



**UNIVERSITY OF KWAZULU-NATAL**

**PERSPECTIVES ON GOOD GOVERNANCE  
AND TRANSFORMATIONAL LEADERSHIP:  
EXPLORING FINANCIAL VIABILITY IN  
OKHAHLAMBA LOCAL MUNICIPALITY**

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## DECLARATION

I, Suraya Asmal, declare that

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Signed: .....

## **DEDICATION**

This dissertation is dedicated to my mother, Fathima Kharwa-Asmal, and my late-father, Goolam Mahomed Ismail Asmal, who from an early age inculcated in us the desire for life-long learning. Without their unwavering love, support and guidance this journey would not have been possible. I am forever indebted.

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(In the name of God, the Merciful and Compassionate)

*To God be all Praise and Glory*

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## ABSTRACT

The South African public sector experiences a multitude of challenges, particularly due to maladministration, corruption, and unethical and amoral leadership practices. This leads to the haemorrhaging of public finances and hindrances to service delivery. The largest impact of these issues seem to occur at local government level. As a result, communities often stage violent service delivery protests in retaliation to non-delivery of services. Local government financial crises and other challenges may lead to a municipality being placed under provincial financial administration pursuant to Section 139(1)(a) – (c) of the South African Constitution. Okhahlamba Local Municipality was once placed under financial administration but subsequently recovered.

This study identifies the factors that led to the Municipality being placed under financial administration and determines the strategic changes that transformed the Municipality's financial position. The study explores the role of good governance in achieving Okhahlamba Local Municipality's improved audit outcomes as well as how transformational leadership influences the implementation of good governance.

This is a descriptive exploratory qualitative research study underpinned by the interpretivism and constructivism paradigms. In this embedded single case study, the financial viability of the Okhahlamba Local Municipality is the case embedded with administrative employees and political leaders as units of analysis. The study was guided by a meta-theoretical framework in which financial viability was a dependent variable and elements of good governance and transformational leadership independent variables. Five senior managers and three political leaders were interviewed while nine long-service employees participated in a focus group. Data were analysed through integration of discourse analysis, content analysis, matrix analysis as well as thematic analysis approaches.

The study found, among other things, that the implementation of good governance and transformational leadership has a positive influence on ensuring the financial viability of the municipality. The strategic establishment of pragmatic key units within the municipality, insertion of internal controls, ongoing commitment to clean audits and relationship-building between municipal management and employees were among the findings in the reformed Municipality. This demonstrates the interaction between good governance and transformational leadership. Conclusions, recommendations and policy implications are drawn from the findings which may be transferable to other similarly situated municipalities.

### **Keywords:**

Corruption, Good Governance, Leadership, Transformational Leadership, Communicative Action, Local Government, Municipality, South Africa.

## LIST OF ACRONYMS

AG	Auditor General
AGSA	Auditor General of South Africa
AGA	African Governance Architecture
ANC	African National Congress
APRM	African Peer Review Mechanism
AU	African Union
B2B	Back to Basics Programme
CAT	Communication Action Theory
CIA	Central Intelligence Agency
CIPD	The Chartered Institute of Personnel and Development
CFO	Chief Financial Officer
COGTA	Department of Cooperative Governance and Traditional Affairs (Provincial)
DCoG	Department of Cooperative Governance and Traditional Affairs (National)
DPSA	Department of Public Service and Administration
IDP	Integrated Development Plan
IDA	International Development Association
IGRA	Intergovernmental Relations Framework Act
IFAC	International Federation of Accountants
IoDSA	The Institute of Directors in Southern Africa
MM	Municipal Manager
MFMA	Municipal Finance Management Act
MSA	Municipal Structures Act
NPG	New Public Governance
NPM	New Public Management
LGMSA	Local Government Municipal Systems Act
LGTAS	Local Government Turnaround Strategy
LGMSA	Local Government Municipal Structures Act
OCA 2014	Operation Clean Audit 2014
OLM	Okhahlamba Local Municipality
OHCHR	Office of the High Commissioner of Human Rights (United Nations)
RSA	Republic of South Africa
SADC	Southern African Development Community
SALGA	South African Local Government Association
SDG	Sustainable Development Goals
SSA	Statistics South Africa

TI	Transparency International
UN	United Nations
UNESCAP	United Nations Economic and Social Commission for Asia And the Pacific
US	Unites States of America
WB	World Bank
WTPSD	White Paper on Transforming Public Sector Delivery

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## CHAPTER ONE INTRODUCTION TO STUDY

### 1.1 Introduction

The research will explore, within the local government sphere of South Africa, the role of good governance and transformational leadership as drivers which influence municipal financial viability, and the overall success and functioning of organisations. This chapter is organised as follows. After a statement of the broad and narrow research problems, the research questions and objectives are presented. Next, the significance and the rationale of the study are set forth before research methodology for the study is discussed. Thereafter the key terms and definitions of the study are identified before an indication of the dissertation structure and chapter summary bring this chapter to a close.

### 1.2 Background and Broad Research Problem of the Study

The concept of good governance became prevalent in the early nineties although it is not a new phenomenon. It is rooted in Foucault's philosophy of neo-liberalism (Lemke 2001: 201 as cited in Müller, 2016) whereby individuals are influenced by society through indirect leadership techniques (Müller 2016: 1). The United Nations Office of the High Commissioner of Human Rights (OHCHR) (2018: 1) describes good governance as relating to "political and institutional processes and outcomes that are deemed necessary to achieve the goals of development". Issues pertaining to good governance include the conduct of public affairs at public institutions and relate to democracy, rule of law and service delivery (OHCHR 2018: 1).

Within the global milieu, the notion of good governance has taken a centre stage in defining public administration. Good governance guides the way public officials ought to conduct themselves and it plays a central role in determining the success of nations. Tenets such as morality, ethics, honesty, and integrity form the premise of good governance. Globally, issues of governance have become the forefront of benchmarking success in the public sector as well as within the corporate sector (Mungiu-Pippidi 2020: 19).

Several international organisations and institutions such as the World Bank (WB), Transparency International (TI), the United Nations (UN), the African Union (AU), and the Central Intelligence Agency (CIA) track progress and monitor good governance practices of countries across the world. The WB's good governance index depicts a bleak picture for good governance practices in developing countries, while New Zealand is ranked at the top of the index for good governance (TI 2017). Corruption seems to detract from good governance (WB 2018: 2).

The Africa Governance Report 2019 developed by the Africa Peer Review Mechanism (APRM) and African Governance Architecture (AGA) of the AU highlights the AU's leadership vision for the continent. In this regard, the report states that "transformational leadership is central to governance because it determines the future direction of change, the trajectory of human and social progress, and prudent management of natural resources for sustainable development" (APRM & AGA 2019: 33). A key premise of the AU is to foster a culture of good governance across member states (APRM & AGA 2019: 33). The manner through which this could be achieved is through the adoption of transformational leadership approaches (APRM & AGA 2019: 33). Although significant gains have been made in consolidating democracy, especially through improved public participation, the continent is faced with a multitude of governance challenges (APRM & AGA 2019: 33), hindered by corruption.

Reddy and Kauzya (2015: 215) point out that countries within the Southern African Development Community (SADC) region face similar challenges within their local government sphere in ensuring financial viability. Some of these challenges include differing extents of financial decentralisation along with lack of resources and poor revenue collection methods (Reddy & Kauzya 2015: 216). Dependency on grant funding from donor and national governments, a lack of strategic private-public sector partnerships and most notably poor transparency and accountability because of high levels of corruption are likewise problematic (Reddy & Kauzya 2015: 216).

The democratic dispensation in South Africa developed and implemented several policies and legislations to address issues of governance and guide leaders and employees within the public sector. These are shown in Table 2: Legislative Framework of the Study in Chapter 2. However, these are often overlooked and ignored (Madumo 2015: 163). One of the sectors wherein corruption, maladministration and lack of financial viability are widespread with impacts that have far-reaching consequences for citizens is that of local government (Nyamori *et al.* 2017: 1212). This is next discussed in relation to the narrow research problem of this study.

### **1.3 Narrow Research Problem**

The South African public sector experiences a multitude of challenges, particularly due to maladministration, corruption, and unethical and amoral leadership practices which lead to the haemorrhaging of public finances and hindrances to service delivery (Wissink 2015: 126). Maladministration has a significant impact on the operation of government and on the delivery of services (Reddy & de Vries 2015: 52). This contributes to the compounding levels of poverty that characterise many South Africans, as politicians and employees with self-serving interests are dominant within the public sector (Reddy & de Vries 2015: 52).

The findings of the Living Conditions Survey 2014/15 indicate an increase in the intensity of poverty in South Africa [Statistics South Africa (SSA) 2018: 11]. Almost 49.2% of the total South African population lives below the poverty line with females being the worst impacted (SSA 2018: 13). KwaZulu-Natal experiences the third-highest adult poverty level in the country at 60.7% after Limpopo and the Eastern Cape respectively (SSA 2018: 19). Okhahlamba Local Municipality (OLM) has high poverty rates with a “number of households whose monthly income is below the poverty line” (OLM 2018: 43).

Scandals relating to siphoning of public funds, irregular public expenditure, and human resource management practices being influenced by issues such as political interference plague the news headlines daily (Mbecke, 2014: 98, Kroukamp 2016: 109; Newham 2014:1; Etheridge 2018:1; Bornman 2018:1). Nyamori, Abdul-Rahaman, and Samkin (2017: 1212) point out that local government is considered as the “most corrupt institution” within the country. Instances of maladministration across the public sector are likewise prevalent in the media. Some of these include Ekurhuleni Metropolitan Municipality in Gauteng Province which has been embroiled in a toilet tender scandal that left community members with unusable toilets (Thandwa 2019:1). In Maluti, a Phufong Municipality in the Free State, officials were involved in an irregular awarding of a security services tender without following due processes (Maphanga 2019:1). Incidences like these have an adverse impact on achieving the National Development Plan 2030 (NDP) (NPC 2011) goals such as growing the economy (2011: 159), transforming human settlements (2011: 258), building a capable developmental state (2011: 407) and fighting corruption (2011: 444). These incidences also hinder South Africa’s progress in achieving the United Nations (UN) Sustainable Development Goals (SDG’s) particularly Goal 1, no poverty, Goal 10, reduce inequalities within and among countries, and Goal 16, promoting peace, justice and strong institutions (NPC 2019: 10).

Madumo (2015: 162) argues that local government challenges include “the inability of municipalities to financially sustain themselves, a lack of capacity to deliver constant and regular services, and the failure of officials to comply with regulations” (Madumo 2015: 162). Such challenges at local government level often find communities staging violent service delivery protests in retaliation to non-delivery of services (Wissink 2015: 125).

A substantial amount of research has been conducted and literature developed about good governance, public leadership and financial management within the public sector by scholars such as Mohamad, Daud & Yahya (2014), Monkam (2014), Reddy & Kauzya (2015), Warren & Visser (2016), Motubatse, Nwakwe & Sebola (2017), and Masenya (2017). Studies have shown where public officials have been found guilty of misconduct and maladministration (Masondo & Mashego 2019: 1; Singh 2019:1; Etheridge 2020: 1). However, there is a paucity of studies that

provide in-depth analysis of identifying and exploring ways in which good governance and transformational leadership can be integrated and reinforced within the public sector. This may ensure that proper financial management takes place in a manner that is transparent and in the best interests of the public. Without proper financial management, that is transparent, the possibility for corruption increases, and the overall organisational objectives may never be achieved.

The current failure of the local government sector to implement good governance has had far-reaching implications on the financial management of the country (Motubatse, Nwakwe and Sebola 2017: 98). The lack of strong public leadership premised on integrity, honesty, transparency and accountability is also a contributing factor to poor financial management (Masenya 2017: 152). Issues such as economic growth, job creation and poverty reduction are all adversely impacted by the lack of implementation of good governance practices. There seems to be an absence of strong public leadership to manage public finances. Facets of municipal financial administration and management entail “municipal revenue and credit management processes as well as the expenditure and debt management process” (Pauw, van der Linde, Fourie, 2017: 247). Yet municipalities at times fail to advantage these processes.

The South African government has constitutional strategies for mismanaged and financially struggling municipalities, namely: Section 139 of the South African Constitution (RSA, 1996) (hereafter referred to as ‘the Constitution’). Financial administration of local government is constitutionally mandated and so are provincial interventions. Proper service delivery is required to effectively transform the everyday lives of South Africans (Monkam 2014: 292). In order to ensure that the country is attractive to investors and that it remains globally competitive, proper financial management practices need to be implemented by public officials (Monkam 2014: 293). When local government is unable to carry out these obligations, financial administration is in order. Specifically, Zolani and Nzewi (2018: 1) describe the implementation of Section 139(1)(a) – (c) of the Constitution (RSA 1996) as being an intervention in “local government affairs (which) are authorised when municipalities are in financial crisis, unable to provide basic services, to improve the lives of the people, develop policies, initiate bylaws, and fail to implement legislation related to local government”. Within the context of Makana Municipality, for example, infrastructure, governance, institutional and financial challenges led to the municipality being placed under provincial financial administration (Zolani & Nzewi 2018: 4). The OLM was likewise placed under financial administration pursuant to Section 139 of the Constitution (RSA 1996) in the 2009-2010 financial year. Between 2007 and 2012 received a number of unfavourable audits.

However, from the 2011-2012 financial year OLM managed to achieve clean audit outcomes in subsequent years. For instance, of the 257 municipalities in South Africa, in the 2017/18 financial year, only 18 municipalities obtained clean audit outcomes. Okhahlamba Local Municipality was one of them (Sicetsha 2019: 1). In the 2016/17 financial year, the Auditor General of South Africa (AGSA) revealed that audit outcomes for municipalities across the country have regressed with irregular expenditure increasing by 75% compared to previous years (Omarjee 2018: 1). It is concerning that the Auditor General (AG) reported that a mere 33 municipalities received clean audit outcomes, and this accounts for 13% of municipalities in the country (Omarjee 2018: 1). This is a clear indication that there is a crisis in managing municipal finances. Yet, there remains little empirical evidence on how to achieve clean audits at the municipal level and strategic changes that need to happen to improve the financial viability of municipalities. This evidence is needed since local government is the “key agent in transforming and democratising development in South Africa and local authorities have a key role to play in ensuring sustainable development” (Reddy & de Vries 2015: 73). In this vein, Mabuela (2015: 30) points out that there is a need for strategic planning in order to “achieve results and develop bases for accomplishment” in order to achieve the strategic objectives of the organisation.

Within a period of just over a decade, OLM experienced a multitude of audit outcome findings. In 2007/2008, OLM received a disclaimer audit outcome, and this led in the following financial years to an adverse audit outcome, qualified audit outcome and eventually unqualified audit outcomes. OLM has been consistent in maintaining good audit outcomes following the provincial intervention in the municipality during the 2009/2010 financial year and the appointment of a new Municipal Manager (MM) in the 2011/2012 financial year. To help fill the gap in the literature about how to obtain clean audits and to consider whether good governance and transformational leadership play a role in obtaining clean audits, this study explores the situation of OLM. The lack of transformational leadership and good governance may lead to compromised audits and this proves detrimental in the management of municipal finances.

Given the description of the research problem, several research questions have been formulated for this study.

#### **1.4 Research Questions**

The main research question for this study is:

How can good governance and public leadership be integrated to obtain clean municipal audits?

In order to answer this broad question, the research problem has led to the development of four sub-questions. These are:

1. To what extent does good governance influence the audit outcomes that the OLM has been achieving?
2. How can transformational leadership influence the implementation of good governance?
3. Why was OLM originally placed under financial administration by the KwaZulu-Natal province?
4. What were the strategic changes that transformed the financial position of the OLM?

### **1.5 Research Objectives**

Based on the research questions detailed above, the main research objective seeks to ascertain how good governance and public leadership can be integrated to obtain clean municipal audits. The sub-research objectives of this study include:

1. Understand the role of good governance in terms of influencing the audit outcomes that OLM has achieved.
2. Discover how can transformational leadership influences the implementation of good governance.
3. Identify the factors that led to the Municipality being placed under financial administration.
4. Determine what strategic changes transpired to transform the financial position OLM.

### **1.6 Significance of the Study**

This study may contribute towards the discourse on local government administration in South Africa by documenting and detailing the factors that led to OLM being placed under financial administration. This study investigates the changes that were implemented by the Municipality to ensure its current financial position. The study seeks to contribute to the overall value of knowledge available within the context of good governance, public leadership and financial viability in the local government context. Through the public administration lessons extracted from this study, improved approaches and policies in the implementation of good governance practices may be realised. Empirical evidence can help establish what makes local government function optimally and how to implement and maintain good governance practices within the organisation. Essentially, the significance of the study lies in its contribution of knowledge on implementation of OLM's turn-around strategy. The outcomes could shed light for other similarly situated municipalities as to ways of improving their overall financial position and delivery of services to their citizens.

## **1.7 Rationale for the Study**

This study is motivated by a number of factors. First, the research takes place at a time when there are major policy shifts and debates with regards to approaches to public leadership and governance in South Africa. With the 2017 cabinet reshuffles - (Nkosi 2018:1), the African National Congress (ANC) recalled former President Jacob Zuma. Then, there was the appointment of President Cyril Ramaphosa and his proclamation of a New Dawn (Nkosi 2018:1) During this time, issues of good governance and public leadership have come to the forefront of the national discourse.

Another rationale for undertaking this study is development of understanding as to how to achieve and maintain clean audits within municipalities. Next, clean audits will advance South Africa's commitment to the SDGs [National Planning Commission (NPC) 2019] as well as its strategic objectives set out in the NDP Vision 2030 (NPC 2011). An additional motivation for this study includes the need to identify strategic changes that take place during and after Section 139 interventions and to understand why they are necessary for municipal financial viability. Yet another motivation is finding ways for the local government sector to contribute towards economic growth and attract foreign investment. Finally, improved socio-economic living conditions for citizens is a rationale for this study. In other words, a study of this nature identifies factors which lead to financial administration as well as events and circumstances that improve financial viability of municipalities and therefore an improved quality of life for community members.

## **1.8 Research Methodology**

Contained in this section are brief descriptions of the research design and methods employed for this study. Each component is further discussed in Chapter Three.

### **1.8.1 Philosophical worldview**

Interpretivist research entails several major elements, some of which include: communicating in natural environments, which are guided by personal objects, whereby people give meaning to their own communication (Wrench & Punyanunt-Carter 2012: 46). The researcher adhered to these elements during this research taking care to preserve the meanings expressed by study participants.

### **1.8.2 Research design**

A descriptive, exploratory qualitative research design/approach was adopted within the context of the research study. Qualitative research methodology is expressed through words and researchers pursue meanings through human action (Badenhorst 2008: 92; Leung 2015: 324; de la Cuesta Benjumea 2015: 886; Rahi 2017: 2). The interpretivist / constructivist philosophical worldview is consistent with qualitative research (Wrench & Punyanunt-Carter 2012: 46).

### **1.8.3 Research strategy**

The research strategy for this study followed a case study research approach. Yin (2018:4) describes case study research designs as being more relevant when undertaking research that requires comprehensive and extensive explanations of social phenomenon. Within the context of this study, an embedded, single case study design was adopted (Yin 2018: 51), as explained in Chapter Three.

### **1.8.4 Sampling strategy and technique**

Sampling strategies are conducted in various ways and they are the processes through which research participants from entire populations are selected for specific research (Flick 2018: 173). Further discussions around the sampling strategy and technique adopted for this study are in section 3.6 of Chapter three.

### **1.8.5 Data collection methods and instruments**

Data collection methods are the ways in which the research is carried out. Data collection instruments are used to carry out the research. Both primary and secondary data were collected for this study. Further discussions around primary and secondary data collection methods and tools are found in Chapter 3 in sections 3.5.1 and 3.5.2 respectively.

### **1.8.6 Data quality control**

Mandal (2018: 591) describes data quality control within qualitative research methodology as trustworthiness. A more in-depth discussion on data quality control is documented in Chapter 3 in section 3.7.

### **1.8.7 Data analysis**

Cloete (2007: 513) describes data analysis as a continuous process of assessment and comparison which begins at the stage where researchers collect data in terms of literature or go into the field to gather data. This is further discussed in Chapter 3 section 3.8.

## **1.9 Key Terms and Definitions**

This section provides brief definitions of key terms within the context of this study.

### **1.9.1 Accountability**

Accountability refers to “the responsibility of a government and its agents towards the public to realise previously set objectives and to account for them in public” (Fox & Meyer 1996: 1).

### **1.9.2 Clean Administration**

This means wherein the municipal leaders “have made it a priority to ensure that the basic internal controls and systems are in place” (Nombembe 2011: 1). This is done by developing action plans “to remedy deficiencies highlighted in the AG findings” (Nombembe 2011: 1).

### **1.9.3 Clean Audit Outcome**

A clean audit outcome is comprised of financial statements that are “free from material misstatements and there are no material findings on reporting on performance objectives or non-compliance with legislation” (AG 2012: 1).

### **1.9.4 Communicative Action**

Habermas developed several theories that largely influence the political discourse, and one such theory is the Communicative Action Theory (CAT) (Old & Ferrell 2016: 218). Jeko and Ukagba (2017: 378) state that “Habermas’s communicative theory revealed the normative foundation of democratic society”. So communicative action refers to the way in which communication is handled in OLM.

### **1.9.5 Community Participation**

Thebe (2017: 130) describes community participation as being “a crucial element or principle for responsiveness, transparency and accountability of elected political and public officials to the

community as far as pertinent and basic service delivery is concerned”. Pomeranz and Decker (2017: 1) describe community participation as being an inclusive process whereby “all stakeholders have opportunities to participate in and affect decision making”.

### **1.9.6 Consensus Oriented**

The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) (2008: 3) describes consensus-oriented as being a culmination of interests in a society which are considered collectively to achieve the best interest of the community through mutual consensus. Decision-making is done through fair processes whereby diverse stakeholder views are respected and considered (Pomeranz & Decker 2017: 1).

### **1.9.7 Corruption**

Munzhedzi (2016: 1) contends that corruption is “abuse of official authority with intent for personal gain”. Corruption is also defined by TI (TI) (2019:1) as “the abuse of entrusted power for private gain. It can be classified as grand, petty and political, depending on the amounts of money lost and the sector where it occurs”.

### **1.9.8 Effective and Efficient Governance**

Adanri and Singh (2016: 678) affirms that “effective governance requires visionary and ethical leadership”. This is achieved when institutions “produce results that meet the needs of society while making the best use of resources at their disposal” (UNESCAP 2008: 3). Efficient governance means making the best use of the available resources to achieve favourable results (UNESCAP 2008: 3).

### **1.9.9 Financial Viability**

National Treasury defines it as “the sustainability of the municipal budget, and whether the municipality is able to sustainably meet its expenditure commitments from its own revenues and transfers” (Khumalo & Ncube 2016: 9).

### **1.9.10 Good Governance**

Governance may be broadly considered as the institutional ability of an organisation to deliver to citizens’ goods and services in a manner that will enforce principles of transparency and accountability (Katsamuniska 2016: 134). Good governance is a “citizen-friendly, citizen-caring, responsive, decentralised local government system; an autonomous political society, an efficient and accountable bureaucracy, strong civil society and a free media” (Farazmand 2016: 6).

Essential to good governance, are several principles which include: “participation, rule of law, transparency, responsiveness, broad consensus, equity and inclusiveness, effectiveness and efficiency, accountability and strategic vision” (Ekundayo 2017: 156). Within the context of this research, four principles of good governance are used. These are accountability, transparency, effective and efficient and consensus-oriented.

#### **1.9.11 Idealised Influence**

Idealised influence “describes a manager who is an exemplary role model for followers, sets high standards of conduct, and is able to articulate the vision of the organisation in an effort to win the trust of the followers” (Boamah, Laschinger, Wong & Clarke 2018: 181).

#### **1.9.12 Individualised Consideration**

Individualised consideration is where leaders “attend to the individual differences in the needs of their employees and seek to coach or mentor them in an effort to them reach their full potential” (Boamah *et al.* 2018: 181).

#### **1.9.13 Inspirational Motivation**

Inspirational motivation “reflects a leader's clear articulation of a compelling vision through words, symbols and imagery to inspire followers to act” (Boamah *et al.* 2018: 181).

#### **1.9.14 Intellectual Stimulation**

Intellectual stimulation “reflects the extent to which a leader solicits employees’ perspective on problems and considers a variety of opinions in making decisions” (Boamah *et al.* 2018: 181).

#### **1.9.15 Maladministration**

Muller (2019: 1) describes maladministration as “something the council has done wrong, or not done at all, that has adversely affected a member of the public. This could include a failure to reply, unsatisfactory record-keeping, delay, failure to supply information or misleading or false statements”.

#### **1.9.16 National Development Plan Vision 2030**

The NDP Vision 2030 is a masterplan designed as South Africa’s long-term plan to reduce poverty and inequality in the country through the collective effort of multiple stakeholders and role-players in society. It is comprised of six pillars, which if achieved, will transform South Africa (NPC 2011: 1)

### **1.9.17 Section 139 of the South African Constitution**

Zolani and Nzewi (2018: 1) describe the implementation of Section 139(1)(a) – (c) of the Constitution as being an intervention in “Local government affairs (which) are authorised when municipalities are in financial crisis, unable to provide basic services, to improve the lives of the people, develop policies, initiate bylaws, and fail to implement legislation related to local government”.

### **1.9.18 Service Delivery**

This refers to the provision of basic services such as “housing, water, electricity, sewerage and sanitation, refuse removal, the number of schools, nurseries, creches and hospitals” (Morudu 2017: 3).

### **1.9.19 Transformational Leadership**

Top, Akdere and Tarcan (2015: 1262) define transformational leadership as a process through which an individual establishes connections with others with the overall ambition of encouraging and inspiring “motivation and morality in both the leader and the follower”.

### **1.9.20 Transparency**

Through following rules and regulations during decision-making processes, transparency may be achieved (UNESCAP 2009: 2). The notion of transparency also entails access to freely available information that is easy to understand by citizens (UNESCAP 2008: 2).

The following section briefly describes the structure of this dissertation.

## **1.10 Dissertation Structure**

The dissertation is comprised of five chapters. These five chapters include:

Chapter 1 – Introduction to the Study – This chapter outlines the background of the study. It describes the problem statement and sets out the research questions and objectives of the study. It offers brief explanations into key terms and it further provides an outline of the five chapters of this study.

Chapter 2 – Exploring the Literature – This chapter explores the legal framework within which the local government sector in South Africa operates. It provides deeper insight into the political-administration dichotomy within the South African context. This chapter entails an exploration of good governance within the local sphere of government and provides insight into selected

public leadership paradigms with a focus on transformational leadership. Included in this chapter is also a discussion around the challenges in the public sector and interventions in local government. This chapter also includes the meta-theoretical framework for the study.

Chapter 3 – Research Methodology – This chapter explains the philosophical worldview, research design and research strategy that was adopted for this study. It includes discussions around case selection, participant selection and site selection as well as research strategies. It explains and documents the primary and secondary data collection methods and instruments that were applied in this study. This chapter also explains the sampling strategy and the sampling size of the study. Other discussions included in this chapter include data quality control, data analysis, ethical considerations, delimitations and limitations of the study.

Chapter 4 – Data Presentation, Analysis and Interpretations – This chapter entails the steps and processes that were taken by the researcher to analyse data through a combination of qualitative data analysis techniques. These techniques included content analysis, thematic analysis, discourse analysis and matrix analysis. Data relating to each research question and research objective is visually presented with the researcher drawing links to the existing literature. The final facet of this chapter included triangulation of the study.

Chapter 5 – Summary of Findings, Conclusions and Recommendations – Through this chapter, the final findings of the study are summarised, and policy implications and recommendations proposed by the researcher. Areas requiring further interrogation and study are also highlighted. This chapter formed the final chapter of the study.

### **1.11 Chapter Summary**

Through this chapter, the introduction of the study was conferred. The background and the broad research problem of the study were discussed. This was followed by identifying the research problem and stating the research questions and objectives of the study. The ensuing sections entailed the significance of the study and the rationale for the study. The next sections included the research methodology of the study which is comprised of the philosophical worldview, research design, research strategy, sampling strategy and technique, and data collection methods and instruments. This was followed by discussions around the primary and secondary data collection, data quality control, and data analysis. The subsequent section entailed key terms and definitions of pertinent terminology relevant to the study. The final section of this chapter comprised of the dissertation structure where brief descriptions of the ensuing four chapters were provided. The ensuing chapter offers an exploration of the literature.

## CHAPTER TWO EXPLORING THE LITERATURE

### 2.1 Introduction

This chapter focuses on reviewing the literature that exists within the context of this study. Through the process of developing a literature review, researchers gather information from multiple sources to review the existing body of knowledge in a specific field with the overall aim of identifying the gaps and ascertaining “the main ideas and research on a specific topic” (Bryman 2016: 90).

Peer-reviewed journals, government legislation and policies, other related-studies and books form the basis of this literature review to obtain a holistic understanding of the existing body of knowledge for this study. Ensuing sections include discussions on global and local public sector challenges, the political-administration dichotomy, the local government sector and the legislative framework governing the sector. Thereafter, good governance at the local government sphere and selected public sector leadership paradigms will be explored. This is followed by a discussion on the meta-theoretical framework of the study and a brief chapter summary.

### 2.2 The Global Challenge of Public Sector Corruption

Corruption is a global challenge that has seems to impede the eradication of poverty. The WB states that “corruption has a disproportionate impact on the poor and most vulnerable, increasing costs and reducing access to services, including health, education, and justice” (2018:2). While corruption is a global phenomenon, it is largely prevalent in developing countries where there are poor controls in place (WB 2018: 2). Transparency International’s 2017 Corruption Perception Index paints a dreary depiction of corruption with increases globally. The report cites Sub-Saharan Africa, Eastern Europe, and Central Asia as being the most impacted regions by corruption in the world (TI 2017: 1).

The AU termed 2018 as the year of “Winning the Fight Against Corruption: A Sustainable Path to Africa’s Transformation” (Tankou 2018: 1). Banoba (2018: 1) describes the current situation with regards to corruption in Africa as hopeful despite it being the worst-performing region in the Corruption Perception Index (TI 2017: 1). Countries such as Rwanda, Cabo Verde, Mauritius, Namibia, Seychelles, and Botswana are amongst the top-performing countries in Africa on the corruption index (Banoba 2018: 1).

Banoba (2018: 1) further expands that a significant contributor that is common between the best performing African counties are political leaders that are dedicated to implementing and ensuring

anti-corruption practices. Most African countries have legislation and policies to deal with corruption. However, leaders of the top-performing countries embarked on special anti-corruption programmes to ensure the implementation of their legislation and policies (Banoba 2018: 1).

South Africa is ranked at 71 out of 175 countries on the corruption index (TI 2017: 1). The country is riddled with scandals relating to maladministration, financial misappropriation, corruption, and unethical and amoral public leadership. Maladministration and financial mismanagement have become commonplace within the public sector across South Africa, and despite legislative frameworks existing to curb corrupt practices, such practices are growing in prevalence (Auditor General South Africa (AGSA) 2019: 4).

This is indicative of weak public leadership practices that have given rise to the rate of corruption and maladministration in the public sector (Ndevu & Muller 2017: 21). This is characterised by a lack of accountability and transparency. Nevertheless, South Africa's National Development Plan: Vision 2030 (NDP) "is premised on a theory of change which suggests that strong leadership, effective government, and active citizenry are key success factors for building the capacity to identify and act upon opportunities to transform the economy and society" (Kuye & Ajam 2012: 58). Therefore, weak public leadership goes against the grain of the NDP. The following section explores in greater detail, the governance crises in the South African public sector.

### **2.3 Governance Crises in the South African Public Sector**

Before exploring the public crises in South Africa, it is worth understanding the global and regional context. The efficiency and effectiveness of the public sector is a global issue and governance plays a central role. Governance is a global concern and according to the WB, it is central to the priorities of countries across the globe (WB 2018: 1). The global governance agenda is influenced by several global issues (Pesme 2019: 1). Some of these issues include "transnational criminal activity, corruption, the illegal trade in natural resources, the laundering of proceeds of the proceeds of crime and tax evasion, impact on governance and the developmental outcomes in the developing world" (Pesme 2019: 1). Pesme (2019: 1) further confers that "the strong momentum on governance, anti-corruption, and transparency at the international level" has significantly increased and these are driven by civil society, developing countries and bodies such as the G8 and G20. The International Development Association (IDA) (2019: 1) points out that there is widespread distrust in government institutions which could stem in part because the global economy annually loses more than a trillion US dollars as a consequence of corruption and maladministration. Maladministration could be a cause of failure of municipalities in achieving audit outcomes.

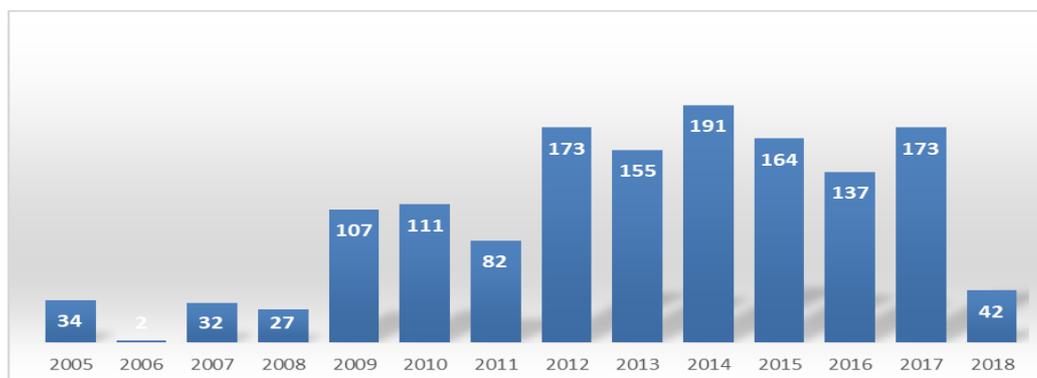
Igbokwe-Ibeto (2019: 8) points out that “efforts by successive governments in Africa to re-orientate public servants has not yielded many dividends manifested in the spate of corruption, waste and maladministration in the public service”. Two different African Governance Reports highlight crises in governance of African countries. The AU African Governance Report indicates that several governance challenges face the public sector across different countries in the continent (APRM & AGA 2019: 12). The Mo Ibrahim Foundation, in its African Governance Report, also cites corruption as a key challenge that serves as an impediment to service delivery across the continent (Mo Ibrahim Foundation 2019:45). Both the AU Governance Report (2019: 23) and the Mo Ibrahim Foundation African Governance Report (2019:16) underscore the importance of good governance premised on transformational leadership as being central to advancing the public sector in Africa. Within the context of governance, the Mo Ibrahim Foundation African Governance Report (2019: 45) points out that, concerning transparency and accountability, there is a regression in 19 countries. South Africa is named as one of the six countries that have consistently contributed to this regression trend since 2014 (Mo Ibrahim Foundation 2019: 45).

South Africa is a transitional, developmental state with a young democracy that is in the process of maturing (Mofolo, Mkuyana & Skade 2014: 12). There are multiple ways of describing the current state of South Africa. The NDP characterises the country as a capable development state (Muthien 2014: 126). It is a nation in recovery following a tumultuous history, and as a result, is plagued by poverty and inequality. The country is riddled with service delivery protest action constantly (Wissink 2015: 126). This is largely due to service delivery backlogs because of a poor public service. This is characterised by pitiable management, who often lack capacity and skills, weak implementation of policies, non-compliance with good governance practices and gross mismanagement of public funds (Meyer & Venter 2014: 84; Johannes & Venter 2015: 123; Mbandlwa & Mishi 2020: 4). South Africa endures high unemployment rates, high illiteracy rates, and high crime rates, with stagnation or slow growth in the economy [Central Intelligence Agency (CIA) 2017]. The following section briefly explores the increasing public dissent and resulting service delivery protests against the backdrop of corruption.

### **2.3.1 Service delivery protests from governance crises**

Figure 2.1 details the number of major service delivery protests in South Africa (Municipal IQ 2018). It is concerning to note that over the past thirteen years, the number of protests has remained consistently high.

Figure 2.1: Major Service Delivery Protests in South Africa



Source: Municipal IQ (2018: 2).

To prevent the ongoing service delivery protests as shown in Figure 2.1, several key or critical issues need to receive attention. Some of these include an overhaul of the public sector where clear distinctions exist between politics and the administration. Another critical issue is enhancing the professionalisation and capacitation of public service officials, particularly at senior management level and for individuals who serve in strategic roles (Johannes & Venter 2015: 125). Additional issues to address involve improving management of public funds, understanding and implementing good governance practices, designing technologically driven service delivery. This includes-governance whereby citizens can easily and effectively engage with government and make their rate payments, for example.

The South African public service sector can be said to be in a state of chaos. Most of the public service is largely driven by officials who have vested interests and do not serve in their capacities out of concern for the improvement of the country (Wissink 2015: 125). The government should play a central role in addressing the challenges that South Africa is currently experiencing. It can improve the situation. The government needs to change its approach within the public sector for a successful transformation to come into fruition. Franks (2014: 48) cites the Presidential Review Commission of 1998 in highlighting goals for the transformation process through which public service management was set out in the 1996 Constitution. He states that these include: “Professionalism, impartiality and excellence, accountability and transparency, participatory policy-making, efficiency, effectiveness and equity, and a developmental service orientation” (Franks 2014: 48).

The government needs to work to meet strategic goals to overcome serious challenges. Still additional critical issues requiring redress to overcome the crisis in the public sector are improving the quality of education, increasing access to and quality of health services, and

reducing the crime rate by implementing safety and security measures to enhance society (Ndevu & Muller 2017: 16). Ndevu and Muller (2017: 16) further propose establishing such objectives as job creation to spur economic growth, service delivery backlog reduction and good governance practices. Achieving these objectives would enable the government to better manage public finances and reduce issues around unethical conduct and corruption (Ndevu & Muller 2017: 16). Making advances in achieving the SDG's will further contribute in transforming the public service. This is especially true for Goal 16 which requires "promoting peaceful and inclusive societies for sustainable development, providing access to justice for all, and building effective, accountable and inclusive institutions at all levels" (NPC 2019: 92). Strategic change and planning is central towards achieving financial viability in order to meet the objectives of organisations and this is directly linked with the problems highlighted in the narrow research problem and in research question four.

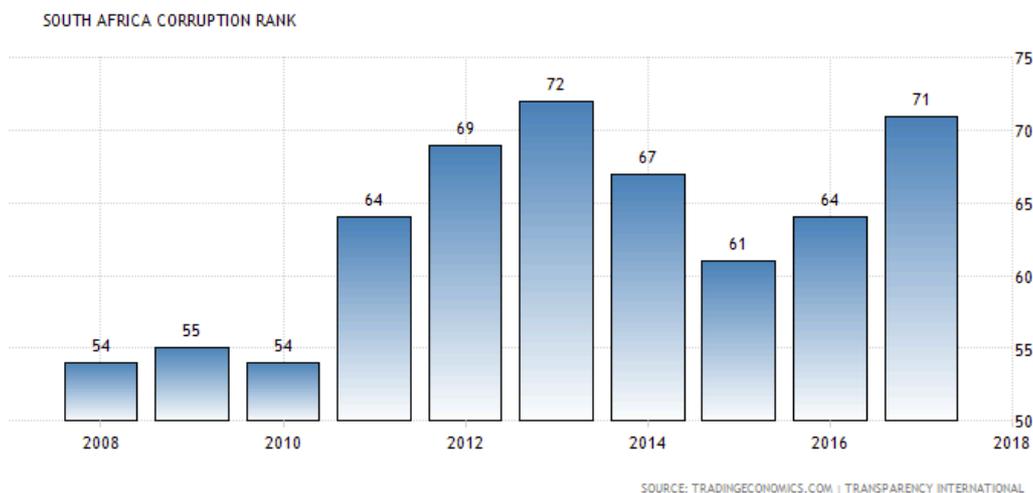
If these objectives are met, then the entire way the public service operates will be overhauled and transformed for the benefit of all South Africans. Meeting these objectives will also result favourably towards poverty eradication and ensuring a better quality of life for South Africans. The public service in South Africa is, as Frank (2014: 48) aptly describes it, in a crisis. It is typified by political deployment in senior management posts which are strategic in nature (Thebe 2017: 124). This takes place across all three spheres of government. Oftentimes, the deployees appointed to these strategic portfolios lack the (basic) skills and capacity to effectively deliver on what the nature of the position requires (Thebe 2017: 123). Contributing to the crisis in the public sector is the general a-moral nature amongst public service officials. The crisis is further compounded by a nonchalant approach to delivering services by public officials, as well as poor leadership from the country's politicians. Amongst the most significant of problems in the public sector is that of corruption.

### **2.3.2 Corruption as a component of governance crises**

The myriad of crises has led to wide-spread corruption and unethical practices across several public officials. Local government, perhaps, is where the strongest impact is felt as it is the sphere of government that is closest to the people (Madumo 2015: 154). Through the implementation of transformational leadership an enabling environment for good governance practices to thrive may be established and this will facilitate in reducing the rate of corruption that has been described in the problem statement. Giving the relationship between transformational leadership and good governance consideration also assists in answering research question two.

Figure 2.2 details South Africa's corruption index between 2008 and 2017 (TI 2017). South Africa is ranked at 71 out of 175 countries listed on the index (TI 2017).

Figure 2.2: South Africa's Corruption Index



Source: Transparency International (2018: 1).

What is evident from Figure 2.2 is that the corruption level in South Africa has increased exponentially, with 2013 recording the highest level of perceived corruption (TI 2017).

To improve the effectiveness of the public sector, Muthien (2014: 139) argues that “the time is ripe for a complete re-engineering of the public service to create a coherent integrated model of public administration and management”. Through this process, public officials need to be upskilled and capacitated to effectively carry out their functions. This means enforcing ethics and other tenets of good governance practices as well as electing strong leaders who will effect positive change within the country for the benefit of all citizens. One way of re-engineering the public service is to hone in on the political-administration dichotomy in pursuit of complementary relationships between institutions and people.

#### 2.4 The Communicative Action Theory

Jurgen Habermas is a German philosopher whose philosophical approach is aligned with the Frankfurt school of thought (Old & Ferrell 2016: 216). Habermas developed several theories that largely influence the political discourse. One such theory is the Communication Action Theory (CAT) (Old & Ferrell 2016: 218). According to Habermas, societies develop through a combination of “technological modes of action” (M’Balla-Ndi & Newlands 2016: 71). About the political-administration dichotomy, Habermas was of the view that citizens become apathetic

because they are discouraged from being involved in decision-making processes (De Almeida Fortis 2014: 135). As a result, Habermas believes that the public sphere requires structural transformations to actively involve citizens in policy development and decision-making within the political system (De Almeida Fortis 2014: 138). De Almeida Fortis 2014: 140) further states that in “modern democracies legitimacy is eroded when political and administrative systems remain closed and self-referential (responsive and accountable only to their internal organisational needs) or led by technocratic elites”.

Therefore, application of the CAT theory could be useful in turning the political-administrative dichotomy into a cooperative undertaking. This means that politicians and administrators would need to find ways of cooperating within the public sector so as to serve the best serve public interests. The application of the CAT theory can assist in integrating transformational leadership and good governance to achieve municipal financial viability. This is directly related to answering the main research question of this study. Furthermore, improved public consultative processes and developing more platforms for actual meaningful engagement with citizens could improve the overall decision-making processes in the public sector. Such cooperative or complementary working relationships would be premised on mutual trust and respect (Svara 2001:179).

As Svara (2001:180) indicates the political-administration dichotomy is not new and the dichotomy is actually a myth that should be replaced with an understanding of complementarity. Such relationships may help facilitate a healthy environment free from intimidation, which would lead to informed policy decisions which could in turn advance the developmental agendas of countries (Bogopane 2014: 214). This dissertation subsequently returns to the CAT, which is then intertwined within discussions of good governance and transformational leadership. The ensuing section offers deeper insight into the political-administration dichotomy.

## **2.5 The Political-Administration Dichotomy: A Brief Exploration**

Through this section, the notion of the political-administration dichotomy will be explored. Further insight will be provided concerning understanding the political-administration dichotomy within the South African context.

### **2.5.1 Defining the Political-Administration Dichotomy**

The political-administration dichotomy is rooted in the writings of Woodrow Wilson (Uwizeyimana 2013: 166). The primary basis of the political-administration dichotomy is the

understanding of the separation of the functions between politics and administrations to promote and ensure efficiency and effectiveness (Ikeanyibe, Ori, & Okoye 2017: 3).

The term dichotomy itself refers to “the separation that exists between two groups or things that are completely opposite to and different from each other” (Hornby 2008: 403). Within the context of the political-administration dichotomy, a distinction may be made between policy design and development, which is championed through the political sphere, and policy implementation, which is administered through the administrative sphere of governments (Uwizeyimana 2013: 166). Uwizeyimana (2013: 16) further expands that the dichotomy “envisages public employees who can be said to be “impersonal” and “apolitical”, in the sense of having no political interests or affiliations”. Hence, on the one hand, political employees may have certain loyalties to a political party. On the other hand, administrators should be guided by legislation and policy frameworks. When the aims of political appointees and administrators are at odds, service delivery suffers (Bogopane 2014: 214).

Stocker and Thompson-Fawcett (2014: 792) contend that the political-administration dichotomy led to the “support of a council-manager form of structure” which comprised of a “board of authority for elected representatives (including administrative oversight), a policy-making role for the city manager and unhampered discretion for the bureaucracy in their consideration of administrative issues”. In other words, politicians have an oversight role to play without interfering in the administrative processes of governing. This serves to ensure that there is accountability and that elected representatives gain an appreciation for “the day-to-day issues of administering policy they developed” (Stocker & Thompson Fawcett 2014: 793). A contributing factor to accountability is the ideal of public consultation and engagement through communication. Discussions through democratic public forums which led to consensus is an underlying fundamental principle of the Communicative Action Theory (CAT) (Old & Ferrell 2015: 112).

The following section briefly explores the political-administration dichotomy within the South African context.

### **2.5.2 Blurred Lines: The South African Context**

In South Africa, the political-administration dichotomy is prevalent within all three spheres of government. Sebola (2014: 208) states that the “government administration function is to implement policies to the satisfaction of the ruling party which has set both the developmental and political agenda of the country”. Bogopane (2014: 211) asserts that the impact “of the

perceived erosion of the political-administrative dichotomy on good governance and service delivery” in South Africa is significant and may be detrimental.

Yawa (2016: 2) avers that the public service is not “a totally depoliticised and politically neutral institution, especially at the higher echelons of management”. This is not a phenomenon that is unique to South Africa alone. In democracies, elected ruling parties are the driving force of policy design and development. It then follows that certain senior management posts will be influenced by political appointments (Yawa 2016: 2). This is because those individuals will “support the political and ideological direction of the government” (Yawa 2016: 2).

The organisational structure of local governments or municipalities in South Africa consists of a council, headed by a mayor, and the administration, which is headed by a MM (Yawa 2016: 4). Local governance in South Africa faces significant challenges. This includes “the problematic way in which democracy is promoted at the local level as well as for the quality of service delivery” (Reddy & de Vries 2015: 15).

A number of these challenges may be attributed to the blurred lines which exist in the political-administration dichotomy of the South African context. In other words, the myth of the political-administration has not yet given way to what could be a reality of complementariness where politicians, administrators and the citizenry work together toward public governance. As a point of departure in gaining a deeper understanding of the local government sector, it is worth considering the evolution of Public Administration. The next discussion examines traditional public administration, new public management and public governance.

### **2.5.3 Traditional Public Administration, New Public Management and Public Governance**

Public Administration has evolved over the years. There are at least three pivotal and distinct waves of reform. These include Traditional Public Administration, New Public Management, and New Public Governance. It is worthwhile to understand the progression and development of public administration as a practice to understand the current context wherein public administration takes place, particularly within the local government sector. This section of the literature review briefly describes three paradigms.

#### **2.5.3.1 Traditional Public Administration**

Traditional Public Administration originated in the nineteenth century and it was considered as a “public administration management theory system” by developed nations who perceived traditional public administration as a system to cater for all societal needs (Runya, Qigui & Wei

2015: 12). Traditional Public Administration was premised on political science, and it was represented by standardization of procedures and followed Max Weber's bureaucratic model for organisational management. That model entailed systems of hierarchy, specialization, implementation of policies and with the government taking charge (Thornhill *et al.* 2014: 9; Runya *et al.* 2015: 12; Butcher & Gilchrist 2016: 44).

Robinson (2015: 4) describes Traditional Public Administration as being a "top-down and elitist approach in which public officials are instilled with values of hierarchy, independence, integrity, and are insulated from politicians and citizens". Within Traditional Public Administration, the nature of the state was unitary, the citizen was perceived as a leader and the public-sector ethos formed the value base (Runya *et al.* 2015: 13; Butcher & Gilchrist 2016: 44).

### **2.5.3.2 New Public Management**

The concept of New Public Management (NPM) emerged in the 1990s as a means to redefine how the public sector operated (Thornhill *et al.* 2014: 17). New Public Management had its theoretical roots in economics, the nature of the state was disaggregated and unlike Traditional Administration which focused on policy implementation, the focus in NPM was intra-organisational management with an emphasis on service inputs and outputs (Butcher & Gilchrist 2016:44). The NPM approach is classified by public choice theory and the principal-agent approach whereby oversight and supervision of public officials are required to curb behaviours relating to self-interest to mitigate issues of corruption and inefficiency (Robinson 2015: 5). Within the NPM approach, Runya *et al.* (2015: 12) described the function of government as being "steering instead of rowing". NPM emphasised job performance, it included competition mechanisms in markets and perceived citizens as customers whose needs government ought to meet. It attempted to project private sector-oriented methods and modalities into the public sector (Runya *et al.* 2015: 12). This approach saw government decentralization, and unlike Traditional Public Administration's hierarchical approach, NPM shifted from towards collaboration and participation (Runya *et al.* 2015: 12; Butcher & Gilchrist 2014: 44). NPM's value orientation was that of efficiency (Runya *et al.* 2015: 12) in typically private sector terms.

NPM approaches may be particularly useful within the context of this study in examining how government policies are implemented. They may also offer insights into strategies of overcoming challenges detailed in the problem statement such as maladministration, inefficiency and corruption. While intra-organisational collaboration and participation are central in NPM approaches, multiple roleplayers are required to ensure that effective governance which caters for societal needs takes place. New public governance offers such an approach.

### 2.5.3.3 New Public Governance

The New Public Governance (NPG) emerged out of the concept of governance as a response to meeting the needs of contemporary states (Thornhill *et al.* 2014: 21). Through governance approaches, the emphasis is placed on stakeholder collaboration in meeting the service demands of society and it removes the state from being the sole role-player in delivering services to communities (Thornhill *et al.* 2014: 21). NPG is a culmination of various governance concepts which were adapted to suit contemporary public affairs (Runya *et al.* 2015: 14).

Runya *et al.* (2015: 14) define NPG as “an administration mode that pluralistic governance body, which included the government, the private sector, non-profit organisations and a series of social groups, consulted and negotiated to adapt the changing social affairs”. The term governance may be defined as “a method of ruling communities as an alternative form of the government which can be shown in the forms of new system, new institution and new management methods” (Sojin & Sang-Hee 2019: 1). Butcher and Gilchrist (2015: 44) point out that NPG’s theoretical roots stem from organisational, social and network theory where the nature of the state is perceived as pluralist. The focus of NPG entails inter-organisational governance with an emphasis on service processes and outcomes with its value orientation being efficiency and democracy (Butcher & Gilchrist 2015: 44; Runya *et al.* 2014: 12).

New Public Governance is pigeonholed by the dispersion of power to multiple stakeholders, it emphasises the coordination of government (Runya *et al.* 2014: 14). NPG is comprised of complex networks and is network-based in terms of exchanging resources (Runya *et al.* 2014: 14). It is premised on trust and stability within these networks and it places attention and value on the role of social public organisations in ensuring outputs and results for the delivery of services (Runya *et al.* 2014: 14). The notions of collective decision-making and interdependency are indicative of collaborative, horizontal systems of network governance. These systems of network governance are synonymous with NPG and places emphasis on multiple stakeholders and role-player interrelations and efforts to effect positive change and policy advancement and implementation (Richard 2018: 693; Fischer, Nguyen & Strande 2019: 17). Through forging such networks, the limitations associated with representative democracy may be overcome as new ways are developed to include public participation in public policy development (Emerson & Nabatchi 2015:8).

Thornhill *et al.* (2014: 22) points out that “the emergence of governance does not mean the demise of Public Administration or the disparagement of the paradigm of public administration”. The discipline and practice of public administration undergo continuous evolution and the focus of Public Administration and Public Management should be retained (Thornhill *et al.* 2014: 22).

In contrast, Runya *et al.* (2015: 20) points out that NPG is a “conclusion to the Traditional Administration and NPM” as NPG focuses on optimisation of organisational operation, the efficiency of public administration and inclusion of citizen involvement in issues of governance. Through collaborative efforts and consensus-oriented decision-making processes and platforms, horizontal network governance is realised through transformational leadership approaches. These are relevant within the context of this study as NPG approaches are integral in achieving a more functional, financially viable local government sector that will meet the developmental needs of citizens.

The following section provides an insight into the legislation, regulations and policies regulating local government sector in South Africa.

## 2.6 Legislative Framework: Key Determinants for Legitimacy of Local Government in South Africa

This subsection of the literature review briefly focuses on some of the legislation, regulations, principles and policy documents that offer guidelines for the functioning and operation of the local government sector and gives relevance to this sphere of government.

Table 2.1 shows selected South African legislative and policy frameworks. Whilst the first column identifies the framework, the second column explains the purpose in terms of its relevance to this study.

Table 2.1: Relevant South African Legislation

Name of Frameworks	Purpose
The Constitution of the Republic of South Africa (RSA 1996)	The Constitution establishes the local government sector, its financing, as well as provincial supervision of local government. It forms the basis of the legislations that are relevant to this study. Section 153 is relevant to this study as it dictates the developmental duties of municipalities. Section 139 of The Constitution is particularly relevant within the context of this study as it was under this clause that the municipality was placed under provincial administration. Chapter 10 of The Constitution is also relevant within the context of this study and it talks to Public Administration. Section 195 in Chapter 10 pronounces the basic values and principles governing public administration.
White Paper on Transforming Public Service Delivery (WTPSD) (RSA 1997)	This White Paper which relates to the standards of service delivery and customer relations within the public sector. It documents the Batho Pele Principles. It is relevant within the context of this study as these principles dictate the standard to which public servants ought to subscribe.

The Local Government Municipal Structures Act No 117 of 1998 (MSA)	The MSA provides the basis for municipalities to exist as structures. It defines what constitutes municipalities and the communities of municipalities. The MSA also dictates the various categorisations of municipalities. It is relevant within the context of this study because the municipality exists according to the stipulations contained within the MSA.
The Local Government Municipal Systems Act 32 of 2000 (LGMSA) (RSA 2000)	The LGMSA details processes for municipal financing including the responsibilities of councillors and the administration responsible for municipal financial management, and issues pertaining to financial misconduct. It is central to this study as it dictates the systems which the local government sector ought to have in place for effective operation.
The Municipal Finance Management Act 56 of 2003 (MFMA) (RSA 2003)	The MFMA provides the basis of managing and implementing municipal financial principles and practices. This act is relevant within the context of this study as it contributes towards assisting municipal financial viability through accountable management and governance.
The Intergovernmental Relations Framework Act, Act 13 of 2005 (IGRA) (RSA 2005)	The IRFA provides a framework for corporate governance approaches within which the three spheres of government ought to deliver services to achieve national objectives. This act is relevant to the study as it serves as the basis for the formation of relations between the district municipality, and provincial and national departments of government.
King IV Report on Corporate Governance for South Africa (King IV Report) (Institute of Directors Southern Africa 2016)	This is a report detailing principles and corporate governance outcomes. There are sixteen principles. This report is relevant within the context of this study as the public sector subscribes to the principles listed in the report and a core facet of this study relates to good governance.

The sources of the legislative and policy frameworks are reflected in the first column. As Table 2.1 indicates, the Constitution (RSA 1996) prescribes themes that speak to government relations in public financial management. It also outlines the three spheres of government as distinctive, interrelated and interdependent; and being bound to the Constitution. The Constitution also speaks power to citizen's rights in Chapter 2. Chapter 7 of the Constitution stipulates the fiscal powers and functions of local government (Nkhahle 2015: 82). Municipalities are given legitimacy through The Constitution and are empowered to govern the affairs of local communities through participatory governance. As the over-arching supreme law of the country, all other legislation, regulations and policies need to function in tandem with the Constitution (RSA 1996).

The WPTPSD (RSA 1997) stipulates how public officials ought to conduct themselves. This policy document introduces the Batho Pele Principles in the public sector. The Batho Pele Principles are aimed at bringing positive change to the nature and operation of public sector services to be more citizen-centric (South African Department of Public Service & Administration 2003: 6). The principles of Batho Pele are "consultation, service standards, access, courtesy, information, openness and transparency, redress and value for money" (COGTA 2015: 6). The ethos of the public sector ought to ideally be premised on Batho Pele and its

implementation is crucial in building sustainable, mutually beneficial partnerships with citizens. The Department of Cooperative Governance and Traditional Affairs (COGTA) functions on a provincial level and engages in intergovernmental relations with both local and national government. This means that there are nine COGTAs parallel to the nine South African provinces. Provincially, COGTA has developed a Batho Pele Framework consistent with the WPTPSD to which municipalities should adhere. Simply put, the interaction between COGTA and municipalities is pursuant to the IGRF (RSA 2005) as it establishes “a framework for the three spheres of government to promote and facilitate intergovernmental relations, and to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes” (Fourie and Opperman 2013: 17).

Turning to the MSA (RSA 1998), it provides “for the establishment of municipalities in accordance with the requirements relating to categories and types of municipalities” (Moeti 2014: 154). It details the divisions of powers between varying categories of municipalities and sets out the “structures and office bearers of municipalities through provision for appropriate electoral systems and for matters in connection therewith” (Moeti 2014: 154). In contrast, the LGMSA (RSA 2000) speaks to the establishment of municipalities as described in the Constitution (RSA 1996). The LGMSA “provides for the manner in which municipal powers and functions are exercised” (Moeti 2014: 154). The MSA emphasises the municipality’s constitutional mandate of citizen participation. It allows for the establishment of a “simple and enabling framework for the core processes of planning, performance management, resource mobilisation and organisational change, each of which underpins the notion of developmental local government” (Moeti 2014: 154). The MSA intends to ensure that through local government, economic and social upliftment is realised (Thornhill, Van Dijk, Ile 2014: 275).

With regards to the MFMA, Thornhill *et al.* (2014: 257) state that the objectives “of the Municipal Finance Management Act 56 of 2003 are to ensure sound and sustainable management of the financial affairs of municipalities and other institutions in the sphere of local government, as well as to establish treasury norms and standards for the local sphere of government”. The MFMA is described by Moeti (2014: 156) as the “core of local government financial management”. It is through proper implementation and monitoring of the MFMA and the LGMSA that municipalities may achieve financial viability.

Finally, concerning the frameworks depicted in Table 2.1, the Institute of Directors in Southern Africa (IoDSA) (2016: 20) state that the King IV Report is premised on effective corporate governance. The authors define corporate governance as “the exercise of ethical and effective leadership by the governing body towards the achievement of the following governance

outcomes: ethical culture, good performance, effective control and legitimacy” (IoDSA 2016: 20). The King IV Report is divided into 5 chapters and is comprised of 16 key principles that guide corporate governance and ethical behaviour within organisations, including the public sector. All of the foregoing frameworks bear directly upon this study.

However, there are several other key legislative and policy frameworks for the local government sector. These include the White Paper on Local Government of 1998; Local Government Municipal Demarcation Act No 27 of 1998; Local Government Municipal Planning and Performance Regulations of 2001; the Preferential Procurement Policy Framework Act No 5 of 2000 and Regulations of 2017; the Local Government Municipal Property Rates Act No 6 of 2004; the Intergovernmental Fiscal Relations Act No 97 of 1997; and the Division of Revenue Act which is annually legislated (Moeti 2014: 156). All of these frameworks, when implemented correctly, serve to ensure effective, efficient and economical operations of the local government sphere in South Africa. In essence, through proper implementation of these frameworks, municipal financial viability would be more prevalent within the local government sphere of South Africa.

The AGSA audit findings depict a negative picture of the implementation of these legislative frameworks. The AGSA stated that the negative 2017/18 audit outcomes were as a result of the “highest level of non-compliance with key governance laws since 2011-2012” (AGSA 2019: 4). A staggering total of 92% of municipalities were found to be in material non-compliance with key legislation (AGSA 2019: 4). This was a regression from the previous year’s audit outcomes where the number of municipalities that received a clean audit opinion from the AGSA decreased from 33 to 18 (AGSA 2019: 4). The Western Cape has consistently recorded the highest number of clean audit outcomes for several consecutive years (Sicetsha 2019: 1).

This section has aimed to generate an understanding of legislative and policy frameworks underpinning the local government sector. The following section of the chapter will focus on exploring the notions of good governance within the local government sphere.

## **2.7 Good Governance at the Local Government Sphere**

In this section, good governance is discussed in relation to financial viability, policy implementation and communication largely at local government level. As a point of departure, the concept of good governance ought to be defined within the context of governance. This is because a universally-agreed upon definition for good governance does not exist (Rotberg 2014: 511). Governance may be broadly considered as the institutional ability of an organisation to

deliver to citizens' goods and services in a manner that will enforce principles of transparency and accountability (Katsamunskaja 2016: 134). There are five major elements to governance theory (Keping 2018: 2). These are:

- A set of institutions and role-players that confront solitary control by government;
- Shared responsibilities for socio-economic issues and service delivery;
- Interdependent and collective action towards development;
- Shared public responsibilities despite organisational autonomy and distinct directives;
- Multi-organisational and management instruments in jointly managing public affairs (Keping 2018: 2)

Scholars make use of and distinguish between three approaches to governance, generally. These are: “government input, output, or the social and international context in which governments operate” (Joshi, Hughes & Sisk 2015: 287). Hence, governance should be contextualised and focussed on inputs, outputs and outcomes.

Good governance can be seen as an outgrowth of governance. Scholars provide a variety of definitions of the concept of good governance. As cited by Kwon and Kim (2014: 356) the definition of good governance by the WB is “epitomized by predictable, open and enlightened policymaking, a bureaucracy imbued with a professional ethos; an executive arm of government accountable for its actions, and a strong civil society participating in public affairs; and all behaving under the rule of law” (Kwon & Kim 2014: 357). This affirms that good governance is based on accountability, transparency, with elements of strong citizen participation coupled with efficiency and impartiality. Through this, it becomes evident that good governance, when implemented, can contribute towards improved administrative processes and increased realisation of service delivery within societies. Katsamunskaja (2016: 134) and Grindle (2017: 18) stress that at its core, good governance seeks to enhance and strengthen networks and public-sector partnerships with civil society. This is in turn expected to achieve development and service delivery in a cost-effective manner.

Figure 2.3 shows eight principles of good governance as perceived by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP 2008).

Figure 2.3: UNESCAP's Characteristics of Good Governance



Source: UNESCAP (2008:1).

With the principles reflected in Figure 2.3, scholars and practitioners often agree (Keping 2018: 6; Ekundayo 2017: 56; British Independent Commission on Good Governance 2012:4). Motubatse *et al.* (2017: 91) cite good governance as a factor that “shapes the attitudes of the stewards of public or shareholder resources, by encouraging them to commit themselves to high standards of integrity and ethical values, and to pursue clear and effective communication”. Van Wart (2003: 221) points out that “great leaders can make great difference” when it comes to good governance. “Accountability, following government rules and policies, political loyalty and network governance” are the four key roles that public leadership is comprised of (Tummers & Knies 2016: 434). Within the context of this study, emphasis will be placed on accountability, being consensus oriented, effectiveness and efficiency and transparency as key principles that may lead to achieving municipal financial viability.

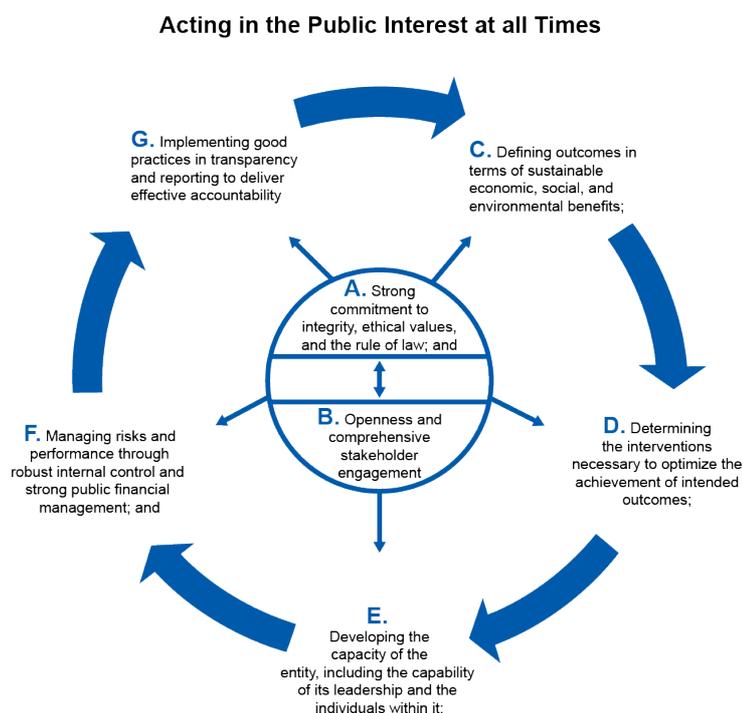
Accountability refers to “the responsibility of a government and its agents towards the public to realise previously set objectives and to account for them in public” (Fox & Meyer 1996: 1). The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) (2008: 3) describes consensus-oriented as being a culmination of interests in a society which are considered collectively to achieve the best interest of the community through mutual consensus. Decision-making is done through fair processes whereby diverse stakeholder views are respected and considered (Pomeranz & Decker 2017: 1).

Adanri and Singh (2016: 678) affirms that “effective governance requires visionary and ethical leadership”. This is achieved when institutions “produce results that meet the needs of society while making the best use of resources at their disposal” (UNESCAP 2008: 3). Efficient governance means making the best use of the available resources to achieve favourable results (UNESCAP 2008: 3). Through following rules and regulations during decision-making processes, transparency may be achieved (UNESCAP 2009: 2). The notion of transparency also entails access to freely available information that is easy to understand by citizens (UNESCAP 2008: 2).

The current failure of the local government sector to implement good governance has had far-reaching implications on the financial management of the country (Motubatse, Nwakwe and Sebola 2017: 98). The lack of strong public leadership premised on integrity, honesty, transparency and accountability is also a contributing factor to poor financial management (Masenya 2017: 152). Furthermore, Madumo (2015: 162) argues that local government challenges include “the inability of municipalities to financially sustain themselves, a lack of capacity to deliver constant and regular services, and the failure of officials to comply with regulations”.

The principles of good governance can only be implemented effectively through strong leadership practices whereby there is actual adherence to these principles. Public leadership ought to serve the interests of the public. The image below from the International Federation of Accountants (2013) is a representation of the way public leadership should behave. It proposes a seven-point cycle which reflects acting in the public interest at all times.

Figure 2.4: Acting in the Public Interest at all Times



Source: International Federation of Accountants (2013: 1).

Figure 2.4 depicts principles relating both to good governance and the key roles comprising good governance. Characteristics central to public leadership and public servants include “effectiveness, honesty, being equitable, transparency and accountability” (Mohamad, Daud & Yahya 2014: 324). Taken as a whole, it seems that these principles of good governance could help facilitate municipal financial viability. The next section is centred on municipal financial viability as a by-product of good governance.

### 2.7.1 Municipal financial viability and good governance

The concept of municipal financial viability has been defined in different ways by departments within the public sector. National Treasury defines it as “the sustainability of the municipal budget, and whether the municipality is able to sustainably meet its expenditure commitments from its own revenues and transfers” (Khumalo & Ncube 2016: 9). The Local Government Fiscal Framework defines it as “the state of balancing revenue sources and expenditure responsibilities” (Khumalo & Ncube 2016: 9) if these two elements balance then the municipality is considered a financially viable one. The Department of Cooperative Governance and Traditional Affairs “equates financial viability with self-sufficiency/self-reliance” (Khumalo & Ncube 2016: 9).

Mbulawa (2019: 3) points out that contained within the MFMA Circular 71 is a “list of indicators for evaluating the financial position of a municipality flagging distress” This also forms part of the AG’s and “National Treasury’s financial viability assessments”. Mbulawa (2019: 3) further states that these indicators “consist of five singular ratios: (1) total debt due to revenue (excluding grants), (2) debt service coverage ratio, (3) debt to net cash ratio, (4) cash flow interest coverage, and (4) liability management ratio”. These ratios are used to measure various components such as the ability to service total debts, the percentage of money available for operations, the duration to which the municipality can sustain itself as a going concern and the ability to deliver services to citizens (Mbulawa 2019: 4). In South Africa, a large majority of municipalities are not financially viable or are at a stage of being financially distressed, with only 7% of municipalities being financially healthy in 2018; with trends forecasting continued regression (Mbulawa 2019: 5).

An integral aspect of achieving financial viability is through adherence with legislation, developing and implementing adequate internal controls, and proper policy implementation (Motubatse, Ngwakwe, & Sebola 2018: 21; Chinoda & Kwenda 2019: 1). Administering clean administration practices will inadvertently lead to the achievement of clean audit outcomes within municipalities (Mathebula 2016: 215). The ensuing discussion provides a brief insight into the reasoning behind the Western Cape’s success concerning maintaining a high number of clean audit outcomes from the AGSA.

### **2.7.2 The Western Cape: A barometer of excellence**

In an analysis document released by National Treasury titled *The State of Local Government Finances and Financial Management* (2017: 35), the Western Cape is cited to be the province which received the bulk of the clean audits. Twenty-one of the 33 clean audits that were awarded to municipalities were from the Western Cape in the 2016/2017 financial year (Pienaar 2018: 1). This is indicative of 80% of municipalities in the Western Cape Province. Factors that contributed to the consistency of achieving clean audits in the Western Cape include a decrease in the rate of acting Chief Financial Officers (CFO) (Treasury 2017: 40) and regular sittings of council meetings (Treasury 2017: 62).

As examples, George Local Municipality in the Western Cape has achieved six consecutive unqualified or clean audit outcome opinions from the AGSA from the 2011/2012 to the 2016/2017 financial year (AGSA) (Pienaar 2018: 1). These successful audit outcome opinions are attributed to good governance and sound financial management practices (Pienaar 2018: 1). The Drakenstein Local Municipality obtained four consecutive clean audit opinions from the AGSA

from the 2013/2014 to the 2016/2017 financial year. (Treasury 2017: 97). In the 2016/16 financial year, “Drakenstein Municipality has officially been rated the most financially healthy municipality in the Western Cape by National Treasury” (Fin24 2018: 1).

According to Pienaar (2018: 1), the “Western Cape DA leader Bonginkosi Madikizela said local governments are working hard to develop local economic strategies to provide people with much-needed jobs. The budgets are drafted with the interest of the residents at heart, ensuring that service delivery and infrastructure receives top priority. We've adopted a zero-tolerance approach to corruption and maladministration, which is killing so many other municipalities across the country. In the Western Cape, we are working hard [to the benefit of] the people”. This suggests that increased citizen participation, a firm stance on corruption and maladministration, and delivering quality services are key factors that lead to clean audits. Other factors include employing competent, skilled people; generating an environment for economic growth and tackling issues of unemployment. Together, these factors improve the general socio-economic living conditions of citizens thereby advancing facilitation of transformation that the local government sector so desperately needs.

The following section explores the role of policy implementation and its influence on good governance.

### **2.7.3 Policy implementation and its influence on good governance**

The effects of not following proper policy implementation and legislative frameworks are tangible in the current culture of service delivery protests that plague South Africa (Hlabi 2017: 4). Mazibuko and Fourie (2013: 132) state that “non-compliance with the relevant legislation results in a situation where consumer debts balloon, creditors remain unpaid until they go bankrupt, a lack of expenditure management results in unauthorised, irregular, fruitless and wasteful expenditure, audit committees fail to perform, or function ineffectively, expenditure is not contained within the approved budget, and monthly and quarterly reports are not submitted”. Combined, these issues are frequently the root of public dissatisfaction which results in diminishing public confidence in government and the overall perception that there is a lack of service delivery (Mazibuko & Fourie 2013: 132).

Non-compliance with critical key legislations such as the MFMA has a direct influence on service delivery and the management of public finances. The AG reported that the 2017/18 financial year was the year with the “highest level of non-compliance with key governance laws since 2011-2012” (AG 2019: 4). The non-compliance with policy implementation and legislative frameworks is indicative of a decline in accountability within the local government sector (AG 2019: 3). In essence, this has an adverse influence on the implementation of good governance practices as

accountability forms an integral part of good governance. Kroukamp (2016: 113) states that for municipalities to be efficient proper leadership premised on an “environment of responsiveness, high performance and clear accountability in respect of performance management” must be established. The regression on the audit outcome findings and the increasing numbers of municipalities under provincial interventions through S139 of The Constitution (RSA 1996) remain a cause for concern within the context of the local government sector (Middleton 2019: 1). To this extent, the number of municipalities that have been placed under S139 provincial interventions has steadily increased since 2009 (Van der Walt & Greffrath 2016: 162).

Policy implementation and proper adherence to legislative frameworks are integral in ensuring the effective functioning of local government. Inadequate internal controls, non-compliance with legislation and policy implementation leads to increases in financial maladministration and corruption and consequently failed service delivery and public dissatisfaction with government (Mbulawa 2019: 15). It becomes an impediment to transformation within the country. Non-compliance with legislation and policy implementation leads to the inability of the country in achieving its developmental goals as set out in the UN’s SDG and the NDP Vision 2030.

#### **2.7.4 Communication and good governance**

Key elements in the role of communication in good governance are the principles of accountability and transparency. Yunus, Sari and Patriana (2016: 16) assert that communication is critical in ensuring effective implementation of good governance. Yunus *et al.* (2016: 17) further expand that organisations excel when functional communication channels between employees and leaders exist. This means ongoing communication with stakeholders to build public confidence in government institutions. This line of reasoning is congruent with Habermas’s CAT. Jeko and Ukagba (2017: 378) state that “Habermas’s communicative theory received the normative foundation of democratic society”.

The premise of CAT lies in collective decision making through consensus, deliberation and reasoning to achieve global order (Jeko & Ukagba 2017: 379). Sik (2015: 29) and McKenzie (2018: 37) affirm the notion that the CAT is grounded in mutual acceptance (or consensus) and understanding. This is where the good governance principle of being consensus-oriented becomes a reality. Ritzer and Stepnisky (2014: 293) believe that for Habermas “the political goal is a society of undistorted communication action”.

Ferrarese (2015: 61) states that “throughout Habermas’s work the political is conceived in relation to the public sphere, which is also presented as a social space in which the functions and properties he attributes to language, in general, are made explicit and catalysed”. McKenzie (2018: 39)

points out that according to Habermas, the ideal public sphere is rational, critical and “above all it is moral”. Habermas’s vision of the public sphere is one which acts as a moral compass with engaged citizens that reason and that can identify with everyday experiences publicly (McKenzie 2018: 39). By communicating with the public and all relevant stakeholders and establishing a culture of engaged citizens, the good governance principles of accountability and transparency may be upheld.

This theoretical approach is relevant within the context of the study as a fundamental approach of OLM. The CAT entails collective decision making for major decisions which impact the operations of the organisation. This contributes towards ensuring adherence to the principles of good governance which are shown in Figure 2.3. The ensuing section explores selected public sector leadership paradigms with a focus on transformational leadership.

## **2.8 Selected Public Sector Leadership Paradigms**

The notion of leadership is frequently synonymous with people that have been elected or employed into formal positions of government and its institutions (Warren & Visser 2016: 279). The Oxford Advanced Learners Dictionary defines leadership as being “the state or position of being a leader” (Hornby 2008: 839). Traditionally, leadership has been characterised by top-down autocratic approaches which were concerned with the implementation of rules and power and defined by accomplishing tasks (Stare 2006: 76).

Manamela (2015: 498) perceives leadership through a philosophical approach as being about “making the world a better place for others and making a difference in the lives of others at any level of the organisation or of human functioning”. Manamela (2015: 498) goes on to describe leadership as concerning behaviours and manners in which relationships are fostered and managed in the public sphere. With regards to public leadership “the challenge of defining, finding, and supporting adequate leadership neither has been greater nor has been more pressing” (Kellis & Ran 2012: 130). This perception is shared by Vogal and Masal (2015: 1166) where they state that “public leadership remains an elusive concept”. According to Kellin and Ran (2012: 131) public leadership is characterised by three tenets. These are “principles of authentic, transformational, and distributed leadership, to better equip public managers to function”.

Tummers and Knies (2016: 433) point out that often the focus of public leadership concerns the element of “leadership” rather than the component of “public”. Gomes and Streib (2014:44) support this view by pointing out that that citizen participation should be implemented through decision-making processes by public leadership; and the function of public leadership is to serve

the public. Leadership within organisations may be considered within two contrasting views (Tummers & Knies 2016: 435). The first view is where analysis of actions of leaders take place and relates to performance management, this view is outcome-based with the leader being the focus (Tummers & Knies 2016: 435). The juxtaposing opinion seeks to understand and analyse the support and behaviour between leaders and their subordinates and is relationship-based (Tummers & Knies 2016: 435).

According to Vogal and Masal (2015: 1183), there are four corresponding approaches to public leadership. These approaches are independent but interrelated. On the one hand, they share analytical pre-occupation with serving the public. On the other hand, the manner in which the approaches are executed suggest philosophical differences. The approaches are: functionalist, behavioural, biographical and reformist. First, the functionalist approach focuses on “strategic management and is driven by performance implications and public leadership outcomes” (p. 1183) and prioritises innovation. This resonates with Tummers & Knies (2016:435) view of outcome-based leadership concerned with performance management. Second, the behavioural approach revolves around “transformational public leadership and leadership theory” (p.1183). It is concerned with environments that encourage public leaders to take action and influence their subordinates which is consistent with transformational public leadership (Vogal & Masal 2015: 1176). Third, the biographical approach highlights “the political dimension and ethics in public leadership”. It considers the way leaders deal with complex ethical issues that arise out of contemporary politics. It is in-line with NPG as discussed in section 2.4.2.3 in terms of the collective common good, democratic values and public trust (Vogal & Masal 2015: 1176). The biographical approach is also linked to Tummers & Knies (2016:435) rendition of relationship-based leadership. Finally, the reformist approach dwells upon “public sector reform discourse and collaborative public leadership” (Vogal & Masal 2015: 1183). The reformist approach revolves around emerging complex and collaborative roles of public leaders – often working with other sectors – in a changing world (Vogal & Masal 2015: 1177).

Just as there are different approaches to public leadership so are there various paradigms of public leadership. The following sections briefly explore steward leadership, servant leadership and transformational leadership as selected public leadership paradigms.

### **2.8.1 Stewardship Leadership**

Stewardship leadership has its origins in spiritual and religious traditions but spread to many varying disciplines (April, Kukard, & Peters 2013: 5; Domínguez-Escrig, Mallén-Broch, Lapedra-Alcamí & Chiva-Gómez 2018: 3). Domínguez-Escrig *et al.* (2018: 5) assert that within stewardship leadership, managers are concerned with collectivist approaches to organisational

growth, rather than driven by individualistic ideals. This sentiment is affirmed by Badara (2017: 19) who states that “stewardship theory is concerned with the matters that organisational leaders have the obligation of ensuring better achievement of such organisation activities than any other selfishness”. Essentially, if the leaders and employees of organisations work for the greater good of the organisation, they would all benefit from the success (Badara 2017: 20).

Synonymous with stewardship theory are issues relating to “being in control of something that has been entrusted to one’s care but does not belong to the entrusted person” (Motubatse *et al* 2017: 95). Within the local government context, it is the political office bearers, namely, the mayor, deputy mayor, speaker and councillors; as well as the administrative office bearers, namely, the MM, and the senior management that are responsible for the implementation of good governance and ultimately stewardship. In this regard, Motubatse *et al.* (2017: 95) state that “good stewardship is best demonstrated through responsibility in the management of public resources”.

Stewardship theory as a public leadership paradigm is closely linked to servant leadership theory. The next section briefly explores servant leadership.

### **2.8.2 Servant Leadership**

Scholars offer a variety yet similar meanings of servant leadership. Dimpe and Mutekwe (2018: 5) postulate that Greenleaf’s (1977) servant leadership consists of ten main principles: “to listen to the managed, to have empathy, to heal situations, to be and make people aware, to be persuasive, to conceptualise issues, to have foresight, to have stewardship, commitment to the growth of people, and building community”. Palumbo (2016: 82) states that the “servant leader is inspired by the intention of serving other members of the organisation, with the eventual purpose of making them wiser, more autonomous, and more likely to become servants”. Serrat (2017: 653) purports that servant leadership is centred on “communal self-awareness”. This means that the responsibility of leaders is to develop, support, assist and nurture team members to reach their full potential and work efficiently. Similarly, Seto and Sarros (2016: 24) document the characteristics of a servant leader as based on “the desire to motivate, guide, offer hope, and provide a caring relationship through building quality relationships with their followers”. April *et al.* (2013: 4) further expand that “the main difference between this approach (servant leadership) and transformational leadership is that its primary focus is on people and not the organisation”.

In contrast, Timiyo & Yeadon-Lee (2016: 4) argue that it is the organisational objectives that drive servant leaders to empower people. For Green, Rodriguez, Wheeler and Baggerly-Hinojosa (2015: 76) there is insufficient information about servant leadership and its associated concepts.

Rather Green, *et al.* (2015:76) contend that social scientists need to develop instruments that will assist in gaining deeper insight and understandings of servant leadership. Nevertheless, taken as a whole, these scholarly treatments of servant leadership suggest that the paradigm is people-centred yet premised around developing people and organisations.

Both steward leadership and servant leadership have roles to play within the implementation of leadership in the public sector. They're premised on integration, collaboration, empathy and empowering people. These are worth understanding within the context of this study. However, transformational leadership provides a holistic approach which combines elements from steward leadership and servant leadership and offers an alternative to leadership style approach for the public sector. The ensuing section explores the transformational leadership theory.

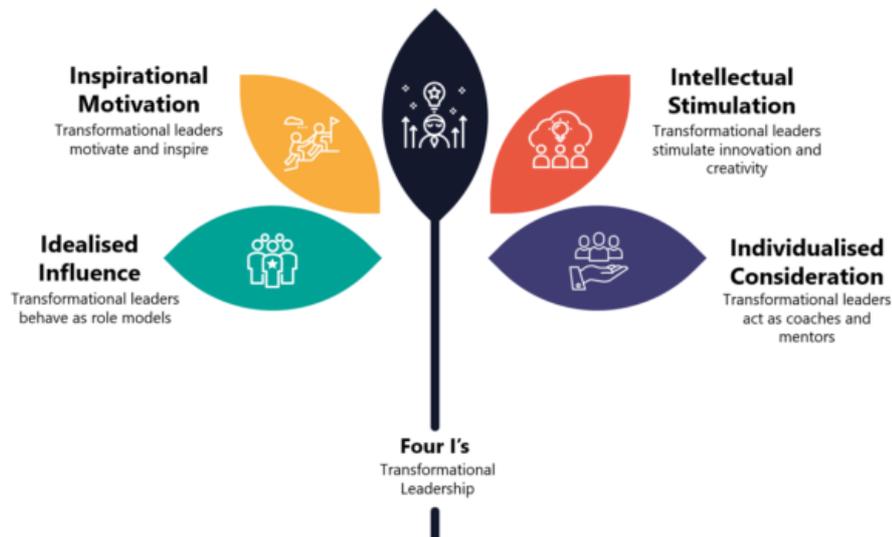
### **2.8.3 Transformational Leadership**

Transformational leadership is highly prominent and very prevalent within the leadership discourse and is described as having “captured the most attention among leadership theories from researchers for decades (Meuser, Gardner, Dinh, Hu, Liden & Lord 2016: 1385). For some scholars, transformational leadership theory is currently the most dominant leadership theory within the leadership discourse (McCleskey 2014: 120). In 1978, Burns introduced transformational leadership theory as a leadership style that was juxtaposed with transactional leadership styles (McCleskey 2014: 120). The premise of transformational leadership is that a leader's behaviour can transform or influence followers to change their behaviour positively within an organisation (McCleskey 2014: 120). McCleskey (2014: 120) states that the “transformational leader convinced his followers to transcend their self-interest for the sake of the organisation while elevating the followers' level of need on Maslow's (1954) hierarchy from lower-level concerns for safety and security to higher-level needs for achievement and self-actualisation”.

However, Bass (1985) modified the transformational leadership theory to entail four components (McCleskey 2014: 20). The literature of transformational leadership is predominantly comprised around concepts such as “idealised influence, inspirational motivation, intellectual stimulation, and individualised consideration” (Meuser *et al.* 2016: 1385) which are commonly referred to as the “four-concept component model” (Meuser *et al.* 2016: 1385).

The image in Figure 2.5 below from the Human Capital Leadership Institute illustrates the four I's of transformational leadership.

Figure 2.5 The Four I's of Transformational Leadership



Source: Human Capital Leadership Institute (Beck 2020: 1).

Idealised influence “describes a manager who is an exemplary role model for followers, sets high standards of conduct, and is able to articulate the vision of the organisation in an effort to win the trust of the followers” (Boamah *et al.* 2018: 181). Individualised consideration is where leaders “attend to the individual differences in the needs of their employees and seek to coach or mentor them in an effort to them reach their full potential” (Boamah *et al.* 2018: 181). Inspirational motivation “reflects a leader's clear articulation of a compelling vision through words, symbols and imagery to inspire followers to act” (Boamah *et al.* 2018: 181). Intellectual stimulation “reflects the extent to which a leader solicits employees’ perspective on problems and considers a variety of opinions in making decisions” (Boamah *et al.* 2018: 181). The following section explores the notion of transformational leadership in the public sector.

### 2.8.3.1 Examining Transformational Leadership in the Public Sector

Concerning transformational leadership, Top, Akdere and Tarcan (2015: 1262) describe it as being concerned with improving organisations and its members “from the current state to a better state that is aligned with organisational vision, mission and goals”. Top *et al.* (2015: 1262) define transformational leadership as a process through which an individual establishes connections with others with the overall ambition of encouraging and inspiring “motivation and morality in both the leader and the follower”. Ashikali and Groeneveld (2015: 152) substantiate this view where they define transformational leadership as being “a charismatic inspirational style targeted at aligning the goals of the team and of its members, and with an ability to change the organisational culture”. Top *et al.* (2015: 1263) point out that there are several key behaviours associated with

transformational leadership. These include: “identifying and articulating a vision, providing an appropriate model, fostering the acceptance of group goals, high-performance expectations, providing individualised support, and intellectual stimulation” (Top *et al.* 2015: 1263).

Across AU member states a number of trends concerning transformational leadership have been documented. Some of these trends include “the establishment of supreme audit authorities, offices of public defenders, independent prosecution authorities, independent judiciaries and legislatures with effective balance of power mechanisms” (APRM & AGA 2019: 33). Transformational leadership in the African context is comprised of several characteristics. These include “National Vision Statements, innovativeness, people-centeredness, public participation, and prudent management” (APRM & AGA 2019: 34). Across the African continent, there are shortcomings concerning transformational leadership that need to be addressed. These include “the existence of discriminatory laws, exclusion of minority groups, inadequate mechanisms for public participation, inadequate freedom of association of the media, and the absence of anti-corruption strategies” (APRM & AGA 2019: 36). Within the context of public leadership, it becomes evident that to effect necessary changes that will lead to the success of the public sector, adopting transformational leadership styles and practices become pivotal.

For Okhahlamba Municipality to transform the financial position of the organisation, the leadership style of the senior management had to be overhauled, and as a result, transformational leadership theory is relevant within the context of this research study. The following section will briefly explore the role of communication in transformational leadership.

### **2.8.3.2 Transformational Leadership and communication**

Communication has an integral role to play within the context of transformational leadership theory. Jensen and Moynihan (2018: 350) states that “transformational leadership promises that the right type of inspiring leader can improve performance without investing extra financial resources or engaging in politically difficult structural reorganisations”. This is particularly relevant within the local government sector which is characterised by limited financial resources and a highly politicised environment.

Transformational leaders ought to possess a strong set of communication and persuasive skills (Jensen & Moynihan 2018: 350). This is to formulate, share and sustain a set of goals to which employees within an organisation will subscribe to (Jensen & Andersen 2018: 3). Transformational leaders engage in close interactions with employees to understand and address their needs (Muralidharan & Pathak 2018: 5). Men (2014: 9) asserts that through two-way symmetrical communication, dialogue between employees is fostered and shared decision-

making practices are more likely to be implemented. Men (2014: 9) further expands that through transformational leadership a shared vision, goals and a sense of meaning for employees is created, and this in turns influences organisational culture and leads to the establishment of a trusting, nurturing environment with satisfied employees.

Yaslioglu and SelenayErden (2018: 44) points out that transformational leadership is comprised of four key domains which are: “charismatic leadership or idealised influence, inspirational motivation, intellectual stimulation, and individual consideration”. For a transformational leader to effectively lead an organisation, strong communication skills will be a prerequisite for achieving for four domains. Idealised influence “describes a manager who is an exemplary role model for followers, sets high standards of conduct, and is able to articulate the vision of the organisation in an effort to win the trust of the followers” (Boamah, Laschinger, Wong & Clarke 2018: 181). Individualised consideration is where leaders “attend to the individual differences in the needs of their employees and seek to coach or mentor them in an effort to them reach their full potential” (Boamah *et al.* 2018: 181). Inspirational motivation “reflects a leader's clear articulation of a compelling vision through words, symbols and imagery to inspire followers to act” (Boamah *et al.* 2018: 181). Intellectual stimulation “reflects the extent to which a leader solicits employees’ perspective on problems and considers a variety of opinions in making decisions” (Boamah *et al.* 2018: 181).

Frequent changes within the political leadership may have adverse influences on public service motivation especially concerning demotivating employees resulting in poor performance and as a result, transformational leaders need to understand how to manage such environmental changes within organisations (Gennaro 2018: 6). Transformational leadership entails strong elements of collective decision making (Men 2014: 9) and this is in line with Habermas’s CAT which purports collective decision-making through consensus, deliberation and reasoning to achieve global order (Jeko & Ukagba 2017: 379). Sik (2015: 29) and McKenzie (2018: 37) affirm t the CAT is grounded in mutual acceptance (or consensus) and understanding.

The current South African context within the public sector may offer significant challenges in light of effectively implementing transformational leadership. When public leaders are believed to be “out of touch with community needs and values” (Ndevu & Muller 2017: 21), it has an injurious impact on public confidence. Success as well as legitimacy of the public sector are questioned. Public leaders ought to set the tone of the institutions and organisations that they are responsible for by conducting themselves in a manner that will be favourable and that will reaffirm public confidence in the public sector. The way senior public officials conduct themselves and their approach to their work tend to influence the organisational culture within

the organisations and institutions that they serve. The following section explores leadership and organisational culture.

## **2.9 Leadership and Organisational Culture**

While there is no universally agreed-upon definition of organisational culture, Baird and Harrison (2017: 311) define the concept as “a system of shared norms and behaviours that are learned by the members of the organisation and shape their way of doing”. Organisational culture is perceived to be an important, influential element which affects employee behaviour, management practices and effects change relating to organisations overall strategic objectives (Baird & Harrison 2017: 311). Angelopulo and Barker (2015: 97) describe organisational change as a series of cultural changes that entail several components which include: “rules and policies, goals and measurements, customs and norms, training, ceremonies and events, management behaviours, rewards and recognition, communications, physical environment; and organisational structure”. An organisation’s culture is dependent on the buy-in from its employees and is premised on individual’s perceptions, and as a result, changing an organisation’s culture is a difficult feat to achieve (Angelopulo & Barker 2015: 97).

Houghton (2016: 9) describes the importance of organisational culture as being part of a formula to ensure “healthy success and longevity and deliver sustainable competitive advantage” within organisations. Houghton (2016: 22) states that a healthy, high-performing culture is needed in organisations and this is fostered by leaders who set the tone and champion ways forward for employees. Whitehurst (2016: 10) points out that leaders should set the example of how employees ought to behave within organisations and that the cultures of organisations are driven by the behaviour of its leaders.

Ashikali and Groeneveld (2015: 157) in their study, found that “when employees experience an inclusive (organisational) culture, they are more committed to their organisation” particularly about the commitment of public sector employees (Ashikali & Groeneveld 2015: 157). Kargas and Varoutas (2015: 13) state that “organisational culture and leadership have long been considered as crucial elements for performance and efficiency achievement”. The role of strong leadership in organisations, and within the public sector, to influence organisational culture in a manner that will ensure the implementation of good governance practices premised on transparency and accountability cannot be overstated.

Strong leadership which “treat(s) people with a level of trust, respect and neutrality and (when) the workforce is happy, there is a willingness to comply with authority decision directions”

(Nzewi 2017: 7). When there is a lack of directional leadership or guidelines, the resulting behaviour from employees is a “lack of passion and motivation” (Nzewi 2017: 7) to meet compliance requirements by the law and this leads to non-compliance in municipal audits resulting in adverse audit opinions. There are widespread challenges of inadequate internal controls to manage finances within the public sector (Fourie & Poggenpoel 2017: 171). Fourie and Poggenpoel (2017:171) highlight several challenges within public sector institutions that are linked directly to leadership. Political interference, inability to hold officials accountable, non-compliance with legislation, a lack of internal controls and regressions in governance are some of these challenges (Fourie & Poggenpoel 2017: 171; Govender & Reddy 2019: 6).

There have been several interventions that national government introduced over the years to address the challenges experienced in the local government sector. A number of these were unsuccessful for various reasons as the challenges continue to persist within the present-day context of local government. Within the context of this study, it is noteworthy to reflect on the interventions that were staged to understand the challenges that still exist within the local government sector. These challenges often become impediments in achieving and maintaining financial viability as well as in delivering much needed services to citizens within municipalities. The following section examines the interventions that were staged within the local government sector.

## **2.10 Interventions in Local Government**

Since the dawn of democracy, the government has introduced several interventions to overcome the challenges faced by the local government sector. Some of these interventions include the Local Government Turnaround Strategy (LGTS) of 1999 (COGTA 2009), Operation Clean Audit (COGTA 2009), and Back to Basics (B2B) (COGTA 2014). These interventions are discussed next.

### **2.10.1 Local Government Turnaround Strategy**

Following an assessment of the major challenges in local government in 2009 which were documented in a report titled *The State of Local Government*, COGTA identified four major challenges which included governance, financial management, service delivery and labour relations (Meyer & Venter 2014: 84). Van Niekerk (2012: 58) further expands that the AGSA “noted that an overwhelming number of municipalities had received poor audit opinions, either disclaimers or qualified opinions” and that this was largely due to poor or a lack of controls as well as mismanagement.

As a direct response to addressing these challenges, the LGTAS was developed as a country-wide mechanism to restore municipal-level good performance (COGTA 2009: 3). Mathane (2013: 44) asserts that the “main aim of the LGTAS is to turnaround the municipalities’ performance and to rebuild and improve the basic requirements for a functional, responsive, accountable, effective and efficient developmental and local government”. Through this intervention, the 283 municipalities across the country were required to develop and implement municipal turnaround strategies which were in alignment with their integrated development plans (IDP) (Gabara 2010: 1). At its core, the LGTAS was aimed at combatting increasing public dissatisfaction with the slow progress of service delivery which often resulted in violent service delivery protests (Mathane 2013: 49). It was meant to be a citizen-centred approach to sustainably address the challenges that plagued the local government sector. (Beyers 2015: 123).

The bleak state of affairs and dysfunctionality across the local government sector in South Africa prompted the inception of the LGTAS (Mathane 2013: 44). Following this intervention, a new approach titled Operation Clean Audit (OCA) was introduced in 2014.

### **2.10.2 Operation Clean Audit 2014**

Operation Clean Audit (OCA) 2014 was launched in 2009 as a five-year programme (hence, the year 2014 in the name of the initiative). This initiative aimed to address the challenges that led to municipalities receiving unfavourable audit findings from the AGSA (Mofolo, Mkuyana, & Skade 2014: 9). Many municipalities and government institutions across the country were experiencing a multitude of challenges particularly those of financial management as previously discussed in this chapter. The government hoped that by launching OCA 2014 in 2009, the initiative would help achieve 100% clean audit status of municipalities by 2014 (Kruger & van Rooyen 2016: 166).

The University of the Western Cape, through the Ford Foundation funding, commissioned a study which explored government’s OCA 2014. The aims of the study included determining the reasons for which the initiative failed and the lessons that were learned. Some of the documented reasons for failure of OCA 2014 “inconsistencies between targets, indicators, and implementation actions” (Powell, O’Donovan, Ayele, & Chigwata 2014: 10). In essence, municipalities often failed to have practical and achievable plans, and this hindered their progress (Powell *et al.* 2014: 10). “Multiple operational plans” (Powell *et al.* 2014: 10) were also cited as a contributing factor to the failure of OCA 2014 as these plans often led to confusion and errors. Powell *et al.* (2014: 11) further explain that “different plans had different often conflicting objectives” and this further compounded problems for many municipalities.

Following from these problems, the other four reasons that contributed towards OCA 2014 failure included: “inconsistency in the implementation activities in the different documents” (Powell *et al.* 2014: 11). The targets were extended to provincial departments with no assessments being done (Powell *et al.* 2014: 12). There was little to “no correlation between the targets and the implementation actions” (Powell *et al.* 2014: 12). And differing or competing definitions of “clean audit” were used (Powell *et al.* 2014: 13).

The report found that there were several miscalculations within the OCA policy and that the intervention was “flawed in both design and implementation” (Powell *et al.* 2014: 17). According to Powell *et al.* (2014: 17) miscalculations on COGTA’s part was assuming that it had adequate information on the actual state of municipalities. The blanket approach implemented was too rigid for the ever-changing circumstances in municipalities. A lack of correlation between targets and actual audit results were further cited as another miscalculation by COGTA (Powell *et al.* 2014: 18). The final two miscalculations by COGTA included an assumption that “it could prescribe the full range of activities necessary to implement the OCA” (Powell *et al.* 2014: 19) and having “no sanctions for failing to meet the OCA targets” (Powell *et al.* 2014: 20).

To recover from the non-actualisation of OCA 2014, the Department of Co-operative Governance (DCoG) which has national oversight of COGTAs, introduced the Back to Basics approach. This was seen as a means to regenerate municipalities and in a bid to improve municipal functionality and service delivery.

### **2.10.3 Back to Basics**

The Back to Basics (B2B) Programme was launched in 2014 as a response towards improving the functionality of local government by tackling basic service delivery challenges (COGTA 2014: 4; Eglin & Ngamlana 2016: 1). The B2B programme is comprised of five key building blocks or pillars. These include good governance, public participation, financial management, infrastructure services and institutional capacity (Mubima 2016: 48). COGTA (2014: 10) explains what each pillar entails. First, the good governance pillar entails regular sitting of council meetings as per the legislation, and functionality of oversight bodies and intergovernmental relations structures (COGTA 2014: 10). It also includes improved municipal interventions where challenges have been raised, compliance with legislation and the rate of service delivery protests. Second, the public participation pillar includes developing and maintaining strong relationships with key stakeholders, particularly with the public (COGTA 2014: 10). A major part of this pillar is compliance with the LGMSA (RSA 2000) and entails functionality of ward committees, the expenditure of ward committee grants and regularity of community satisfaction surveys (COGTA 2014: 10). Third, sound financial management as a pillar of the B2B approach entails compliance

with National Treasury legislation, regulations and standards (COGTA 2014: 10). This pillar entails proper financial reporting and performance against auditor general audit outcomes, budgeting processes, revenue collection, debt management and the efficiency of supply chain management processes (COGTA 2014: 10).

Fourth, the infrastructure services pillar entails “the planning, implementation and maintenance of basic infrastructure” to ensure a basic standard of living (COGTA 2014: 11). This pillar also requires municipalities to develop and monitor service standards and deliver basic services such as water and sanitation, housing, electrification, waste management, construction of roads and developing proper public transportation systems (COGTA 2014: 12). A key element of this pillar is that municipalities are required to provide free basic services and develop and maintain an indigent register (COGTA 2014: 12).

Fifth, the final pillar of the B2B programme is building institutional capacity. This pillar entails the filling of critical vacancies, especially those of MM, chief financial officer and directors by competent, qualified professionals (COGTA 2014: 12). This pillar also requires municipal organograms to be “realistic and affordable” and that “there are implementable human resources development and management programmes” (COGTA 2014: 12). An integral part of this pillar includes proper platforms that deal with organised labour as a means of reducing labour disputes and disruptions (COGTA 2014: 12).

A primary objective of the B2B Programme is for citizens to be empowered to hold government accountable (COGTA 2017: 5). In an evaluation of the implementation of the B2B Programme by KZN COGTA, fluctuations on the programme’s achievements were reported (COGTA 2017: 6). The evaluation revealed some interesting findings. Amongst these was that within KZN, “there is common understanding of the B2B programme” (COGTA 2017: 10). Other issues included inconsistencies of data collection tools for monitoring and evaluating the B2B implementation, time wastage due to duplication of reporting, and assessment methods not being a true reflection of municipal performance (COGTA 2017: 11). A key critique and finding of the evaluation exercise is that the programme was not achieving its objectives as municipalities often treated the programme like a monitoring tool, rather than an approach of transforming the local government sector (COGTA 2017: 12).

The ensuing section discusses the meta-theoretical framework for the study.

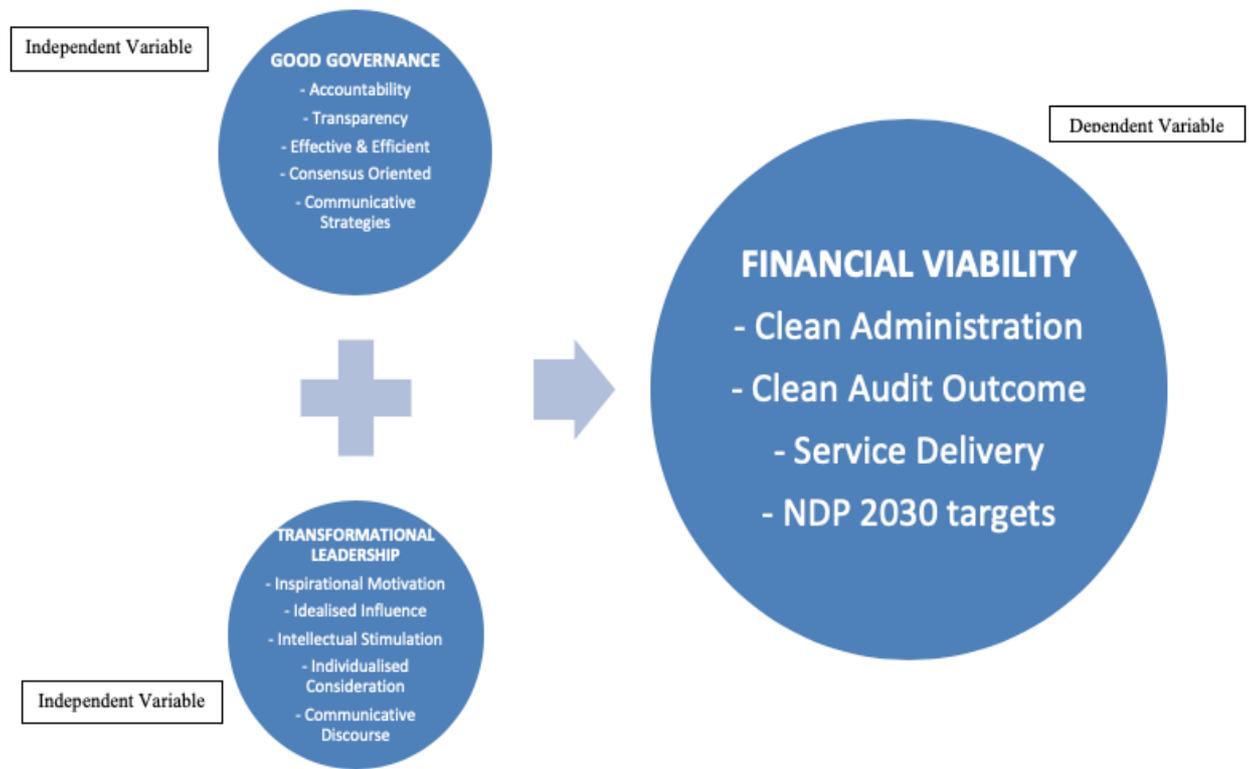
## **2.11 Meta-theoretical Framework for the Study**

The research problem, questions and objectives guide the theoretical framework. Theoretical frameworks emerge from the literature review and it enables researchers to make informed decisions on the way to conduct their research – essentially, it provides a lens through which the research may be viewed and the way it is conducted (Ravitch & Riggan 2012: 15). Creswell and Creswell (2018: 62) reaffirm this view through the discussions about theoretical lens and perspective where it further states that frameworks shape how research is documented and written and suggests recommendations for transforming society.

Three major theoretical perspectives will be used to inform the discussions within the context of this research and they are Habermas's CAT, elements of good governance theory and elements of transformational theory.

The theoretical frameworks depicted in Figure 2.5 below have been selected within the context of this research because the notions of good governance, transformational leadership and communication are closely linked. And, reflecting upon the exploration of the literature in this chapter, a combination of elements from these three notions could lead to municipal financial viability and ultimately clean audit outcomes from the AG. Municipal viability, in turn, will lead to improved service delivery and an overall increased standard and quality of life for South African citizens. As a result, this will contribute positively towards achieving the targets set out in the NDP Vision 2030, as well as achieving the UN SDGs.

Figure 2.6: Meta-Theoretical Framework



Source: Adapted by the Researcher from Keping (2018), Motubatse *et al.* (2018), Old & Ferrell (2016) and Meuser *et al.* (2016).

While there are eight characteristics of good governance, the focus will be placed on four of these principles through this study. These include accountability, transparency, effective and efficient, and consensus-oriented.

Accountability refers to “the responsibility of a government and its agents towards the public to realise previously set objectives and to account for them in public” (Fox & Meyer 1996: 1). Through following rules and regulations during decision-making processes, transparency may be achieved (UNESCAP 2009: 2). Adanri and Singh (2016: 678) affirms that “effective governance requires visionary and ethical leadership”. This is achieved when institutions “produce results that meet the needs of society while making the best use of resources at their disposal” (UNESCAP 2008: 3). Efficient governance means making the best use of the available resources to achieve favourable results (UNESCAP 2008: 3). Being consensus-oriented entails decision-making that is done through fair processes whereby diverse stakeholder views are respected and considered (Pomeranz & Decker 2017: 1). Within transformational leadership theory, the study focuses on the four factors comprise transformational leadership. These have been discussed in

greater detail in section 2.6.3. A culmination of implementing good governance and transformational leadership will contribute towards financial viability at a local government level. This in turn will contribute towards achieving clean administration practices, obtaining clean audit outcomes, overcoming service delivery backlogs and ultimately, achieving the targets set out in the NDP 2030.

## **2.12 Chapter Summary**

Through this chapter, several subjects were discussed. The chapter began with an introduction. Following this, the crises in the South African public sector was highlighted. Thereafter a brief exploration of the political-administration dichotomy ensued, and this entailed defining the political-administration dichotomy and explaining the South African context. Following this, the chapter focused on the local government sector where the legislative framework for the study was discussed, as well as the notions of traditional public administration, new public management and public governance. A discussion around good governance at the local government sphere followed. This subsection entailed the meaning of financial viability at a local government level, policy implementation and its influence on good governance, and communication and good governance. The discussion in the chapter then shifted focus to selected public leadership paradigms and these included steward leadership, servant leadership and transformational leadership. Subsequently, the interventions in local government were explored. These included the Local Government Turnaround Strategy, Operation Clean Audit 2014, and Back to Basics. The final section of this chapter offered deeper insights into the meta-theoretical framework that underpins this study.

The following chapter offers discussions around the research design and methodology for the study.

## CHAPTER THREE RESEARCH METHODOLOGY

### 3.1 Introduction

This chapter begins with a discussion of the research paradigms / worldviews for the study. The discussion progresses to the research paradigms and research design. The ensuing section discusses the research design and is comprised of the case, participant and site selection. This is followed by a discussion of the primary and secondary data collection methods of the study. Thereafter, the sampling strategy is discussed, and this is followed by a discussion around data quality control. The subsequent sections entail discussions around data analysis, data triangulation, ethical considerations, delimitations of the study and the limitations of the study.

### 3.2 Research Paradigms / Worldviews

A humanistic approach was adopted to this research study with emphasis on the social constructivist paradigm coupled with the interpretivist paradigm. The constructivist paradigm is premised on understanding people's lived experiences, that knowledge is subjective, and that individuals' realities are socially constructed (Wagner, Kawulich & Garner 2012: 55). Creswell and Creswell (2018: 6) summarise the characteristics of the interpretivist / constructivist paradigm as: "understanding, multiple participant meanings, social and historical construction and theory generation". Similarly, interpretivist research entails communicating in natural environments, being guided by personal objects and facilitating communication that allows people to give meaning to their experiences (Wrench & Punyanunt-Carter 2012: 46). Rahi (2017: 1) describes the interpretive paradigm as being premised on deep understandings and subjective perceptions of the world which equate to "true knowledge". The author further states that interpretivist researchers believe that "true knowledge can only be obtained by deep interpretation of the subject" (Rahi 2017: 1). These philosophical worldviews are apropos for this study. This is because the chief objective of the research was to gain in-depth insight and understanding of various perspectives relating good governance and public leadership within the South African local government context.

### 3.3 Research Design

A descriptive, exploratory qualitative research design/approach was adopted for this study. Qualitative research methodology is expressed through words and researchers pursue meaning through human action (Badenhorst 2008: 92; Leung 2015: 324; de la Cuesta Benjumea 2015: 886; Rahi 2017: 2). The focus of qualitative research is to develop understandings and meanings that are ascribed to social and human problems by individuals (Creswell & Creswell 2018:

4). Wagner *et al.* (2012: 126) describes qualitative research as being concerned with “understanding the processes and the social and cultural contexts which shape various behavioural patterns”. This description is aligned with that of Badenhorst (2008) and Creswell & Creswell (2018). A qualitative research design/approach was selected to ascertain understandings and gain deeper insight into the issues about good governance, transformational leadership, and municipal financial viability as socially constructed by study participants.

### **3.4 Research Strategies**

The research strategy for this study followed a case study research approach. Yin (2018:4) describes case study research designs as being more relevant when undertaking research that requires comprehensive and extensive explanations of social phenomenon. Yin (2018: 14) further expands that “a case study is a phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not very evident”. Aczel (2015: 17) points out that case study research is “an appropriate method for the exploratory phase of an investigation”. Case study research addresses questions relating to “how” and “why” in exploratory research (Yazan 2015: 148). Through conducting case study research, the broader field of the research topic is tapered into a specific focus area. Case study research includes identifying a unit of analysis. A unit of analysis may be several things including people, places, artefacts, and concepts and forms the core subject of a study (Harrison, Birks, Franklin & Mills 2017: 13).

Within the context of this study, an embedded, single case study design was adopted. Yin (2018: 51) describes this as “the same single-case study may involve units of analysis at more than one level. This occurs when, within a single-case (the first level), attention is also given to a subunit or subunits (a second level)”. The case in this study is the financial viability of the OLM. The units of analysis in this study are administrative employees and political leaders. Section 3.4.1 indicates justification for the case selection whilst section 3.4.2 and 3.4.3 indicates justification for participant and site selections.

#### **3.4.1 Case selection**

Concerning case study research design, Yin (2018: 15) expounds that case studies are done to ascertain an understanding of “a real-world case and assume that such an understanding is likely to involve important contextual conditions pertinent to a case”. The researcher selected this case and above noted units of analysis to investigate whether good governance and transformational leadership played a role in OLM obtaining financial viability and maintaining clean audit outcomes.

In the 2009-2010 financial year, the municipality was placed under financial administration through a provincial intervention by the Department of Cooperative Governance and Traditional Affairs (Cogta) through S139 of the Constitution. A new MM was appointed in 2012 and began implementing a turnaround strategy to improve the overall financial position of the municipality. In the 2012-13 financial year audit by the AG, the municipality received its first clean audit proving that the provincial intervention and the implementation of the turnaround strategy was a success.

The municipality has since maintained clean administration practices and was awarded a clean audit finding by the AG for the 2016-17 financial year, one of only six municipalities in KwaZulu-Natal to do so, and 33 nationally. In the 2017-18 financial year, it was the only municipality in KZN to secure a clean audit finding, and only 18 municipalities across the country received clean audit outcome opinions from the AG. For these reasons, OLM financial viability is worthy of being the case in a case study.

### **3.4.2 Participant selection**

The units of analysis in this case study included: senior management from the different directorates of the municipality. This included the Chief Financial Officer (CFO), the Director of Corporate Services and the most senior managers. Other units of analysis in this study included senior politicians: the Mayor and the Speaker, and long-service employees; as well as the former Municipal Manager (MM) and the former Speaker. Participant recruitment took place through participant recruitment flyers for interviews and focus groups were emailed to all employees of the municipality. These were likewise placed on notice boards within the main municipal building. These recruitment flyers are attached in Appendices A and B, respectively.

The administrative and political leaders were selected for a number of reasons. The senior management is responsible for the development and implementation of policies, and as a result, they are in the prime position to share their stances and perceptions with regards to realising and maintaining good governance practices within the municipality. The political leadership perform the critical function of oversight within the municipality, they were selected to be research participants as they may have invaluable contributions to offer with regards to leadership, and the maintenance of good governance practices within the municipality. The long-service employees were selected as they worked through the period while the municipality was under financial administration and have continued to work for the municipality through the transition period where the municipality's overall standing has improved into a favourable one.

### **3.4.3 Site selection**

The research was conducted at OLM, at the main Municipal building located in Bergville, Northern KwaZulu Natal. This site was selected as it is the operational nucleus of the municipality which houses all the strategic departments that are responsible for the functioning of the municipality. The municipality was selected due to its transformation from being a municipality characterised by maladministration and financial instability, which was placed under provincial administration by COGTA, to a municipality characterised by consistent positive audit outcomes by the AGSA and a financially viable municipality.

## **3.5 Data Collection Methods and Instruments**

Data collection methods are how the research within a specific topic is carried out and may include experiments and tests, interviews, surveys and questionnaires to seek solutions to research problems (Wagner *et al.* 2012: 59). Using the interpretivist / constructivist paradigms explorative, descriptive research was carried out through conducting semi-structured interviews and facilitating a focus group. Secondary data in the form of documents and archives detailing the AG report findings and the municipal annual reports for a decade were also used for this study. Primary and secondary data collection are explained in turn.

### **3.5.1 Primary data collection**

Yin (2018: 110) points out that “case study evidence can come from at least six sources: documents, archival records, interviews, direct observations, participant-observation and physical artefacts”. With regards to primary data collection methods for this study, semi-structured interviews and a focus group were used to gather data. Each of these methods and corresponding tools are discussed next.

#### **3.5.1.1 Semi-structured interviews**

Interviews are a method used to collect data from research participants regarding their own personal lived experiences and perceptions to gain insight into the rationale. Harrell and Bradley (2009: 35) describe semi-structured interview questions as a tool of data collection which contains a guide with questions, themes and topics. These are covered and conversationally and administered with the option of the researcher asking probing questions.

Wagner *et al.* (2012: 135) further explains that researchers must be attentive through the interview process and be able to identify new lines of inquiry that relate to the phenomenon being studied. Interviews are flexible and have been described as a means to develop an understanding of the perceptions and experiences of interviewees (Owen 2014: 8). The semi-structured

interview data collection tool comprised of three elements: main questions which focused on the main issues about good governance and transformational leadership, follow-up questions to gain clarity and probing questions to enhance and develop the information being relayed through the interviewee. Specific open-ended questions were developed to collect data to answer the research questions and achieve the research objectives. The interview questions for the different stakeholder segments (political leaders and current as well as former administrative leaders) are attached as Appendix C and D. Interviews were conducted between May and July 2019. Table 3.1 depicts the codes and interview schedule.

Table 3.1 Codes and Interview Schedule

<b>Codes and Interview Schedule</b>				
<b>Code</b>	<b>Description</b>	<b>Date</b>	<b>Duration of Interview</b>	<b>Location</b>
FD1	Finance Department 1	15/05/2019	57:59	Bergville
FD2	Finance Department 2	17/05/2019	35:41	Bergville
MMO1	Municipal Managers Office 1	03/07/2019	60:08	Durban
MMO2	Municipal Managers Office 2	22/05/2019	21:11	Bergville
CSD1	Corporate Services Department 1	21/05/2019	33:21	Bergville
PL1	Political Leader 1	15/05/2019	52:05	Bergville
PL2	Political Leader 2	31/05/2019	20:51	Bergville
PL3	Political Leader 3	13/06/2019	39:11	Bergville

Eight research participants were interviewed through a semi-structured interview. Of the eight interviews, seven took place in Bergville and one took place in Durban. Interviews were audio recorded and stored safely. The audio recordings were then transcribed, and participant codes were assigned to each interviewee to protect their confidentiality and anonymity in the write up of the data. The most significant challenge during the process of conducting interviews was that the municipal officials were preparing for the municipal financial year end and accessing them was challenging. In order to overcome this, the researcher approached the municipal manager to explain the challenge. The manager allowed for the researcher to interview research participants during office hours. All the interviews were conducted during the lunch hours of research participants. The focus group a similar process, details are depicted in Table 3.2.

### 3.5.1.2 Focus groups

Sreejesh, Mohapatara and Anusree (2014: 51) define focus groups as a group of people that have been selected and gathered by researchers whereby discussions and deliberations take place from a personal perspective on a specific topic determined by the researcher. Focus groups are characterised by discussions on a topic where debate is encouraged, and group dynamics become a part of the procedure through the participant engagement (Wagner *et al.* 2012: 135; Nili, Tate & Johnstone 2017: 1). The overall ambition of focus groups is to tap deeper into personal perspectives to obtain unexpected findings resulting from the group deliberations. Focus groups, not unlike interviews are consistent with the interpretivist/constructivist worldview and qualitative research. Focus group conversations are traditionally led by the researcher and take place within the context of a relaxed, inviting environment so that participants are comfortable in sharing their thoughts and ideas (Kellmerit 2015: 46). Cumulative effects are common in focus groups as the engagements gain momentum and participants become enthusiastic about sharing information. Focus groups are highly interactive by nature and this adds value to the research study as it offers opportunities for further in-depth questions and clarities.

The researcher selected a focus group to collect data because the knowledge holders, long-service employees, are well suited to engage with each other regarding occurrences over time. The researcher wanted to engage with research participants within a space that allowed and promoted them to share their thoughts, feelings, and perceptions about the information required for the study. The focus group discussion allowed for group interaction which prompted participants to recall experiences and emotions. It also enabled the researcher to understand the unspoken expressions that focus group participants displayed through their body language. Participant recruitment for the focus groups took place through the assistance of the Human Resources Department of the municipality as the department is the gatekeeper for all employee records. The department was easily able to identify long-service employees and these individuals were targeted by the researcher to solicit participation. The focus group was conducted on 06 June 2019 and the focus group guide is annexed as Appendix E. Table 3.2 illustrates the codes and focus group schedule.

Table 3.2 Codes and Focus Group Schedule

<b>Code and Focus Group Schedule</b>				
<b>Code</b>	<b>Description</b>	<b>Date</b>	<b>Duration of Interview</b>	<b>Location</b>
FGP 1 - 9	Focus Group Participant 1 - 9	06/06/2019	1:44:41	Bergville

There were a total of nine focus group participants that participated in this study. The focus group session was audio recorded and stored safely. Each participant was assigned a code identifier during the focus group, and these codes were used in the transcription of the focus group to identify participants.

Before the focus group interview, the researcher was contacted by two participants who raised concerns around being intimidated or victimised following the focus group based on the information that they would share. The researcher reassured the participants of the data derived from the focus group would be reported anonymously in the study by assigning a participant code to each participant. Saunders, Kitzinger and Kitzinger (2015: 617) state that “anonymity is a form of confidentiality – that of keeping participants’ identities secret”. But it was brought to the researcher’s attention that the participants feared being victimised by other focus group participants in their everyday work context. At the beginning and the end of the focus group, the researcher encouraged participants to express themselves freely. As the focus group interview progressed, the researcher got the sense that some participants were providing superficial responses. At the end of the focus group, the researcher encouraged participants to email the researcher if they had any other information that they wanted to share. Furthermore, the researcher offered to have a follow-up, one-on-one interviews with participants if they wanted to share more information. No focus group participant emailed or requested a follow-up interview.

### **3.5.2 Secondary data collection methods**

Johnston (2014: 619) defines secondary data as “data that was collected by someone else for another primary purpose”. Within the context of this research study, secondary data in the form of literature, books, newspaper articles along with legislative and policy frameworks, municipal annual reports between the 2007/2008 financial year and the 2017/2018 financial years and AG municipal audit findings reports were collected and analysed. This was done through reading certain sections of the reports and extracting information from them which were relevant to the study. The focus on researching secondary evidence revolved around documents concerned with good governance, public leadership, financial management and other constructs and concepts.

## **3.6 Sampling Strategy and Technique**

The following section discusses sampling strategies, techniques and sample size.

### **3.6.1 Sampling strategy and technique**

Mason (2018: 53) defines sampling as sampling selections as “principles and procedures used to identify and gain access to relevant data sources that are potentially generative in relation to a

wider universe, and to select from them for the purposes of gaining meaningful insights into an intellectual puzzle”. Sampling strategies are conducted in various ways. Sampling strategies are the processes through which research participants from entire populations are selected for specific research (Flick 2018: 173). In this study non-probability purposive sampling was utilised. In developing a purposive sample “researchers use their special knowledge or expertise about some group to select subjects who represent this population” (Lune & Berg 2017: 39). These subjects, selected on the judgement of the researcher, often relate their lived experiences through rich, textured descriptions (Lune & Berg 2017: 39). The sample was carefully and intentionally chosen because they best enabled the researcher to answer the research questions. The researcher approached the human resources manager to obtain a list of employees that formed part of the management, employees that were employed for a period of longer than a ten-year period, and for a list of the political leadership of the municipality. The process of participant recruitment has been described in section 3.4.2 under the heading participant selection.

### **3.6.2 Sample size**

Research samples are parts of populations which researchers used to obtain insight, information, knowledge and answers from study participants. Within the context of this study, the samples were drawn from three different stakeholder segments. As to administrative leaders these included the most senior management: the Chief Financial Officer (CFO) and the departmental directors and managers that form the management committee of the municipality along with the former MM. This target population was selected because they are responsible for the administrative decisions of managing the municipality, including the development, implementation and monitoring of the municipal budget. Regarding political leaders, the Mayor and Speaker of the municipality formed part of the sample selection as well as the former Speaker. This target population was selected because they are responsible for the oversight of the administrative management of the municipality. The third stakeholder segment was long-service employees who have been employed for 10 years or longer. This stakeholder segment experienced working conditions and organisational culture before, during and after OLM was placed under provincial financial administration. The total target population for the study entailed 114 people with a proposed sample size of 18 – 27 research participants. The actual sample size comprised of 17 research participants. The researcher determined the sample adequacy once it was deemed that data saturation was reached. Table 3.3 depicts the target population, proposed and actual sample sizes according to the relevant stakeholder segment.

Table 3.3: Units of Analysis and Sample Size

<b>Units of Analysis and Sample Size</b>			
<b>Stakeholder Segment</b>	<b>Target Population</b>	<b>Proposed Sample size</b>	<b>Actual Sample Size</b>
Most Senior Management	35	5 – 10 Senior Managers	5 Senior Managers
Political leaders	29	3	3
Long-service Employees	50	8 – 12	9
Total Number of Respondents	114	18 – 27	17

As previously discussed, Section 3.4 provided the justification for the selection of these units of analysis. Sampling as well as data collection should be subject to data quality control which is next explained.

### **3.7 Data Quality Control**

Data quality control refers to the accuracy of data and true reflections of what the data represents. Efforts should be made to ensure that there are no misrepresentations when presenting the research (*Wagner et al.* 2012: 81). Mandal (2018: 591) describes data quality control within qualitative research methodology as trustworthiness with four pillars. The four pillars are credibility, confirmability, dependability and transferability.

Trustworthiness in qualitative research refers to the “degree of confidence in data, interpretation and methods used to ensure the quality of the study” (Connelly 2016: 435). This means that trustworthiness is achieved through establishing credibility, confirmability, dependability and transferability. Each is described in turn.

#### **3.7.1 Credibility**

Connelly (2016: 435) describes credibility as “the confidence in the truth of the study and therefore the findings” and explains that this is an integral criterion for data quality control. Credibility refers to the researcher’s confidence in the findings of the study – it is the truth of the study. At the core of the study is attaining and understanding multiple realities and truths as proffered by the research participants. To ensure credibility for this study, the researcher shared the transcriptions and data with the research participants for checking. Data quality control was also ensured through participant validation by asking research participants to verify that the data collected was an accurate reflection of the discussions. This was done to ensure that the essence

of what was captured was a true reflection of what research participants intended to say. A contributing factor to ensuring credibility within this study was through the triangulation of data methods.

### **3.7.2 Confirmability**

The confirmability of a study refers to “the degree findings are consistent and could be repeated” (Connelly 2016: 435). Through confirmability, bias is kept in check as the findings should be a true reflection of the participant’s perceptions. The element of confirmability ensures that the descriptions and narratives are a true reflection of the research participants as opposed to being influenced by the researcher’s bias. To ensure confirmability of the study, the researcher acknowledged her bias and maintained an audit trail detailing the data collection, data interpretation and data analysis processes for the study. Through the research journey, the researcher documented thoughts in the form of notes especially after the semi-structured interviews and the focus group. These notes were mainly reflections on the body language of the research participants, as well as their willingness to answer the questions posed to them. Confirmability of the study was further achieved through the triangulation of the study.

### **3.7.3 Dependability**

Connelly (2016: 435) describes dependability as being like reliability in quantitative studies. Dependability “refers to the stability of the data over time and the conditions of the study”. Through dependability, studies of a similar nature could be replicated and should yield similar results. As a means of attaining dependability in this study, the researcher coding process was done over several phases where the researcher would visit the coded data to determine if the code results were the same. The researcher also sought the assistance of an independent researcher to analyse the coding process and to code the data to determine if both researchers reached similar coding conclusions. The element of dependability was further enhanced through the triangulation of the study. Through the guidance of a supervisor to review research processes and data analysis, dependability was ensured.

### **3.7.4 Transferability**

With regards to transferability, Connelly (2016: 435) states that it is the “extent to which findings are useful to persons in other settings” and that this is different from other aspects of research because the readers can decide on whether the information applies to them or not. In the context of this study, the researcher made use of thick, rich descriptions when detailing the both the

research journey and the findings of the study. This was done to help the reader decide whether any aspects of the findings, conclusions and recommendations may be useful in a similarly situated context.

### **3.8 Data Analysis**

Cloete (2007: 513) describes data analysis as a continuous process of assessment and comparison which begins at the stage where researchers collect data in terms of literature or go into the field to gather data. Creswell and Creswell (2018: 193) describe qualitative data analysis as a process premised on classifying things using codes. Coding entails sorting and organising data “by bracketing chunks (or text image segments) and writing a word representing a category in the margins” (Creswell & Creswell 2018: 193). Data is segmented, grouped into categories and labelled. Coding is an essential step in the data reduction phase of the data analysis process. Before the analysis exercise for this study, the researcher attended a workshop series with the supervisor and her research collective to gain deeper understandings of the data analysis process. Within the context of this research study, the researcher conducted several types of data analysis. These included a combination of techniques such as discourse analysis, document analysis, thematic analysis, content analysis, as well as matrix analysis for primary data and secondary data analysis. Each technique is discussed in turn.

#### **3.8.1 Primary data analysis**

Primary data analysis entails making sense of the data collected in a study. Allen (2017: 1) states that “analysing primary data is the process of making sense of the collected data to answer research questions or support or reject research hypotheses that a study is originally designed to assess”. Within the context of this study, primary data were collected through semi-structured interviews and a focus group. Within qualitative studies, Evans (2017: 2) states that “semi-structured interviews are one of the most dominant and widely used methods of data collection within the social sciences”. This is because it allows for research participants to express their subjective experiences by providing in-depth information (Evans 2017: 2). Qualitative research entails multiple approaches to the analysis of data. The ultimate objective of qualitative data analysis is the interpretation of data to seek out meaningful patterns (Groenland 2014: 120). This is done after the systematic processing of the raw data to form categories and codes (Bennett, Barrett & Helmich 2019: 10). Once the processing phase has been completed, matrices can be designed in preparation for presenting the coded data (Ruffin 2019:11).

This study made use of discourse, content, thematic and matrix analysis. The meaning of each of these techniques is discussed next, followed by a description of how the combination of techniques was used to reduce and analyse raw data.

### **3.8.1.1 Discourse analysis**

Discourse analysis has been described by Mogashoa (2014: 105) as being “primarily interested in and motivated by the endeavour to understand pressing social issues”. Good governance and public leadership have become highly topical within the global discourse on measuring the successes of governments. The good governance and public leadership discourses were analysed to identify the relationships and connections that exist between good governance and transformational leadership practices and their contribution towards achieving financial viability and favourable audit outcomes. Utilising an interpretivist/constructivist lens and Habermas’ CAT, meanings were deciphered through the issues associated with good governance and public leadership that were identified through the analysis.

### **3.8.1.2 Content analysis**

Content analysis is a method of qualitative data analysis which represents ways of describing phenomena in a manner whereby “data in texts can be reduced to concepts that describe the research phenomena by creating categories, concepts, a model, conceptual system or conceptual map” (Elo, Kääriäinen, Kanste, Pölkki, Utriainen, & Kyngäs 2014: 1). Content analysis is comprised of both deductive and inductive approaches (Vaismoradi *et al.* 2013: 401). Inductive content analysis transpires when “there are no previous studies dealing with the phenomenon, and therefore the coded categories are derived directly from the text data” (Vaismoradi *et al.* 2013: 401). In contrast, deductive content analysis “is useful if the general aim of the analysis is to test a previous theory in a different situation, or to compare categories at different periods” (Vaismoradi *et al.* 2013: 401). This study employed an inductive content analysis approach as it allowed for deeper understandings of the case. For example, the researcher had very limited knowledge of the municipal environment that led to the provincial intervention. Through qualitative content analysis, the researcher sought to understand and describe phenomena and concepts within good governance, transformational leadership and municipal financial viability in OLM.

### **3.8.1.3 Matrix analysis**

Groenland (2014:4) describes matrix analysis as a multipurpose method of analysis which is used for cross-sectional, predominantly applied research studies. Groenland (2014: 4) further expands that matrix analysis is premised on the coding of data and interpretation of transcripts derived from interviews and focus groups. Through this coding process, researchers can analyse data and

construct interpretations which draw conclusions and answers to the research questions. Following the coding process, the researcher grouped similar responses and formulated matrices which reduced the volume of data. This made data more manageable to analyse. Through the use of matrices, the research was able to consolidate content analysis and thematic analysis.

#### **3.8.1.4 Thematic analysis**

Vaismoradi, *et al.* (2013: 400) define thematic analysis as an approach in qualitative research that entails identifying, analysing and reporting on patterns from data. The thematic analysis took place within the context of this research through reading transcriptions multiple times then coding and grouping data to discover similarities and patterns from the interview and focus group responses. Data were coded and divided into subsets of data based on interview and focus group questions and responses, thereafter they were grouped according to the various categories. The categories were then extracted into a separate word processing document and were regrouped. Following the raw data reduction process led to the emergence of categories, and the data reduction process of the categories led to emergence of theoretical propositions and themes. Commonalities and differences were identified and analysed, and these findings were compared to the existing literature on good governance, transformational leadership and municipal financial viability.

#### **3.8.1.5 Overall data reduction and analysis process**

With the use of the combined data analysis in mind, the raw data for both the semi-structured interviews and the focus group were recorded using an audio recorder. The recordings were then transferred onto a personal computer and research participants were assigned codes. These codes can be found in the Codes Table in Tables 3.1 and 3.2. The researcher listened to the recordings and she then transcribed each interview audiotape and the focus group audiotape. Thereafter, the transcripts were read several times and the data reduction process followed. This was done manually through the use of a word processing software on a computer based on instructions during data analysis workshops convened by the supervisor.

Through this process, data were highlighted using colour coding as a matter of grouping responses. Then excerpts with matching colours were extracted from the full transcripts and placed into a series of tables in light of their responsive to certain research questions. The coding cycles entailed reviewing and sorting the grouping of transcript excerpts based on the relationship between the colour codes and emerging categories. Following that, the data was further reduced through the second cycle of coding where the reduced data were placed into categories. Once this

process was concluded for all interview questions on the interview schedule, the reduced data with categories was transferred into a new document. The data between all the questions were then re-grouped and categorised. Through this process, the categories of the study emerged.

Discourse and content analysis techniques were followed to identify and extract excerpts from transcripts. Matrix analysis was used to develop two column matrices. The responsive excerpts from transcripts were placed in the right-hand corner – reread and re-examined until categories became clear and were placed in left hand column based on meanings of the extracts from the transcripts. The matrices were subsequently named according to the meanings constructed by the participants and interpreted by the researcher. The matrices were aligned to the research questions/objectives to which the data responded. Once the matrices were completed, the research copied and pasted all of the categories into a different document. Then the researcher grouped and re-grouped the categories according to their meanings and implications. By grouping the categories, overarching themes were able to emerge, applying thematic analysis.

The focus group analysis began on the day that the focus group took place. While the focus group was being conducted, a note-taker made notes relating to the responses of focus group participants and also relating to the interaction between the focus group participants. Following the focus group, the researcher made reflective notes on the process, the interactions, and the inferences and on the relationships between the elements that emerged through the discussions. Subsequently, the focus group audiotape was transcribed. Each transcription was placed into a table and divided according to the focus group guide questions and the codes assigned to each research participant.

Thereafter the data reduction process as discussed in the previous section ensued. As a means to improve the accuracy and validity of the data, an independent researcher also coded the data. Similar coding conclusions were reached by the researcher and independent researcher. This strategy was used to reduce researcher bias. Chapter Four entails the presentation, analysis and interpretations of the matrices, showing both interview and focus group data in alignment with the research questions and objectives being addressed.

### **3.8.2 Secondary data analysis**

Ruggiano and Perry (2019: 82) and Sherif (2018: 1) affirm that secondary data analysis “involves investigations where the data collected for a previous study is analysed. Within the context of this study, document analysis, discourse analysis and content analysis were used as the core form of secondary data analysis. Discourse analysis and qualitative content data analysis was previously discussed. Those techniques were likewise followed for secondary data analysis using texts rather

than transcripts. Document analysis allows for deeper insight into the background of issues and allows for the identification of reliable information based on the research of other researchers (Owen 2014: 8). Through an analysis of previous research on good governance, public leadership and financial management, continuing with an interpretivist/constructivist worldview, the researcher gained a deeper understanding of the issues that exist within the discourse. Through analysing legislative and policy frameworks along with the AG's reports of the municipality, the researcher was able to explore the processes and procedures that OLM underwent to become a financially viable municipality. Employing document analysis, a discussion of texts appears in section 4.4, which provides the case context for OLM. Discussion of texts is likewise integrated into the narrative before and after the matrices presented in Chapter Four.

### **3.9 Data Triangulation**

Graue (2014:9) describes triangulation as the process whereby researchers use data from various sources using different methods to gain more knowledge that is considered more reliable because of the different sources used. By conducting multiple approaches to data collection and using multiple data analysis techniques as mentioned above, the researcher tried to achieve the study objectives with credible, reliable information that allowed for thick, rich descriptions.

### **3.10 Ethical Considerations**

Ethics ought to be considered through the stages of conducting research (Wagner *et al.* 2012: 63). Researchers need to be mindful when considering issues concerning ethical considerations as these serve to ensure the safety of research participants and the integrity of the research study. For the purposes of this study, the research applied for ethical clearance from the University of KwaZulu-Natal Ethics Committee. An ethical approval letter was obtained and is attached as Appendix G. Informed consent from participants was received at the outset of the data collection process. Participants were required to sign an informed consent form – different form for the two different primary data collection tools. These forms are attached in Appendices H and I. Participants were advised that their participation is voluntary and that they may withdraw from the study at any time. The transcripts of the focus groups and semi-structured interviews do not disclose participant's names and details to ensure anonymity and confidentiality. Rather, participant codes were created, and this listing is contained in Tables 3.1 and 3.2.

### **3.11 Delimitations of the Study**

Delimitations of a study refer to the limitations instituted by the researcher to define the boundaries and achieve the research objectives of a study (Theofanidis & Fountouki 2017: 156).

Some of the delimitations for this study include opting to do a qualitative case study as a means to gain deeper insights into the understandings and perceptions of the research participants. The philosophical underpinnings and the theoretical framework which guided this study contribute to the delimitations of this study. The focus area of the research being the financial viability of the municipality and the chosen units of analysis form part of the delimitations of this study. The local government sector and more specifically opting to do the study at OLM is another delimitation of this study.

### **3.12 Limitations of the Study**

The Oxford Advanced Learner's Dictionary of Current English have defined the term limitation as "the act or process of limiting or controlling or a rule, fact or condition that limits" (Hornby 2008: 858). Palmer, Brown, Evans, Marani, Russell, Martin and Ivers (2018: 1) state that "qualitative research has numerous strengths when properly conducted" and that "qualitative research can be influenced by researcher bias".

Smith and Noble (2014: 100) define bias as "an inclination or prejudice for or against one person or group, especially in a way considered to be unfair or a concentration on an interest in one particular area or subject". The authors further state that bias of some sort can be found in all research, it is difficult to eliminate, it may be evident in every stage of the research process and that it impacts on the credibility of the findings whereby misrepresentations could have significant consequences (Smith & Noble 2014: 100). To reduce bias, "qualitative researchers must demonstrate rigour, associated with openness, relevance to practice and congruence of methodological approach" (Smith & Noble 2014: 100).

The study is based at one municipality and as a result, is not reflective of the entire local government sector of South Africa. The accessibility of senior management, particularly the political leadership of the municipality proved to be challenging as these officials frequently work outside of the formal office setting. The access to documents and information detailing the causes that led to the municipality being placed under financial administration proved to be a limitation to this study as the records management system of the municipality was only formalised in 2013 under the new administration. In 2012, there was a migration to a new building and with that the distinct possibility of information and documents being misplaced or destroyed. The researcher is also an employee of the organisation and as a result, there may be elements of bias. The researcher safeguarded against this through checking of data understandings and interpretations with other supervisees in the research collective organised by the supervisor and by the

supervisor's review of the work. In addition, none of the study participants are supervised by the researcher and the researcher is not directly line-managed by any of the study participants.

### **3.13 Chapter Summary**

This chapter began with an introduction. This was followed by the research paradigm/worldview of the study. The discussion progressed to the research design and research strategies which included the case selection, the participant selection and the site selection. The ensuing discussions consisted of the data collection methods of the study for both primary and secondary data collection. Thereafter, the chapter discussed sampling which included sampling strategies and sample size. Data quality control was then discussed. The section that followed entailed an exploration of the data analysis approaches for the study and this comprised of primary and secondary data analysis. The final three sections of this chapter included the ethical considerations of the study, the delimitations of the study and the limitations of the study.

The following chapter entails presentation, analysis and interpretation of the data that was gathered through this study.

## CHAPTER FOUR DATA PRESENTATION, ANALYSIS AND INTERPRETATIONS

### 4.1 Introduction

Through this chapter data from the semi-structured interviews and the focus group along with documentary evidence will be presented, analysed and discussed in relation to the literature review from Chapter Two. The chapter begins by elucidating the case context of OLM. Thereafter, the research questions and objectives will be re-stated. The ensuing discussion entails the presentation of the case context of OLM. This is followed by demonstrating how the philosophical worldview interacted with the theoretical framework to assist the researcher in conducting data analysis. Sections 4.5 to 4.9 present and analyse primary data. The themes and theoretical propositions emerging from the study are then provided. Following this, triangulation of data from the multiple sources of evidence is highlighted. The chapter concludes with a summary of the discussions.

### 4.2 Recapping the Research Questions and Research Objectives

The primary objective of this study was to explore financial viability at OLM through perspectives on good governance and transformational leadership. This follows the municipality being placed under provincial financial administration in the 2009-2010 financial year, and the appointment of a new MM in the 2011-2012 financial year. As such, the study aspired to answer the following questions and achieve the corresponding research objectives as presented in Table 4.1.

Table 4.1: Recapping Research Questions and Research Objectives

Research Questions	Research Objectives
How can good governance and public leadership be integrated to obtain clean municipal audits?	Ascertain how good governance and public leadership can be integrated to obtain clean municipal audits.
To what extent does good governance influence the audit outcomes that the Okhahlamba Local Municipality has been achieving?	Understand the role of good governance in terms of influencing the audit outcomes that Okhahlamba Local Municipality has achieved.
How can transformational leadership influence the implementation of good governance?	Discover how can transformational leadership influences the implementation of good governance.
Why was the Okhahlamba Local Municipality placed under financial administration by the province?	Identify the factors that led to the Municipality being placed under financial administration.
What were the strategic changes that transformed the financial position of the Okhahlamba Local Municipality?	Determine what strategic changes transpired to transform the financial position Okhahlamba Local Municipality.

The alignment of the research questions, research objectives and the semi-structured interview schedules, and the alignment of the research questions, research objectives and the focus group guide are attached as Appendices I and J, respectively.

### 4.3 Case Context of Okhahlamba Local Municipality

This section is drawn from secondary data. It entails the description of the municipality including the demographical information, an area map of the municipality, and discussions around AG reports and findings for just over a decade (2007 – 2018) of the municipality.

#### 4.3.1 Description of the municipality

This study was conducted at Okhahlamba Local Municipality (OLM) in the Uthukela District of northern KwaZulu Natal. The municipality is made up of 15 wards and 29 councillors with an area size of 3,971 km<sup>2</sup>. There are five main directorates or departments within the municipality. These include the Municipal Manager's Office, the Finance Department, the Technical Services and Infrastructure Department, the Social and Economic Services Department and the Corporate Services Department. The main municipal building in Bergville was used as the location where the interviews and focus group transpired. The municipality shares borders with the Free State and Lesotho. The municipality's main contributors to the local economy are agriculture, tourism, and formal and informal business. It is characterised by high levels of unemployment, intense poverty, a youthful population, a high school dropout rate and these are illustrated in table 4.3. Within this municipality lies the inception of the Tugela River which supplies a significant percentage of South Africa's water. Table 4.2 illustrates the key demographic statistics of OLM.

Table 4.2: Demographic Statistics of Okhahlamba Local Municipality

<b>Demographic Statistics of Okhahlamba Local Municipality</b>			
<b>Description</b>	<b>Percentage / Figure</b>	<b>Description</b>	<b>Percentage / Figure</b>
Population	135 132	Youth Unemployment	52.3%
Males per 100 females	89.3%	Population Aged 20+ With No Schooling	16.1%
Population Under 15	39.6%	Population Aged 20+ with Matric	27.5%
Population 15 - 64	55.9%	Population Aged 20+ with Higher Education	6%
Population over 65	4.5%	HIV Prevalence Rate	12.6%

Unemployment Rate	43.4%		
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Source: Adapted by Researcher from STATS SA Community Survey 2016 and OLM Annual Report 2017/18.

These statistics coupled with the reality that the area has alcoholism and substance abuse challenges and high teenage pregnancy and school dropout rates reflect the adverse effects that are compounded by service delivery backlogs (Department of Health 2016: 24). In other words, the lack of service delivery likewise diminishes the quality of life for citizens.

Okhahlamba Local Municipality spans across a vast area of land which is largely rural in nature. It is surrounded by mountainous terrain with areas which are often difficult to access. There are two towns within the borders of the municipality that serve as economic hubs. These are Bergville and Winterton. OLM is also home to the UNESCO Drakensberg World Heritage Site. Figure 4.1 illustrates an area map of OLM.

Figure 4.1: Map of Okhahlamba Local Municipality



Source: Google Maps (2018 :1).

OLM is located on a strategic node of KZN as it is a central point between Durban and Johannesburg, two of South Africa's largest cities, and the economic hub of Africa.

The ensuing section explores OLM's audit outcome journey between 2007 and 2018.

### 4.3.2 Okhahlamba Local Municipality's audit outcome journey

Following an assessment of the AG audit opinions for OLM between the 2007/2018 financial year and the 2017/2018 financial year, the researcher developed the illustration contained in Figure 4.2.

Figure 4.2: OLM Audit Opinions Over 11-Year Period



Source: Author (Adapted from Auditor General Reports from 2007 to 2018 Financial Year).

Figure 4.2 portrays an interesting pattern in the audit opinion journey of OLM over the 11-year period. According to the AGSA there are five different types of audit opinions. These are disclaimer, adverse, qualified, financially unqualified and clean audit opinion (AG 2012: 1). The disclaimer is the worst possible audit opinion which entails insufficient documentary evidence upon which to base an audit (AG 2012: 1).

Adverse audit opinions entail “material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements” (AG 2012: 1). Qualified audit opinions consist of financial statements which “contain material misstatements in specific amounts, or there is insufficient evidence for us to conclude that specific amounts included in the financial statements are not materially misstated” (AG 2012: 1). A financially unqualified audit opinion means that there are no material misstatements in the financials although findings were “raised on either reporting predetermined objectives or non-compliance with legislation, or both these aspects” (AG 2012: 1). Finally, a clean audit outcome is comprised of financial statements that are “free from material misstatements and there are no material findings on reporting on performance objectives or non-compliance with legislation” (AG 2012: 1).

Through the descriptions of the various audit opinions from the AGSA, when considering Figure 4.2, it is evident that at some point in time OLM has experienced all 5 audit opinion outcomes. The 2007/2008 year proved to be the year in which the municipality was performing at its worst as it obtained a disclaimer audit opinion. In the 2008/2009 financial year, there was a slight improvement in the audit finding of the municipality yet in that year, the municipality was

awarded an adverse audit opinion. The 2009/2010 financial year marked a significant point in the history of the municipality as this was the year that it was placed under the provincial administration through the Section 139 intervention (Greffrath & Van der Waldt 2016: 151, Mantzaris & Pillay 2015: 266). This took place on 24 November 2009 (Greffrath & Van der Waldt 2016: 151). During the 2009/2010 financial year, the municipality received a qualified audit opinion. The 2010/2011 and 2011/2012 financial years marked the period that the municipality was placed under administration. There was a marked improvement through those two financial years and the municipality received unqualified audit opinions from the AG.

In 2011/2012, the new MM was appointed, and it is the year wherein the turnaround strategy implementation began. The 2012/2013 financial year marked a turning point in the echelon of the municipality as this was the first year that the municipality received its initial clean audit opinion. This was achieved after two years of implementation of the three-year turnaround strategy of the municipality (Mantzaris & Pillay 2015: 267). In the 2013/2014 financial year, the municipality regressed and obtained an unqualified audit opinion. The financial years 2014 – 2018 have all been characterised by clean audit opinions within the history of the municipality. The municipality has maintained clean administration practices and was awarded a clean audit finding by the AG for the 2016-17 financial year, one of only six municipalities in KZN to do so, and 33 nationally. In the 2017-18 financial year, it was the only municipality in KZN to secure a clean audit finding, and only 18 municipalities across the country received clean audit outcome opinions from the AG (Sicetsha 2019: 1).

The following section entails presentation, analysis and findings from the primary data.

#### **4.4 Interrogating Interactivity between Theoretical Framework and Philosophical Worldview**

Before the presentation of primary data and analysis as a whole, it is worth noting the gender composition of study participants.

Figures 4.3, 4.4 and 4.5 depict the gender ratio of the research participants in the study.

Figure 4.3: Interviews Gender Ratio

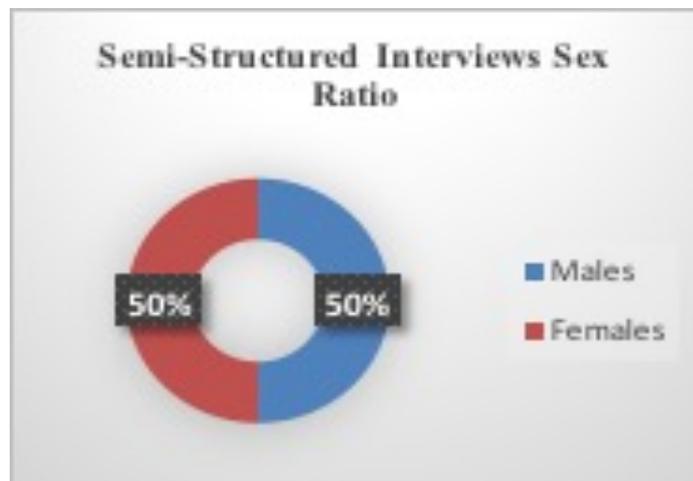


Figure 4.4: Focus Group Gender Ratio

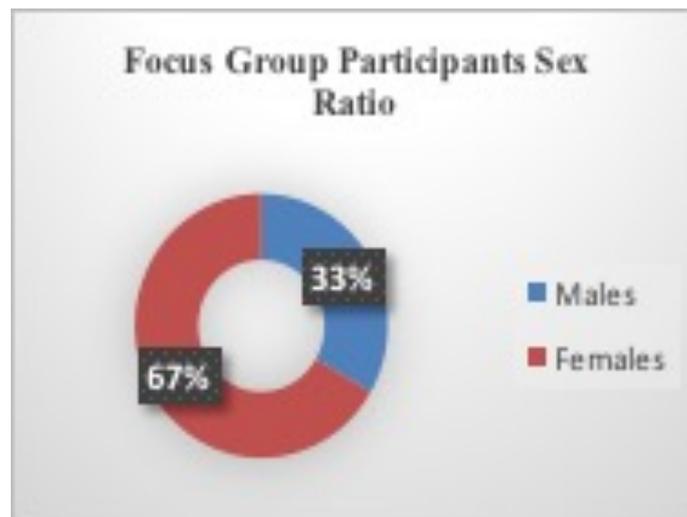
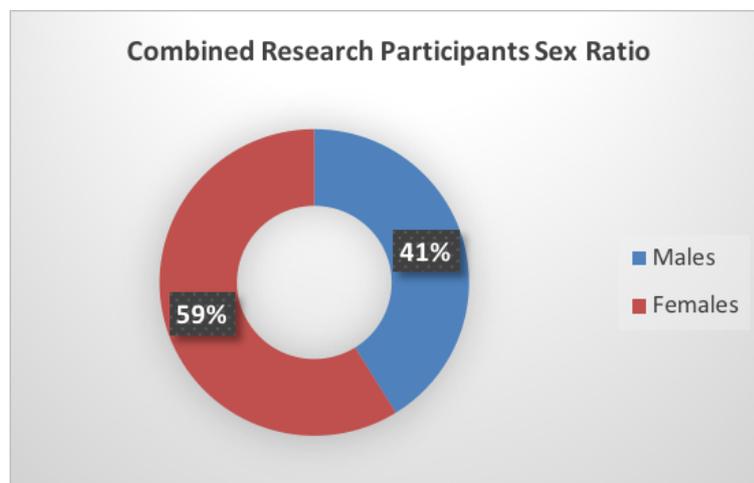


Figure 4.5: Study Research Participants Gender Ratio



The participants for this study included males and females from varying age groups. As Figure 4.3 shows, the research participants for the semi-structured interviews included 4 males and 4 females. Figure 4.4 further reveals that of the 9 focus group participants, 6 are females and 3 males. Figure 4.5 illustrates the gender ratio for the entire study which had 17 research participants in total. Of those 17 research participants, 10 were females and 7 were males.

This section next considers the role of the interaction between the philosophical worldview and theoretical framework in assisting the research to gain an understanding of the primary data. Through the discussions in previous chapters, it is evident that the theoretical framework serves as a means of guiding the study to answer the research questions and facilitate in achieving the research objectives. Data analysis was conducted inductively from the data collected in the study. Taken as a whole, after a discussion of the interactivity between the philosophical worldview and the theoretical framework, the ensuing subsections are organised by subtitles that correlate with the research questions and objectives.

In Chapter Three the interpretivist/social constructivist paradigm was identified as underpinning of this study. Since the two philosophical worldviews are similar, this part of the discussion will draw from social constructivism to illustrate how the interaction between the worldview and theoretical framework assisted the researcher in analysing data. The constructivist philosophical worldview is comprised of four elements which are (1) understanding the world one works in, (2) multiple-participant meanings, (3) social and historical construction and (4) the process of interaction (Creswell 2018: 6; Makombe 2017: 3370). This philosophical worldview complements the meta-theoretical framework which converges elements of good governance

theory, transformational leadership theory and the theory of communicative action (see Figure 2.5) to question their relationship with municipal financial viability.

First, Table 4.6 illustrates the elements of the constructivist worldview and the components of the meta-theoretical framework of the study as a whole. This theoretical framework is comprised of good governance theory, transformational leadership theory and the CAT. Through combining elements from the social constructivist worldview and the theoretical framework, the researcher was enabled to depict the alignment of these two qualities of the study. Subsequently, Matrix 4.1 to 4.4 show various specific elements of the social constructivist paradigm in juxtaposition to the different components of the different theoretical frameworks by using excerpts from the transcripts generated from the interview audiotapes and the focus group audiotape. This enabled the researcher to analyse data being guided by both the philosophical worldview and the meta-theoretical framework.

As previously mentioned, there are four elements to the social constructivist worldview, and these are indicated in table 4.6. The historical context of the municipality preceding the 2011 Local Government Elections provided insight into the reasons that the municipality was placed under a Section 139(b) provincial administration intervention by COGTA. The research participants described working during that period at the municipality as being very difficult. Following the provincial administration intervention, a turnaround strategy was developed and implemented. Data purports that several contributing factors have led to OLM receiving four consecutive clean audit outcomes, and five within six years, from the AG following the provincial intervention under S139 of the Constitution (RSA 1996) and intervention ended in 2011.

Table 4.3: Elements of philosophical worldview and components of the meta-theoretical framework

<b>Elements of philosophical worldview and components of meta-theoretical framework</b>			
<b>Elements of the social constructivist worldview</b>	<b>Components of Meta-Theoretical Framework</b>		
	<b>Good Governance Theory</b>	<b>Transformational Leadership Theory</b>	<b>Communication Action Theory</b>
Understanding the world, one works in	Accountability	Inspirational Motivation	Representing Self
Subjective Meaning of experiences	Transparency	Idealised Influence	Influencing Counterparts
	Effective and Efficient	Intellectual Stimulation	Establishing Interpersonal Relations

Historical and Cultural Settings	Consensus Oriented	Individualised Consideration	Establishing Common Norms
Process of Interaction	Communicative Strategies	Communicative Discourse	Presentation of State Affairs

Source: (Katsamunska 2016: 134, Muralidharan & Pathak 2018: 5; Jansan & Brown 2014: 38).

Matrices 4.1 to 4.4 illustrate the alignment of components of the meta-theoretical framework and elements of the constructivist philosophical worldview. The data illustrated in Matrix 4.1, excerpts from transcripts, reflect the perceptions of research participants in relation to understanding the context in which they work in line with the meta-theoretical framework component that appears in the relevant column heading.

Matrix 4.1: Alignment of meta-theoretical framework and understanding the world one works in with the social constructivist worldview

<b>Alignment of good governance and CAT frameworks with understanding the world one works in</b>					
<b>Element of Social Constructivist Worldview:</b>	<b>Components of the good governance framework</b>				<b>Components of CAT</b>
	<b>Accountability</b>	<b>Transparency</b>	<b>Effective and Efficient</b>	<b>Consensus Oriented</b>	<b>Theoretical Framework: Communicative Strategies</b>
<b>Understanding the world, one works in</b>	“We are supposed to be accountable to the community and make sure that when they do raise issues, you listen to them and understand them.” PL3	We are implementing good governance out of ten we are 8 because it’s more of being responsive, transparent, accountable.” FGP4	“As little as our municipality is, but we are trying to make a difference in the people’s lives and we’ve got evidence of that.” PL2	“I would say that currently the decision-making process is good, it is done collectively”. FGP8	“Communication is very important more especially I’ve seen these days the issue of protests from the community.” FD2

Matrix 4.1 contains views expressed by research participants in respect of the ‘understanding the world one works in’ element of the philosophical worldview as it relates to components of the meta-theoretical framework. Participants’ views expressed in the matrix avow Creswell and Creswell’s (2018: 8) notion that people seek meaning and understanding of the world in which they work and live in.

Good governance theory as a fundamental driving theory of the study is comprised of several elements. One such element is that of effectiveness and efficiency. In this regard, Dzomira (2015:

28) points out that a major part of the reform programme for South Africa is ensuring efficient use of financial resource allocation effective service delivery, particularly in ensuring access to basic services. The emphasis of this principle of good governance is doing the right things in the right way (Ekundayo 2017: 157). Through proper implementation of effectiveness and efficiency, a higher quality and standard of life for citizens will be achieved through governmental programmes. This is confirmed by the comments of PL2 in Matrix 4.1. Matrix 4.2 illustrates the linkage between the meta-theoretical framework of good governance and CAT components juxtaposed against and the ‘subjective meaning of experiences’ element of the constructivist worldview.

Matrix 4.2: Alignment of meta-theoretical framework and subjective meaning of experiences of the social constructivist worldview

Alignment of meta-theoretical framework and subjective meaning of experiences					
Element of Worldview:	Components of the good governance framework				CAT components
Subjective Meaning of experiences	Accountability	Transparency	Effective and Efficient	Consensus Oriented	Communicative Strategies
	“It helps reinforce the issue of accountability and in complying with key legislation.” FGP9	“During council meetings I give everyone the opportunity to speak as much as some of them will use the chance – or abuse it.” PL2	“Since we took over, we have changed many people’s lives here. We’ve started and completed projects and have some in the pipeline.” PL2	“Good governance is a lot of different elements from leadership and management style, to collective decision making.” MMO1	“It’s through public participation that the community gets to know the municipality’s plans and responsibilities, and also where the community gets to directly communicate with the municipality.” FGP8

The ‘subjective meaning of experiences’ element of the constructivist worldview is described by Makombe (2017: 3370) as reality being a mental construct. Creswell and Creswell (2018: 8) further expand that there are varying, multiple meanings. The participant views expressed in Table 4.10 which depicts their subjective views of the various elements that comprise good governance theory. Focus group participant, FGP9, while referring to the municipality’s Commitment to Clean Administration statement indicated that reading the statement at the beginning of every meeting serves as a means of reinforcing the ideal of accountability. This, in

turn, assists in ensuring compliance with key legislation. Thebe (2017: 130) purports that there are various classifications of accountability.

In this respect, participant FGP9 was referring to financial accountability and moral accountability. Masenya (2017: 150) indicates that public servants are “gatekeepers, policy-makers, implementers and distributors” that have a critical role to play. Masenya (2017: 150) further expands that a key element of good governance that the state often fails in meeting is that of accountability. Ekundayo (2017: 156) describes this principle as “the cornerstone of good governance” as “political actors and civil servants are to be made answerable to society for their actions”.

Matrix 4.3 illustrates the association between the theoretical framework and the ‘historical and cultural settings’ element of the constructivist worldview. This element of the constructivist paradigm speaks to realities being constructed through human relationships (Kivunja 2017: 33). Social processes that transpire in historical and cultural contexts influence what humans perceive to be objective and true. Hence, truth is subjective and there is no overarching truth that is more superior than another.

Matrix 4.3: Alignment of meta-theoretical framework components and the historical and cultural settings of the social constructivist worldview

<b>Alignment of meta-theoretical framework and the historical and cultural settings of the social constructivist worldview</b>					
<b>Element of Worldview:</b>	<b>Components of the good governance framework</b>				<b>CAT components</b>
<b>Historical and Cultural Settings</b>	<b>Accountability</b>	<b>Transparency</b>	<b>Effective and Efficient</b>	<b>Consensus Oriented</b>	<b>Communicative Strategies</b>
	“People did not understand what was happening in the local government.” CSD1	“Openness in terms of dealings with other people - its transparent.” FD1	“We needed to overcome the serious service delivery backlogs.” MMO1	“It was an unfriendly environment, employees were working in fear. There was no trust.” FGP9	“Communication is very important. It helps to get the buy-in of employees.” MMO1

In this study, participant FGP9 describes their experience of the municipal environment during the period that led up to and the period that the municipality was under provincial financial administration. The participant described the context at the municipality during that period as a very negative environment and one that was not a pleasant place to work at. Ndevu and Muller

(2017: 16) echo the sentiments of participant FGP9 in the statement “tensions between the political and administrative interface” is a contributing factor for municipalities being in distress in South Africa.

Matrix 4.4 elucidates the connection between the theoretical framework and the ‘process of interaction’ element of the constructivist worldview. In this element, processes of interaction facilitate in establishing cognitive structures that enable people to understand the world (Vinney 2019: 2).

Matrix 4.4: Alignment of meta-theoretical framework and the process of interaction of the social constructivist worldview

<b>Alignment of meta-theoretical framework and process of interaction of the social constructivist worldview</b>					
<b>Element of Worldview</b>	<b>Components of the good governance framework</b>				<b>CAT Components</b>
<b>Process of Interaction</b>	<b>Accountability</b>	<b>Transparency</b>	<b>Effective and Efficient</b>	<b>Consensus Oriented</b>	<b>Communicative Strategies</b>
	“We developed new units within the municipality like the internal audit unit which played an important role really.” PL3, PL1	“We are trying to implement the Batho Pele Principles to enforce the good governance.” CSD	“Even the management are in one, there’s unity. we are strong and confident in our jobs.” FGP2	“I believe in a collective leadership style. Everyone has something valuable to contribute.” PL1	“Within the organisation you need to communicate effectively and appropriately so that everyone understands that we are at work.” PL2

In respect of the ‘process of interaction’ element of the constructivist worldview, interview participant CSD1 makes reference to the implementation of the Batho Pele principles as a means of enforcing good governance practices within the municipality. The principles of Batho Pele are “consultation, service standards, access, courtesy, information, openness and transparency, redress and value for money” (COGTA 2015: 6). Through the implementation of Batho Pele, the municipality may find success in building sustainable, mutually beneficial partnerships with citizens.

This will contribute to ensuring transparency. According to Ekundayo (2017: 156), transparency is a key element of good governance that entails an emphasis on the conformity of rules and

regulations through decision-making processes. It is premised on the free-flow of information which should be made easily available to citizens (Ekundayo 2017: 156).

Matrices 4.5 – 4.8 illustrate the alignment between the social constructivist paradigm and transformational leadership theory and the CAT. Similarly, to the previous four matrices, elements from the social constructivist worldview will be discussed concerning the components of transformational leadership theory.

Matrix 4.5: Alignment of transformational leadership theory and understanding the world one works in with the social constructivist worldview

Alignment of meta-theoretical framework and understanding the world one works in					
Element of Worldview:	Components of the transformational leadership framework				CAT Components
Understanding the world, one works in	<b>Inspirational Motivation</b>	<b>Idealised Influence</b>	<b>Intellectual Stimulation</b>	<b>Individualised Consideration</b>	<b>Communicative Discourse</b>
	“We grew a lot and that was because of the encouragement, motivation and willingness of our former MM and the management team as a whole” FGP1	“It’s important to lead by example in each and everything that you are doing that’s why our municipality was the best.” PL3	“But the leadership style changed after the 2011 elections, the new MM brought a lot of positive change in the municipality and he led us very well.” FGP3	“If you are going to be willing to accept ideas and constructive criticism then I think you are going to be implementing good governance.” MMO2	“Communication is the key, both internal and external communication, in the sense that you are making sure that the organisation is stable.” PL1

Within the context of the ‘understanding the world one works in’ element of the social constructivist paradigm being aligned to transformational leadership theory; the tenet of ‘idealised influence’ will be explored briefly. Transformational leadership’s dimension of idealised influence has been described by scholars as a quality of managers that exemplifies high standards of conduct by being a role model for employees (Boamah, Laschinger, Wong & Clark 2018: 181). Through idealised influence, leaders build trust and gain the buy-in of employees to emulate their behaviours and work towards a shared vision for organisations.

Participant PL3 indicated that a contributing factor to the municipality performing well was that the leaders of the organisation led by example. This research finding is consistent with the transformational leadership theory, and with findings from other similar studies such as the one

by Boamah *et al.* (2018). This sentiment was echoed by other research participants and will be discussed in greater detail later in this chapter.

Matrix 4.6 illustrates the alignment between the ‘subjective meaning of experiences’ element of the social constructivist worldview and the inspirational motivation dimension of transformational leadership theory. Adanri and Singh (2016: 673) describes inspirational motivation as being the behaviour of leaders that “motivate and inspire followers through articulation of vision and task outcome”. This description is supported by Jensen and Bro (2018: 536) in the statement “transformational leaders direct and inspire employee effort by articulating a vision that raises employees’ awareness and understanding of the importance of organisational values, mission and outcomes”.

Matrix 4.6: Alignment of transformational leadership theory and subjective meaning of experiences in the social constructivist worldview

Alignment of Theoretical Framework and subjective meaning of experiences					
Element of Worldview:	Components of the transformational leadership framework				CAT Components
Subjective Meaning of experiences	Inspirational Motivation	Idealised Influence	Intellectual Stimulation	Individualised Consideration	Communicative Discourse
	“It’s the consistency, the support, the proactiveness, motivating staff and maintaining a good organisational culture.” FD1	“It’s the kind of leadership where you encourage transformation to happen by embracing new ideas, trying and testing them to see if they are working.” PL2	“The issue of academics is a very paramount one in the sense that when you are leading, you need to understand all the areas.” PL1	“It’s about acknowledging one another, and managers must be willing to assist subordinates towards their work and boost their morale by encouraging them” FGP8	“By communicating, you can show transparency, accountability and helping the municipality in keeping its good image to the community.” FGP9

Interview participant FD1 highlights the importance of motivating employees as part of ensuring a good organisational culture that makes a positive contribution towards achieving the organisational goals. With employees being motivated, it is more likely for organisations to successfully execute their strategic plans and achieve their organisational goals. This description of inspirational motivation is consistent with the theory of transformational leadership. It also supports previous research that was conducted by scholars such as Jensen and Bro (2018) and Burgess (2016).

Matrix 4.7 depicts the alignment between the ‘historical and cultural settings’ element of the social constructivist worldview and the intellectual stimulation dimension of transformational leadership theory.

Within the context of the ‘historical and cultural settings’ element of the social constructivist paradigm being aligned to transformational leadership theory; the tenet of ‘intellectual stimulation’ will be explored briefly. Transformational leadership’s component of intellectual stimulation has been described by scholars as the willingness and enthusiasm of leaders to try new ideas through encouraging creativity and risk-taking and innovation and implementing new approaches to problem-solving (Allen, Moore, Moser, Neill, Sambamoorthi, & Bell 2016: 3, Chitiga 2018: 68). Transformational leaders are genuinely concerned with human capital development. These leaders “genuinely value employees, whom they treat as total human beings with intellect and abilities that should be cultivated and motivated” (Chitiga 2018: 71).

Matrix 4.7: Alignment of transformational leadership theory and the historical and cultural settings in the social constructivist worldview

<b>Alignment of meta-theoretical framework and the historical and cultural settings</b>					
<b>Element of Worldview</b>	<b>Components of the transformational leadership framework</b>				<b>CAT Components</b>
<b>Historical and Cultural Settings</b>	<b>Inspirational Motivation</b>	<b>Idealised Influence</b>	<b>Intellectual Stimulation</b>	<b>Individualised Consideration</b>	<b>Communicative Discourse</b>
	“Leadership style changed post- 2011 elections, new MM brought positive change in the municipality and he led us very well.” FGP3	“I knew that I needed to create an awareness of the importance of ethical behaviour driven by Batho Pele.” MMO	“We must all learn every time and share our experiences in making sure that the organisation is in good hands.” PL1	“He also considered to grow or groom employees internally because before we would consider candidates from outside.” FGP4	“The communication strategy helps us to build that intergovernmental relationship with Uthukela and the community at large.” CSD1

Interview participant PL1 points out that learning is an important aspect within the development of an organisation, and shared-learning and experience is integral. When employees are allowed the space to learn new skills and are encouraged and motivated to try new approaches, the organisation is more likely to be successful in achieving its organisational goals. This is consistent

with transformational leadership theory and it supports the findings of other scholars who conducted similar studies.

The ensuing discussion is of Matrix 4.8. It is the final table in the alignment discussion.

Matrix 4.8: Alignment of transformational leadership theory and the process of interaction in the social constructivist worldview

<b>Alignment of meta-theoretical framework and the process of interaction</b>					
<b>Element of Worldview</b>	<b>Components of the transformational leadership framework</b>				<b>CAT Components</b>
<b>Process of Interaction</b>	<b>Inspirational Motivation</b>	<b>Idealised Influence</b>	<b>Intellectual Stimulation</b>	<b>Individualised Consideration</b>	<b>Communicative Discourse</b>
	“Another thing I can say about motivating and inspiring employees at the municipality is that I created a rule that we would only employ local people as much as we could.” MMO	“Team work, leading by example ,accountability, transparency and listening to the community views and addressing the needs of the community.” FGP9	“Everyone had something valuable to contribute so I believed that it was important to allow people to try new ideas and come up with new strategies to implement”. MMO1	“Being the MM when you look at the position, he’s like the accounting officer, the level, he is up there but you will notice that he understands each and every employee, what he is doing at his or her level up to.” FGP4	“With no communication, you can’t have good governance because you need to communicate.” PL2

Matrix 4.8 portrays the alignment between the ‘process of interaction’ element of the social constructivist worldview and the individualised consideration dimension of transformational leadership theory. Individualised consideration refers to leadership characteristics which seek to pay attention to the individual needs of employees with in promoting achievement and growth. Humans have different needs and through individualised consideration, leaders are empathetic to the individual needs of their employees (Burgess 2016: 8).

In this study, the data shows that through interacting with employees and understanding their needs, the MM knew what each employee was doing, and he knew what to do to assist each employee in improving their performance. This understanding of the individualised consideration element of transformational leadership theory is consistent with findings from other similar studies. Within this element of transformational leadership, the emphasis is placed on understanding the individual needs and desires of employees and creating opportunities and a

conducive environment to enable growth and development (Allen *et al.* 2016: 4; Burgess 2016: 8).

The role of communication in both good governance theory and transformational leadership theory cannot be understated. It serves as the golden thread that enables implementation for both theories. In the context of good governance theory, communication plays a central role in ensuring participation from role-players. Within the context of transformational leadership theory, communication is key in sharing the organisational vision with employees as well as in establishing meaningful human connections with employees. Sik (2015: 29) and McKenzie (2018: 37) support the view that the theory of communicative action is grounded in mutual acceptance (or consensus) and understanding and the manner in which to achieve this is through effective communication.

In Matrix 4.5 the importance of communication with the public as a strategy to mitigate public protests is highlighted. In Matrix 4.6 focus group participant FGP9 points out that it is through the public participation platforms and strategies that communities are enabled to communicate directly with the municipality, and through which the municipality can share information with the communities. Establishing and maintaining relationships with the public is a fundamental precept of good governance theory. It is also a constitutionally mandated objective for local government. This is supported by the view of interview participant PL2 in Matrix 4.9 when highlighting the importance of the role of communication.

The subsequent sections are divided according to the four research questions and corresponding objectives of this study. Each research question/objective is shaped into a subheading wherein the research findings correlating to the subheading are presented through matrices. Thereafter, each matrix will be discussed. The discussion entails interpretations of the findings and linking the findings to the body of literature that exists.

The next section briefly explores the role of communication in contributing towards the municipality's achievement of consistently obtaining and maintaining clean audit outcomes from the A.G. The section also considers, more generally, the role of communication in good governance and transformational leadership and contributes towards achieving the main research objective of this study which seeks to ascertain how good governance and public leadership can be integrated to obtain clean municipal audits.

#### 4.5 The Role of Communication in Good Governance and Transformational Leadership

In response to the main research question, the findings show that communication played an important role in contributing toward the successful integration of good governance and transformational leadership within OLM. This is shown by data in Matrix 4.9 which demonstrates the role of communication in achieving a clean audit in OLM.

Matrix 4.9: The role of communication in contributing towards clean audit outcomes

<b>Interviews and Focus Group: The role of communication in maintaining a clean administration</b>	
<b>Categories</b>	<b>Participant Responses</b>
Internal communication	<p>By communicating, you can show transparency, accountability and helping the municipality in keeping its good image to the community. FGP9, PL2, FD1</p> <p>Communication is the key, both internal and external communication, in the sense that you are making sure that the organisation is stable. PL1</p> <p>The issue of internal communication, I think the communications unit is assisting a lot. We information on time. But I think that we've improved a lot in terms of internal communication because now at least we know what is happening in public from the groups that were created. FGP4</p>
Communication with citizens	<p>Having our free and open communication, being active on social media. Having a small municipality where everyone is so united. FGP5</p> <p>I think it's where like Okhahlamba communicated with citizens and helped them understand the differences between us and other departments, especially when asking for things. FGP5</p> <p>The updates that the public get are instant then they feel like OK you are being accountable and reporting back to them. FD1, MMO1</p> <p>That is why there were no service delivery protests during our time. PL3</p>

Source: Fieldwork Inquiry, 2019.

As Matrix 4.9 reveals, communication had a role to play in the implementation of good governance. This is concerning communicating with the public in a manner that enabled and promoted accountability and transparency. The municipality experienced no service delivery protests. This can be largely attributed to the fact that as the municipality, public participation played a central role in the turnaround strategy and platforms were established to communicate with and engage citizens and incorporate them within the decision-making processes of the municipality.

Yunus *et al.* (2016: 17) explains that organisations excel when there exist functional communication channels between employees and leaders and when ongoing communication with stakeholders takes place, it builds public confidence within government institutions. Communication also plays an integral role in transformational leadership. Transformational leaders ought to possess a strong set of communication and persuasive skills (Jensen & Moynihan 2018: 350). This is to formulate, share and sustain a set of goals to which employees within an organisation will subscribe to (Jensen & Andersen 2018: 3).

The ensuing section deals with the sub-research questions and objectives that assist in answering the main research question of the study.

#### 4.6 The Role of Good Governance in Achieving Audit Outcomes at Okhahlamba Local Municipality

This section of the chapter seeks to answer research sub-question, and achieve sub-objective one, which speaks to the extent of the influence of good governance in achieving the audit outcomes that OLM has achieved.

Essential to good governance, are several principles which include: “participation, rule of law, transparency, responsiveness, broad consensus, equity and inclusiveness, effectiveness and efficiency, accountability and strategic vision” (Ekundayo 2017: 156). The research findings indicated that it was more than just good governance that contributed towards the clean audit outcomes, it was implementation of a clean administration, and that good governance was an element of that. Matrix 4.10 illustrates the internal organisational strategies that OLM adopted towards implementing good governance practices within the municipality.

Matrix 4.10: Internal organisational strategies towards ensuring good governance

<b>Interviews and Focus Group: Internal organisational strategies in ensuring good governance</b>	
<b>Categories</b>	<b>Participant Responses</b>
Transparency	<p>I wanted to drive the importance of good governance through accountability and transparency through all the meetings we had. MMO1</p> <p>The way your openness like you are saying, your openness in terms of your dealings with other people, it does because now you know everything, its transparent – nothing has been hidden. FD1</p> <p>I think that that’s what we are currently doing...out of ten we are 8 because it’s more of being responsive, transparent, accountable. FGP4</p>
Professional Ethics	<p>I knew that I needed to create an awareness of the importance of ethical behaviour driven by Batho Pele. MMO1</p>

	It is the tone you set at the top like transparency, ethical principles, and accountability. FD1, MMO1, FD2
Compliance	<p>SCM processes have circulars and regulations to be followed, so in order for the municipality to continue achieving or receiving clean audits, it is very important to comply with the legislations. FD2</p> <p>Okay look I think we are complying very well with legislation. MMO2</p> <p>You govern something you have to ensure that everything is in order, you follow the proper policies and also if those policies are created, they should comply with the relevant legislations er in such a way that financial policies should comply with the MFMA in a municipal environment as well as The Constitution. FGP3</p>
Sound Financial Management	<p>They need to constantly monitor the municipality's spending, its debts, and its revenue collection. MMO1</p> <p>Everything that you do on a daily basis is contributing to your financial statements, so you have to make sure that your transaction is clear, and you have checked you know, all the checks and balances. FD1</p> <p>I think municipal financial viability for me would be obviously good financial management, right, which leads to financial viability. FD1</p> <p>We've got proper management of finances and books, each and every cent spent, we've got a trail for that money. And also, in terms of our grant spending, we spend our grant as per the funding agreements, the conditions of the grants, because we don't spend like we did previously where we normally used to pay salaries with the housing grant or MIG. FGP6</p>

Source: Fieldwork, 2019.

One of the major issues that adversely affected the functionality of the municipality was the lack of controls that led to the complete mismanagement of finances. In this regard, the findings show that there has been an improvement in the municipality over the progression of years. It is evident from the finding above that adherence to sound financial management principles is an ongoing process within the municipality.

The data suggests that controls are now in place within the municipality to monitor the municipality's finances and to ensure that checks and balances are in place to avoid mismanagement of finances. Closely related to having controls in place and a factor contributing to sound financial management is that of legislative and policy compliance. The data presented highlight the importance of compliance as a contributing factor towards achieving clean audit outcomes from the A.G. Through the findings on good governance, it was revealed that the municipality made great strides in improving its operations as well as the organisational culture.

Van der Voet, Groeneveld and Kuipers (2014: 188) support this view through the statement "in order to successfully change the values of public sector organisations, the approach to change and corresponding leadership activities should be congruent with the content of organisational

change”. According to Nevondwe, Odeku and Tshoose (2014: 270), a culture of compliance should be encouraged “through leadership establishing the appropriate structures, education and training, communication and the measurement of key performance indicators”. This kind of approach is instrumental in ensuring and maintaining a clean administration.

Matrix 4.11 documents the external organisational strategies that OLM employed in ensuring the implementation of good governance.

Matrix 4.11: External organisational strategies in ensuring good governance

<b>Interviews and Focus Group: External organisational strategies in ensuring good governance</b>	
<b>Categories</b>	<b>Participant Responses</b>
Consensus Oriented	<p>Through meetings we had to convince people to work towards a shared goal. MMO1, FD2</p> <p>It’s very important that when you develop strategies, you communicate them with everyone that is going to be implementing, so that you all go towards the same direction. FD2</p> <p>I think the other thing that we need to consider is that vision of the municipality needs to be owned by the management, councillors and even all the employees. CSD1</p> <p>I would say that currently the decision-making process is good because decisions are not being taken by one person only, but it is communicated with others and we all have to agree on the decision before it is taken. MMO1, FGP8</p>
Responsiveness	<p>Complaints are addressed quickly, and information is shared easily with our communities through the platforms that you have developed. MMO2, CSD1</p> <p>The comments and complaints registers that is monitored on a weekly basis and we attend to the concerns raised by the communities that is part of good governance. CSD1</p> <p>I think the concept of good governance is a process whereby we need to apply accountability, responsiveness of a particular situation, as well as transparency in terms of service delivery. FGP6</p>
Public Participation	<p>Part of good governance in the public sector is comprised of proper consultations and public participation with citizens. MMO1, FD2, CSD1</p> <p>Another way we could look at it is that we developed platforms for regular engagements with our communities. MMO1, CSD1</p> <p>One of the important things about our decision-making process is that we also consulted the communities and our citizens frequently, so we had their support. MMO1</p> <p>To me, I think that it’s mainly through public participation where the community gets to know the municipality’s plans and responsibilities, and also where the community gets to directly communicate with the municipality. FGP8</p>
Accountability	<p>So, you get to know your responsibilities, you get to account to the community. FD2</p>

	<p>The new MM needs to be firm and hold people accountable and people need to see that he is serious and that he means business. MMO1</p> <p>Accountability of the money must also be prominent in good governance, and the implementation of Batho Pele. That is my understanding of good governance. FGP6</p> <p>Good governance is about being accountable and ethical...it's about maintaining and managing financial stability...it's about delivering good service delivery and it's about doing everything in a transparent way. FGP8</p>
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Source: Fieldwork, 2019.

Kroukamp (2016: 113) states that for municipalities to be efficient proper leadership premised on an “environment of responsiveness, high performance and clear accountability in respect of performance management” must be established. The research findings between the interview participants and the focus group participants share similar views about their understanding of the concept of good governance, as revealed in Matrix 4.20. Responses in Matrix 4.12 also shed light on the extent of the influence that good governance had in achieving the municipal audit outcomes that OLM received. In respect of the implementation of good governance, the research findings indicate that there were several elements of good governance that were prevalent within the discourse of the responses. These included being consensus-oriented, transparency, responsiveness, ethics, compliance, participation, accountability, and sound financial management. These elements are widely referred to as the characteristics or principles of good governance (Reddy & de Vries 2015: 41; Ekundayo 2017: 155).

From the findings presented above, it is asserted that good governance is largely influential in administering clean governance within organisations, and this is likely to lead to good leadership and financial management practices. As a result, if public institutions were to adopt a similar approach as the municipality and ensure the implementation of good governance practices, the organisations will yield positive results and achieve favourable audit opinions from the AG.

Matrix 4.12: Towards clean audit outcomes

<b>Interviews and Focus Group: Clean Audit Outcomes</b>	
<b>Categories</b>	<b>Participant Responses</b>
Commitment to Clean Audit	<p>I will think that it does influence accountability...So, if you read it every now and then, like we do in every meeting, it reminds you that you should do this, and you should do this, and you should do this. FGP1</p> <p>It also encourages people because after being read...I used to notice in some of the meetings that after it being read...there are those words of encouragement which says that...let us not just read it in an exco meeting but let us implement it, let us do it – let us make sure that it is doable and as it is we are living it and as it is, it is very encouraging. FGP3</p>

	It is always a wakeup call to all employees. It instils a culture of good governance and it instils a culture Batho Pele principles. FGP7
	Making sure that you maintain the integrity of the organisation, to me, that is good governance so that people can always have trust in the organisation. PL1
Encouragement from Management	The encouragement maybe that we receive from our seniors to say this is what we should do and that we are not only doing this for today, we are doing it for tomorrow. FGP1
Regular MANCO meetings	The sitting of management committee meetings (MANCO), or sometimes we call it audit readiness. I think the sitting of MANCO because that is where we discuss a lot of things as we are doing the financials quarterly, so we will get to know which section is supposed to submit when. FGP4
Employee Characteristics and Teamwork	<p>Maybe I would say one of the things is the commitment from staff members - their willingness to spend over and above the time that they are supposed to be at work. FGP1</p> <p>It's also the issue of qualified, committed and experienced staff. FGP4</p> <p>Team work and dedication from the former CFO and Executive Risk Manager, and former MM. The CFO made sure that SCM procedures and some other legislations were followed, adhered to and complied with. FGP9</p>

Source: Fieldwork Inquiry, 2019.

As Matrix 4.12 shows, other factors that have also contributed towards the implementation of a clean administration at OLM. These include the commitment to clean audit, encouragement for junior employees from management, regular sitting of meetings, a strong ethos of teamwork, and a sense of family working towards a shared vision. The commitment of employees is an undeniably important factor that contributed towards the municipality achieving its clean audit opinions. This is especially important as employees do not earn overtime allowances at OLM. This is indicative of a genuine commitment to the organisation and its goals.

The following section entails sub-research question and objective two which seeks to understand the influence of transformational leadership in the implementation of good governance.

#### **4.7 Transformational Leadership's Influence on the Implementation of Good Governance**

This section of the chapter seeks to answer research sub-question, and achieve sub-objective one, which speaks to the extent of the influence of good governance in achieving the audit outcomes that OLM has achieved. Top *et al.* (2015: 1262) point out that transformational leadership is a process through which an individual establishes connections with others with the overall ambition of encouraging and inspiring "motivation and morality in both

the leader and the follower”. Matrix 4.13 is comprised of data depicting the understanding of the elements of transformational leadership by the research participants of the study.

Matrix 4.13: Elements of transformational leadership

<b>Interview and Focus Group: Elements of transformational leadership</b>	
<b>Categories</b>	<b>Participant Responses</b>
Intellectual Stimulation	<p>You need to keep on developing your staff and making sure they improve on what they are doing, encourage them to learn more by arranging workshops or setting aside budget for them to pursue their academic ambitions. PL1</p> <p>Transfer of skills through skill-sharing needs to take place to ensure consistency if employees leave the municipality. PL2</p> <p>One of the things that I supported the most was to introduce a bursary scheme for our employees in the hope that it would encourage employees to get proper qualifications. MMO1</p> <p>The MM considered the internal staff before appointing external staff. So, employees have grown even in terms of their positions and career wise. FGP4</p>
Inspirational Motivation	<p>In fact, we inspire many politicians in our province, they want to be like us, but they don't know how. PL2</p> <p>It's the consistency, the support, the proactiveness, motivating staff and maintaining a good organisational culture, encouraging people to never look back and to continue moving forward and contributing positively so that counts as well. FD1, FGP4</p> <p>You must remember that a big role player are the staff because the staff members that carry the organisation. FD1</p> <p>Improving staff morale to improve the organisational culture. MMO2</p> <p>Recently we began closing the municipality between Christmas and New Year because we didn't have extra budget to give staff financial bonuses for their hard work through the year. We took this idea to council and they supported it. MMO1</p>
Idealised Influence	<p>I also encouraged people to bring their ideas to meetings and would support them in trying new ideas, I think that this was my way of encouraging people to explore their own abilities. MMO1, FD1, PL2</p> <p>My understanding of transformational leadership is leadership that is mostly about transforming the situation or changing the situation from where it was to a better place or to a different thing from what it was in the beginning. FGP1</p> <p>It's a style of leadership in which the leader identifies the needed change, creates a vision to guide the change through inspiration, and executes the change with the commitment of the members of the group. FGP7</p> <p>I think it's about acknowledging one another, and leaders or managers must be willing to assist subordinates towards their work and boost their morale by encouraging them and promoting them if they see potential in that particular employee. FGP8</p>

	Team work, leading by example, accountability, transparency and listening to the community views and addressing the needs of the community. PL3, FGP4, FGP9
Individualised Consideration	<p>If I see that someone has a problem or an issue then I would usually go to the MM's boardroom and talk about it to try and resolve the issue, and I keep such things confidential. MMO2</p> <p>If someone comes with a personal problem, I need to empathise. CSD1</p> <p>The MM was very good because he actually knew how to deal with staff, he knew how to listen and to encourage people and to try their ideas. FGP5</p>

Source: Fieldwork Inquiry, 2019.

As discussed in Chapter Two of this study, transformational leadership includes several elements. Yaslioglu and SelenayErden (2018: 44) points out that transformational leadership is comprised of four key domains which are: “charismatic leadership or idealised influence, inspirational motivation, intellectual stimulation, and individual consideration”. The research findings documented above indicate that transformational leadership indeed had a role to play in the implementation of good governance at OLM. A key premise of the AU is to foster a culture of good governance across member states through transformational leadership (APRM & AGA 2019: 33). OLM heeded this call and adopted a transformational leadership approach in governing the municipality. Transformational leadership highlights again the importance of building and maintaining strong employee relations. The MM knew how to deal with staff, and this was primarily through listening to their concerns and ideas and through the encouragement of trying their ideas. He also provided support when employees did not understand their role or function in the greater puzzle that contributed towards achieving the municipal objectives. There must be a level of mutual understanding and respect and where leaders maintain strong employee relations as a means of achieving strategic goals and objectives within an organisation. Owens and Valesky (2015: 260) support this view by stating that “the relationship between a leader and those who are led is not one merely of power but is a genuine sharing of mutual needs, aspirations and values”. Chitiga (2018: 71) concurs with Owens and Valesky (2015) and further expands that employee’s intellect and abilities should be nurtured and cultivated. Boamah *et al.* (2018) point out that transformational leadership is closely linked to employee satisfaction and as a result, organisational success.

Concerning the influence of transformational leadership on the implementation of good governance, Adanri and Singh (2016: 678) confer that visionary and ethical leadership is required for effective governance. Adanri and Singh (2016: 678) further state that “because of its ethical characteristics, transformational leadership can help reduce the problem of corruption and perceived inefficiencies”. This has shown to be true within the case of OLM.

With regards to OLM, through adopting a transformational leadership style approach towards leading the municipality, the manager gained the support, trust and respect of his employees. As part of organisational change, the role of a leader's behaviour is critical, and this is proved within the case of OLM where employees emulated the behaviour of the new manager and where his approach garnered their buy-in towards his vision for the organisation. The ensuing section briefly explores the leadership and management style of the municipality.

Amanchukwu, Stanley, and Olulube (2015: 9) point out that “leadership styles are the approaches used to motivate followers”. In this study, research participants indicated that consistency, teamwork, good governance and maintaining strong employee relations were all part of the leadership and management style of the municipality. Matrix 4.14 reflects participant views on leadership styles.

Matrix 4.14: Leadership style

<b>Leadership style</b>	
<b>Categories</b>	<b>Participant Responses</b>
Consistency	<p>I think that as the municipality develops a new synergy with the new leadership and employees and council, there needs to be some kind of consistency so that the formula that we developed and implemented can continue to work. MMO1</p> <p>You rather work consistently throughout the year then you will be better, I think you will be able to maintain, because then we are less prone to errors because we are doing it consistently throughout the year. FD1</p> <p>If they implement the formula that we came up with – that proved to be so successful for us, they will be able to maintain and continue to achieve clean audit outcomes from the AG. MMO1, PL3</p> <p>I think that what is important, what we have not done is to get a clean audit and relax – we get a clean audit, but we always work as if we are still getting a clean audit because we always enhance. FD1</p> <p>Our council meetings sat on time every month, our portfolio committees were sitting every month – everything went accordingly. PL3</p>
Teamwork	<p>Our team is highly motivated, our eye is always on the ball. FD2</p> <p>So, it's that culture of caring for each other and that teamwork that is ingrained to say that we will never let go of each other's hands, it started right at 2012. FD1</p> <p>The employees at Okhahlamba were more than just colleagues to me – they became my family and it was a great honour to work with them. MMO1</p> <p>You lead with people collectively because you cannot do anything alone. CSD1</p> <p>While we worked together, we improved a lot and eventually produced the best results because of working together. PL3</p>

	The employees don't feel like we are employees and those ones are politicians, but there is that, that family spirit, that we are one family working together to achieve one thing. PL2
Leadership Style and Good Governance	<p>There is definitely a relationship between leadership styles and how an organisation implements good governance. MMO1, FD2</p> <p>That is very important your leadership style should lead you to the implementation of good governance. CSD1</p> <p>If it is a hostile leadership style aye you won't be able to implement good governance but then there is a big relationship between the two because your leadership style should ensure the enforcement of good governance. CSD1</p>
Employee Relations	<p>I had an open-door policy where people could easily find me without an appointment to discuss whatever was bothering them. MMO1</p> <p>Listening to employees is important, it will keep us motivated. FD2</p> <p>Through the departmental meetings through the sittings of the portfolios, audit committee meetings, council and exco the sitting of the MANCO and involvement that of the unions and the labour relations that is very important. CSD1</p> <p>I tried to get to know my employees on a personal level and tried to understand the challenges they were facing. I was empathetic to their personal problems. MMO1</p>

Source: Fieldwork Inquire: 2019.

As depicted in Matrix 4.14, the research findings indicate four key aspects within leadership and management style. These include consistency, teamwork, good governance, and employee relations. Through the interviews one of the recurring statements was that within OLM, planning for the audit begins on the first day of the financial year and through weekly MANCO or audit readiness meetings, key issues are raised. These are dealt with by the relevant departments and a record of these issues are raised and kept by the internal audit unit which is also responsible for tracking the progress on issues raised. The team spirit reflected through the research findings indicates that the organisation is very unified and that the employees are working towards a shared vision. The research findings with regards to whether there is a relationship between leadership styles and the implementation of good governance indicate that there is a definite relationship between the two notions. The findings indicated that participants articulate clearly that they believe that a definite relationship exists between leadership styles and how an organisation implements good governance. Mbecke (2014: 102) reaffirms this stance through the statement that "leadership is an important factor to facilitate good governance".

Mbecke (2014: 102) goes on further to expand that leaders should be characterised by good governance and lead through applying ethical standards premised on accountability, transparency and fairness. Amanchukwu *et al.* (2015: 12) propose that great leaders have a vision for the organisation and the ability to influence employees towards achieving that vision. Part of

effective leadership and management styles is establishing an environment based on trust, meaning, being visionary, learning from failed approaches, collective-decision making, and empowering the workforce to contribute towards the organisational objectives (Amanchukwu *et al.* 2015: 12).

The next element of leadership style that emerged from the research findings was that of building and maintaining employee relations. Through implementing an open-door policy, the management was very approachable. Employees across every level of the municipal organogram were free to go and engage with the MM about issues that were affecting them. The sense of being heard by your leader is very critical in motivating and encouraging employees and one can deduce that this strategy that was implemented by the MM was very successful in gaining employee trust.

Boamah *et al.* (2018: 181) points out that transformational leaders ought to gain the trust of their employees and this is done through creating an enabling environment based on mutual respect and understanding. Daweti and Evans (2017: 160) confer that the transformational leadership style “is associated with superior leadership performance which has the effect of raising the level of moral agency and lifting people to better themselves”. This clearly indicates that good employee relations are an integral characteristic of good leadership and management style.

This section entailed brief discussions around leadership and management styles with an emphasis on consistency, teamwork, leadership style and good governance, and employee relations. The following section will succinctly describe the political/administrative relationship and decision-making from the view of participants.

Stocker and Thompson-Fawcett (2014: 792) purport that the politics-administration dichotomy led to the “support of a council-manager form of structure” which comprised of a “board of authority for elected representatives (including administrative oversight), a policy-making role for the city manager and unhampered discretion for the bureaucracy in their consideration of administrative issues”. In other words, politicians have an oversight role to play without interfering in the administrative processes of governing.

Matrix 4.15: The political/administration relationship and decision-making process at OLM

<b>Interviews and Focus Group: The political/administration relationship and decision-making process</b>	
<b>Categories</b>	<b>Participant Responses</b>
Political/Administration Relationships	<p>I think the key here is that the Mayor is driving it very well because there are times that councillors will ask something out of the ordinary when they are supposed to know, he will intervene. He is playing a very strong role. FD1</p> <p>We have a good relationship with the administration of the municipality to such an extent that we are producing good governance results. PL2, FD2</p> <p>So far, it's good because I don't think you have seen any councillors approaching staff saying that I need you to do this or I need these signed. CSD1</p> <p>I think the relationship can be improved. MMO2</p> <p>Our relationship with the administration was wonderful because we worked very hard. PL3</p> <p>The relationship should be at that level of making sure there is a good approach whereby I am the Mayor, you are the MM so there should always that smooth relationship of making sure that nobody is threatened in terms of beating one another. PL1</p>
Decision-Making Processes	<p>I think our decision-making processes are effective because much of the things we do implement like decisions that we take even though you know it's not timeous. FD1, MMO2, PL1, PL3, PL2</p> <p>I would say that currently the decision-making process is good because decisions are not being taken by one person only, but it is communicated with others and we all have to agree on the decision before it is taken. PL2, FGP3, FGP8</p> <p>There is some decision-making which is sometimes not fair. For example, looking at appointments of positions because sometimes you will find people doing extra duties while not being compensated for the work that they are doing. FGP2</p> <p>My perception is while making decisions, normally the employees are not informed. The decisions are made without consulting employees, most of the time consultation happens a short space of time. In that point employees' input are not considered as the decisions have been made. FGP9</p>

Source: Fieldwork Inquiry, 2019

The political/administration relationship has long been discussed within the context of public administration (Svara 2001: 176). Within the context of this study, the research findings in Matrix 4.15 indicate that at OLM, the relationship between the political leadership and the administrative leadership is a very good one. Both arms of leadership work in tandem to ensure that the

organisation is achieving its strategic goals and objectives. At OLM, the political/administration relationship is a good, functional relationship. According to study participants, there is no political interference in the running of the municipality. The politicians within the municipality are playing their oversight role in ensuring that checks and balances are in place through the adoption of policies and procedures for the municipality. As a result of this, the municipality has been able to achieve its organisational goals of effective community participation, and ultimately of quality service delivery that improves the lives of citizens. This does not appear to be the norm across most of the public sector within South Africa. Bogopane (2014: 211) asserts that the impact “of the perceived erosion of the political-administrative dichotomy on good governance and service delivery” in South Africa is significant and may be detrimental. One may infer that the mayor plays a strong leadership role within the municipality and even goes to the extent of challenging other councillors on being effective leaders within their communities. Although the relationship that exists between the politicians and the administration is good, there is room for improvement.

Decision-making is done through fair processes whereby diverse stakeholder views are respected and considered (Pomeranz & Decker 2017: 1). With regards to decision-making processes, Matrix 4.25 demonstrates that most research participants indicated that they were happy with the decision-making process. As discussed earlier in this chapter, decision-making processes at OLM follow an approach of collectivism. Decisions within the municipality are taken collectively following various channels which may include public participation, management meetings, compliance committee meetings, portfolio committee meetings, executive committee meetings until it reaches council meetings where the final directives are adopted. OLM makes use of collective decision making for major decisions which impact the operations of the organisation. This contributes towards ensuring that the principles of good governance are adhered to through the transformational leadership style approach. Although most research participants perceived the decision-making process to be a good one, there was an anomaly in the responses.

A research participant felt that employees are not adequately consulted through the decision-making process and that consultation takes place in a very short space of time (FGP4 2019). As a result, employees’ input is not considered when decisions are made. In this regard, it is reasonable that individuals may “perceive the leadership of the same leader differently” (Jensen & Bro 2018: 544). This is aligned with the philosophical worldview of the study, the social constructivist paradigm, which indicates that human experiences and understanding are subjective based on individual perceptions.

Through the discussions in this section, research sub-question two was answered, and its correlating objective was achieved. The subsequent section discusses the findings for research

sub-question and objective three which is premised around the reasons that OLM was placed under provincial financial administration.

#### 4.8 Okhahlamba Local Municipality goes under Provincial Financial Administration

The first research question and objective sought to identify the factors that led to the municipality being placed provincial financial administration in the 2009-2010 financial year. Through the semi-structured interview and the focus group responses, several key issues were identified. These are depicted in matrices 4.16 – 4.19.

Matrix 4.16: Factors that led to OLM being placed under provincial administration

<b>Factors that led to OLM being placed under provincial administration</b>	
<b>Categories</b>	<b>Participant Responses</b>
Financial management	It was financial mismanagement. FD1, MMO2, MMO1
	The supply chain management paper trail was completely destroyed. FD1
	The municipality's funds and cash reserves were drained to extremes such that on a monthly basis overdraft had to be taken. FD1
Accountability and responsibility	The administration in terms of their roles and responsibilities failed to do their fiduciary duties in terms of advising the political leadership FD1, FD2
	There was a lack of accountability. FD2
	People did not understand what was happening in the local government. CSD1
Lack of internal controls	The main driver was the poor control environment at the municipality. There were no controls at Okhahlamba. FD1, MMO1
Lack of effective human capital development	Incompetent people were appointed for projects. CSD1
Corruption	It was due to the maladministration of senior management and the leadership. FD1, CSD1
	Unethical behaviour was perceived as normal. FD1, MMO1
	There was misrepresentation when submitting invoices for work that was not done and there was no paper trail. CSD1
	There was a lot of corruption taking place. MMO1

Source: Fieldwork Inquiry, 2019.

Makoti and Odeku (2018: 79) point out that provincial interventions take place when a municipality fails to deliver on its constitutional and legislative functions. According to Gasela

(2007) as cited in Uwizeyimana (2014: 88) the placement of municipalities under administration are due to “challenges in terms of governance, financial and service delivery, lack of adequate systems and capacity to manage financial resources, challenged by political difference and disagreements, breakdown in trust between communities and government leading to violent strikes, corruption and others”. There is a skills deficit in the local government sector, and this is largely influenced by a lack of willingness from politicians to appoint qualified and competent senior managers as they are less likely to be influenced (Mbulawa 2019: 1). The findings of this study indicated that unethical behaviour, corruption, the appointment of unqualified individuals and a complete lack of accountability were also contributing factors to the municipality being placed under provincial financial administration. It thus becomes evident that the conditions at OLM prior to the provincial intervention were challenging and necessitated the need for the municipality to be placed under a S139 provincial administration.

The working environment at OLM was described as being hostile where instances of sexual harassment were prevalent. The municipality was also known for its severe backlogs in service delivery. Matrix 4.17 illustrates the working environment before the transition resulting from the S139 provincial administration that the municipality was placed under.

Matrix 4.17: Working environment before the transition

<b>Focus Group: Working environment before transition</b>	
<b>Categories</b>	<b>Participant Responses</b>
Hostile working environment	It was an unfriendly environment, employees were working in fear. Employees had negative assumptions, the whole environment was unsocial, and nobody trusted anyone. It was just really not good. The whole organisation culture was affected. FGP9
	The environment was chaotic. FD1
	There were those tensions of politics where someone can arrive in your office and maybe without even greeting you, look at you in your face, and say that you will be fired. FGP3
Service delivery backlog	One of the worst things that happened during that time was money for a big housing project disappeared. The municipality recorded that the project was complete but when Department of Human Settlements came to do the site inspection, they didn't find any houses. You would find that the documents for all the work are there, payments were processed but there was no project that was done. FGP2
Sexual harassment	I remember there was once a community meeting where people told us that someone was employed for a few hours only because they didn't sleep with someone at that particular time and so the lady was released from her post. FGP5

Mofolo *et al.* (2014: 8) cite several reasons for service delivery challenges in the public sector. These include “a lack of political will, inadequate leadership, management weaknesses and institutional design (Mofolo *et al.* 2014: 8). In instances where municipalities are failing, there lies a moral obligation and legal responsibility for intervention (van der Waldt & Greffrath 2016: 153). With regards to the working environment during the transition period of the municipality, the research findings highlighted several challenges that employees experienced during that time. Central amongst these challenges was that of financial mismanagement. This reaffirms the findings of the interview data. Employees worked in a very hostile environment characterised by fear and mistrust. Focus group participants responded in a manner that indicated that they went through some really challenging experiences. This was evident in their hesitancy to describe specific incidences that they went through during the transition period at the municipality. Political tension and interference were prevalent, and they were contributing factors that led to the demise of the municipality.

It may be construed from the data that the working environment in the period leading up to the municipality being placed under provincial administration, and during the transition period, was very challenging for the employees. This would have created a negative organisational culture with a very demotivated staff complement. As a result, municipal operations and service delivery, in particular, would have been seriously adversely impacted.

Interventions in failing municipalities do not always yield positive results (Zolani & Nzewi 2018: 4). However, the provincial intervention at OLM had a positive influence in altering the operations of the municipality.

Matrix 4.18: Opportunities during transition through the S139 intervention

<b>Focus Group: Opportunities during transition through the S139 Intervention</b>	
<b>Categories</b>	<b>Participant Responses</b>
Administrator	The administrator helped Okhahlamba a lot because when he was checking our individual files, he discovered that there were some people who were placed in their positions and when he found out that that person was not qualified for that particular job, so it helped a lot, especially on my side. FGP2  It was like we were starting everything afresh because we were told that some of the files were missing and it was very difficult. FGP4
Adjusting to Positive Changes	I think with administrator to our municipality it was very helpful. Because now I think that our municipality is on track, since now we have these awards as a performing municipality. FGP2

	<p>I do believe that the changes were positive. The compliance in terms of submitting the reports improved. Previously we were missing deadlines. Also, the sitting of portfolio committees like the MPAC's yeah, they were then encouraged to take place through the changes. FGP3</p> <p>I think it also assisted the organisation because now we have got the experience of how to be under administration and I think that there is no one who wants to go back. I also think...ok...being under administration that's where we started developing the controls that we have...so...that included employing new and qualified people and setting up new units for compliance including IT, internal audit, risk and communications. FGP4</p>
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Source: Fieldwork Inquiry, 2019.

There is limited literature concerning municipal environments during the transition period when municipalities are placed under provincial administration. The existing literature focuses on the causes that lead to provincial interventions, and the failure or successes of such interventions (van der Walt & Greffrath 2016; Zolani & Nzewi 2018).

The transition period for the municipality began after the municipality was placed under provincial administration. Research findings indicated that the beginning of the transition period was characterised by challenges and appointing an MM was a significant challenge. Another significant challenge was resistance to changes that were transpiring. These were from both the employees and the politicians. The politicians at that time believed that they were being wrongfully targeted as the municipality was being run by an opposition party as opposed to the party that led the province. Most employees perceived the changes that were taking place as being positive changes.

Matrix 4.19: Challenges during transition through the S139 intervention

<b>Focus Group: Challenges during transition through the S139 intervention</b>	
<b>Categories</b>	<b>Participant Responses</b>
Financial Mismanagement	In order to highlight on especially the performance, the grants were not utilised, and the municipality was not receiving any grants because the funds that were being received were not utilised until the grants were being taken back. FGP3
Inconsistent Salary Adjustments	In the salary adjustments some employees received an increase and others did not and this is still a wound even today because we were not familiar of the criteria that they were using. FGP8
Service Delivery Backlogs	There was a time where the municipality was describing a community hall in Acton Homes on Ukhozi FM as a beautiful hall, but the hall was very small. There was also an issue of VIP toilets that were allocated to every household that was talked about on radio, then like two days later

	we went to check, and we couldn't find any toilets. We never found the fancy community hall or those toilets. FGP5
Political Interference	I requested to be placed in a permanent post because I had the qualifications and I was told that my family belong to the wrong political party, so I can't work at the municipality. FGP2
Threat to Job Security	We were afraid that we might not get paid at the end of the 1 <sup>st</sup> month when the administrator first came. We feared for our jobs since there were a lot of cases of misconduct and hearings. There were rumours of possible retrenchments. It was indeed a very hurtful and disturbing experience. FGP9
Resistance to Change	I would say there was resistance to change because workers on the lower level wouldn't acknowledge that there is change. FGP1  Truly speaking, by that time in our side of finance, it was challenging because most of the seniors had just resigned and I became responsible for the entire department. FGP6  The ruling party was IFP, there was perception that MEC as ANC intervened unnecessary. FGP7

Source: Fieldwork Inquiry, 2019.

In terms of the factors that led to OLM being placed under provincial administration; the findings are as follows. Maladministration of senior leaders both politically and administratively was central to the degeneration of the municipality. Financial mismanagement was commonplace, there were no proper controls in place to ensure checks and balances or accountability. These research findings are congruent with findings of similar studies. Greffrath and Van der Waldt (2016: 136) point out that the state of local government is largely in dysfunction.

The scholars further purport that there are several elements associated with municipalities being classified as being in distress (de Visser & November 2017: 112). Some of these include “political instability, non-compliance with legislation, high vacancy rates, incompetency amongst staff, financial mismanagement especially in supply chain management processes, compromised service delivery, community dissatisfaction and an absence of planning” (Mathenjwa 2014: 183; Greffrath & Van der Waldt 2016: 140; de Visser & November 2017: 112; Ledger & Rampedi 2019: 8). Those elements aptly describe the situation that OLM experienced during the period that led up to the provincial intervention.

From the data, it may be inferred that the municipality began to develop proper governance processes and procedures. In as much as most of the employees perceived the changes to be positive, one research participant indicated that not all the changes were positive. In terms of salary adjustments, the process was not transparent and as a result, some employees are unhappy

even to-date. Financial remuneration is a key element in ensuring employee satisfaction and a lack of transparency in this regard is demotivating to employees.

It is important to understand why OLM was placed under administration in order to expand the knowledge on how to integrate transformational leadership and good governance to improve the financial viability of the municipality. It is also important to understand the factors that led to OLM being placed under administration so that other municipalities could start to identify their own challenges and adopt similar strategies timeously to avoid being placed under administration.

The preceding discussion illustrates the answer to research sub-question and achievement of research sub-objective three. Research sub-question and objective four forms the final research question and objective of this study. It is premised around strategies that transformed the financial position of OLM.

#### **4.9 Strategies that Transformed the Financial Position of Okhahlamba Local Municipality**

The ensuing section explores research findings to research question and objective number four which was to determine the strategic changes that transpired to transform the financial position of OLM.

Several institutional turnaround strategies were implemented at OLM to improve the situation at the municipality. These included organisational development, the establishment of new units, improved intergovernmental relations, quality reporting and overcoming significant service delivery backlogs.

Matrix 4.20: Institutional turnaround strategies

<b>Institutional Turnaround Strategies</b>	
<b>Categories</b>	<b>Participant Responses</b>
Organisational development	As part of the turnaround strategy all the municipal policies and strategies had to be reviewed. CSD1  We worked towards a shared vision as a team. MMO1, FD2  We started having public participation meetings. MMO1
Establish new units and structures	We developed new units within the municipality like the internal audit unit which played an important role really. PL3, PL1  The internal audit played an important role because gave us advice on where we went wrong and how to rectify our mistakes. PL3

	<p>I think our proactiveness, you know, how the risk management does those things, coming up with the check lists, telling us what's not on the website and whatever – if we keep that culture of proactiveness. FD1</p> <p>We were one of the first and very few municipalities to have the key units like risk, internal audit, IDP/PMS, IT, communications because you would meet people in the HR forums and in the discussions, you would find out that most of the municipalities don't have these sections. FGP4</p>
Intergovernmental Relations	The communication strategy helped us to build that intergovernmental relationship with Uthukela and the community at large. CSD1
Quality Reporting	<p>I scrutinised auditor general reports from previous years and developed a check list of recurring problems and challenges. MMO1</p> <p>I think our performance reports are of a standard quality I don't want to say high quality so standard quality. MMO2</p> <p>Your information needs to be reliable, valid and credible information. FD2</p> <p>Ensured that exco and council meetings sat, and that proper record management was implemented. CSD1 2019</p>
Service Delivery	We needed to overcome the serious service delivery backlogs. MMO1

Source: Fieldwork Inquiry, 2019.

It may be inferred that the municipality began to develop proper governance processes and procedures. A major part of the turnaround strategy was the establishment of key units within the municipality. These included the internal audit unit, the information technology unit, the communications unit and later, the risk management unit.

Through progressive changes that were implemented within OLM, the financial position of the municipality improved as a result. In this respect, Zolani and Nzewi (2018: 4) state that “the most significant outcome of provincial intervention is the area of financial management”. Intergovernmental relations improved, as did the quality of municipal compliance reporting. At the time of the appointment of the new MM, the municipality was in the position where it was characterised by extreme and significant service delivery backlogs. To this end, the municipality has since made great strides in overcoming these backlogs. This can be attributed to the new manager's goal-oriented leadership style. The new determination of the new MM to achieve the municipality's organisational goals, especially in terms of submitting good quality reporting for legislative compliance purposes was highlighted.

Matrix 4.21 depicts the financial viability strategies that OLM implemented as part of its turnaround strategy.

Matrix 4.21: Financial viability strategies

<b>Financial Viability Strategies</b>	
<b>Categories</b>	<b>Participant Responses</b>
Internal Financial Controls	Make sure that you tighten your controls, that you revisit your controls, you see where you can improve on your controls and make sure that you tighten your internal audit so that they can come up with strategies and also to make sure they point out the areas where they think we are not doing good enough. PL1
	I assessed the internal controls, identified gaps and implemented the controls. FD2
	Making sure that you come up with all of the controls so that you eliminate or reduce the levels of corruption. PL1
	I analysed where the weaknesses were by doing a detailed review of the financial statements and the external auditor general reports. FD1

Source: Fieldwork Inquiry, 2019.

Clean administration in municipalities characterises leadership who “have made it a priority to ensure that the basic internal controls and systems are in place” (Nombembe 2011: 1). This is done by developing action plans “to remedy deficiencies highlighted in the AG findings” (Nombembe 2011: 1). As part of the turnaround strategy, internal controls were developed and implemented, proper units were established, critical vacancies were filled, and restructuring of the organogram took place, and the recruitment processes improved. This directly contributes towards building effective, accountable and inclusive institutions which is Goal 16 of the SDGs (NPC 2019: 92). The research findings also indicate that the risk management unit played a crucial role in identifying possible challenges and developing strategies to mitigate such challenges. Dzomira (2015: 34) indicates that there is a positive relationship between risk management and good governance.

Matrix 4.22 details the human capital development strategies that were employed by OLM as a means of transforming the municipality and improving its overall functionality. Some of these included restructuring posts, recruitment strategies, competency standards, avoidance of political interference and being goal-oriented.

Matrix 4.22: Human capital development strategies

<b>Human Capital Development Strategies</b>	
<b>Categories</b>	<b>Participant Responses</b>
Restructuring posts	Some of the posts were redundant. We terminated employment contracts, reshuffled staff, appointed people in key positions CSD1

Recruitment strategies	Hire correct people for the correct jobs, people doing their own jobs, no interference from the politicians, even no interference within the officials – every person must do his or her jobs within the budgets or the votes for that particular person. PL1
Competency standards	You are supposed to take qualified people no matter what, whether he or she belongs to any party GN
Avoidance of political interference	You cannot take someone from your party knowing very well that that person doesn't qualify and leave the other person saying that hey that person doesn't belong to my political party – that thing will hinder the operations of the organisation. PL3
Goal Oriented	I wanted to get results, sometimes I would push very hard, especially when financials are due and the APR and the AR...people would end up sleeping at work and sometimes working over weekends. MMO1

Source: Fieldwork Inquiry, 2019.

Through the implementation of the turnaround strategy, the organisational culture of the municipality began to slowly improve. Training for councillors around issues of financial and risk management took place and were compulsory to attend (Mantzaris & Pillay 2015: 267). By conducting a series of meetings with the employees, several issues were tackled and a new approach towards decision-making encompassing collective decision-making was forged (Mantzaris & Pillay 2015: 268). A decision was then made to work towards the goal of achieving a clean audit opinion from the AG within three years.

The MM employed a young, competent, energetic staff complement who were local to the area. Through this, reliance on consultants was drastically reduced and capacity within the organisation was built (Mantzaris & Pillay 2015: 269). The research findings purport that the new approach to decision-making enabled employees to share their ideas and develop and implement creative and innovative ways towards the challenges that faced the municipality. This enabled and fostered an environment of mutual trust, respect and understanding within the organisation as employees began to buy-in to the vision that the MM was championing. New public participation strategies were also developed during this time to include citizen engagement and input into the municipality's decision-making processes.

By adopting new approaches to leadership and management premised on high ethical standards which were against corruption, the position of the municipality began to improve. Through the changes that were implemented and commitment and support from the council and staff, the municipality's audit outcome improved and within two years, the municipality was awarded its first clean audit outcome opinion from the A.G. The municipality had achieved its objective a year sooner than it forecasted.

Organisational culture is perceived to be an important, influential element which affects employee behaviour, management practices and effects change relating to organisations overall strategic objectives (Baird & Harrison 2017: 311). Matrix 4.23 describes the organisational culture within OLM.

Matrix 4.23: Organisational culture

<b>Focus Group: Organisational Culture</b>	
<b>Categories</b>	<b>Participant Responses</b>
Employee Behaviour	In terms of organisational culture, the municipality is doing very well administratively, but hey, the issue of organisational culture relating to behaviours of employees, there's a lot more that we need to do. Ethically, we've got a challenge. FGP4
Diversity Challenges	I think that dealing with individual people is very difficult, so, because we were raised differently, and we have a very different perceptions and all that stuff. So, dealing with all kinds of people at the same time, it's not easy. FGP5
Unequal Treatment of Employees	I think that staff need to be treated equally, sometimes of hiring politicians or having favouritism makes some employees unhappy. FGP8
Unfriendly Working Environment	The municipal employees and its leadership don't have a lot in common, which makes the environment to be unfriendly. Though team work is promoted in some departments, but the working environment is unfriendly, as we tend to look down upon our other colleagues. FGP9

Source: Field Inquiry, 2019.

Houghton (2016: 22) states that a healthy, high-performing culture is needed in organisations and this is fostered by leaders who set the tone and champion ways forward for employees. Whitehurst (2016: 10) points out that leaders should set the example of how employees ought to behave within organisations and that the cultures of organisations are driven by the behaviour of its leaders. Through this study, the most striking findings could be found within the discussions around organisational culture. While most of the responses relating to other themes and topics were very positive, those relating to organisational culture are not as positive. Concerning employee behaviour, the research finding indicated that there is a lot of work that needs to be done to improve the ethical behaviour of employees. A separate finding indicates that there are diversity challenges within the municipality because people come from different backgrounds and have different approaches and understandings to things. Unequal treatment of employees was also highlighted as part of the organisational culture at OLM. Through this research finding, the issue of favouritism and employing politically active individuals leads to employee dissatisfaction and unhappiness.

The final research finding within this section indicated that some employees perceive the working environment as being unfriendly where team spirit is not promoted equally. Ashikali and Groeneveld (2015: 157) in their study, found that “when employees experience an inclusive (organisational) culture, they are more committed to their organisation” particularly about the commitment of public sector employees (Ashikali & Groeneveld 2015: 157).

This section of the findings, analysis and discussion illustrates the beliefs of the research participants concerning the unique characteristics of OLM and the organisational culture at OLM. The final section illustrates research participant suggestions on how the organisation can improve its operations

Matrix 4.24: Unique characteristics of OLM

<b>Interviews and Focus Group : Unique Characteristics of OLM</b>	
<b>Category</b>	<b>Participant Responses</b>
Uniqueness of OLM	<p>I would say it’s the team work and that spirit of unity that is very unique about Okhahlamba. MMO1, FD2, FGP 7, FGP8</p> <p>Okay number one that in KZN you are the only one that received a clean audit in 2017-2018 so that shows your uniqueness. MMO2</p> <p>The achievement of consecutive clean audits coming from where we were. FGP7, FGP9</p> <p>Being a small, rural, municipality in the mountains. PL3, CSD1, FGP4</p> <p>Our municipality initiating and starting new things like, I think we’ve got years now having the internal audit unit, but we were one of the first and very few municipalities to have the key units you would meet people in the HR forums and in the discussions, you would find out that most of the municipalities don’t have these sections. FGP4</p>

Source: Fieldwork Inquiry, 2019.

Research participants indicated that there were several unique characteristics of OLM. Some of these include the unity of employees and councillors, being the only municipality in KZN to achieve a clean audit outcome from the AG in the 2017/18 year and achieving and maintaining consecutive clean audit outcomes after being under provincial administration. One research participant also indicated that OLM is a trail blazer because it was the first of very few municipalities to initiate units such as the internal audit, the PMS unit and the risk management unit. Another unique feature of the municipality that was pointed out by research participants is that it is a small, rural municipality that is located in picturesque mountains.

Matrix 4.25: Strategies to improve operations at OLM

<b>Focus Group: Strategies to Improve Operations at OLM</b>	
<b>Categories</b>	<b>Participant Responses</b>
Strengthen and Maintain Employee Relations	I think the commitment from each and every employee and maybe communicating issues with employees like on a lower level will not be like we are imposing on them. If we engage with them then they will understand – if you do not communicate with the lower level staff, they get frustrated. FGP1
Legislative Compliance and Financial Management	<p>We need to keep on following the legislations and use grants or funds allocated to the municipality, to benefit the community not certain individuals or municipal employees or comrades. FGP3, FGP9</p> <p>Just to add, I think this one is important, I think that there is this thing of the implementation of Section 32 of the MFMA...I'm talking about the recovery of funds. If a booking has been made for someone, and they didn't attend, those funds need to be recovered from the employee. I'm saying this because it has been highlighted to council especially regarding the fruitless expenditure. FGP3</p> <p>Mainly continuity. I think that as much as we are a stable municipality, but as long as we can stick to the SCM processes correctly because currently some of us just do the procurement plan for the sake of doing it, we are not following it. If we can take it seriously and follow it, then everything will be fine. We also need to prioritise the procurement that we need. And also, our directors...our senior officials...if they can be serious about work...because it can happen that director so and so knows that a particular event will cost so much, although he understands that there are no funds in that vote, but he will still continue doing the procurement. That will compromise our finances at the end of the day. If they can take work seriously, everything will be fine. FGP6</p> <p>Close monitoring of the budget lose all loose ends in terms of spending and ongoing monitoring and evaluation of fiscal status. FGP7</p>
Changes in Management	We need to maintain consistency because provincial departments are poaching our good staff. We are going through another transition as a municipality because we now have a new MM and we don't have a CFO and Director Technical. FGP4

Source: Field Inquiry, 2019.

Matrix 4.25 illustrates the perceptions of research participants concerning improving the operations of the municipality. The responses were categorised into subsections. These included strengthening and maintaining employee relations, and the overwhelming majority of the responses related to legislative compliance and financial management. Evidently, timeous communication is key to averting employee dissatisfaction. Furthermore, one is more likely to get support from employees when knowledge and information is shared with them.

In terms of legislative compliance and financial management, several research participants indicated that strong financial management practices, particularly concerning SCM processes are important. The fundamental mandate of local government is highlighted, and that is to use funds

allocated to local government to serve the community rather than unfairly benefitting employees or the politically connected. Local government is supposed to make a meaningful difference in the lives of citizens through improving the socio-economic conditions by ensuring quality service delivery. This is done through the implementation of clean administration practices premised on the principles of good governance, and through a transformational leadership style approach. A significant finding that emanated from the discussions of the focus group is that there is a change in the municipal management. This finding indicates that the critical management positions of the municipality have experienced significant changes. The municipality has a new MM and two critical, senior management posts, are vacant. This is a cause of concern as it may adversely impact the consistency of the municipality in terms of performance.

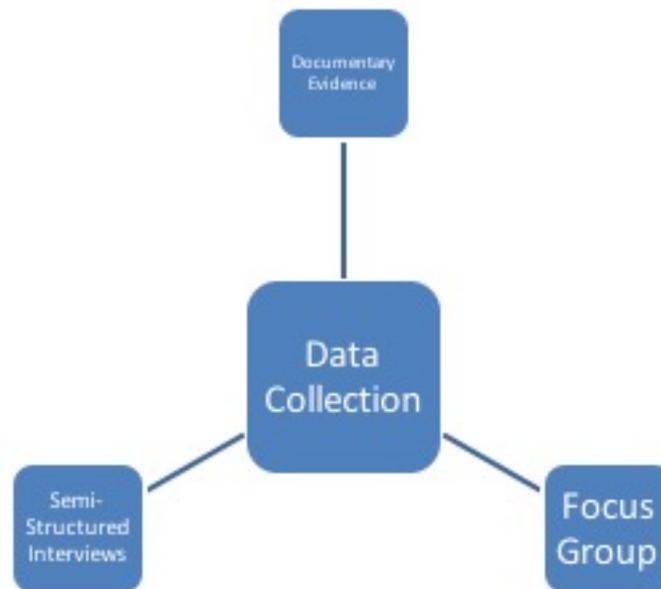
Through the discussions above, research question four was answered and the accompanying objective was met.

#### **4.10 Triangulation of the Study**

Triangulation of data is used to ensure trustworthiness, credibility, confirmability, dependability and transferability within qualitative studies. Pelto (2017: 242) asserts that triangulation is the use of multiple data sources “as an approach to assessing the validity and reliability of data-gathering methods in social and behavioural sciences”. Essentially this means that triangulation is the convergence of information to develop a comprehensive understanding of the phenomena within a study (Pelto 2017: 242).

Within the context of this study, data were collected using semi-structured interviews, a focus group as well as through secondary data in the form of documentary evidence. Figure 4.3 illustrates the data collection process for this study.

Figure 4.6: Data Collection for this Study



Source: Researcher Fieldwork (2019).

Consistent with Figure 4.3, data collection for this study made use of a three-pronged approach. The use of different data collection methods in this study enabled triangulation through the matrix analysis approach when considering the raw data. This data analysis method entails a combination of discourse, content and thematic analysis as a means to reduce data and to code and categorise data in order to make sense of the findings.

In most instances, data from the semi-structured interviews and the focus group converged. The findings of the study were primarily similar to the findings in the secondary data relative to other similar studies. Essentially the overarching theme of this study alludes to the fact that there is a positive influence of good governance and transformational leadership in contributing to the financial viability of OLM, and potentially at other similar public sector institutions. A common sentiment that reverberated through the findings was that employees and employee relations play a major role in contributing towards the implementation of good governance within the municipality and it is mostly done through teamwork or team-spirit approach.

A divergent view from the research participants between different stakeholder groups emerged concerning decision-making processes where a focus group research participant felt that employees were not adequately consulted.

Two other major threads that emerged through the triangulation of data was that communication has an important role to play in facilitating the implementation of good governance and transformational leadership. Furthermore, the political/administration role is influential in ensuring that proper oversight takes place within the municipal context, that policies and frameworks are developed and adopted, and that they are implemented through the day-to-day operations of the municipality. There is a clear correlation between the clean audit opinions that have been awarded to OLM and the findings that emerged in relation to maintaining a clean audit outcome from the primary data of this study.

#### **4.11 Emergence of Themes and Theoretical Propositions**

The term theme within qualitative research may be defined as “a thread of underlying meaning implicitly discovered at the interpretative level and elements of subjective understandings of participants” (Vaismoradi, Jones, Turunen & Snelgrove 2016:101). The themes emerged from the data that was collected and analysed in this study, utilising the process explained in section 3.7.1.4 on thematic analysis. Vaismoradi *et al.* (2016: 100) point out that the theme is the “main product of data analysis that yields practical results in the field of study”.

The themes that emerged from this study are:

- Employment equity and human capital are central to organisational development.
- Financial management and change management allow for greater external relations.
- The political-administrative relationship is influenced by in-depth and ongoing communication which promotes complementarity.
- The less the political interference in administration, the better the service delivery.
- Political-administration relationships are influenced by communication which impedes political interference.

Theoretical propositions are defined as “statements in the form of sentences or equations of relations between constructs” (Geary, Birch, Ochsendorf, Koepke 2017: 2).

The theoretical propositions that arose from this study are:

- Adequate human capital and proper employment equity lead to organisational development.
- Change management through proper financial management leads to improved external relations.
- The political-administration relationship is maintained through communication and this prevents political interference.

#### **4.12 Chapter Summary**

This chapter consisted of an introduction, the recapping of the research questions and objectives, and the case context of OLM. This entailed the municipality's audit outcome journey documented by the AG, as part of the secondary data of the study. The discussions that ensued entailed the data presentation, analysis and findings and this included the alignment of the theoretical framework, the philosophical worldview and the emerging themes. The subsequent section illustrated the research findings, their analysis and their interpretations for each of the four research questions and objectives of the study. The final section of this chapter comprised of the triangulation of the data.

The next chapter is the final chapter of the study. It entails discussions, conclusions and recommendations of the study.

## CHAPTER FIVE SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Introduction

The preceding chapters detailed the problem statement, this was followed by an exploration of the literature, the research design and methodology for the study, and the data presentation, analysis and interpretation of the findings. Within this chapter, the research questions and objectives will be revisited, a brief summary of chapters will be documented. Thereafter the main research findings and conclusions of this study will be highlighted. This is done through subheadings pertaining to each research question and objective. The ensuing section discusses the overarching findings of the study, conclusions and recommendations, the significance of the study and suggestions for future research. The chapter concludes with a summary.

### 5.2 Revisiting the Research Questions and Objectives

This section illustrates the main research questions and objectives of this study. Table 5.1 depicts the research questions with the correlating research objectives.

Table 5.1: Revisiting the Research Questions and Objectives

<b>Research Questions</b>	<b>Research Objectives</b>
How can good governance and public leadership be integrated to obtain clean municipal audits?	Ascertain how good governance and public leadership can be integrated to obtain clean municipal audits.
To what extent does good governance influence the audit outcomes that the Okhahlamba Local Municipality has been achieving?	Understand the role of good governance in terms of influencing the audit outcomes that Okhahlamba Local Municipality has achieved.
How can transformational leadership influence the implementation of good governance?	Discover how can transformational leadership influences the implementation of good governance.
Why was the Okhahlamba Local Municipality placed under financial administration by the province?	Identify the factors that led to the Municipality being placed under financial administration.
What were the strategic changes that transformed the financial position of the Okhahlamba Local Municipality?	Determine what strategic changes transpired to transform the financial position of Okhahlamba Local Municipality.

The following section demonstrates the summary of chapters.

### 5.3 Summary of Chapters

This section highlights the role that each chapter of this dissertation played in answering the research questions and research objectives.

### **5.3.1 Chapter One: Introduction to the study**

In this chapter, readers are provided with the background and broad research problem of the study. It documents a broad perspective of the global, regional and local contexts of global governance and its challenges. In this chapter, the research questions and objectives for the study were stated, indicating work to be done. Furthermore, outlined in this chapter were also the significance and rationale of the study, the research methodology and key terms and definitions. The chapter concluded with an overview of the dissertation structure and a chapter summary. Chapter one is intertwined with chapter five which documents each chapter's contribution to the study

### **5.3.2 Chapter Two: Exploring the literature**

Chapter two formed part of the secondary data of the study. Through this chapter existing literature from the body of knowledge pertaining to the focus of the study were selected and explored. Entailed in this chapter were discussions around the crises in the South African public sector, the political-administration dichotomy, and the local government sector which included an exploration of the relevant legislation and the evolution of public administration. The subsequent sections of this chapter included discussions around good governance at the local government sphere, selected public sector leadership styles with an emphasis on transformational leadership, and leadership and organisational culture. The last three subsections of this chapter included interventions in local government, the meta-theoretical framework that underpins this study and a chapter summary. This chapter provided the springboard upon which the research problem, questions and objectives were formed through identifying the gaps in the existing literature. Research questions and objectives were also formulated through the use of the concepts that formed the meta-theoretical framework. Chapter two is interrelated with chapter four as it also forms part of the data analysis and provides a basis for the triangulation of secondary data.

### **5.3.3 Chapter Three: Research methodology**

Chapter three provided the blueprint of how the research questions and research objectives would be achieved by detailing the research methodology. This chapter comprised of the worldview for this study which is the interpretivist/social constructivist paradigm. The subsequent sections document the research design, the research strategies, data collection methods and sampling and strategy techniques for the study. Following these discussions, data quality control, data analysis, ethical consideration, delimitations of the study and limitations of the study were explored. Through implementing the research methodology detailed in chapter three, the researcher was enabled to collect data and develop chapters four and five, following the data analysis process.

### **5.3.4 Chapter Four: Data presentation, analysis and interpretations**

Chapter four entailed the presentation, analysis and interpretations of the data that were collected through the semi-structured interviews and the focus group. These were discussed in relation to the literature that emerged from chapter 2. Once the secondary data was analysed it was presented in the form of a narrative under the case context subsection. The primary data was presented through the use of tables and matrices. Matrices were developed following a rigorous data reduction process that entailed coding and categorising the raw data. The layout and presentation of the data was done through the use of subsections which were derived from the research questions. Under each subsection, the findings were discussed in relation to the literature that was discussed in chapter two. Contained within chapter four was also the triangulation of the study. Another section delivered the emerging themes and theoretical propositions. Chapter Five: Summary of findings, conclusions and recommendations

Chapter five is the concluding chapter of this dissertation. This chapter is comprised of discussions, conclusions and recommendations that emerged from the primary and secondary data presented in previous chapters. The chapter begins by presenting a recapitulation of the study's research questions and research objectives. It is divided into subsections based on each of the four key research questions that this study sought to answer. In this chapter, the quintessential findings from chapter four are highlighted, conclusions are drawn, and recommendations are suggested. This chapter summarises the entire study and is a culmination of the previous four chapters in responding to the overall research questions and objectives of the study. This chapter also enunciates the contribution that this study makes towards addressing the research problem identified in chapter one. The final sections of this chapter include areas for future research and a chapter summary.

The subsequent section highlights the main research findings and conclusions of the study.

## **5.4 The Main Research Findings and Conclusions of the Study**

This section entails discussions around the main research findings and conclusions of the study.

### **5.4.1 Research Objective 1: To ascertain how good governance and public leadership can be integrated to obtain clean municipal audits**

The findings indicated that communication played an important role in contributing towards the successful integration of good governance and transformational leadership within OLM. Communication was one of the strategic changes that helped transform the financial position of OLM and contributed to improved audit outcomes. The communication component of the meta-

theoretical framework that applies to both good governance and transformational leadership helped uncover changes in communication in the municipality.

A key factor of good governance was communicating with the public in a manner that enabled and promoted accountability and transparency. The municipality experienced no service delivery protests. Public participation played a central role in the turnaround strategy and platforms were established to communicate with and engage citizens and incorporate them within the decision-making processes of the municipality. Effective communication through proper public participation engagements has a strong influence in achieving clean audit outcomes.

A finding further indicated that tensions between the political and administrative interface directly influenced the municipality being placed under provincial financial administration originally. It is also contributing factor for municipalities being in distress in South Africa.

The new manager's goal-oriented leadership style and the development of internal controls to properly manage the municipality's finances assisted in achieving service delivery objectives. The determination of the new MM to achieve the municipality's organisational goals, especially in terms of submitting good quality reporting for legislative compliance purposes was also a central aspect of the turnaround strategy. Communication also plays an integral role in transformational leadership. Transformational leaders ought to possess a strong set of communication and persuasive skills. A finding indicated that the transformational leadership approach was preferred over other leadership approaches. This is because with motivated employees, it is more likely for organisations to successfully execute their strategic plans and achieve their organisational goals.

It may be concluded that communication is a factor that contributes towards how good governance and public leadership can be integrated to obtain clean audits. As a result, if other municipalities were to adopt a similar approach as OLM, the relationships between the institutions and the public, as well as the relationships between the political leaders and administrators, and the administrators and employees may yield positive results and contribute towards obtaining clean municipal audits.

Following the findings and conclusion, two recommendations are presented. Firstly, it may be recommended that OLM strengthen the existing communication approaches to assist in maintaining their clean audit. Secondly, it may also be recommended that other municipalities consider adopting and implementing communication approaches that may assist in fostering enabling environments that may help in achieving improved audit outcomes.

Further discussions in the following four sections contribute in achieving the main research objective. They include discussions around the role of good governance in influencing the audit outcomes of OLM, transformational leadership's influence in implementing good governance at OLM, OLM goes under administration and the strategies that transformed the financial position of OLM.

#### **5.4.2 Research Objective 2: The role of good governance in influencing the audit outcomes of OLM**

The findings discerned the influence of good governance impacted on the achievement of clean audit outcomes. However, it was more than just good governance that contributed towards the clean audit outcomes. It was the implementation of a clean administration, and good governance was an element of that. In respect of the implementation of good governance, the research findings indicate that several elements of good governance were prevalent. These include being consensus-oriented, transparency, responsiveness, ethics, compliance, participation, accountability, and sound financial management.

One of the major issues that adversely affected the functionality of the municipality was the lack of controls that led to the complete mismanagement of finances. In this regard, the findings show that there has been an improvement in the municipality over the progression of years following the implementation of the turnaround strategy. Through weekly MANCO or audit readiness meetings, key issues were raised at OLM. These are dealt with by the relevant departments and a record of the issues that were raised were kept by the internal audit unit which was also responsible for tracking the progress on issues raised. Adherence to sound financial management principles is an ongoing process within the municipality and it is ingrained in the new culture that the municipality has developed.

Another way that good governance influenced the clean audit outcome is compliance. This means legislative compliance, compliance with conditions of grants, and compliance with reporting deadlines. The importance of compliance as a contributing factor towards achieving clean audit outcomes from the A.G is a notable change following the implementation of the turnaround strategy. Through the findings on good governance, it was revealed that the municipality made great strides in improving its operations as well as its organisational culture.

According to the AGSA, there are five different types of audit opinions. The secondary data findings indicated that at some point in time OLM has experienced all 5 audit opinion outcomes from the AG. The 2007/2008 year proved to be the year in which the municipality was performing at its worst as it obtained a disclaimer audit opinion. Other factors that have also contributed

towards the implementation of a clean administration at OLM include the commitment to clean audit, encouragement from management for junior employees, regular sitting of meetings, a strong ethos of teamwork, and a sense of family working towards a shared vision.

It may be concluded that good governance is largely influential in administering clean governance within organisations, and this is likely to lead to good leadership and financial management practices. As a result, if public institutions were to adopt a similar approach as the municipality and ensure the implementation of good governance practices, the organisations will yield positive results and achieve favourable audit opinions from the AG.

Following the findings and conclusion, two recommendations are offered. Firstly, it may be recommended that the ongoing implementation of administering a clean administration premised on good governance practices is ensured at OLM. Secondly, capacity building in terms of municipal financial administration should be implemented to the council and all employees of the municipality.

#### **5.4.3 Research Objective 3: Transformational leadership's influence in implementing good governance at OLM**

The research findings indicate that transformational leadership indeed had a role to play in the implementation of good governance at OLM. Towards achieving this research objective, the findings emphasised the importance of maintaining strong employee relations, understanding and valuing employee's ideas and working as a collective to achieve the organisational goals as envisioned by the MM.

Concerning the influence of transformational leadership on the implementation of good governance, visionary and ethical leadership is required for effective governance. Transformational leadership may assist in reducing the problem of inefficiency and corruption. Within OLM, transformational leadership helped implement good governance and in-turn improve the financial viability of the municipality.

The findings revealed that the new MM knew how to deal with staff, and this was primarily through listening to their concerns and ideas and through the encouragement of trying their ideas. He also provided support when employees did not understand their role or function in the greater puzzle that contributed towards achieving the municipal objectives. He understood that a level of mutual understanding and respect was needed where leaders maintain strong employee relations as a means of achieving strategic goals and objectives within an organisation.

Through implementing an open-door policy, the management was very approachable. Employees across every level of the municipal organogram were free to go and engage with the MM about issues that were affecting them. The sense of being heard by your leader is very critical in motivating and encouraging employees and in gaining employee trust.

The team spirit reflected through the research findings indicates that the organisation is unified and that the employees were working towards a shared vision. The research findings with regards to whether there is a relationship between leadership styles and the implementation of good governance indicate that there is a definite relationship between the two notions.

Within the context of this study, the research findings indicate that at OLM, the relationship between the political leadership and the administrative leadership is a very good one. Both arms of leadership work in tandem to ensure that the organisation is achieving its strategic goals and objectives. Research findings indicate that OLM makes use of collective decision making for major decisions which impact the operations of the organisation. An adverse finding is that financial remuneration is a key element in ensuring employee satisfaction and a lack of transparency in this regard is demotivating to employees.

It may be concluded that transformational leadership is closely linked to employee satisfaction and as a result, organisational success. Transformational leadership is influential in the implementation of good governance and a combination of these two notions contribute towards effectiveness and efficiency within organisations and ultimately lead to organisational success and financial viability.

Based on the findings of this research objective, two recommendations are proposed. Firstly, it is recommended that a strategy is developed to ensure continuity and consistency as the term of office of the current political leadership is drawing to a close. Once the new political leadership is elected, they should be capacitated in leadership, governance and communications skills. In so doing, the municipality will not lose its momentum of achieving success. Secondly, a further recommendation of this study is that minimum competencies for councillors to be elected should include a certain level of education.

#### **5.4.4 Research Objective 4: OLM goes under provincial administration**

Even though the research objective was focused on identifying the factors that led to the demise, the findings revealed that several factors led not only to the municipality being placed under financial administration but also various factors regarding what happened during and after the provincial intervention. Maladministration of senior leaders both politically and administratively was central to the degeneration of the municipality. Financial mismanagement was commonplace,

there were no proper controls in place to ensure checks and balances or accountability. Financial records were destroyed.

These factors that led to the demise of the municipality helped to achieve research objective one. The findings indicated that unethical behaviour, corruption, the appointment of unqualified individuals and a complete lack of accountability were also contributing factors to the municipality being placed under provincial financial administration.

During the period leading to the municipality going under administration, and during the transition period where a new MM was appointed, employees worked in a very hostile environment characterised by fear and mistrust. This, in turn, had an adverse effect on the organisational culture of the municipality.

The transition period for the municipality began after the municipality was placed under provincial administration. Research findings indicated that the beginning of the transition period was characterised by challenges and appointing a MM was a significant challenge. The negative organisational culture was characterised by a very demotivated staff complement. As a result, municipal operations and service delivery were seriously and adversely impacted. Another significant challenge was resistance to changes that were transpiring. These were from both the employees and the politicians. Political tension and interference were prevalent, and they were contributing factors that led to the demise of the municipality. The politicians at that time believed that they were being wrongfully targeted as the municipality was being run by an opposition party as opposed to the party that led the province. After this period, a new MM was appointed in 2011 and he began implementing his turnaround strategy titled OCA.

Essentially, it may be concluded that, as a result of being placed under financial administration, and through the interventions that took place, the municipality began to develop proper governance processes and procedures. These were implemented through the MM's turnaround strategy.

Based on these findings and conclusions it there are two recommendations that can help municipalities avoid going under financial administration. The first is that there should be greater monitoring from COGTA on municipalities. Once COGTA notices anomalies a red flag should be raised, and municipalities should be given a certain timeframe to rectify the anomalies. This form of ongoing monitoring will also contribute towards ensuring accountability by municipal administrators and politicians. The second recommendation is that once a municipality is placed under provincial administration full cooperation from the political and administrative leadership must be ensured by the administrator. This can be done through rigorous consultative

engagements highlighting the importance of the provincial intervention and the adverse impact that having a dysfunctional municipality will have on service delivery and transforming citizen's lives. These engagements will contribute towards ensuring the support and buy-in of both the administrative employees and the politicians of the municipality.

#### **5.4.5 Research Objective 5: Strategies that transformed the financial position of OLM**

The findings disclose three major strategic changes that facilitated the financial transformation of the municipality. The first strategic change is through the implementation of the new MM's turnaround strategy, the municipality began to develop proper governance processes and procedures. A major part of the turnaround strategy, and the second strategic change, was the pragmatic establishment of key units within the municipality. These included the internal audit unit, the information technology unit, the communications unit and later, the risk management unit. The third strategic change that the research findings indicate is that the risk management unit played a crucial role in identifying possible challenges and developing strategies to mitigate such challenges.

As part of the turnaround strategy, critical vacancies were filled and implemented. Significant changes in how recruitment processes were done in the municipality also took place. People were hired based on their qualification and competency, rather than being politically appointment or being appointed following a sexual transaction which was previously a norm. Restructuring of the organogram took place. As part of the municipal turnaround strategy, the MM employed a young, competent, energetic staff complement who were local to the area. Through this, reliance on consultants was drastically reduced and capacity within the organisation was built.

The research findings purport that the new approach to decision-making enabled employees to share their ideas and develop and implement creative and innovative ways towards the challenges that faced the municipality. This enabled and fostered an environment of mutual trust, respect and understanding within the organisation as employees began to buy-in to the vision that the MM was championing. New public participation strategies were also developed during this time to include citizen engagement and input into the municipality's decision-making processes. The consensus-oriented approach of good governance as an element of the meta-theoretical framework led to a deeper understanding of the role of collective-decision making within the municipality.

Through the implementation of the turnaround strategy, the organisational culture of the municipality began to slowly improve. Understanding the elements of transformational leadership in the meta-theoretical framework led to the recognition of the role that

transformational leadership played in achieving the positive changes in the organisational culture of the municipality. Training for councillors around issues of financial and risk management took place and was compulsory to attend. The most salient findings could be found within the discussions around organisational culture within the current context of the municipality. While most of the responses relating to other themes and topics were very positive, those relating to organisational culture were not as positive and employees perceived the current organisational culture to be toxic.

An integral finding of this study indicates that the critical management positions of the municipality have experienced significant changes within the current context. The municipality has a new MM and two critical, senior management posts, are vacant. This is a cause of concern as it may adversely impact the consistency of the municipality in terms of performance.

It may be concluded that by adopting new approaches to leadership and management premised on high ethical standards which were against corruption, the position of the municipality began to improve. Through the changes that were implemented and commitment and support from the council and staff, the municipality's audit outcome improved. Furthermore, it may be concluded that due to the changes within the municipality within the current context, particularly concerning the negative organisational culture and the vacancy rate, the performance of the municipality may be adversely affected.

Based on these findings and conclusions, two recommendations are made. Firstly, it is recommended that a multi-stakeholder approach by national and provincial treasury and COGTA be developed. This would improve monitoring and evaluation processes as oversight bodies tasked to support the local government sector. Secondly, it is further recommended that the maintenance of these progressive changes are ensured at OLM with clear lines of responsibilities.

## **5.5 Overarching Recommendations of the Study**

The primary objective of this study was to ascertain the perspectives of employees and leaders from OLM concerning the influence of good governance and transformational leadership in achieving municipal financial viability. And resulting from this, the achievement of consecutive clean audit outcome opinions from the AG. This nature of this study necessitates descriptive exploratory research. This section of the chapter entails brief discussions on the overarching recommendations of the study that stem from the main research findings and conclusions detailed in the previous section.

The key recommendations emanating from this study include:

- Firstly, to ensure that the new MM quickly establishes a good synergy with the employees and council of the municipality so that everyone within the organisation continues to work towards a shared vision.
- Secondly, to establish systems and procedures aimed at addressing the employee concerns raised concerning the organisational culture of the municipality that leads to the demotivation of employees.
- Thirdly, as a follow on from the first recommendation, the management of the municipality should seek creative, sustainable methods of improving, strengthening and maintaining employee relations across every directorate of the municipality. This should follow a uniform approach where improvement of employee relations forms part of the key performance indicators in the performance evaluations of the senior management of the municipality.
- Fourthly, the management of the municipality needs to ensure that consistency in implementing municipal policies and procedures takes place, particularly within the finance directorate. This should foster a culture of accountability and transparency, and it will assist in ensuring that the municipality continues to be financially viable.
- Fifthly, the municipality should fill critical vacancies with suitably qualified individuals that can assist the organisation to achieve its strategic objectives.
- Finally, it is recommended that training and capacity building of councillors should be an ongoing process through the council term of five years. This should be done for every council term. This will strengthen the oversight role that councillors play.

## **5.6 Policy Recommendations of the Study**

Based on the assertions described in the preceding sections of this chapter, this study proposes the following recommendations:

- A stronger approach needs to be taken for public officials who are found guilty of maladministration, fraud and corruption. A blacklisting system could be developed for individuals in the public service who are found guilty of maladministration, fraud and corruption and they should be barred from working in the public sector.
- Administrators that are assigned to municipalities need to have a deep understanding of the local context of those municipalities. Administrators should be assigned to municipalities with a contingency of professionals that will offer support in terms of addressing the challenges faced by the municipality. These support staff could be assigned on a rotational basis and could work in municipalities across all provinces of the country. They need not be stationed full-time at a certain municipality.
- The national and provincial spheres of government need to offer more rigorous support to the local sphere of government. Monitoring and evaluation should not be check-box

exercises, but rather, a more meaningful exercise which could anticipate when municipalities are going into distress and offer solutions for rectifying challenges before municipalities reach a stage where provincial administration is necessary.

- The AG recommendations should be mandatorily enforceable by municipalities. There should be consequences and legal implications on the political and administrative leadership for failure to implement the AG recommendations.

A culmination of these efforts will have a significant influence in redressing the challenges that plague the local government sector in South Africa.

### **5.7 Contribution of the Study**

The financial years 2014 – 2018 have all been characterised by clean audit opinions within the history of the municipality. OLM has undergone a significant journey throughout the past 11-years and despite its size, and rural nature, it may have a lot of insight to offer in terms of achieving and maintaining clean administration practices resulting in clean audit outcomes from the AG. This study contributes empirical evidence to the discourse on how to obtain and maintain clean audits in municipalities.

### **5.8 Areas for Future Research**

Through conducting this study, the researcher has gained some insight into the state of the public sector, and the context of the municipality. The current outlook relating to the audit opinion outcomes of the public sector is concerning as this is a direct implication on the level of service delivery within the country. This influences whether the targets set out in the NDP 2030, or the UN Sustainable Goals will be met. Undertaking this research has enabled further questions for future research to arise. These include:

- Further research into why organisational culture at OLM is so negative?
- Could the strategies that OLM adopted and implemented to improve its situation be replicated in municipalities of similar sizes that face similar challenges?
- What is the municipal organisational environment like during the transition period between when a municipality is placed under provincial administration up until the point that the administration period ends?
- How does the administrative change in municipal leadership influence the consistency of the organisation?
- The study could be repeated in other municipalities that are receiving favourable audit outcomes from the AG to determine whether there is consistency within the findings.

## **5.9 Chapter Summary**

This chapter was the final chapter of this study. It began with an introduction and revisiting the research questions and objectives of the study. The ensuing section entailed the main research findings and conclusions of the study. This section was divided into four subsections which consisted of each research question and objective. The subsequent and final sections of this study included the overarching recommendations, policy recommendations, contribution of the study and areas for future research.

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## **APPENDIX A: RECRUITMENT FLYER – SEMI-STRUCTURED INTERVIEWS**



### **INVITATION TO PARTICIPATE IN A RESEARCH STUDY**

I would like to invite you to be an interview research participant for the study **entitled:**

Perspectives on Good Governance and Transformational Leadership: Exploring Financial  
Viability in OLM.

The study is a component of my Master's in Public Administration Degree, and I will be deeply thankful if you would consider being one of my research participants.

Interview participants will be asked about the transformation of the municipality while focusing on good governance and transformational leadership as drivers of financial viability at OLM.

The interview sessions will take place at individual offices of the research participants. Interviews will last approximately 45 - 60 minutes. Participation in the study is entirely voluntarily.

#### **Eligibility Criteria:**

- Be a current or former Senior Management Committee Member or Politician at OLM between 2011 and 2019.
- Be able to speak and understand English.
- Be easily accessible for the interviews.

To learn more about this study, or to participate in this study,  
please contact:

**Principal Investigator:**  
Suraya Asmal – 082 788 5562.

This study is supervised by: Prof. Fayth Ruffin – 076 811 9595

**UKZN Research Office Contact:** Mariette Snyman (031 260 8350/4609)

## **APPENDIX B: RECRUITMENT FLYER – FOCUS GROUP PARTICIPANTS**



### **INVITATION TO PARTICIPATE IN A RESEARCH STUDY FOCUS-GROUP**

I would like to invite you to be a focus-group research participant for the study entitled:

Perspectives on Good Governance and Transformational Leadership: Exploring Financial Viability in OLM.

The study is a component of my Master's in Public Administration Degree, and I will be deeply thankful if you would consider being one of my research participants.

Group participants will be asked about the transformation of the municipality while focusing on good governance and transformational leadership as drivers of financial viability at OLM.

The focus group discussions will take place at the Council Chamber in the main municipal building. It will last for approximately 60 minutes and light refreshments will be provided for the session. Participation in the study is entirely voluntarily.

#### **Eligibility Criteria:**

- An employee of OLM for 8 years or longer.
- Be able to speak and understand English.
- Have easy access to the main building in Bergville.

To learn more about this study, or to participate in this study,  
please contact:

**Principal Investigator:**  
Suraya Asmal – 082 788 5562.

This study is supervised by: Prof. Fayth Ruffin – 076 811 9595

**UKZN Research Office Contact:** Mariette Snyman (031 260 8350/4609)

## **APPENDIX C: DATA COLLECTION TOOL: SEMI-STRUCTURED INTERVIEWS FOR MANAGERS**

### Interview Schedule:

1. Why do you think that the municipality was placed under provincial administration in the 2009-2010 financial year?
2. How would you describe your contribution in implementing the municipality's turnaround strategy?
3. What role do you think communication strategies played in the overall implementation of the municipality's turnaround strategy?
4. What does the concept of good governance mean to you?
5. How does communication play a role in the municipality's implementation of good governance?
6. In what ways do you inspire and motivate the people within the section or department that you manage?
7. How would you describe your leadership style?
8. Can you describe the relationship between leadership styles and the implementation of good governance, if any?
9. Do you think that the municipality's decision-making process is effective? Why?
10. How would you describe the concept of municipal financial viability?
11. What factors do you believe have led to the municipality receiving three consecutive clean audit opinions from the A.G?
12. How would you describe the administration's relationship with the political leadership and council of the municipality?
13. In what ways do you think that the municipality can improve its organisational culture to ensure that good governance practices are implemented?
14. How can the municipality continue to maintain the audit outcomes that it has received over the past four years from the A.G?
15. In your opinion, what is unique about OLM?

## **APPENDIX D: DATA COLLECTION TOOL: INTERVIEWS FOR POLITICIANS**

Interview Schedule:

1. How would you describe your leadership style?
2. How would you describe the political leadership's relationship with the administration of the municipality?
3. What is your understanding of transformational leadership?
4. What does the concept of good governance mean to you?
5. In what ways do you ensure that good governance practices are implemented within the municipality?
6. How does communication play a role in the municipality's implementation of good governance?
7. Do you think that the municipality's decision-making process is effective? Why or why not?
8. How would you describe the financial viability of the municipality?
9. Explain the roles and responsibilities of politicians in terms of facilitating financial viability at OLM?
10. Explain the roles and responsibilities of governmental management officials in terms of facilitating financial viability at OLM?
11. In what ways, do you believe, that political influence improves operations within the municipality in terms of financial viability?
12. In what ways, do you believe, that political influence hinders operations within the municipality in terms of financial viability?
13. How can the municipality maintain and improve its good governance practices to ensure that the organisation continues to receive acceptable audit outcomes from the A.G?
14. In your opinion, what is unique about OLM?
15. Are you proud to be a political leader of this municipality? Why or why not?

## **APPENDIX E: DATA COLLECTION TOOL: FOCUS GROUP QUESTIONS**

1. Please you describe what the working environment was like at the Municipality in 2009 – 2010? (When the Municipality was placed under provincial administration)
2. How would you describe your experiences of the changes that were taking place at the municipality at that time?
3. In what ways, if any, was there resistance to the changes that were taking place at the municipality?
4. Can you explain if you believe that the changes in the municipality were positive or not? Why or why not?
5. How would you describe the management's leadership style in the municipality?
6. What is your perception of the decision-making process at the municipality?
7. In what ways do you believe that management's leadership style contributes to the effective and efficient delivery of services to citizens in OLM?
8. What is your understanding of transformational leadership?
9. What do you understand by the concept of good governance?
10. How does communication play a role in the municipality's implementation of good governance?
11. How does the municipality's Commitment to Clean Administration statement influence accountability in the municipality?
12. What do you think are some of the things that have led to the municipality receiving three consecutive clean audit opinions by the A.G?
13. What are some of the issues that you face at the municipality in terms of organisational culture?
14. In your opinion, what is unique about OLM?
15. What suggestions would you make to improve the operations of the municipality to ensure ongoing financial viability? And improvements otherwise?

## APPENDIX F: ETHICAL CLEARANCE LETTER



**UNIVERSITY OF  
KWAZULU-NATAL**  
**INYUVESI  
YAKWAZULU-NATALI**

10 April 2019

**Ms Suraya Asmal (204502766)**  
School of Management, IT & Governance  
Westville Campus

Dear Ms Asmal,

**Protocol reference number: HSS/0249/019M**  
**Project title: Perspectives of Good Governance and Transformational Leadership: Exploring financial viability in Okhahlamba Local Municipality**

**Approval Notification – Expedited Approval**

In response to your application dated 04 April 2018, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol have been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

Please note: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of year from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully,



.....  
**Dr Rosemary Sibanda (Chair)**

/ms

Cc Supervisor: Professor Fayth Ruffin  
cc Academic Leader Research: Professor Isabel Martins  
cc School Administrator: Ms Angela Pearce

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**Humanities & Social Sciences Research Ethics Committee**  
**Dr Rosemary Sibanda (Chair)**  
**Westville Campus, Govan Mbeki Building**  
Postal Address: Private Bag X54001, Durban 4000  
Telephone: +27 (0) 31 260 3587/8350/4057 Facsimile: +27 (0) 31 260 4609 Email: [sibanda@ukzn.ac.za](mailto:sibanda@ukzn.ac.za) / [prism@ukzn.ac.za](mailto:prism@ukzn.ac.za) / [mohr@ukzn.ac.za](mailto:mohr@ukzn.ac.za)  
Website: [www.ukzn.ac.za](http://www.ukzn.ac.za)

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## **APPENDIX G: INFORMED CONSENT FORMS – SEMI- STRUCTURED INTERVIEWS**

**UNIVERSITY OF KWAZULU-NATAL  
SCHOOL OF MANAGEMENT, INFORMATION TECHNOLOGY & GOVERNANCE  
Masters of Public Administration: Dissertation**

**Researcher:** Suraya Asmal (082 788 5562)

**Supervisor:** Prof F. Ruffin (076 811 9595)

**Research Office:** Mariette Snyman (031 260 8350/4609)

Dear Respondent,

I, Suraya Asmal a Master of Public Administration student, at the **School of Management, IT, & Governance** of the University of KwaZulu-Natal. You are invited to participate in a research project entitled:

Perspectives on Good Governance and Transformational Leadership:

Exploring Financial Viability in OLM

1. Identify the factors that led to the Municipality being placed under financial administration.
2. Determine what strategic changes transpired to transform the financial position OLM.
3. Understand the role of good governance in terms of influencing the audit outcomes that OLM has achieved.
4. Discover how can transformational leadership influences the implementation of good governance.

Through your participation in the interview, I hope to achieve these objectives. Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this interview. However, your views will help us understand and improve matters at OLM. Confidentiality and anonymity of records identifying you as a participant will be maintained by the School of Management, Information Technology & Governance, UKZN. The interview should take you about 45 minutes to complete with me. I hope you will take the time to participate in the interview.

Sincerely

Investigator's signature \_\_\_\_\_

Date \_\_\_\_\_

**This page is to be retained by participant. Page 1 of 2**

**UNIVERSITY OF KWAZULU-NATAL**  
**SCHOOL OF MANAGEMENT, INFORMATION TECHNOLOGY & GOVERNANCE**

**Masters of Public Administration: Dissertation**

**Researcher:** Suraya Asmal (082 788 5562) Suraya.asmal@gmail.com

**Supervisor:** Prof F. Ruffin (076 811 9595)

**Research Office:** Mariette Snyman (031 260 8350/4609)

I, <<NAME>>, agree to be an interview participant in the dissertation research as part of the Master's in Public Administration degree as conducted by Suraya Asmal. I confirm that Suraya has told me about the nature, procedure, benefits and anticipated inconvenience of participation and that I have had sufficient opportunity to ask questions about the study.

- My participation in this research is voluntary. I understand that I will not be paid for my participation. I may withdraw and discontinue my participation at any time without penalty. If I decline to participate or withdraw from the study, no one within the municipality will be told.
- If I feel uncomfortable in any way during the interview session, I have the right to decline to answer any question or to end the interview.
- The interview will last approximately 30 – 45 minutes. Notes will be written during the interview. An audio recording will also be made of the interview. If I don't want to be recorded, I will state that to the researcher at the beginning of the interview.
- I understand that the researcher will not identify me by name in any reports using information obtained through this interview, and that my confidentiality in this study will remain secure at all times.
- I understand that my identity will be disguised.
- No individual will have access to raw notes or transcripts, nor will anyone else be present during the interviews.
- I understand that disguised extracts from my interview may be quoted in publications of the research.
- I have read and understood the explanation provided to me. I have had all my questions answered to my satisfaction, and I consent to voluntarily participate in this study.
- I have been given a copy of this consent form.

I agree to audio-recording of the interview: \_\_\_Yes                      \_\_\_No

\_\_\_\_\_  
My Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
My Printed Name

\_\_\_\_\_  
Signature of Researcher

**This page to be retained by the researcher.**

## APPENDIX H: INFORMED CONSENT FORMS – FOCUS GROUPS

UNIVERSITY OF KWAZULU-NATAL  
SCHOOL OF MANAGEMENT, INFORMATION TECHNOLOGY & GOVERNANCE

**Masters of Public Administration: Dissertation**

**Researcher:** Suraya Asmal (082 788 5562) [Suraya.asmal@gmail.com](mailto:Suraya.asmal@gmail.com)

**Supervisor:** Prof F. Ruffin (076 811 9595)

**Research Office:** Mariette Snyman (031 260 8350/4609)

Dear Respondent,

I, Suraya Asmal a Master of Public Administration student, at the **School of Management, IT, & Governance** of the University of KwaZulu-Natal. You are invited to participate in a research project entitled:

Perspectives on Good Governance and Transformational Leadership:

Exploring Financial Viability in OLM

1. Identify the factors that led to the Municipality being placed under financial administration.
2. Determine what strategic changes transpired to transform the financial position OLM.
3. Understand the role of good governance in terms of influencing the audit outcomes that OLM has achieved.
4. Discover how can transformational leadership influences the implementation of good governance.

Through your participation in the interview, I hope to achieve these objectives. Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this interview. However, your views will help us understand and improve matters at OLM. Confidentiality and anonymity of records identifying you as a participant will be maintained by the School of Management, Information Technology & Governance, UKZN. The focus group should take you about 60 to 90 minutes to complete with me. I hope you will take the time to participate in the interview.

Sincerely

Investigator's signature \_\_\_\_\_

Date \_\_\_\_\_

**This page is to be retained by participant**

**UNIVERSITY OF KWAZULU-NATAL  
SCHOOL OF MANAGEMENT, INFORMATION TECHNOLOGY & GOVERNANCE**

**Masters of Public Administration: Dissertation**

**Researcher:** Suraya Asmal (082 788 5562) [Suraya.asmal@gmail.com](mailto:Suraya.asmal@gmail.com)

**Supervisor:** Prof. F. Ruffin (076 811 9595)

**Research Office:** Mariette Snyman (031 260 8350/4609)

I, <<NAME>>, agree to be focus group participant in the dissertation research as part of the Master's in Public Administration degree as conducted by Suraya Asmal. I confirm that Suraya has told me about the nature, procedure, benefits and anticipated inconvenience of participation and that I have had sufficient opportunity to ask questions about the study.

- My participation in this research is voluntary. I understand that I will not be paid for my participation. I may withdraw and discontinue my participation at any time without penalty. If I decline to participate or withdraw from the study, no one within the municipality will be told.
- If I feel uncomfortable in any way during the focus group session, I have the right to decline to answer any question or to leave the focus group.
- The focus group will take 60 - 90 minutes. Notes will be written during the focus group. An audio recording will also be made of the focus group.
- No individual will have access to the audio recording besides the researcher.
- I understand that the researcher will not identify me by name in any reports using information obtained through this focus group, and that my confidentiality in this study will remain secure at all times.
- I understand that my identity will be disguised.
- No individual will not have access to raw notes or transcripts, nor will any other individuals besides the focus group participants be present during the focus group.
- I understand that disguised extracts from the focus group may be quoted in publications of the research.
- I have read and understood the explanation provided to me. I have had all my questions answered to my satisfaction, and I consent to voluntarily participate in this study.
- I have been given a copy of this consent form.

\_\_\_\_\_  
My Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
My Printed Name

\_\_\_\_\_  
Signature of Researcher

**This page to be retained by the researcher.**

## APPENDIX I: ALIGNMENT OF RESEARCH QUESTIONS, OBJECTIVES, SEMI-STRUCTURED INTERVIEW QUESTIONS

<b>Alignment of Research Questions, Objectives and Interview Questions for Senior Managers</b>		
<b>Research Questions</b>	<b>Research Objectives</b>	<b>Interview Questions</b>
Why was the Okhahlamba Local Municipality placed under financial administration by the province?	Identify the factors that led to the Municipality being placed under financial administration.	Why do you think that the municipality was placed under provincial administration in the 2009-2010 financial year?
What were the strategic changes that transformed the financial position of the Okhahlamba Local Municipality?	Determine what strategic changes transpired to transform the financial position Okhahlamba Local Municipality.	How would you describe your contribution in implementing the municipality's turnaround strategy?  What role do you think communication strategies played in the overall implementation of the municipality's turnaround strategy?  How would you describe the concept of municipal financial viability?  In your opinion, what is unique about OLM?
To what extent does good governance influence the audit outcomes that the Okhahlamba Local Municipality has been achieving?	Understand the role of good governance in terms of influencing the audit outcomes that Okhahlamba Local Municipality has achieved.	What does the concept of good governance mean to you?  How does communication play a role in the municipality's implementation of good governance?  In what ways do you think that the municipality can improve its organisational culture to ensure that good governance practices are implemented?  How can the municipality continue to maintain the audit outcomes that it has received over the past four years from the A.G?  In your opinion, what is unique about OLM?
How can transformational leadership influence the	Discover how can transformational leadership	In what ways do you inspire and motivate the people within the

<p>implementation of good governance?</p>	<p>influences the implementation of good governance.</p>	<p>section or department that you manage?</p> <p>How would you describe your leadership style?</p> <p>Can you describe the relationship between leadership styles and the implementation of good governance, if any?</p> <p>Do you think that the municipality's decision-making process is effective? Why?</p> <p>How would you describe the administration's relationship with the political leadership and council of the municipality?</p>
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<b>Alignment of Research Questions, Objectives and Interview Questions for Political Leaders</b>		
<b>Research Questions</b>	<b>Research Objectives</b>	<b>Interview Questions</b>
<p>What were the strategic changes that transformed the financial position of the Okhahlamba Local Municipality?</p>	<p>Determine what strategic changes transpired to transform the financial position Okhahlamba Local Municipality.</p>	<p>How would you describe the financial viability of the municipality?</p> <p>Explain the roles and responsibilities of politicians in terms of facilitating financial viability at OLM?</p> <p>Explain the roles and responsibilities of governmental management officials in terms of facilitating financial viability at OLM?</p> <p>In what ways, do you believe, that political influence improves operations within the municipality in terms of financial viability?</p> <p>In what ways, do you believe, that political influence hinders operations within the municipality in terms of financial viability?</p> <p>In your opinion, what is unique about OLM?</p>
<p>To what extent does good governance influence the audit outcomes that the Okhahlamba Local Municipality has been achieving?</p>	<p>Understand the role of good governance in terms of influencing the audit outcomes that Okhahlamba Local Municipality has achieved.</p>	<p>What does the concept of good governance mean to you?</p> <p>In what ways do you ensure that good governance practices are implemented within the municipality?</p> <p>How does communication play a role in the municipality's implementation of good governance?</p> <p>Do you think that the municipality's decision-making process is effective? Why or why not?</p> <p>How can the municipality maintain and improve its good governance practices to ensure that the organisation continues to receive acceptable audit outcomes from the A.G?</p>

		In your opinion, what is unique about OLM?
How can transformational leadership influence the implementation of good governance?	Discover how can transformational leadership influences the implementation of good governance.	<p>How would you describe your leadership style?</p> <p>How would you describe the political leadership's relationship with the administration of the municipality?</p> <p>What is your understanding of transformational leadership?</p> <p>Are you proud to be a political leader of this municipality? Why or why not?</p>

**APPENDIX J : ALIGNMENT OF RESEARCH QUESTIONS,  
OBJECTIVES AND FOCUS GROUP GUIDE FOR LONG-SERVING  
EMPLOYEES**

<b>Alignment of Research Questions, Objectives and Focus Group Guide for Long-serving Employees</b>		
<b>Research Questions</b>	<b>Research Objectives</b>	<b>Interview Questions</b>
Why was the Okhahlamba Local Municipality placed under financial administration by the province?	Identify the factors that led to the Municipality being placed under financial administration.	Please you describe what the working environment was like at the Municipality in 2009 – 2010? (When the Municipality was placed under provincial administration)
What were the strategic changes that transformed the financial position of the Okhahlamba Local Municipality?	Determine what strategic changes transpired to transform the financial position Okhahlamba Local Municipality.	How would you describe your experiences of the changes that were taking place at the municipality at that time?  In what ways, if any, was there resistance to the changes that were taking place at the municipality?  Can you explain if you believe that the changes in the municipality were positive or not? Why or why not?
To what extent does good governance influence the audit outcomes that the Okhahlamba Local Municipality has been achieving?	Understand the role of good governance in terms of influencing the audit outcomes that Okhahlamba Local Municipality has achieved.	What do you understand by the concept of good governance?  How does communication play a role in the municipality's implementation of good governance?  How does the municipality's Commitment to Clean Administration statement influence accountability in the municipality?  What do you think are some of the things that have led to the municipality receiving three consecutive clean audit opinions by the A.G?
How can transformational leadership influence the implementation of good governance?	Discover how can transformational leadership influences the implementation of good governance.	How would you describe the management's leadership style in the municipality?  What is your perception of the decision-making process at the municipality?  In what ways do you believe that management's leadership style contributes to the effective and efficient delivery of services to citizens in OLM?

		What is your understanding of transformational leadership?
Other	Other	What are some of the issues that you face at the municipality in terms of organisational culture?  In your opinion, what is unique about OLM?  What suggestions would you make to improve the operations of the municipality to ensure ongoing financial viability? And improvements otherwise?