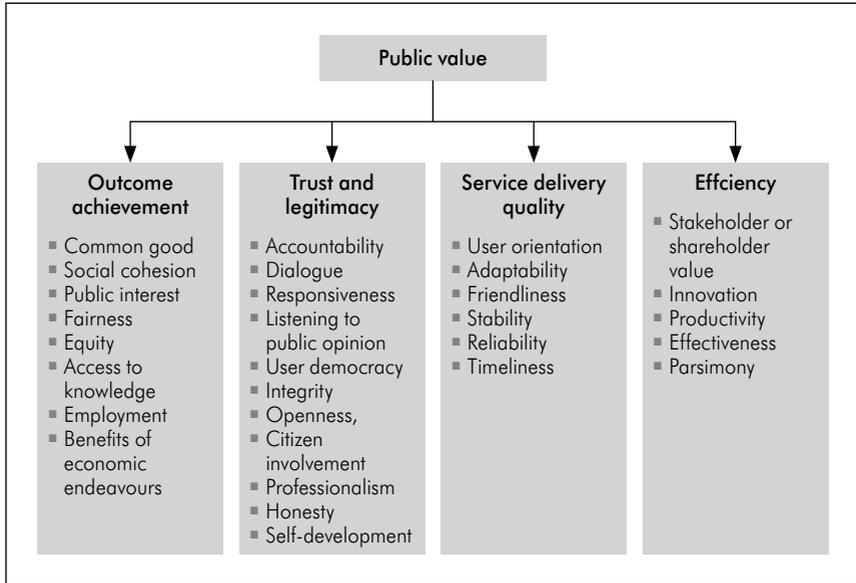
A further exploration of the themes revealed that outcome achievement is described as the degree to which the public sector develops the results valued by the public in a number of sectors. Omar (2015:63) relies on Jørgensen and Bozeman's public value inventories to identify common good, social cohesion, public interest, fairness and equity as factors which relate to outcome achievement. However, all the values listed above are specific to the achievement of social outcomes. Values relevant to economic outcomes, environmental outcomes and cultural outcomes include access to knowledge, employment and benefits of economic endeavours, and social capital/cohesion (Bozeman *et al.* 2015; Benington 2009; Benington 2011 in Faulkner & Kaufman 2017:77).

Trust and legitimacy is described as the degree to which citizens and other stakeholders consider a public organisation and its undertakings legitimate and truthful. This includes issues such as citizens' belief in an organisation, the faith they place in the services and programmes it provides and whether they believe service provision is taking place openly and equitably (Faulkner & Kaufman 2017:79). The 11 values identified from Jørgensen and Bozeman's public value inventories which have a bearing on citizens' trust in government include: accountability, dialogue, responsiveness, listening to public opinion, user democracy, integrity, openness, citizen involvement, professionalism, honesty and self-development (Omar 2015:55).

Service delivery quality is described as the extent to which the provision of services accommodates the needs of the recipient and takes place in the best way possible. Service delivery quality is at its highest when the recipients of the services are happy; they believe the services will make a difference in their lives; services can be acquired easily; and they have been consulted properly (Faulkner and Kaufman 2017:79). Jørgensen and Bozeman's public value inventory points towards the following values which play a role in the quality of service delivery: user orientation, adaptability, friendliness, stability, reliability and timeliness (Omar 2015:60).

Efficiency is described as the degree to which the public organisation achieves the best results for citizens with the limited resources it has to work with. Efficiency is considered to be at a high level when the institution delivers value for money; there is no unnecessary red tape that citizens have to navigate; and the services provided by the organisation are thought to dwarf the costs associated with the organisation (Faulkner & Kaufman 2017:79). In addition, issues of efficiency take into consideration whether the correct measures have been adhered to and

Figure 1: Public value measurement themes



Source: (Adapted from Faulkner and Kaufman 2017:77)

executed appropriately (Kelly *et al.* 2002:6). Stakeholder or shareholder value, innovation, productivity, effectiveness and parsimony are all values in Jørgensen and Bozeman’s public value inventory which has an effect on efficiency.

SYNTHESIS AND CONCLUSIONS

While there is no universal measure of public value, efforts have been made to develop techniques to do so. This has resulted in various frameworks aimed to encompass public value measurement, including Moore’s and Meynhardt’s public value scorecards. Moore’s scorecard acknowledges the significance of lowering costs to produce value and also provides a means for government entities to track the outcomes, both envisioned and unforeseen, which arise from daily commitments at work (Moore 2013:48–53). However, both scorecards prove problematic. Moore’s public value scorecard has been described as a repetition of his strategic triangle while its sole focus is on public sector and non-profit organisations predominately connected to a United States perspective (Meynhardt *et al.* 2017:144). According to Bryson, Crosby and Bloomberg (2014:450), Meynhardt’s approach does not consider the organisation’s systems that play a role in the production of public value.

Faulkner and Kaufman (2017:69) suggest four central elements that “appear to present key dimensions essential for measuring public value”. These include: outcome achievement, trust and legitimacy, service delivery quality and efficiency. Outcome achievement is described as the degree to which the public sector develops results valued by the public in a number of sectors. Factors that relate to outcome achievement include: common good, social cohesion, public interest, fairness, equity, access to knowledge, employment and benefits of economic endeavours, and social capital (Omar 2015:63; Bozeman *et al.* 2015; Benington 2011 in Faulkner & Kaufman 2017:77).

Trust and legitimacy is described as the degree to which citizens and other stakeholders consider a public organisation and its undertakings legitimate and truthful (Faulkner & Kaufman 2017:79). The values that have a bearing on citizens’ trust in government include accountability, dialogue, responsiveness, listening to public opinion, user democracy, integrity, openness, citizen involvement, professionalism, honesty and self-development (Omar 2015:55). Service delivery quality is described as the extent to which the provision of services accommodates the needs of the recipient and takes place in the best way possible (Faulkner & Kaufman 2017:79). The following values play a role in the quality of service delivery: user orientation, adaptability, friendliness, stability, reliability and timeliness (Omar 2015:60). Efficiency is described as the degree to which the public organisation achieves the best results for citizens with the limited resources it has to work with (Faulkner & Kaufman 2017:79). Stakeholder or shareholder value, innovation, productivity, effectiveness and parsimony all have an effect on efficiency (Jørgensen & Bozeman 2007:358–369). Faulkner and Kaufman (2017:69) suggested that the four themes outlined above should be considered when research on public value measurement is conducted in the future. The authors argue that these phrases were utilised widely to illustrate elements of value measurement and can also be applied to most public institutions.

Public value theory has evolved with the advent of time since it was first introduced by Moore, with attempts made to better define and measure it. Despite this evolution, it is important to note that since its conception to date, the role of the public in public value has consistently been underscored. This public has been described in a number of ways over the years and in the modern era, public managers must also consider the digital public – those who use social media. As important as it is to create public value, equally important is the need to measure it. Faulkner and Kaufman (2017:69) suggest that research on public value measurement must consider outcome achievement, trust and legitimacy, service delivery quality and efficiency. There are a number of values which are evident in each of these themes, as set out above. It is the four themes of outcome achievement, trust and legitimacy, service delivery quality and efficiency and the values significant to each that were considered throughout this study.

NOTE:

- * This article is partly based on an MPA mini-dissertation that was completed under the supervision of Prof N Holtzhausen. Naidoo, I. 2019. *“Exploring the use of social media to increase public value: The case of the Department of Government Communication and Information System”*. Unpublished Master’s in Public Administration. Pretoria: University of Pretoria.

REFERENCES

- Benington, J. and Moore, M.H. (Eds). 2011. *Public Value: Theory and Practice*. Basingstoke: Palgrave Macmillan.
- Bryson, J.M., Crosby, B.C. and Bloomberg, L. 2014. Public Value Governance: Moving beyond Traditional Public Administration and the New Public Management. *Public Administration Review*. 74(4):445–456.
- Bryson, J.M., Crosby, B.C. and Bloomberg, L. (Eds). 2015. *Creating Public Value in Practice: Advancing the Common Good in a Multi-Sector, Shared-Power, No-One-Wholly-in-Charge World*. Florida: CRC Press.
- Bryson, J.M., Sancino, A., Benington, J. and Sorensen, E. 2017. Towards a multi-actor theory of public value co-creation. *Public Management Review*. 19(5):640–654.
- Ćwiklicki, M. 2016. Comparison of public value measurement frameworks. *Zarządzanie Publiczne*. 1(35):20–31.
- Faulkner, N. and Kaufman, S. 2017. Avoiding Theoretical Stagnation: A Systematic Review and Framework for Measuring Public Value. *Australian Journal of Public Administration*. 77(1):69–86.
- Gil-Garcia, J.R., Zhang, J. and Puron-Cid, G. 2016. Conceptualizing smartness in government: An integrative and multi-dimensional view. *Government Information Quarterly*. 33(3):525–534.
- Herder, M. 2017. Building blocks for public value: A study of four managerial activities as conditions for public value creation. Unpublished Masters dissertation. Utrecht: Utrecht University.
- Jørgensen, T.B. and Bozeman, B. 2007. Public values: An inventory. *Administration & Society*. 39(3):354–381.
- Kelly, G., Mulgan, G. and Muers, S. 2002. *Creating public value: an analytical framework for public service reform*. London: Cabinet Office Strategy Unit, UK Government.
- Meynhardt, T., Brieger, S.A., Strathoff, P., Anderer, S., Băro, A., Hermann, C., Kollat, J., Neumann, P., Bartholomes, S. and Gomez, P. 2017. Public Value Performance: What Does It Mean to Create Value in the Public Sector? In Andeßner, R., Greiling D. and Vogel, R. (Eds). *Public Sector Management in a Globalized World. NPO-Management*. Wiesbaden: Springer Gabler
- Moore, H.M. 1995. *Creating Public Value: Strategic Management in Government*. London: Harvard University Press.
- Moore, M.H. 2007. Recognizing Public Value. In Wanna, J. (ed). *A Passion for Policy: Essays in Public Sector Reform*. Canberra: ANU E-Press.
- Moore, H.M. 2013. *Recognizing Public Value*. London: Harvard University Press.

- Omar, K.H.M. 2015. The public value of Gov 2.0: The case of Victorian Local Government, Australia. Unpublished PhD thesis. Swinburne: Swinburne University of Technology.
- Prebble, M. 2018. Are “We” Singular? The Nature of Public Value. *American Review of Public Administration*. 48(2):103–118.
- Pyun, H.-O. and Gamassou, C.E. 2018. Looking for Public Administration Theories? *Public Organization Review*. 18(2):245–261
- Rhodes, R.A.W. and Wanna, J. 2007. The Limits to Public Value or Rescuing Responsible Government from the Platonic Guardians. *Australian Journal of Public Administration*. 66(4):406–421.
- Stoker, G. 2006. Public Value Management: A New Narrative for Networked Governance? *American Review of Public Administration*. 36(1):41–57.
- Strathoff, T.P. 2016. Strategic Perspectives on Public Value. Unpublished PhD thesis. St Gallen: University of St. Gallen.
- Todurt, A.V. and Tselentis, V. 2015. *Designing the Model of Public Value Management*. Bucharest: 9th International Management Conference.
- Turkel, E. and Turkel, G. 2016. Public Value Theory: Reconciling Public Interest, Administrative Autonomy and Efficiency. *Review of Public Administration and Management*. 4(2):189–195.
- Yotawut, M. 2018. Examining progress in research on public value. *Kasetsart Journal of Social Sciences*. 39(1):168–173.

AUTHOR’S CONTACT DETAILS

Ms Irene Naidoo

School of Public Management and Administration
 Faculty of Economic and Management Sciences
 University of Pretoria
 Lynnwood Road
 Pretoria
 Cell: 072 1169637
 Email: naidooIrene@gmail.com

Prof Natasja Holtzhausen

School of Public Management and Administration
 Faculty of Economic and Management Sciences
 University of Pretoria
 Lynnwood Road
 Pretoria
 Cell: 082 908 2598
 Email: natasja.holtzhausen@up.ac.za

Interrogating Policy Marketing and Policy Acceptance Nexus

A Ghanaian Case Study of the Luxury Vehicle Tax Policy

A K Eliason

Department of Public Administration and Health Services Management
University of Ghana Business School
Accra, Ghana

E K Sakyi

Department of Public Administration and Health Services Management
University of Ghana Business School
Accra, Ghana.

ABSTRACT

It is important to move public opinion in support of policy initiative if such policies are to be successfully implemented. This article examines how policy marketing impacts its acceptance, using the Government of Ghana's Luxury Vehicle Tax (LVT) policy as a case study. This article combines qualitative documentary research with netnography in presenting a case for the need to market public policies. Documentary review was used to elicit meaning, gain understanding and develop empirical knowledge and netnography was used to solicit the view shared by bloggers, policy think tanks, tax specialists and the general public on the LVT levy via online platforms including Facebook and Myjoyonline. The study finds that definition challenges, double taxation, inadequate education and consultation, failure to address the retrospective effect of the LVT policy; are the reasons why citizens and groups resisted the LVT policy. Also, the findings of the study reveal that market intelligence, proper promotion of policy to the public, assessing cost of compliance to the public, interference of contemporary avenues with policy; affect how policy marketing would help increase policy acceptance. The findings of the study will help promote the effective and efficient marketing of public policies to ensure acceptance by the public. The study concludes that policymakers should not apply the one-size-fits-all rule in devising policies but rather

there should be variety or alternative public policy design and execution strategies. This article provides some recommendations which, when implemented, will foster effective and efficient policy marketing which will result in policy acceptance by the public.

INTRODUCTION

Government may craft policies that may unquestionably be good, however, such policies may end up not achieving their intended objectives if the majority of the citizenry do not buy into their rationale and thereby accept it. In a modern democratic system of governance, it is imperative to move public opinion in support of policy initiatives if such policies are to be successfully formulated and implemented. Nevertheless, moving public opinion in support of policy initiatives demands that policymakers appropriately package and market their policies to those affected in order to gain their acceptance. Effective marketing of public policies to citizens will therefore minimise (if not eliminate completely) their resistance towards the policy initiative, and as well render ineffective other sources of informal and formal communication that could influence segments of the citizenry to resist or reject the policy initiative. For example, within the Ghanaian context, it is commonplace for citizens to resist new policy initiatives based on information put out by unofficial communication sources such as media pundits, policy think tanks, social media and internet platform bloggers, among others.

The conventional view of marketing creates the impression that marketing is an activity limited to profit-making entities. Presently, a plethora of studies conceptualise the idea of applying marketing principles to the field of political communication and policy formulation in the public sector. For example, the work of Ritchie and LaBreque (1975) in *Marketing Research and Public Policy: A Functional Perspective*, made a seminal contribution to the literature on political sector marketing subsequent to the earlier work of Wilkien and Gardner (1974). However, regardless of the discussions on political actors, seldom does one find in the literature any study that emphasises the need to market public policies of an incumbent government as a product that needs to be accepted by the market (i.e. citizens). An extant review of the literature reveals that most publications regarding political marketing focus on the strategies adopted by politicians to win elections or gain political relevance (e.g. Grimmer & Grube 2019; Iversen & Knudsen 2019; Rutter, Hanretty & Lettice 2018; Lucarelli 2018; Lalancette & Raynauld 2019). Studies pertaining to the marketing of the policies of an

incumbent government in order to gain acceptance are, however, not common in the literature. In the case of Ghana's LVT policy, there are many unanswered questions pertaining to the policy. These include: In which way has the lack of policy marketing affected citizens' acceptance of the policy? Can it be said that the lack of policy marketing caused the failure of the policy? and Would the policy have been more popular and acceptable through policy marketing? These interrelated questions will be pursued in this article with focus on the LVT policy.

The article combines qualitative documentary research with netnography in presenting a case for the need to market public policies. Documentary review entails a systematic procedure of reviewing existing documents in order to elicit meaning, gain understanding and develop empirical knowledge (Corbin & Strauss 2008; Bowen 2009). Within the study, existing empirical literature pertaining to political communication and marketing were first reviewed for identification of research directions and gaps needing further research. The use of a keyword search in databases such as Sage, Emeraldinsight, Taylorandfrancisonline, and Wiley was employed. The study developed a literature matrix which helped uncover the need for research focusing on political marketing practices of incumbent governments. Netnography, on the other hand, is defined as the "written account of on-line cyberculture, informed by the methods of cultural anthropology" (Kozinets 1997: 3). Netnography is a qualitative technique that draws data from computer-mediated communication channels, notably online social media platforms and websites (Chua & Banerjee 2013). In light of the netnographic technique, the study analysed the views shared by bloggers, policy think tanks, tax specialists, and the general public on the LVT levy via online platforms including Facebook and MyJoyonline news websites. Facebook was chosen for data gathering purpose since IMANI Ghana, one of the most influential policy think tanks in the country, resorted to the said platform in registering its concerns about the LVT levy, which eventually elicited diverse opinions from the online community. The use of MyJoyonline news website is also justified by the fact that the website hosts a well-organised archive of information concerning the LVT policy, from its inception, implementation, to abolition. The website also contains information concerning the views of tax experts and other notable individuals who proffered varied opinions on the said policy.

This study therefore seeks to examine how policy marketing impacts its acceptance, using the government of Ghana's LVT policy as a case study. To operationalise this objective, the study attempts to:

- Explain how the lack of policy marketing affected policy acceptance and success.
- Discuss the effects of poor policy marketing on acceptance rate.
- Offer possible suggestions aimed at improving policy marketing in the future.

THE CLASSIC VIEW OF POLITICAL MARKETING

By marrying politics to marketing, political marketing is birthed (Menon 2008). However, simply stated, the definition of political marketing is not as straightforward. Scammell (1999) and Lees-Marshment (2001) believe that there is no single universal definition of political marketing in the literature. Different scholars attempt at defining the concept from different perspectives. Notwithstanding, the definition of Marshment (2019) has been adopted for purposes of this study. He notes that political marketing is “a process by which political actors (parties, movements, governments, and politicians) publicize their ideologies and their dogmas to citizens through masterly-crafted communications in order to gain support from the public” (Marshment 2019).

The concept ‘political marketing’ is not new because its roots can be traced to epochs preceding the 20th century. However, during that era, the practice of political marketing was considered a means for mass divulgation of arbitrary views through propaganda. Notably, the Latin word “propagare” meaning “to spread, to extend, to disclose” historically was interpreted to mean an exaggeration, misrepresentation, and abuse – which ultimately connoted the mere use of language to influence value systems and the opinion and behaviour of citizens. Ursprung (1992) notes that political parties distribute semi-truths to electorates at no cost to them via propaganda, and the electorates tend to be happy to receive free information which subsequently influences their voting decisions. However, one can only fake the process and not the outcome. For instance, political interests who eventually win power based on propaganda filled with semi-truths fail to fulfil their lies, thereby making the electorates distrustful of their government. The argument can of course, be made that electorates receiving half-truths will cross-check and validate propaganda information. Ursprung (1992) argues that validating and checking propaganda information involves outlays which the electorate is not prepared to make. Contextually, the concept of propaganda can be likened to false advertising and promotional activities of companies. In traditional marketing, the reputation of a firm is key in ensuring its long-term sustainability. Businesses that tend to promote false propaganda about their products may initially make gains under false pretexts, but would eventually be exposed when their products fail to deliver the needed benefits to customers, and such exposure eventually erodes earlier gains, leading to losses and in some cases collapse. A typical example is the lawsuit by the Federal Trade Commission (USA) against the Volkswagen Group of America, seeking compensation for consumers who were deceived by the automaker’s “Clean Diesel” advertising as it cheated on government emissions tests. The automaker admitted that it deliberately equipped the cars with a “defeat device” that would enable them to pass emissions tests even as they spewed nitrogen oxides at up

to 40 times the legal limit. The consequence of Volkswagen misleading customers and regulators was a fine of US\$4.3 billion (Reuters 2019), and a dent in the corporate reputation of the company.

CONTEMPORARY VIEW OF POLITICAL MARKETING

Comparatively, today's usage of the term political marketing has taken a broader perspective and positive outlook than the old view which described it as a crafty tool of manipulating public opinion. For Harris and Lock (2010:43), "political marketing is now a significant area of international research in contemporary marketing" as it has its own branding models, market research and communication strategies, among others. In line with Harris and Lock (2010) Lees-Marshment (2014) contends that political marketing in the post-20th century is now a more systemic and organised discipline. The competitive nature of today's political activities has made it almost impossible to do away with marketing strategies in the political terrain. This becomes intense with the advent of internet networking applications like social media, blogs, wikis, among others. In the view of O'Casey (1996), commercial marketing which primarily seeks to promote and create demand for a product is no different from political marketing which also aims at buying the support of a target audience. Moreover, as of 1996, O'Casey held the view that the similarities found in commercial and political marketing mainly lies in the tools and strategies they deploy. In the study, new policy initiatives by incumbent governments are considered the "marketing product", whereas those affected by the policy are considered the customers. Buying a policy initiative contextually means that those affected by the policy have welcomed the policy and support it.

REASONS CITIZENS RESIST PUBLIC POLICY

Citizens may resist policies of government for a number of reasons, but at the heart of it is public distrust. Public distrust as used in this context is multipronged. First, when citizens are in doubt of the efficacy of a particular policy intervention or initiative, they are skeptical about the ability of the policy offering to meet their needs and wants, hence may revolt/resist the policy. The scenario can be linked to a product whose potential customers doubt its abilities; the result is that the customers may not buy the product at all, or reduce the consumption of the product. On the other hand, citizens' resistance may be founded on their distrust in the government itself, and not the policy per se. A government that fails to honour promises made to the electorate may be considered unreliable, hence, its policy

initiatives may be regarded as manipulative and untrustworthy. This may then result in policy resistance by the affected stakeholders. The relative deprivation theory (RDT) as proposed by Stouffer *et al.* (1949) offers explanation to this phenomenon. The RDT holds that “when individuals respond to frustration and do not receive a response that relieves their frustration, such individuals will respond with aggression” (Mariel & Arthur 2013:1). The RDT has important implications for both behaviour and attitudes, including feelings of stress, political attitudes, and revolt against rules and norms. In the extreme, policies may be resisted as a political strategy to prove a point that the person championing the policy is not up to the task. This is very prevalent in democracies where opposing political parties subject each other’s policy initiatives to criticism, be it constructive or destructive. Such forms of resistance are usually accompanied by the suggestion of a supposed superior alternative by the resisting entity. In addition, just as products cost consumers to acquire, policies also do have compliance costs. The affected parties of a policy may resist it where they perceive the cost of compliance (loss of jobs, explicit cash payment, opportunity, cost of compliance, etc.) to be more than the benefit to be derived from the policy, be it explicit or implicit.

Negative engagement as a manifestation of policy resistance

Negative engagement is considered a “premeditated, activated and dedicated behavior” (Bowden *et al.*, 2016:268), and it depicts a more active form of citizens’ negative sentiment. Bowden *et al.* (2016) join Luoma-Aho (2015) in arguing the point that negative engagement usually manifests in unwelcoming attitudes from the citizenry, such as public protests, boycotts, negative word-of-mouth, and revenge-seeking behaviour. Such manifestations of negative engagement according to Kim and Krishna (2018) present key challenges for the government in its policy implementation process, especially when the government is democratically elected. According to Kanter, and Mirvis (1989), negative engagement leads to public cynicism, a phenomenon depicting “a sense of being let down or of letting oneself down, and more darkly, the sense of being deceived, betrayed or used by others”. As posited by Helm (2004) in *Cynics and skeptics: Consumer dispositional trust*, cynics are not merely dissatisfied – “they are bitter, angry and resentful” (2004: 345). In the relationship between a government and its citizens, the public tend to exhibit traits of cynicism when they feel that the government makes false promises, false appearances and exhibits a manipulative character. The public’s attitude tends to be characterised by frustration and disillusionment as well as negative feelings towards the government, its ideologies, as well as its policies (2004: 450). The resulting effect manifests in public protests, boycotts, negative word-of-mouth, and revenge-seeking behaviour, among others.

Political/policy marketing strategies and policy resistance

Lees-Marshment (2001) and Lilleker and Lees Marshment (2005) provided a framework that outlined three broad strategic marketing orientations of political parties, encompassing the market-oriented party (MOP), the sales-oriented party (SOP) and product-oriented party (POP).

Market-oriented party strategy

First, Lees-Marshment (2001) notes that the MOP is the one that employs diverse marketing tools to first understand voters and then responds to voter demands in a manner that does not compromise the interest of political members' needs, ideas from politicians and experts and the realities of governing. In other words, Lees-Marshment (2001) notes that after conducting a research into the needs of voters, the MOP does not just go ahead satisfying the needs/wants, but also ensures that the products meant to satisfy voters' needs and wants are acceptable to internal party structures as well as external structures and stakeholders including policy think tanks, funding institutions, international bodies (e.g. International Monetary Fund (IMF)) among others. Understanding voter needs, as noted by Lees-Marshment (2001), involves gathering market intelligence through a variety of methods including polling, focus groups, segmentation, listening exercises, and informal gut feeling. This is followed by disseminating the results of the intelligence-gathering exercise to the appropriate body (e.g. strategy groups, policy development committees, party leaders and campaign committee – or just the leader) for further action to be undertaken. Moreover, in an MOP, the political products offered to voters should have the ability to fulfill party promises and also withstand competition from opposition parties by identifying the opposition's weaknesses and highlighting the strength of the said political offering. It is believed that the MOP strategy, if well executed, could be an effective means of overcoming/avoiding public resistance to policies, since the policy design is informed by market intelligence on the needs and wants of the public. For instance, through market intelligence, policymakers may be able to determine the extent of compliance cost that the public are willing to pay in order to support a supposed government policy; it would also afford policymakers the opportunity to identify the most effective tools to use in promoting the policy to the affected parties. In addition, the MOP strategy could help gather intelligence of the best way through which the public would want to interface with government.

Sales-oriented party and product-oriented party strategy

In contrast to the MOP strategy, SOPs rather seek to sell political products they believe can address the demands of voters, by employing political marketing tools (Lees-Marshment 2001; Lilleker & Lees-Marshment 2005). In a typical SOP,

market intelligence is employed with the primary aim of persuading voters to accept political product offerings, rather than to inform product design as in the case of an MOP. Lees-Marshment (2009: 9) posits that SOP strategy is more likely to be adopted by political parties with fewer chances of winning an election “to present their argument most effectively to the segments most open to persuasion”. The use of convincing promotional strategies is key where SOP strategy is employed. This is due to the fact that the policy design process in an SOP strategy is not informed by research intelligence on public needs/wants, hence may easily be resisted where the public feel the policy offering cannot satisfy their needs/wants.

Finally, Lees-Marshment (2001) posits that POPs seek to make a case for what they stand for and believe in. POPs operate on the assumption that the ideals they subscribe to are the best and would stand by it even if it does not win them elections. Lees-Marshment (2001), however, contends that for long-term survival, political parties may have to decide between sales or market orientation. In terms of marketing a policy, the POP takes the same approach as the SOP, only that the SOP strategy makes extensive use of varied promotional techniques that seek to convince the public to buy into a policy offering.

TOOLS OF POLITICAL/POLICY MARKETING

Governments around the world adopt diverse forms of strategic marketing communication programmes such as public campaigns, publicity, blogging, among others; in an attempt to buy support from affected parties in the policy implementation process (Agerdal-Hjermind & Valentini 2015). For instance, in the context of the United States, Nisbet (2009) writes that the government engaged its citizens in the discussion on climate change through extensive news coverage on the phenomenon; whereas the Korean government, via a web-based cartoon, launched an anti-smoking campaign aimed at discouraging smoking among adolescents. The use of political posters and traditional media discussion platforms (television and radio) for political publicity has also been well documented in the literature.

Megaphoning, a concept popular in the organisational context but extended to other platforms, is the practice whereby engaged citizens and institutions forward their views about the government using web 2.0 enabled technologies. Popular among such technologies are social media (e.g. Twitter and Facebook), blogs and wikis. Anderson and Rainie (2010) argue that the frequent use of social media as a tool of (policy) communication will be pervasive and enduring and the potential future effects are that institutions, policymakers and communicators at large who fail to adapt to this trend may face communication problems in contemporary times. When the public tends to megaphone government policies using any of

these technologies, they are either sending out the right or erroneous information, which in turn will influence public perception about the policy. In addition, Kim and Krishna (2018) note that proactive and engaged citizens may forward their opinion concerning government initiatives to social media and as such it behooves government communicators to fully exploit these technologies. Negative megaphoning occurs when the public post negative notes and regularly criticise government initiatives using internet platforms (Kim & Krishna 2018). When there is increased negative megaphoning about government policies, it makes the public distrustful of the government and its policies, thereby making them doubt the authenticity of government communication. This leads to negative engagement and cynicism among the public.

Accordingly, Twiplomacy, is an emerging terminology describing the use of Twitter (a social media network) by heads of states and government officials for purposes of diplomatic outreach and public diplomacy (Keleman & Michele 2014). In an extant review of 127 articles in respect of Twitter in communicating political messages and gaining policy acceptance Jungherr (2016) found that social media is now a central part of the media ecology by which policy communications can be understood and accepted. Specifically, the study finds that Twitter can be an effective policy discussion platform through which rulers will engage citizens on a subject matter, with the sole view of reaching a consensus. Thus, even if initially the communicated information would be rejected by the audience, discussion of such policy with the audience enhances the acceptability of the subject matter. The findings of Jungherr (2016) are in line with findings by Skoric, Zhu, Goh, and Pang (2016). Skoric *et al.* (2016) conducted a meta-analytic review of social media and the potential of improving citizen engagement. The results of their study revealed that social media platforms are a potential tool to enhance citizen engagement and political participation, especially through group discussions. In the United States, Zhang *et al.* (2010) investigated whether social media (i.e. Facebook, Myspace and YouTube) use can have any significant influence on civic engagement. The study found that social media usage is positively related to civic engagement, thus confirming the findings of Skoric *et al.* (2016) and Jungherr (2016).

Political/Policy marketing strategies and tools: the case of Ghana

It is difficult to identify one uniform political strategy employed by political parties in Ghana; however, by looking at the political posture of some specific political parties, one can identify with certainty the strategies employed by these parties. Prior to the 2008 presidential elections in Ghana, the main opposition party then (i.e. the National Democratic Congress) used a door-to-door technique in

reaching out to potential voters at their homes and engaged them to identify their needs and wants (Aidoo 2018). The data gathered from that exercise fed into the campaign message and policy offerings tabled by the party which subsequently won the presidential election. From this, it can be deduced that the party employed an MOP strategy, where political parties initially gather market intelligence which then informs the design of political products (e.g. policies) that meet the needs and wants of voters. Observations from the Ghanaian political environment suggest that one party can blend more than one strategy simultaneously depending on its needs and status. For instance, the two major political parties in Ghana (i.e. the New Patriotic Party (NPP) and National Democratic Congress (NDC)) could be said to be inherently POPs, since they both subscribe to certain ideals they believe is the best way to satisfy the needs and wants of voters. For instance, whereas the NDC subscribes to socialist ideals, the NPP is a centre-right and liberal-conservative party. However, regardless of its inherent posture as a POP, the NDC adopted the MOP strategy in 2008 by first gathering market intelligence from voters and allowing such intelligence to inform the design of political products. At that point, the party was market-oriented while holding predominantly socialist views.

Accordingly, political marketing and for that matter policy marketing in the Ghanaian context is characterised by diverse publicity strategies to promote key policies. Reference can be made to the government's extensive use of television announcements and advertising concerning the national health insurance registration exercise introduced by the government. Apart from this, the proliferation of political talk shows on radio and television seems also to characterise political or policy marketing in Ghana. As noted by Aidoo (2018), a number of radio and television stations hold panel discussions involving political party members both from the opposition and the incumbent government, thus providing an avenue for discussions on government policies with the view of buying the support of the public or audience. In addition, it is worth mentioning that such political talk shows are open for political discussion both during and after the electioneering campaign. During election campaigns, these platforms usually serve as an avenue for communicators of the various political parties to make a case for the policies their party seeks to/ or has rolled out with the view to buying support from viewers. A typical example is a political talk show called 'Ekosisen' produced by one of the popular radio stations in Ghana, known as Asempa FM. During the 24 September 2012 show, a ranking member of the opposition party presented an argument for a free Social Health Services (SHS) policy that the (opposition) party sought to roll out should it be elected into power. The communicator marketed the policy initiative by indicating that the policy was aimed at making education accessible to the ordinary Ghanaian from the basic level up to the secondary-school level. It is noteworthy that when the party won the 2012

election, it implemented the free SHS policy, which many touted as a flagship policy of the said political party. This example highlights how television and radio contribute to political marketing in Ghana. Apart from the traditional media, the advent of social media (Facebook, Twitter, etc.) has an influence on political or policy marketing practices in Ghana. Presently, almost all the political parties in Ghana, have official social media profiles where they post information for their followers to read. For example, in a Facebook post on 11 September 2019, the incumbent government assured citizens of the government’s commitment to fighting corruption, and the need to disregard other communication that suggests that the government is not committed to the fight against corruption. In the context of political marketing, such communication can be seen as a strategy to reinforce consumers’ trust in a product (i.e. policy offering to fight corruption), and also to safeguard one’s product from the competition.

THE LUXURY VEHICLE TAX (LVT) POLICY

On 19 July 2018, the finance minister of Ghana announced on the floor of Parliament the government’s intention to introduce an LVT policy as part of the domestic revenue mobilisation sources. Although the announcement generated heated argument on the floor of Parliament and among the general populace on the propriety and merits of this public tax policy, the Act was passed by Parliament and assented to by the President on 31 July 2018. The said luxury tax took the form of an annual levy on vehicles with engine capacities 2.9 (2900cc) and above. Specifically, a schedule in the Act relating to section 1 and 4 outlined the following charges for the following engine capacities

Table 1: Luxury Vehicle Tax Schedule

ENGINE CAPACITY	LEVY (GHC)	US\$ Equivalence as at 21/10/2019
1. 2950cc - 3549cc .	GHC1,000.00	\$183.275
2. 3550 cc–4049cc	GHC1,500.00	\$274.912
3. 4050cc and above	GHC2,000.00	\$366.503

Source: (Luxury Vehicle Levy Act, 2018 (Act 969) *NB: exchange rate sourced from xe.com)

This tax was expected to be paid by owners on the date of first registration of the motor vehicle; alternatively, on or before the due date for the renewal of road worthiness certificates (Section 1 of the Luxury Vehicle Levy Act 2018). Moreover, all vehicles of the stipulated engine capacities registered before and after the passing of this Act were affected. According to section 2 of the Luxury

Vehicle Levy Act, 2018 (Act 969), the only exempted category of vehicles as far as the LVT levy was concerned included tractors, ambulances, commercial vehicles able to transport more than 10 passengers, goods-only commercial vehicles, and other motor vehicles that may be exempted by the minister through a legislative instrument. In respect of the collection of the levy, it is stated in section 3 of the Luxury Vehicle Levy Act, 2018 (Act 969) that; “The Driver and Vehicle Licensing Authority shall collect the Levy imposed under this Act”...“The Levy collected under section 3, shall be paid into a bank account opened for the purpose by the Board, with the approval of the Controller and Accountant-General”.

Justification for the LVT policy

The primary reason for introducing the LVT, consistent with most tax policies, was to raise revenue to support government expenditure. During the presentation of the 2018 mid-year budget statement and economic policy, the Minister of Finance indicated that the LVT policy had been planned to help raise revenues to finance the budget deficit for the impending period. In the 2018 mid-year budget statement and economic policy report, the minister of finance indicated that the government intended to raise an estimated GHC104 million revenue from the LVT levy. Part of the finance minister’s statement in relation to the LVT reads as follows: “Mr. Speaker, based on the fiscal performance for the first five months of 2018, we have programed the underlisted measures to ensure that we meet our fiscal deficit target of 4.5 percent of GDP to end the year:

- Conversion of National Health Insurance of 2.5 percent to a straight levy of 2.5 percent;
- Conversion of GETFund value added tax rate of 2.5 percent to a straight levy of 2.5 percent;
- Imposition of luxury vehicle tax on vehicles with capacity of 3.0 litres and above” (cited in Lowi 1966:27–40).

Per the minister’s assertions during the introduction of the policy, the LVT could be classified as a redistributive policy, one which seeks to readjust the allocation of wealth or some other value among social classes or segments of society (Lowi 1966:27–40). The policy is considered a redistributive one as it sought to tax only the rich who could afford luxury vehicles per its definition, and not the poor. Thus, the policy objective of the LVT, as advanced, suggests a reallocation of resources in favour of the less-privileged and in the direction of greater equality. Consequently, the argument was made that the LVT regime would contribute to government’s effort in bridging the income disparity gap among the populace. This proposition stems from the belief that the majority

of luxury vehicles are patronised and used by the rich and affluent in society, hence imposing such tax would help mobilise revenues (from the rich) to undertake projects that benefit the poor.

In addition, apart from revenue mobilisation through the LVT, arguments appealing to the prohibitive role of the tax policy were also advanced. The argument has been made that vehicles with large engine capacities consume large volumes of fuel and also contribute massively to CO₂ emissions; therefore, imposing the LVT on such cars will eventually discourage their usage and importation, a situation believed to have the potential of increasing patronage and usage of eco-friendly vehicles. Such a rationale for imposing tax finds its root in the Sustainable Developmental Goals (SDGs) as indicated by the minister during a press briefing after the introduction of the LVT on 29 July 2019. As quoted on the website of the Ghana Journalist Association (GJA 2019), the minister of finance indicated as follows: "I believe the law is good and we cannot throw it away for the sake of the future and an environment that is conducive to all".

The argument of the minister appealed to the SDGs relating to Responsible Consumption and Production (goal 12), Climate action (goal 13), Sustainable Cities and Communities (goal 11), Life on land (goal 15), Life below water (goal 14), Affordable and clean energy (goal 7), and Good health and Well-being (goal 3). To this extent, the LVT could also be typified as a material policy (as opposed to symbolic policy) which provided tangible resources to its beneficiaries but also imposed substantial costs to those segments of the population it intended to adversely affect (Edelman 1960: 695–704).

Post-implementation benefits

The LVT regime was implemented in August 2018 as a new policy initiative to help raise more revenue. As of December 2018, a provisional fiscal data on public finances showed that government had been able to mobilise about GHC21.3 million in tax revenues from the LVT, an amount that was 79.52% lower than the estimated GHC 104million. In addition, a Fiscal Policy Specialist at Oxfam Ghana, noted that government's inability to achieve the revenue target could be attributed to inadequate and improper consultations by government prior to the implementation of the fiscal policy. Notwithstanding, the policy specialist noted that: "The revenue collected, although is very low compared to government's projection, offers a foundation for future decisions and most importantly, a basis for national conversation around this tax. It is a strong untapped revenue potential that must be pursued but must be well administered, I do wonder though if the government based its projections on accurate records of taxable vehicles in the country. If this is indeed the case, then it is very surprising that it had almost 80 per cent shortfall".

Moreover, preliminary evidence suggests that the LVT had been successful in reducing the patronage and importation of vehicles with engine capacities of 3 litres and above, which constituted one of the objectives of introducing the LVT policy (i.e. to protect the environment). The reduction in the patronage and importation of these vehicles is evidenced in the statement issued by a consultant to the Coalition of Vehicle Dealers Association in Ghana. In an interview granted to Onua FM, a local FM radio station, the consultant complained that following the inception of the LVT, vehicles with engine capacity of over 2.8 litres and their spare parts were not being purchased, and customers who had purchased such vehicles just before/after the LVT had been passed were finding ways of returning the vehicles to the garages they bought them from.

Opposing views on the policy

The conceptualisation challenge

The LVT policy regime was not without its limitations. One notable limitation in the LVT policy that was much criticised had to do with its definition of what constituted a luxury vehicle. The Act of Government that governed the LVT (i.e. Luxury Vehicle Levy Act 2018) defined luxury vehicles as those with engine capacities (CC) ranging from 2 950cc-3 549cc, 3 550 cc-4 049cc, and 4 050cc and above. The drawback in this definition stems from the fact that there may be cars whose cost and specification suggest that they are luxurious, but whose engines are below 3.0. For example, speaking in an exclusive interview with JoyBusiness news, the Chief Executive Officer of Premium Motors noted that although the LVT was a good policy, the definition of what constituted a luxury car was problematic. He stated that: “The definition of luxury has little to do with engine capacity. Technology is rapidly developing, rapidly advancing and what this means is that we can have super vehicles, very expensive vehicles, luxury vehicles with much smaller engines like 1.5-litre engines. However, locally we have used engine capacity to classify a car as a luxury”.

Double taxation

Other opposing groups and critics of the LVT argued that the tax policy amounted to double taxation. One of the biggest critics of the policy and champion of this double taxation argument is the lead partner for the accountancy firm Ali-Nakyea & Associates. He argued that the LVT constituted an additional cost to the specified vehicle users “because the luxurious nature is already factored in the duty payable on the vehicle’s import cost. Moreover, if the argument is anchored on the consumption of fuel by these high capacity vehicles, then the tax point is on fuel which is already on the high side – and these high capacity vehicles are indeed already paying the taxes since the higher the consumption the more fuel one consumes, hence the higher the taxes paid”.

Poor and inadequate education and consultation

A major criticism of the LVT policy related to the manner in which it was initiated and communicated to the Ghanaian taxpayer. It was observed that there was a significant lack of comprehensive consultation and education before the tax policy instrument was implemented. As indicated earlier, a Fiscal Policy Specialist at Oxfam Ghana, in an interview with the Graphic Business newspaper on 9 April 2019 observed that the LVT underscored Ghanaian policymakers' inability to undertake proper consultation before a new policy was introduced. He pointed to the government's overly ambitious revenue expectations from the LVT, especially considering the fact that this was a new levy, as proof of the lack of proper consultation. He opined, "I do wonder though if the government based its projections on accurate records of taxable vehicles in the country. If this is indeed the case, then it is very surprising that it had almost 80 per cent shortfall". Moreover, the fiscal policy specialist argued that the government did not provide enough time and appropriate education before the introduction of the LVT. He further argued that "... tax knowledge greatly influences tax compliance and the government did very little to improve people's knowledge and awareness about this levy. A poor understanding of a particular tax is also likely to have broader implications as uninformed taxpayers may be more prone to seeing the new tax as regressive and unjust and might misperceive the benefits of paying it".

Failure to address the retrospective effects of the LVT policy

The Tax Justice Coalition (TJC) of Ghana, in its tax policy review paper titled 'Promoting Progressive Taxation in Ghana—a response to the Mid-Year Review of the 2018 Annual Budget and the 2019 Annual Budget Statement and Economic Policy', argued that, inasmuch as the LVT tax policy was well-intended, it lacked fairness for its retrospective effect on people who had purchased and registered their luxury vehicles several years ago when the tax was not in existence. The TJC-Ghana therefore called for an amendment to the tax policy to take prospective effect.

Manifestations of negative engagement

The policy on LVT was met with a number of objections from major segments of the Ghanaian populace, notably policy think tanks, subject matter experts, industry specialists and trade associations. Individual vehicle owners also weighed in with their disapproval of the policy on audience call-in segments on traditional media, as well as social media platforms. For example, the Coalition of Vehicle Dealers' Association was one of the vociferous critics of the LVT policy. The coalition, which was made up of groups encompassing the Vehicle and Asset Dealers Association of Ghana, National Concerned Spare Parts Dealers Association, True Drivers Union, Concerned Drivers Association, Ghana Committed Drivers

Association and Chamber of Petroleum Consumers, strongly resisted the policy. They argued that the high import duties on these vehicles and related spare parts had already led to reduced patronage and revenues loss, and the introduction of the LVT had indeed made matters worse. The coalition eventually organised a demonstration and marched to the Finance Ministry to register their displeasure concerning the new policy, and to also entreat government to abolish the policy. The concerns of these coalition groups and the general public eventually led to the abolishment of the LVT policy on Monday, 29 July 2019, almost a year after its introduction. The Minister of Finance during the 2019 Midyear Budget and Economic Policy presentation announced the abolition as follows: “Mr. Speaker, Government in 2018 introduced the Luxury Vehicles Levy to raise revenue and also to address some of the adverse effects of high capacity engines on the environment. Mr. Speaker, based upon feedback data on the impact of the implementation of the tax so far, and also from the general public, Government has taken a decision to withdraw the levy”.

Failure to gather market intelligence about needs and wants

First, policy marketing using the SOP strategy requires that the policymaker begins the policy- making process by undertaking an extensive intelligence gathering exercise geared towards uncovering the needs and wants of the affected parties. However, in the case of the LVT, government failed to gather evidence to that effect, at best, the consultations to implement the policy remained at the Cabinet level of government. The deficiency of the top-down approach lies in the fact that policymakers miss the opportunity to incorporate the concerns of the significant public in the design of the policy (Kotler & Armstrong 2017). This may lead to the manifestations of negative engagement among the public if they feel the policy is regressive. Just as companies conduct market research to identify the needs and wants of customers, governments undertake diverse forms of stakeholder consultations with individuals, groups and institutions to identify issues (needs/wants) that have to be addressed. Moreover, just as marketers satisfy customer needs or wants through market offering, in policy marketing the market offering is the specific policy that government crafts to address the needs or wants identified.

In the case of the abolished LVT levy, many tax specialists (e.g. lead partner for the accountancy firm Ali Nakyea & Associates) observed that consultations made by government during the initiation stage were improper, inadequate and inaccurate. The case was made that the government focused more on the benefits of the policy in terms of its revenue generation prospects, and not on how the policy could benefit the affected taxpayers. This scenario stresses the need for the marketing approach to policy initiation. A typical marketing approach to the policy on LVT would have first sought to establish the benefits of the tax to the affected parties and the citizens as a whole through intelligence gathering exercises. Doing

this could have reduced or eliminated resistance to the policy by the affected parties, hence gaining their support towards implementing a successful policy.

In addition, as noted by Kotler and Armstrong (2017), the product offered to customers must necessarily take into consideration factors encompassing Variety, Quality, Design, Features, Brand name, Packaging, and Services. It is believed that having the right mix of these factors will enhance product acceptability, a concept defined by Kotler and Armstrong (2017) as “the extent to which the product exceeds customer expectations”. Applying this to public policy initiation and implementation, the argument is being made that every government policy must have the right blend of Variety, Quality, Design, Features, Brand name, Packaging, and Services (Wang 2015). Considering variety, governments should not approach a particular policy from a one-size-fits-all perspective (Wang 2015). There must be alternative policy initiatives proposed for consultations and deliberations. In the end, the policy with the best potential to address the identified need should be adopted. Accordingly, considering that citizens are individuals who live in a social context and may respond to policy initiatives in diverse ways, the argument could be advanced to the effect that differential policy initiatives may be offered to the citizens based on factors such as location, culture, gender etc. as a means to addressing a particular need or want (Wang 2015).

Drawing on the case study concerning the LVT, evidence can be gathered from commentators who indicated that the LVT was unfair to citizens who live in areas with bad road networks that require high engine capacities to successfully navigate. As noted in an article submitted to the Awake News Room by a self-acclaimed public policy expert “the use of vehicles with engine capacities 3.0 in most rural communities is not borne out of luxury, but due to the fact that the road network in most of these communities is terribly bad, and the only type of vehicles capable of withstanding the harsh terrain of these roads are vehicles with very rugged undercarriage” (most of which have engine capacities of 3.0 and above). This in essence suggests that levying such communities with the LVT will amount to depriving them of their livelihood.

Of necessity, the customers (citizens) should be offered the most suitable variety in order to gain their acceptance of the policy. In addition, other factors like the design, features, packaging, and services relating to a policy must be keenly considered by policymakers if their policy must gain acceptance. For instance, policymakers can render services to affected parties by continually supplying them with information concerning the need for the policy, and how the policy will address their concerns (Wang 2015).

Failure to properly promote the policy to citizens

The LVT policy which was mostly based on the SOP strategy, failed to comply with the basic principles of SOP. The SOP strategy (i.e. one in which the

policymakers prescribe a policy at the top and try to convince the public to buy it) as discussed earlier, requires the employment of extensive promotional tools and techniques to be able to convince the public to buy into government policies. This is due to the fact that the design of policy products in an SOP-oriented strategy is not based on market intelligence about the needs and wants of the public.

In marketing, the promotion mix includes any form of marketing communication that seeks to inform and persuade audiences as to why they should prefer a particular product, brand, service or issue (Kotler & Armstrong 2017). According to Kotler and Armstrong (2017), it includes the “specific blend of advertising, public relations, personal selling, sales promotion, and direct marketing tools that the company uses to engage consumers, persuasively communicate customer value, and build customer relationships. Within the marketing literature, the five major promotion mix includes advertising, digital marketing, sales promotion, personal selling, and public relations” (Kotler & Armstrong 2017). By applying the concept of promotion to the field of public policy, the study conceptualises the situation whereby policymakers will make a conscious effort to persuade affected parties why they should buy into the policy. Just as Kotler and Armstrong argued that the prime focus of advertising is to create awareness, the argument is also being made here that a public policy may fail if its initiator fails to properly create awareness of the policy and its benefits (Lees-Marshment 2014)

Concerning the LVT policy, the only notable public awareness creation effort by the government was in respect of its announcement on the floor of parliament by the minister of finance. After the announcement and implementation of the policy, one could seldom point to any official effort made by government to sell the policy to the citizenry in order to gain their acceptance, acquiescence or compliance.

In the era of information and communication technology and digitisation, a promotional technique like digital marketing is driving social interactions, business and governance. The rising use of web 2.0 platforms such as social media (e.g. Facebook) and Microblogging platforms (e.g. Twitter) offers policymakers the opportunity to promote their policies both prior to, and post- implementation. The interactive nature of these platforms affords policymakers the opportunity to receive spontaneous feedback from the audience, which helps in adjusting the said policies to enhance their success. In addition, policymakers can create dedicated social media pages and handles for specific public policies, with the view to providing information on the policy, receiving inputs from affected parties, and addressing grievances related to the policy. Failing to digitally promote public policies amounts to inviting unofficial communication sources (e.g. bloggers, policy think tanks) to churn out views and opinions that may not be representative of the said policy, and of course such non-representative communications may end

up influencing public opinion towards the policy in the wrong direction, thereby leading to its failure.

In addition, paid forms of advertising using media platforms like television and radio could be used to create awareness of the policy. Although advertising of public policy is not novel, our argument is that the adverts should have the marketing bits, thus the ads should emphasise the benefits that the policy offers, and the values that affected parties would gain by complying with the policy. Moreover, other promotional techniques such as personal selling and public relations are equally important. For example, the government can have representatives at the MMDAs (Metropolitan, Municipal, and District Assemblies) who would personally identify individuals affected by the policy and educate them on why the policy is worth complying with.

Failure to assess cost of compliance (price) to the citizens

Within the marketing mix, the concept of price is used in reference to “the amount of money customers must pay to obtain the product” (Kotler & Armstrong 2017:78). Unlike pure marketing that considers price in terms of an amount exchanged to acquire goods and services, the study conceptualises price as the perceived cost of a policy to the affected parties. That is, for every policy initiative, the affected parties would bear either an implicit or explicit cost for complying with it. In return, the affected parties expect that the policy addresses the challenges for which the policies were rolled out. Hence, just as the normal law of demand dictates, if the citizens perceive government policies to be too costly in relation to the expected benefits, they are more likely to kick against the policy and vice versa.

In the case of the LVT policy, its associated cost was both implicit and explicit (Böhringer & Rutherford 2010). The most notable implicit cost associated with the policy had to do with the group members of the coalition of vehicle dealers association complaining that the LVT policy led to reduced sales revenues as far as the affected vehicles are concerned. On the other hand, the levy paid by the owners of the vehicles affected by the LVT could be considered an explicit cost associated with the policy. Resistance to the LVT could have been avoided or eliminated if policy-makers had done a comprehensive assessment of the cost of compliance to the affected parties. For instance, a comprehensive assessment of the LVT might have revealed that the definition of a luxury vehicle using only engine capacity, would inflict a higher compliance cost to the poor in rural communities who use such vehicles due to bad road networks, rather than luxury.

Failure to consider contemporary avenues to interface with policy

Within the marketing mix, *Place* is used in reference to how a product offering will be provided to customers at the relevant point of exchange (of value). It refers

to the distribution channels and the market where the product will be accessible to the customers. Contextually, place is conceptualised as the place where the affected parties of a policy will interface with the policy.

Considering the LVT policy as an example, the affected vehicle owners were asked to pay the levy at offices of the Driver and Vehicle Licensing Authority (DVLA); hence the designated DVLA offices became the *Place* in this regard. Apart from this payment point, the policymakers failed to incorporate other contemporary digital modes of payment like online payments (credit/debit cards, mobile money, etc.). The consequence is that the affected parties may find it inconvenient to queue at the designated DVLA office for payments in respect of the LVT.

Policymakers must ensure that their policy products have wider coverage in terms of accessibility to the affected parties. Having a wider coverage will ensure that affected parties can minimise their compliance cost with the policy and enhance ease of accessibility. Apart from this, the idea of employing the concept of e-commerce into policymaking is key. Online presence ensures global accessibility at any point in time. Ensuring that the affected parties to a policy can interface with the policy online is key. Considering the LVT levy, ease of access could be enhanced if the payment points were not limited to DVLA offices. There could have been e-government platforms where the affected vehicle owners could have paid their levies online, without having to physically travel to the offices of the DVLA.

CONCLUSIONS

This study has conceptualised the idea of marketing public policy using the concept of the traditional product or service marketing mix. The argument has been made that unless public policies are marketed just as any other brand, they are likely to fail. Specifically, the study argues along the lines of the four elements of the primary marketing mix.

In relation to the *Product* concept of the marketing mix, policymakers should not apply the one-size-fits-all rule in devising policies (Wang 2015). We argue that, just as customers satisfy their needs and wants by choosing from alternative products, public policies should be devised with variety in mind. With the same policy, it is expected that there should be varieties suitably adapted to the uniqueness of the affected individual, in terms of culture, geographic location, and age distribution, among others. This will help the affected parties choose the policy that will minimise the cost of compliance with the policy and enhance value generated from the implementation. Other dynamics of the product concept such as Quality, Design, Features, Packaging, and Services ought to be considered when developing public policies.

In relation to *Price*, the study argues the price of public policies relates to the cost of compliance with the policy, whether explicit or implicit. It is argued that, if the public perceive public policies as presenting a cost to them, or if they believe that the cost of complying with the policy outweighs its benefits, they will be more likely to oppose the policy. We argue that policies are likely to gain acceptance if their expected value/benefits far outweigh their cost. It is therefore recommended that policymakers properly articulate the value expectations of a policy product to the affected parties in order to gain their acceptance.

Moreover, the concept of promotion is found to be of profound influence in policy marketing. We argue that when policymakers fail to adequately promote their policies to the affected parties through mediums like advertising, public relations, digital promotions, among others; the citizenry is more likely to receive misinformation about the policy from unofficial or grapevine sources like social media, blogging and microblogging sites, and media pundits, among others. These unofficial communication sources may end up creating wrong perceptions about the policy and spreading it among the affected parties, which can trigger a resistance to the policy. Consequently, this study recommends that policymakers extend policy promotion beyond the initiation and introduction phase. Policy promotion should be a continuous activity until the policy product has gained acceptance.

Finally, the concept of *Place* in marketing can also be applied to policy marketing. The study holds that policymakers should consider how the affected parties to the policy would interface with the policy. It is argued that policies that are widely delivered and easily accessible are more likely to be complied with than otherwise. Policymakers can bring down the cost of compliance with policies by establishing more points where the affected parties can interface with the policy. Moreover, it is recommended that policymakers consider the potential of using e-government platforms with integrated online payment systems where the public can subscribe and make payments where applicable.

The study was mainly a conceptual paper and its ideas remain largely a work-in-progress. Future researchers are therefore expected to investigate the concept by conducting an empirical study in respect of the phenomenon concerned. Aside from this, the study mainly emphasised the four primary marketing mixes without due consideration for the product development life cycle. Future researchers should therefore be guided accordingly.

REFERENCES

- Agerdal-Hjerminde, A. and Valentini, C. 2015. Blogging as a communication strategy for government agencies: A Danish case study. *International Journal of Strategic Communication*. 9(4):293–315.

- Anderson, J.Q. and Rainie, H. 2010. *The future of cloud computing* (pp. 1–26). Washington, DC: Pew Internet & American Life Project.
- Anderson, J.Q. and Rainie, L. 2010. *The future of the internet*. Pew Research Centre.
- Anderson, J. and Rainie, L. 2010. Millennials will make online sharing in networks a lifelong habit. Pew Research. Available at: <http://pewresearch.org/millennials>.
- Armstrong, G. and Kotler, P. 2017. *Principles of Marketing*. 17th red. New York.
- Böhringer, C. and Rutherford, T.F. 2010. The costs of compliance: a CGE assessment of Canada's policy options under the Kyoto protocol. *World Economy*. 33(2):177–211.
- Bowden, J.L.H., Luoma-Aho, V., Naumann, K., Brodie, R., Hollebeek, L. and Conduit, J. 2016. Developing a spectrum of positive to negative citizen engagement. *Customer engagement: Contemporary issues and challenges*. 257–277.
- Bruce, P. and Shelley, R. 2010. Assessing stakeholder engagement. *Communication Journal of New Zealand*. 11:2, 30–48.
- Chua, A.Y. and Banerjee, S. 2013. Customer knowledge management via social media: the case of Starbucks. *Journal of Knowledge Management*. 17(2):237–249.
- Corbin, J. and Strauss, A. 2008. Techniques and procedures for developing grounded theory. *Basics of Qualitative Research*. 3rd ed.; Sage: Thousand Oaks, CA, USA.
- Cwalina, W. and Falkowski, A. 2016. Morality and competence in shaping the images of political leaders. *Journal of Political Marketing*. 15(2–3):220–239.
- Elhajjar, S. 2018. An Empirical Test of a Model of Resistance to Political Marketing. *Journal of Marketing Management*. 6(1):80–89.
- Grimmer, M. and Grube, D.C. 2019. Political branding: A consumer perspective on Australian political parties. *Party Politics*. 25(2):268–281.
- Harris, P. and Lock, A. 2010. “Mind the gap”: the rise of political marketing and a perspective on its future agenda. *European Journal of Marketing*. 44(3/4):297–307.
- Helm, A. 2004. Cynics and skeptics: Consumer dispositional trust. *Advances in Consumer Research*. 31:345–351.
- Hendriks, C.M. and Lees-Marshment, J. 2019. Political Leaders and Public Engagement: The Hidden World of Informal Elite–Citizen Interaction. *Political Studies*. 67(3):597–617.
- Ho, A.T.K. 2008. Reporting public performance information: The promise and challenges of citizen involvement. In *Performance Information in the Public Sector*. (pp. 192–210). Palgrave Macmillan, London.
- Iversen, M.H. and Knudsen, E. 2019. When politicians go native: The consequences of political native advertising for citizens' trust in news. *Journalism*. 20(7):961–978.
- Kanter, D.L. and Mirvis, P.H. 1989. *The cynical Americans: Living and working in an age of discontent and disillusion*. Jossey-Bass.
- Kim, S. and Krishna, A. 2018. Unpacking Public Sentiment Toward the Government: How Citizens' Perceptions of Government Communication Strategies Impact Public Engagement, Cynicism, and Communication Behaviors in South Korea. *International Journal of Strategic Communication*. 12(3):215–236.

- Kotler, P., Armstrong, G., Swee-Hoon, A., Siew-Meng, L. and Chin-Tiong, T. 2017. *Principles of Marketing, an Asian Perspective*. Pearson Higher Ed.
- Kozinets, R.V. 1997. "I want to believe": A netnography of the X-Philes' subculture of consumption. *Advances in Consumer Research*. XXIV, (24):470–475.
- Kumar, S. 2019. Marketing Political Branding Digitally: How Social Media is Marketing Political Campaigns in India. *Marketing to Centennials in Digital World*, 58.
- Lalancette, M. and Raynauld, V. 2019. The power of political image: Justin Trudeau, Instagram, and celebrity politics. *American Behavioral Scientist*. 63(7):888–924.
- Lalancette, M., Raynauld, V. and Crandall, E. (Eds.). 2019. *What's Trending in Canadian Politics? Understanding Transformations in Power, Media, and the Public Sphere*. UBC Press.
- Lees-Marshment, J. 2001. *Political marketing and British political parties: The party's just begun*. Manchester University Press.
- Lees-Marshment, J. 2001. The marriage of politics and marketing. *Political studies*. 49(4):692–713.
- Lees-Marshment, J. 2001. *Political marketing and British political parties: The party's just begun*. Manchester University Press.
- Lees-Marshment, J. 2009. Global political marketing. In *Global political marketing* (pp. 19–33). Routledge.
- Lees-Marshment, J. 2014. *Political marketing: Principles and applications*. Routledge.
- Lees-Marshment, J. 2019. Marketing Scholars and Political Marketing: The Pragmatic and Principled Reasons for Why Marketing Academics Should Research the Use of Marketing in the Political Arena. *Customer Needs and Solutions*. 1–8.
- Lilleker, D.G. and Lees-Marshment, J. 2005. *Introduction: Rethinking political party behaviour. Political marketing: A comparative perspective*. 1–14.
- Lilleker, D.G. and Lees-Marshment, J. (Eds.). 2005. *Political marketing: A comparative perspective*. Manchester University Press.
- Lowi, T.J. 1966. Distribution, regulation, redistribution: The functions of government. *Public policies and their politics: Techniques of government control*. Vol. 1966:27–40. New York: WW Norton.
- Lucarelli, A. 2018. Place branding as urban policy: the (in) political place branding. *Cities*. 80:12–21.
- Lucarelli, A. 2018. Co-branding public place brands: towards an alternative approach to place branding. *Place Branding and Public Diplomacy*. 14(4):260–271.
- Luoma-aho, V. 2015. Understanding stakeholder engagement: Faith-holders, hateholders & fakeholders. *RJ-IPR: Research Journal of the Institute for Public Relations*. 2(1).
- Menon, S.V. 2008. Political marketing: A conceptual framework.
- O'cass, A. 1996. Political marketing and the marketing concept. *European Journal of Marketing*. 30(10/11):37–53.
- Reinert, T., Henriksen, T.V., Christensen, E., Sharma, S., Salari, R., Sethi, H. and Rasmussen, M. H. 2019. Analysis of plasma cell-free DNA by ultradeep sequencing in patients with stages I to III colorectal cancer. *JAMA oncology*.
- Reuters 2019. Available at: <https://www.reuters.com/article/us-volkswagen-emissions-boardidUSKBN14U1VC>.

- Ritchie, J.B. and LaBreque, R.J. 1975. Marketing research and public policy: A functional perspective. *Journal of Marketing*. 39(3):12–19.
- Rutter, R.N., Hanretty, C. and Lettice, F. 2018. Political brands: can parties be distinguished by their online brand personality? *Journal of Political Marketing*. 17(3):193–212.
- Rutter, R.N., Hanretty, C. and Lettice, F. 2018. Political brands: can parties be distinguished by their online brand personality? *Journal of Political Marketing*. 17(3):193–212.
- Scammell, M. 1999. Political marketing: Lessons for political science. *Political studies*. 47(4):718–739.
- Stoker, K.L. and Tusinski, K.A. 2006. Reconsidering public relations' infatuation with dialogue: Why engagement and reconciliation can be more ethical than symmetry and reciprocity. *Journal of Mass Media Ethics*. 21(2–3):156–176.
- Wang, S. 2015. One size does not fit all: the need for flexibility in policy responses to slow growth. *China Finance and Economic Review*. 3(1):1–7.
- Wilkie, W.L. and Gardner, D.M. 1974. The Role of Marketing Research in Public Policy Decision Making: How Can Marketing Research aid the Public Policy Maker? *Journal of Marketing*. 38(1):38–47.
- Zenobi, P.D., Graf, S., Ursprung, H. and Froesch, E.R. 1992. Effects of insulin-like growth factor-I on glucose tolerance, insulin levels, and insulin secretion. *The Journal of clinical investigation*. 89(6):1908–1913.

AUTHORS' CONTACT DETAILS

Prof Emmanuel Kojo Sakyi (PhD)

University of Ghana Business School
Department of Public Administration and Health
Services Management
College of Humanities,
University of Ghana
Email: eksakyi@ug.edu.gh
KSakyi@ug.edu.gh

Albert Kwa Eliason

University of Ghana Business School
Department of Public Administration and Health
Services Management
College of Humanities,
University of Ghana
Email: akeliason@stu.ug.edu.gh

Contractor Selection, Monitoring and Performance of Road Infrastructure Projects in Uganda

Synergies between Policy and Law

A Byaruhanga

Mbarara University of Science and Technology
Uganda

T Muzaale

Mbarara University of Science and Technology
Uganda

D B Jarbandhan

School of Public Management, Governance and Public Policy
University of Johannesburg.

ABSTRACT

The article highlights the powerful influence of contractor selection in improving road project performance in Uganda. It provides empirical evidence of the performance of road projects as a less studied phenomenon because in Uganda, most public works are delivered with longer delays, contracts are more often awarded to larger suppliers and a higher share of the payment is postponed after delivery. Use of poor-quality materials, poor scheduling, delayed procurement, and poor contractor selection causes cost and time overruns on roads. The study adopts a cross sectional design in terms of quantitative and qualitative approaches to collect data. A multivariate analysis and surveys were taken from 190 respondents. It was found that contractor monitoring has a significant positive effect on the completion of roads while contractor selection has a direct and indirect positive effect on performance of roads through the partial mediation of contractor selection. This suggests that contractor selection has an effect on the improvement of the level of road projects performance in Uganda. There is a need to improve the scrutiny of the contractor selection process in road agencies in Uganda. This will require a good review of the government policy on contractor selection aimed at making it more robust and efficient.

INTRODUCTION

Although road agencies need to provide road infrastructure that is beneficial for road users, little is known about how the activities of the agencies influence the value creation of road infrastructure (Muzaale, Byaruhanga and Auriacombe 2018). From a service-dominant logic perspective, the influence of contractor selection and the monitoring on road infrastructure performance still remains complex given the increasing cases of irregularities in the award of contracts to companies that did not qualify, resulting in shoddy work, cost and time overruns in Uganda (Muzaale and Auriacombe 2018). In Africa, although use of roads dominates the transport sector, carrying 80 to 90% of the passenger and freight traffic in most countries; the condition of these roads requires regular maintenance by international standards (World Bank 2011). In order to respond to the road infrastructure challenges, the African countries instituted a wide range of policy reforms (World Bank 2011). Most countries embarked on the creation of independent sources of funding for road maintenance, based on road-user charges. However, as asserted by Banaitiene (2006), the reforms have not fully improved the performance of roads in Africa. According to the World Bank (2011), on average, about 43% of the main road networks are in a good condition, a further 31% are in a reasonable condition, and the remaining 27% are in a poor condition (Okello 2016).

According to the World Bank (2011), Africa has the lowest density of roads as compared to any other region of the world. Only 204km per 1 000km in Africa are paved, while in the developed world on average 944km per 1 000 km are paved (Bagaka and Kobia 2010). The spatial density of sub-Saharan Africa's roads is less than 30% of that of South Asia, where half of the roads are paved, and only 6% of that of North America, where two-thirds are paved (Barasa 2014).

In response to the low density of roads, the East African leaders have targeted road infrastructure as a priority for stimulating economic growth in the region. According to Ng'wanalika (2015), in the East African region, Kenya aims to develop a 1 700km northern corridor linking Uganda, Rwanda, Burundi and the Congo to its port at Mombasa. On the other hand, Tanzania and Kenya also plan to invest in new port projects, at Bagamoyo and Lamu respectively (Byaruhanga, Muzaale and Auriacombe 2018). The East African Community (EAC) countries, in their 2015–2025 strategy, indicated there is need to invest between US\$68 billion to US\$100 billion to build roads, ports, railways, transmission lines and oil and gas infrastructure (Byaruhanga, Muzaale and Auriacombe 2018). The traditional roads authority regards the provision of road infrastructure and maintenance as a social responsibility. In this scenario there is in most cases little use of the asset value of the road infrastructure in the measurement of service delivery, and limited use of the business value attached (Horak and Van Wijk 2018). A total paradigm shift is needed when such services are contracted out such as when dealing with a roads agency.

Infrastructure is critical to economic growth and competitiveness in Uganda; however, the current inadequate infrastructure is impeding the expected growth. Evidence from surveys suggests that infrastructure constraints were responsible for as much as 58% of the productivity handicap faced by Ugandan firms as indicated in the World Bank AICD Report (2012). Despite the said government efforts, there is slow implementation of road projects coupled with an inability to implement road projects within the contracted time and cost as key performance gaps (OAG 2016). The government has acknowledged the slow progress, which is attributed to challenges in the contract award process and the quality of the selected road contractors. This assertion was further confirmed by the Ugandan minister responsible for works as cited by a local newspaper (*The Daily Monitor* 2015) where it was asserted that 80% of the road contractors are incompetent and they do shoddy work. To date in Uganda, performance of road infrastructure projects in terms of durability, timeliness and cost management is still difficult (Mulumba 2016). Although some studies and efforts have been made towards understanding project performance (Oluka and Basheka 2014), the underlying factors affecting road infrastructure performance such as timeliness, cost overruns and durability of roads in Uganda remain hazy. In spite of the call by the government of Uganda to handle government projects in a business-like manner, the procurement system continues to be clogged with numerous complaints, causing delays in implementation and where infrastructure contracts are signed, poor quality of works and cost overruns are evident. Little has been done to establish the causes of numerous complaints and continuous delays, shoddy works and escalation of costs in the implementation of road infrastructure projects to design appropriate mitigating strategies. However, contractor selection and monitoring is a glaring concern under contract management in the road construction industry creating a knowledge gap that prompted this study. This article aims:

- To establish the relationship between contractor selection and performance of road infrastructure projects in Uganda.
- To establish the relationship between contractor monitoring and performance of road infrastructure projects in Uganda.
- To examine the mediating effect of contractor selection on the relationship between contractor monitoring and performance of road infrastructure projects in Uganda.

CONCEPTUALISATION AND CONTEXTUALISATION

On contractor selection, Lingard, Hughes and Chinyio (1998) indicate that decisions are usually made following pre-selection activities of competition or negotiation. Lingard, Hughes and Chinyio (1998) further present that under a competitive

contractor selection process, the client puts the works to tender and interested contractors respond by submitting bids. Bidding is pursued either through open or selective tendering. Open tendering allows all interested parties the opportunity to bid for the works. In the selective tendering process, contractors are subject to pre-qualification (Bagaka and Kobia 2010). Firms are short-listed on the basis of this pre-qualification and only a limited number are then invited to bid. Contractor selection involves the evaluation and selection of contractors leading to the award of construction contracts which is a crucial part of the road construction process (Arrows 2010).

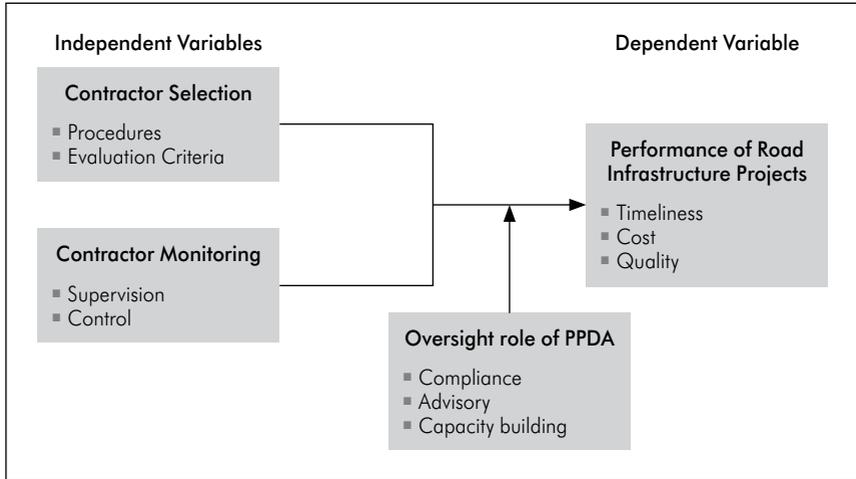
According to Arrows (2010), repeatedly awarding contracts to a single contractor must be precluded; an impartial method must be used for selecting contractors who are to receive bid solicitations. Chetty and Eriksson (2002) posit that the selection of a contractor for a project is a critical decision for the developer because they often rely on the contractor to manage the process of transforming a feasible concept into a functioning project. Although some owners have the expertise, resources and desire to lead the development effort on their own, choosing the right contractor can greatly improve the likelihood of project success. Contractor selection in this study refers to procurement methods and evaluation criteria.

Contractor monitoring is a management aspect that involves active tracking and control of the relationship between the supplier and the contracting authority. Contractor monitoring involves those activities performed by an employer/client after a contract has been awarded to determine the performance of the contractor in meeting the terms and conditions of the contract. It encompasses all dealings between the employer and the contractor from the time the contract is awarded until the work has been completed.

The dependent variable is the performance of road infrastructure projects. Clarke (2014) observed that performance is the accomplishment of a given task measured against predetermined known standards of accuracy, completeness, cost and speed. In a contract, performance is deemed to be the fulfilment of an obligation in a manner that releases the performer from all liabilities under the contract. Cheung *et al.* (2004) posited that performance is about how well something can be done. To measure project performance, a number of performance indicators such as time, cost and quality were considered. In support, Otim and Alinaitwe (2013) noted that, to establish the performance factors, project success has been widely considered by many scholars as an indicator of good performance. Chan and Chan (2004) argue that project success can be categorised into the objective measures of time, cost, safety and environmental considerations and subjective measures of quality, functionality and satisfaction of project participants.

Langston (2012) posits that performance is not just about efficiency but about achieving desired results. He identified performance indicators to measure the

Figure 1: Conceptual framework



Source: (Adapted from Gitau 2013)

success of construction projects which include client satisfaction, stakeholder engagement, service delivery, investment return, urban renewal, defect minimisation, trust, dispute avoidance, innovation, safety and standard (Langston 2012). He noted, however, that the most commonly cited indicators are time of completion, project cost and workmanship (quality). For purposes of this study, performance of road infrastructure projects is measured in terms of time, cost and quality.

Contractor selection is conceptualised as the process of choosing the most appropriate contractor to deliver a specified project to ensure achievement of the best value for money. According to Ibadov (2015), the key stage for every construction project is its implementation and this stage is connected with the selection of a contractor. Contractor monitoring is conceptualised as the level of implementation of monitoring components as developed by Hinton (2003) namely training, policies, plans, communication, payment, reports, records management, inspections and audits, appraisal and dispute management. Performance measures are the basic input to a variety of decision processes and activities in infrastructure management. These include charting progress towards achieving operational, sectoral, and policy objectives; assessing whether users are receiving services that they want at the level of quality that they are willing to pay for; and comparing competing or alternative service providers to determine the most efficient provision arrangement for infrastructure service. A framework is presented for defining consistent measures of infrastructure performance, particularly for roads and pavements. The framework identifies relevant indicators and the linkages between them. Because there are changes over time in information

needs and in the types of agencies using performance indicators as well as in their relationships to one another, a framework is needed to maintain consistency in the information bases used and to update the indicators to ensure relevance. Performance is measured at five major levels: (a) service quality and reliability from a user's point of view; (b) cost; (c) operational efficiency and productivity from a service provider's perspective; (d) time; (e) institutional performance indicators such as effectiveness (Bshaka, Sabiti, Muhumza 2011). Which particular performance indicators are of interest depends very strongly on the view of the party involved in the use of the indicators (Barasa 2013).

THEORETICAL REVIEW

Many efforts have been made to develop the theoretical perspective for developing empirical understanding of the institutional theory. During recent years, this theory went through major advancements and gained popularity; however, we believe that it has several significant theoretical/methodological issues, which limit its applicability and effectiveness. The most important issues include static institutional explanations, and difficulty while calculating some institutional variables. In this study, we have addressed a major issue related to this theory in terms of its static nature, using the "institutionalisation" concept to explain institutional structures and to develop better institutional explanations. This study negates/refutes the claims of many researchers, who stated that the institutional theory is rich in concepts and has advanced to, "warrant more formal models and codification". The theory draws attention to how organisations' decision-making is influenced by the institutional, social and cultural factors as identified by Scott (2001), and in particular how rationalised activities are adopted by organisations. The theory emphasises the use of rules, laws and sanctions as enforcement mechanisms, with expedience as basis for compliance (Scott 2004). The theory explains good procedure as an effect of institutional decision-making (Scott 2004). The institutional theory helps in showing the relevance of structures, processes and systems and to establish whether contractor selection and monitoring has a significant effect on performance of road infrastructure projects. We suggest that identifying the determinants of changes in institutional structures, represents an important area for theoretical/empirical work.

Studies have already suggested that potential determinants of how specific structures are taken for granted and how strong incentives for maintaining the structure increase, instead of decreasing it. No major actors attempted to compel organisations to adopt a given structure, either through law or through withholding critical resources. For organisational scholars, addressing the general issue of applicability requires a consideration of how and when choices of action become socially defined; who acts to cause change and how to diffuse that change to other organisations.

LITERATURE REVIEW

The perspective of infrastructure provision, in the case of roads, includes indicators relating to the characteristics of the road system and network such as the size, value, and distribution of the network; it also represents the performance of the facility in meeting demand for availability and access to road transportation users (Sodongi and Amran 2011:45).

Otim and Alinaitwe (2013) reiterated that to establish the performance factors, project success has been widely considered by many scholars as an indicator of good performance. Chan and Chan (2004) observed that project success can be categorised into the objective measures of time, cost, safety and environmental considerations and subjective measures of quality, functionality and satisfaction of project participants. However, Otim and Alinaitwe (2013) submit that in terms of enhancing effectiveness, road infrastructure projects in rural areas are on the lower scale compared to rural infrastructure projects in urban areas. Therefore, in bridging the gap, this may require the Uganda National Roads Authority (UNRA) to revise its policies in order to enhance sector innovativeness and performance.

Langston (2012) posited that performance is not just about efficiency but effectiveness. He identified performance indicators to measure the success of construction projects which include client satisfaction, stakeholder engagement, service delivery, investment return, urban renewal, defect minimisation, trust, dispute avoidance, innovation, safety and standard. Okello (2016) argues that road construction projects are still associated with sub-standard work, loss of government funds and untimely completion of projects. The most commonly cited indicators are time of completion, project cost and workmanship (quality). Sebanatika (2013) further asserts that funds were set aside for monitoring and supervision in the budget for road projects but roads were found to be of poor quality compared to those works where there were no funds set aside. The funds were not necessarily put to use, especially where works are undertaken by government. This study will close this gap by borrowing from the ideas of Okello (2016) who asserts that the most commonly cited indicators are time of completion, project cost and workmanship (quality).

Mulumba (2016) further explains that the choice of the right contractor strongly affects successful completion of construction works. This supports the earlier argument by Banaitien and Banaitis (2006) that contractor selection is one of the main decisions made by the clients and in order to ensure that the project can be completed successfully, the client must select the most appropriate contractor. Indeed, it is critical for the client's goals to manage the project schedule of cost, time and quality and general construction management (Puri and Tiwari 2014).

Puri and Tiwari (2014) further posit that selection of contractors is often conducted during tendering which gives a client a choice in awarding a contract

to a company which proposes the lowest price and short construction cycles. In recent years, most entities make use of such a method. On the other hand, the research results show that the cheapest tenderers often have problems with completing the project (Okello 2016). Accepting the lowest price is the basic cause of the project completion problems because very often lowering the price means lowering the quality. These practices, however, are characterised by major weaknesses, because achieving lower costs does not necessarily give the best value. On the other hand, studies by Okello (2016) indicate that contractor selection is mainly by alternative procurement methods (APM) in which ownership (of decision-making) and responsibility for design and operation is passed to the contractor with the state adopting a regulatory role (Barasa 2013).

Muzaale and Auriacombe (2018) noted that the criteria determined for the evaluation of bids is a critical stage in the process of selecting a contractor from a number of bidding contractors that have submitted bids for a specified project (Nguyen 2015). Procurement and bid evaluation methods are critical steps in contractor selection, which involves the use of different procurement and evaluation methods (Singh & Tiong 2005). Similarly, the institutional theory is applicable given the organisational set-up. The multicriteria theory in this context brings out the fact that different competencies and capabilities are considered during evaluation of bids to arrive at an ideal contractor.

Hatash and Skitmore (1998) described a systematic multicriteria decision analysis as a contractor selection method based on utility. The study focused on what causes contractors to fail in project implementation but did not address what would lead to a weak contractor being selected. Sodangi and Amra (2011) investigated a selected sample of 150 construction professionals operating in Malaysia to identify the actual criteria used by clients for the selection of contractors from the current practice in Malaysia. The results showed that track performance, financial capacity and technical capacity were the most important criteria and considered crucial for the selection of contractors in Malaysia. The study focused on the criteria and not the entire process of contractor selection and possible challenges but it was silent on performance which was the problem subject to investigation in this study.

EMPIRICAL FINDINGS: PERFORMANCE OF ROAD INFRASTRUCTURE PROJECTS IN UGANDA

The findings from interviews and documentary reviews, give the status of contractor selection and how it influences the performance of road transport projects. According to Mulumba (2016), the road construction industry is full of projects that were completed with significant time and cost overruns. According to Faridi

(2006) delays have an adverse impact on project success in terms of time, cost, quality and safety. The effects of road construction delays are not confined to the construction industry only, but influence the overall economy of a country. The study found that delay in payment of the contractor in completing works was experienced during the construction of Mukono-Katosi and Kisoga-Nyenga (74.2km and Kigumba-Masindi-Hoima-Kabwoya Roads. As Okello (2016) noted, contractual delay is a manifestation of failure by contractual parties involved to perform their obligations under the contract. Such obligations may include timely payment of workers for accomplished construction works as well as timely mobilisation of necessary equipment or machinery and manpower, among others.

Some road projects were characterised by overruns in cost; the issue of cost overruns is critical and needs to be addressed. Ssebanakita (2012) noted that cost overruns need to be identified and avoided so as to maximise benefits and returns from infrastructure construction projects. Costs arising due to such delays often manifest themselves in terms of accumulated interest on loans, high cost of maintaining management staff, as well as continuous escalation in wages and material prices.

Findings revealed that lack of access to finance, both during pre-construction which disqualifies emerging contractors from meeting guarantee and performance bond requirements; and during construction, which leads to cash flow problems; incomplete work and even liquidation are financial constraints facing emerging contractors. The payment predicament of the construction industry cannot be easily explained (Mulumba 2016). All parties including the owners, consultants, contractors, sub-contractors, suppliers and even public sector employers have an important role and must act in concert to take ownership of the problems and challenges.

Study findings revealed causes of cost overruns for contractors are: delay in certification, paymaster's poor financial management, local culture, paymaster's failure to implement good governance in business, underpayment of certified amounts by the paymaster, the use of payment for paid-when-paid clauses in contracts, disagreement on the valuation of work done. Study findings revealed the paymaster's wrongful withholding of payment, shortage of current year project budget, poor communication among parties involved, delay in submitting contractor's payment claim, conflict among parties involved, poor understanding of the contract. Furthermore, it was observed that there are cost overruns for the completed work due to bureaucracy in government departments. As Mulumba (2016) noted, payment to contractors or lack of it is a common cause of disputes in the construction industry.

Major road project works are delayed because sub-contractors are also affected by cost overruns. Sub-contractors are often paid late by the main contractors because of pay-when-paid and pay-if-paid clauses included in most contract forms. The consequences of the sub-contractors being paid late are grave. In such

situations, some sub-contractors tend to increase their quotations, which in turn increases total project cost, an undesirable condition for owners. Amoako (2011) noted that it should be possible to improve sub-contractor payment practice if developers pay main contractors on time, and in turn main contractors pay their sub-contractors right after completion of sub-contract work.

Various parameters directly and indirectly contribute to the highway's quality performance. The contributing factors are design, specifications, environment, and construction-related factors, while the indirect factors are managerial-related factors. Enshassi, Najjar, and Kumaraswamy (2017) noted that quality of construction projects is significantly affected by the characteristics of site layout, experience of site staff, consistency of design documents, the financial power of the contractor, and availability of construction materials.

The analysis of the results of the study showed that errors or omissions in construction work are found to be the highest ranking followed by inexperienced or newly qualified consultants, political focus on reduced project costs, quality or time, unsettled or lack of project planning, and errors or inconsistencies in project documents.

It was also found that gaps in road project performance could also have arisen due to a difference in expectations that leads to increase in construction costs and delays. Findings from the interviews further indicated that there was much political influence which compromised the quality of roads from identification of contractors, awarding of tenders, and the construction process. This not only increased the costs of road construction but also the quality was compromised on roads; for example, the Mpigi-Kinoni road. As Mulumba (2016) noted, political influence during selection negatively affects the performance of the road construction projects in terms of quality and costs.

Contractor selection

Okello (2016) emphasised that a participatory approach will be the best for Uganda and this has been implemented through the contractor selection process that emphasises transparency. For many road projects, the existing contractor selection criteria are not appropriate for complex roads projects. The respondents had mixed responses about the worthiness of the contractors selected for various road projects; however, the majority of the procurement professionals condemned the act by contractors who submit falsified documents, claiming to have adequate expertise and equipment at the preliminary stages. They noted that this in itself is affecting the performance of road projects in Uganda.

As to whether contractor selection procedures allow unnecessary interference through complaints which cause delays; an UNRA official noted that the "interference by oversight agencies delays the completion of the selection process,

this is common when bidders seek administrative review and PPDA as an oversight agency overturns the award". He noted that in all cases where the Public Procurement and Disposal Authority (PPDA) has ordered a repeat of the process the cost outcome is always higher than the earlier submitted costs.

There are also many loopholes in the process of contractor selection. According to the PPDA Annual Performance Report (2016), the authority handled a total of 38 applications for administrative reviews, some of which were on major road projects. The administrative reviews handled were due to bidders' dissatisfaction with the evaluation process and quality of bidding documents, both of which affect the contractor selection process. The authority recommended re-evaluating the bids to ensure fairness and transparency.

The selection procedure for many road projects had many unnecessary approval stages. As Mulumba (2016) noted, the contractor selection process in public procurement has various stages of approval manned by the various committees such as the evaluation committee, contracts committee, user department and the accounting officer. All these approval stages had a bearing on the length of the contract process of road projects. A UNRA Report (2016) reiterated that many of the procurement processes for various key roads infrastructure projects have taken longer than required to go through the procurement process.

A senior engineer of planning at UNRA when interviewed on the causes of delays in the selection process noted that the: "evaluation process takes too long because evaluators concentrate on technical issues which ideally would be handles at negotiation with the selected contractor". He further observed that the way due diligence is handled at UNRA is ineffective and staff take too long on travels verifying projects even where the government has a mission that could handle these matters.

The analysis of contractor competency revealed that 64% of the respondents indicated that the selection criteria did not provide for methods to analyse contractor competency for some roads; for example, the Mukono-Katosi-Nyenga Road, while 11% disagreed and 25% remained undecided. This attribute of contractor selection had a mean score of 3.76. Furthermore, study findings revealed that the selection criteria do not require certified evidence from bidders to demonstrate their capacity to execute works. Failure by the evaluation teams to obtain certified evidence results in selection of incompetent contractors who end up taking longer than the contractual time.

Contractor monitoring, selection and performance of road projects

The study examined the relationship between contractor monitoring, contractor selection and performance of road projects and the results indeed reveal that the

relationship between contractor monitoring, selection and performance of road projects is positive and significant ($\beta=.480$, $p<0.01$). This finding provides support for the argument that there is a significant relationship between contractor monitoring, selection and performance of road projects. This assertion is in line with previous studies which state that contractor monitoring and selection capability is related to the improvement of road performance.

Contractor monitoring, selection and oversight role of PPDA

The findings have revealed that there is a strong positive and significant relationship between contractor monitoring, contractor selection and the oversight role of PPDA ($\beta=.765$, $p<0.01$). This is in line with Okello (2016) who determined that changes in contractor monitoring are positively associated with changes in the oversight role of PPDA, implying that when UNRA improves on its contractor monitoring and selection this might lead to certain performance improvements on road projects.

Oversight role of PPDA and performance of road projects

The findings revealed that there is a strong positive and significant relationship between the oversight role of PPDA and performance of road projects ($\beta=.428$, $p<0.01$). The message here is that UNRA's performance on road projects depends on the level of its commitment to the advice given by PPDA. This is in line with Okello (2016) who states that to attain and sustain performance of road projects the status requires a good oversight role by the institutions concerned.

Oversight role of PPDA mediates the relationship between contractor monitoring, selection and performance of road projects

The oversight role of PPDA appears to be a strong mediator in the relationship between contractor selection, monitoring and performance of road projects. Through the oversight role, contractor monitoring and selection influences performance of road projects in Uganda. This is in line with Basheka, Sabiti and Muhumuza (2011) who contend that performance is built through the oversight role of the concerned institutions. Hence, the oversight role of PPDA is critical in building adaptive capacity which is significant in enhancing performance. The findings of this study have demonstrated similar phenomena as observed by Luthia (2009), except that in this case the findings revealed (unlike in the study by Luthia (2009) that established full mediation of organisational performance

on the relationship between contractor monitoring and performance), that contractor selection and monitoring do not have a direct influence on the performance of road projects except through the oversight role of PPDA. Hence, the oversight role of PPDA is a powerful mediator in the relationship between contractor selection, monitoring and performance of road infrastructure projects in Uganda.

Discussion of findings

Contractor selection appears to be a strong mediator in relationships between contractor monitoring and the performance of road projects in Uganda. This is in line with studies such as Byaruhanga and Muzaale (2018) who contend that performance of road projects is through good contractor selection. It can therefore be argued that good contractor selection is critical in building a good road network system performance in Uganda. Contractor selection is based on procedure; for example, the firms that are eventually awarded contracts by the contracts committee should be in line with the evaluation committee recommendations. Section 29 (C) of the PPDA Act of 2003 mandates the powers to award contracts in accordance with applicable procurement or disposal procedures to the Contracts Committee. Selecting a contractor is one of the major decisions which influences the progress and success of any construction project (Banaitien and Banaitis 2006).

Mulumba (2016) noted political influence negatively affects the performance of the road construction projects in terms of quality and costs. On appropriateness of selection criteria, contractor selection criteria were not appropriate for complex roads projects. Contractor selection procedures allowed unnecessary interference through complaints which caused delays on some roads. On analysis of contractor competency, the selection criterion does not provide for methods to analyse contractor competency. The selection criterion does not require certified evidence from bidders to demonstrate their capacity to execute works. Contract selection has become a priority for public entities like UNRA. In a developing country like Uganda, having an effective contractor selection system is still a major challenge to many public entities (Oluka 2013). Contractor selection is one area that needs careful attention from all stakeholders in public entities because it has a huge influence on service delivery, and this is one way of accounting to the tax payers (Barasa 2013). Okello (2016) contends that the PPDA must play a central role in providing training, technical guidance and ensuring compliance to all set rules. Sabiti, Basheka and Muhumza (2011) noted that proper contractor selection influences procurement performance. Some contractors selected lack the appropriate experience and this is clearly seen from the works accomplished. Some roads have been a particular nightmare

for motorists considering that some contractors selected reluctantly execute the tasks, ending up doing shoddy work.

CONCLUSION AND RECOMMENDATIONS

The implications for the existing theory can be formulated in two ways (1) whether or not the findings support the views of the existing theory (i.e. support or contradict), and (2) whether or not the findings have filled the theoretical gaps to contribute or not contribute. The study has contributed to the conceptualisation of performance and provides evidence that performance can be described as measurement of what UNRA has achieved in terms of contractor monitoring and selection. Performance is the outcome of a clear vision, aligned objectives and focused and sustained efforts. A performance management process should tie together and reinforce these elements. The components of performance can be taken to be an outcome of many attributes of performance which were hard to pin down in the extant literature (see Okello 2016; Barasa 2013; Oluka 2012; Basheka 2013; Basheka, Sabiti, Muhumuza 2011).

It is recommended that UNRA should place more emphasis on continuous improvement of the selection processes since it significantly influences road projects' performance. UNRA should also address causes of delays in contractor selection by adopting innovative methods such as *Fit-for-Purpose* and *Competitive Dialogue* techniques to ensure value for money. The PPDA as a regulator, should focus on a proactive approach in supporting the road agency in making the contractor selection process more efficient.

REFERENCES

- Alinaitwe, H. Apolot, R. and Tindiwensi, D. 2013. Investigation into the Causes of Delays and Cost Overruns in Uganda's Public Sector Construction Projects. *Journal of Construction in Developing Countries*. 18(2):33–47.
- Amer, M. 2002. Modeling the factors affecting quality of building construction projects during the construction phase in Gaza Strip. Unpublished master thesis, The Islamic University of Gaza – Palestine.
- Amoako, K. 2011. The effect of delayed payment on cash flow forecasting of Ghanaian road contractors. Unpublished Master Thesis, Uganda University of Science and Technology. Uganda.
- Arrows, S. 2010. Horizontal Policies in Public Procurement: Taxonomy. *Journal of Public Procurement*. 10(2):149–186.
- Bagaka, O. 2010. Enhancing Trust & Accountability in Government: *Presentation at the CAPAM African Regional Conference, Abuja, Nigeria, May 17th –19th, 2010.*

- Banaitiene, A. and Banaitis, D. 2006. Analysis of Criteria for Contractors' Qualification Evaluation, Technological and Economic. *Development of Economy*. 12(4):276–282.
- Barasa H.W. 2013. Procurement Practices Affecting Effective Public Projects Implementation in Kenya: A Case Study of Kenya Civil Aviation Authority. *European Journal of Business and Management*. 6(2):34–50.
- Baron, R.M and Kenny, D.A 1986. The Moderator-Mediator Variable Distinction in Social Psychological Research: Conceptual and Strategic and Statistical Consideration. *Journal of Personality and Social Psychology*. 51(6):1173–1182
- Basheka, B.C. 2012. Public Procurement Skills Requirements Framework for Local Government Procurement Professionals in Uganda: A self-Perceptive Approach. *Journal of Public Procurement and Contract Management*. 11(2):1–25.
- Bubshalt, A.A and Al-Gobali, K.H. 1996. Contractor prequalification in Saudi Arabia. *Journal of Management in Engineering*. 12(3):50–64.
- Byaruhanga, A., Muzaale, T. and Auriacombe, C. 2018. Performance of road infrastructure projects in Uganda: A procurement Approach. *The Uganda Journal of Management and Public Policy Studies*. 15(1).
- Byaruhanga, A. and Muzaale, T. 2018. Policy Challenges to Road Infrastructure Projects Performance: Trends, Issues and Concerns in Uganda. *African Journal of Public Affairs*. 10(3).
- Chan and Chan. 2004. Key performance indicators for measuring construction success Benchmarking. *An International Journal*. 11(2):203–221
- Cheng, E.W.L. and Li, M. 2004. Contractor Selection Using the Analytic Network Process. *Construction Management and Economics*. 22(3):1021–1032.
- Chetty, S.O. and Ericksson, G. 2002. A Web-based construction project performance monitoring system. *Journal of Procurement performance*. 2(3):361–376.
- CIPD. 2009. *Competency and Competency Frameworks*. Available at: <http://www.cipd.co.uk>.
- Crowley L.G and Hancher D.E. 1995b. Evaluation of competitive bids. *Journal of Construction Engineering and Management*. 121(2):238–245.
- Enshassi, A., Najjar, J. and Kumaraswamy, M. 2017. Delays and cost overruns in the construction projects in the Gaza Strip. *Journal of Financial Management of Property and Construction*. 14(2):126–151.
- Faridi, H .2006. *Procurement principle and management*. Pearson Education Limited England.
- Field, A. 2009. *Discovering Statistics Using SPSS*. 3rd Ed. London: Sage Publications.
- Hatash, K and Skitmore, M .1998. Contractor Selection using Multi criteria Utility Theory: an Additive Model. *Building and Environment*. 33(3):105–115.
- Holt, G.D .1995. Applying cluster analysis to construction contractor classification. *Building and Environment*. 31(6):557–568.
- Holt, G.D., Olomalaiye, P.O. and Harris, F.C. 1996. A review of contractor selection practice in the U.K. construction industry. *Building and Environment*. 30(4):553–561.
- Horak, E. and Van Wijk, A.J. 1998. *The role of pavement management systems in auditing level of service Delivery*. Proceedings of the Forth International Conference on Managing Pavements, Durban, SA, May 1998.

- Jose, P.E. 2008. *Welcome to the Moderation/Mediation Help Centre*. Wellington: Victoria University Press.
- Langston, C. Raig. 2012. Comparing international construction performance. Mirvac School of Sustainable Development. *Journal of Public Procurement and Contract Management*. 34(2):7–29.
- Luthia, D. 2009. Contractor monitoring and Organisational performance: An exploratory analysis. *Journal of Knowledge Management*. 39(6):392–409.
- Lyson, D. and Farrington, E. 2006. *Purchasing and Supply Chain Management*. 7th Ed. The Chartered Institute of Purchasing and Supply: FT Prentice Hall.
- Mackinnon, D.P., Fairchild, A.J. and Fritz, M.S. 2007. Mediation analysis. *Annual Review of Psychology*. 58(2):593–614.
- Manthosi, M.D and Thawala, K. 2012. Factors influencing the selection of procurement systems in the South African construction industry. *African Journal of Business Management*. 6(10):3583–3594.
- Meng, X. 2002. Guarantees for contractor's performance and owners payment in China. *Journal of Construction Engineering and Management*. 6(1):232–237.
- Merna, A. and Smith, N.J. 1990. Bid evaluation for UK Public Sector Construction Contracts Proceedings. *Institution of Civil Engineers*. 88(1):91–105.
- Mulumba, S. 2016. Causes of delay in large construction projects. *International Journal of Project Management*. 24(2):349–357.
- Murdoch, J. and Hughes, W. 2000. *Construction Contract: Law and Management*: 3rd Ed. London: McGraw Hill.
- Nguyen, B. 2015. *Purchasing and supply chain management*, Nairobi: Pearson Education Limited.
- Ocharo, K.J. 2013. Factors affecting procurement performance: A case of the Ministry of Energy. *International Journal of Business and Commerce*. 6(7):54–70.
- Okello, M. 2016. The Management of construction company overhead costs in Uganda. *International Journal of project Management*. 19(2):295–303.
- Oluka, P.N. 2012. Public Procurement Reforms: Issues and Challenges: The case of Uganda. Presentation at the CIPS Pan African Conference 21–22 at National Theatre, Ghana.
- Oluka, N.P and Basheka, B.C .2014. Determinants and constraints to effective procurement contract management in Uganda: a practitioner' perspective: *International Journal of Logistics Systems and Management*.17(1):104–124.
- Otim, G. and Alinaitwe, H.M. 2013. Factors Affecting the Performance of Pavement Road Construction Projects in Uganda. *Journal of Procurement Management*. 3(2):67–92.
- Pasquire, C. and Collins, S .1997. *The effect of competitive tendering on value in construction RICS Research Papers*. 2). London: Royal Institute of Chartered Surveyors.
- PPDA. 2016. Annual Performance Report 1916. Available at: www.ppda.go.ug.
- Puri, J. and Tiwari, U. 2014. Evaluating the Criteria for Contractors' Selection and Bid Evaluation: *International Journal of Engineering Science Invention*. 43(1):2319–6726.
- Schmitz, J. and Platts, K.W. 2004. Supplier logistics performance measurement: Indications from a study in the Automotive Industry. *International Journal of Production Economics*. 89(2):231–243.

- Singh, K. and Ir, H. 2015. *Engineering and construction contracts management – post commencement practice*. Singapore: Lexis Nexis Business Solutions.
- Sodongi, I. and Amran, O. 2011. Decision Criteria for Selecting Main Contractors in Malaysia: *Journal of Applied Sciences, Engineering and Technology*. 3(12):1358–1365.
- Ssebanatika, L. 2013. Components of an Effective Contract Monitoring System. *International Journal of Production Economics*. 89(2):231–243.
- Tenenhaus, M. 2008. Component-based structural equation modelling. *Total Quality Management and Business Excellence*. 19(2):871–886.
- The Public Procurement and Disposal of Public Assets Act of 2003. Kampala: Government of Uganda

AUTHORS' CONTACT DETAILS

A Byaruhanga

Mbarara University of Science and Technology
Uganda

Dr T Muzaale

Mbarara University of Science and Technology
Uganda
Tel.: +25 6782321119
Email: muzaale.tonny04@gmail.com

Prof D B (Vain) Jarbandhan

Director: Centre for Public Management and
Governance
School of Public Management, Governance and
Public Policy
College of Business and Economics
University of Johannesburg
Auckland Park
South Africa
Cell: 083 647 2580
Email: vainj@uj.ac.za

Editorial policy

1. *Administratio Publica* is a quarterly journal. The aim of the journal is to promote academic scholarship in Public Administration and Management and related fields.
2. *Administratio Publica* publishes original theoretical and empirical manuscripts in Public Administration, Public Management and Public governance related fields (teaching, research and learning). This includes articles, debates, research notes, review articles and book reviews in English.
3. All articles, research notes and review articles are submitted to the Chief Editor. The Chief Editor decides whether a proposed article falls within the ambit of scholarly material and research that supports the objectives of ASSADPAM. The article is then submitted to subject specialist referees for evaluation. Normally, these referees are members of ASSADPAM. In the case of any one of two reviewers rejecting the article completely, the editorial committee considers the reports, and may appoint another independent reviewer.
4. Anonymity is maintained by omitting the name of the author and all identifying footnotes or other references in the text. Referee reports may be made available to authors but the names of the referees will be withheld. The particulars of referees will only be made known to the Department of Higher Education, for purposes of auditing the requirements as set out by the Policy for the Measurement of Research Output of Public Higher Education Institutions (Higher Education Act 101 of 1997).
5. Copyright of published material vests with ASSADPAM (Association of Southern African Schools and Departments of Public Administration and Management). Authors, however, bear full responsibility for the contents of their own contributions. Opinions expressed in the journal are those of the authors, and are not necessarily subscribed to by the Chief Editor, the editorial committee, the Editorial Board, or the Executive Committee of ASSADPAM.
6. Accepted papers will, as far as possible, be published in the sequence in which they were received. A page fee will be charged for all articles approved for publication. This fee is subject to annual adjustment.

Presentation of manuscripts before publication

Formatting requirements

- Typewritten on one side of the paper and language edited. A4 format; one and a half spacing with generous margins; statistics are to be presented in table format, and graphic images in boxed diagrams.
- Contributions should preferably be between 6 000–8 000 words. Contributions less than 4 500 words will be considered as viewpoints and not as full articles for subsidy purposes. Each article must be preceded by an abstract (maximum length 200 words). Abstracts should represent the contents of the article concisely.
- Title of Paper (Centre, Bold, 12pt Times New Roman/Arial, Caps), Name and Surname, Affiliation (name of university/institution), (Align left, Bold 12pt Times New Roman).
- Biographical details: Please provide full details of title, surname and initials, and first name, address, fax, cell, work number etc at the end of the references/bibliography and not under the title on the first page.
- **ABSTRACT:** (12pt Times New Roman, Title in Caps), 250 words. Do not format, shade or place in textbox or table.
- **HEADINGS:** Do not number headings in text
 - **HEADING 1** (Bold, 12pt Times New Roman, Caps)

- **Sub-heading 1.1** (Bold, 12pt Times New Roman)
- *Sub-heading 1.1.1* (Bold, Italic, 12pt Times New Roman)
- Sub-heading 1.1.1.1 (Underline, 12pt Times New Roman)
- When listing, please use bullet form.
- Please do not format or use any special style in your article.
- All tables and figures should be numbered and given a heading e.g. Table 1: Population Growth before the table is inserted. The source must be provided at the bottom of the table.
- Remember to give credit to the original authors from which the table or figure was adapted.
- References in the text: Thornhill (2012:128), (Nhlabathi and Mubangizi 2012:55), (Cloete et al. 2008:4). First time three or more authors are used, type out all the authors, thereafter et al.
- **REFERENCES:** Bibliographical particulars arranged alphabetically, no numbering and according to the simple Harvard method e.g.:
 - **Book:** Gildenhuis, J.S.H. and Knipe, A. 2000. *The Organisation of Government: An Introduction*. Pretoria: Van Schaik.
 - **Article:** Auriacombe, C.J. 2007. Deconstructing the public interest for application in South Africa. *Administratio Publica*. November 2007. 15(1):28–52.
 - **Official publication:** Public Service Commission. 2008c. Report on the Audit of Reporting Requirements and Departmental Monitoring and Evaluation Systems within National and Provincial Government. Public Service Commission. Pretoria: Government Printers.
 - **Internet reference:** Patton, M.Q. 1999. Utilization-Focused Evaluation in Africa, training lectures presented at the African Evaluation Association, 13–17 Sept. 1999. Nairobi. Kenya. Available at: www.afrea.org/documents/document.cfm?docID=64 (Accessed on 25 March 2009).
 - **Title of acts in italics** e.g. *Public Service Act, 1994* (Act 103 of 1994) or *Public Service Act 103 of 1994*. Be consistent with the referencing.
 - **Full reference:** South Africa (Republic). 2000. *Local Government: Municipal Systems Act, 2000* (Act 32 of 2000). Pretoria: Government Printers.
- **AUTHOR'S CONTACT DETAILS:** The title, the name(s), e-mail addresses, telephone and fax numbers and postal address(es) of the author(s), to whom correspondence should be addressed.
- A separate application first page(s) should contain the proof of language editing by a qualified language practitioner, title, the name(s) e-mail addresses, telephone and fax numbers and postal address(es) of the author(s) names and to whom correspondence and the invoice for page fees should be addressed. The article is to commence on a new page in a separate file. Language editing fees will be added to the page fees if the language editing is not satisfactory.
- Two kinds of references are distinguished; notes and bibliographical particulars. Notes should be numbered consecutively and be inserted at the end of the text and not in footnotes.
- A statement should accompany all manuscripts (at the end of the document when submitting the paper) in which the author(s) state(s) that the contribution has not been published, is not being published, or is not being considered for publication elsewhere, and will not be submitted for publication elsewhere unless rejected by the Editorial Committee. The author(s) need to declare that they are willing to pay the page fee, if the article is approved for publication that the article has not been submitted to any conference proceedings, is not plagiarised and is checked on Turnitin before submission.
- Confirmation of provisional acceptance of articles will be forwarded to authors on receipt by the Chief Editor. Authors will be given notice of the outcome of peer reviews within twelve weeks of submission. It is important to know that an article submitted in the second half of the year may only be published in planned editions of the following year.

Administratio Publica

ISSN 1015-4833