

UNIVERSITY OF KWAZULU-NATAL

**Evaluating the effectiveness of transformational leadership on local
economic development: A case study of uMgungundlovu District
Municipality**

by

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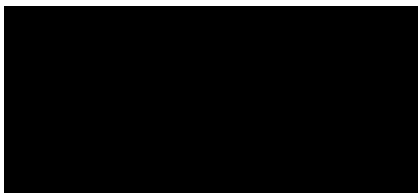
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November 2025

DECLARATION

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Date: 25 November 2025

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ABSTRACT

This proposed study aimed to examine the role and impact of transformational leadership on local economic development initiatives in the uMgungundlovu District Municipality (UMDM), identifying enabling factors and institutional barriers. Using a case study approach, the study aimed to assess the impact of transformational leadership on local economic development in the municipality and to identify the key characteristics of transformational leadership that positively influence it. The study employed a qualitative approach for a phenomenological research design. The study site was located in the uMgungundlovu District Municipality, situated in Pietermaritzburg, KwaZulu-Natal. The researcher conducted in-depth interviews with 15 municipal officials selected from the uMgungundlovu District Municipality, including municipal managers and senior managers/directors. These individuals play direct roles in service delivery within the operational area of the uMgungundlovu District Municipality. Thematic analysis, employing an interpretive approach, was used to analyse the data for this study. The study's findings revealed that the visionary leadership of UMDM encourages and inspires stakeholders to strive toward a shared objective of sustainable economic development and growth. The UMDM's cooperative strategy promotes collaboration among the community, private sector, and local government. The study recommended that the UMDM's cooperative strategy should encourage alliances between community organisations, the private sector, and local government to promote economic development. A further recommendation is that transformational leadership in the district must go beyond the municipality. It must also impact informal traders by promoting their ideas, providing the necessary support, and encouraging them to achieve higher performance levels. To help create jobs and reduce unemployment, UMDM should encourage entrepreneurship and support local small businesses.

Keywords: Leadership styles, transformational leadership, local economic development, governance, uMgungundlovu District Municipality, KwaZulu-Natal.

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LIST OF ACRONYMS AND ABBREVIATIONS

CHDM:	Chris Hani District Municipality
CoGTA:	Co-operative Governance and Traditional Affairs
IDP:	Integrated Development Plan
KZN:	KwaZulu-Natal
LED:	Local Economic Development
MTEF:	Medium-Term Expenditure Framework
NDP:	National Development Plan
RSA:	Republic of South Africa
SACN:	South African Cities Network
SALGA:	South African Local Government Association
UDM:	uMgungundlovu District Municipality
UKZN:	University of KwaZulu-Natal
UMEDA:	uMgungundlovu Economic Development Agency

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CHAPTER ONE

INTRODUCTION AND OVERVIEW OF THE STUDY

1.1 INTRODUCTION

Local Economic Development has been a key priority for local governments and the developmental state. This has been implemented through policy and practice, with development initiatives identified and implemented to enable citizens to participate in local economic development and benefit from the development process. Meyer (2014) stipulates that local economic development is an initiative that involves all stakeholders in a particular identified area working together to establish sound economic development using local resources to raise the standard of living for the people. The White Paper on Local Government (1998) stipulates that local government development can only be achieved when local government is committed to working with citizens and community groups to find sustainable ways to meet their social, economic, and material needs and to improve the quality of their lives. Although LED initiatives were implemented during the development process, South Africa continues to face a high unemployment rate, which leads to poverty in many households in both urban and rural areas.

1.2 BACKGROUND OF THE STUDY

One of the objectives of local government, as stipulated in Section 152 of the Constitution of the Republic of South Africa of 1996, is to promote social and economic development. This suggests that local governments have a significant role in eradicating poverty and enhancing employment and local economies through LED initiatives. Motsiwane (2004) states that LED initiatives serve to address local economic problems. This is where various stakeholders collaborate with the community to address local economic challenges.

Rogerson and Rogerson (2010) assert that local economies are robustly influenced by policies and processes established by the national government, such as market liberalisation and the expansion of global production systems. The 1998 White Paper on Local Government revealed that, among other things, local government is responsible for achieving local economic development, as one of its objectives is to promote social and economic development. Local government is also mandated to create jobs and boost the local economy by providing business-

friendly services, promoting investment, and supporting the growth of the small business sector.

1.3 RESEARCH PROBLEM/PROBLEM STATEMENT

Bryman (2016) defines a research problem as a definite or clear statement about an area of concern, a condition to be improved upon, a difficulty to be eliminated, or a troubling question that exists in scholarly literature, in theory, or within existing practice, that points to a need for meaningful understanding and deliberate investigation.

This study focuses on the role of local government in implementing and sustaining pro-poor LED initiatives in the uMgungundlovu District Municipality, as outlined in the Constitution of the Republic of South Africa (1996) and the White Paper on Local Government (1998). Both local governments and communities need to understand their crucial role in implementing and sustaining LED initiatives, as well as the challenges they face in doing so.

A rigorous research study was therefore undertaken to address the above issues. However, very limited research studies have been undertaken in the uMgungundlovu District Municipality focusing on leadership and local economic development. It focuses on transformational leadership and LED initiatives, examining their implementation and sustainability in empowering the poor to become self-reliant and alleviating poverty. Lack of coordination, corruption, and insufficient financial and human resources are among the barriers to implementing LED. These can be improved through strong leadership at the local government level (Mashabela & Thusi, 2023; Nkwinika & Munzhedzi, 2016; Sartor & Beamish, 2020; Rogerson & Rogerson, 2010).

1.4 AIM OF THE STUDY

This proposed study aimed to qualitatively examine the role and impact of transformational leadership on local economic development initiatives in the uMgungundlovu District Municipality, identifying enabling factors and institutional barriers. Through a case study approach, the study aimed to assess the current state of local economic development in the uMgungundlovu District Municipality and identify the key characteristics of transformational leadership that positively impact local economic development. Ultimately, the study aims to

contribute to the knowledge base on the role of leadership in local economic development and to provide practical recommendations for policymakers, leaders, and practitioners in the field.

1.5 OBJECTIVES OF THE STUDY

The objectives of the study were to:

- Identify the current state of local economic development in the uMgungundlovu District Municipality.
- Examine the impact of transformational leadership on local economic development in the uMgungundlovu District Municipality.
- Evaluate the key characteristics of transformational leadership that have a positive impact on local economic development.
- Evaluate the challenges faced by the uMgungundlovu District Municipality in implementing transformational leadership in local economic development.
- Propose strategies for effectively integrating transformational leadership into local economic development initiatives in the uMgungundlovu District Municipality.

1.6 RESEARCH QUESTIONS

The study attempted to answer the following key questions:

- What is the current state of local economic development in the uMgungundlovu District Municipality?
- How does transformational leadership impact local economic development in the uMgungundlovu District Municipality?
- What are the key characteristics of transformational leadership that positively impact local economic development?
- What challenges does the uMgungundlovu District Municipality face in implementing transformational leadership in local economic development?
- How can transformational leadership be effectively integrated into local economic development initiatives in the uMgungundlovu District Municipality?

1.7 LITERATURE REVIEW

Transformational leadership

The scope of the Leadership Model encompasses transformational leadership, a leadership philosophy in which a leader collaborates with teams to define the necessary transformations,

creates an ideal that motivates the changes, and implements the change in concert with a community of committed members (Alqatawenh, 2018). Through several mechanisms, transformational leadership improves followers' motivation, morale, and work performance. It entails encouraging followers to take greater responsibility for their work, to understand their strengths and weaknesses, and to link their self-image to the organisation's collective identity (Mongella, 2021).

Local Economic Development

Local Economic Development (LED) is an approach to economic development that empowers and encourages local leaders and citizens to collaborate on sustainable growth and development, ultimately benefiting the local economy and improving the quality of life for everyone (van Holm, 2017). It enables local governments, corporate sectors, not-for-profit organisations, and local communities to collaborate in developing the local economy. Its primary goals are to increase competitiveness, promote sustainable growth, and guarantee inclusive growth.

Donkor and Dongmei (2018) investigated the effects of leadership theories and techniques that have been used for many years to study productivity in the global market, which is volatile and frequently unpredictable. The results show that executives in emerging economies do not adopt a rigid approach to corporate leadership to improve their business climate; instead, they consider the culture and values of the people with whom they interact. Isaacs (2016) examined the impact of transformational leadership on performance management in the Chris Hani District Municipality (CHDM) in South Africa. The study concluded that the best performance management style is transformational leadership.

Studies by Gopaul and Manley (2015) and Mokoena (2019) define Local Economic Development as a community engagement process that brings together residents to discuss the future of their local area. As part of this process, local stakeholders are encouraged to support the creation of partnerships that enable the joint development of strategies, primarily based on utilising local resources, which will create decent jobs and a sustainable economy.

The Constitution of the Republic of South Africa (1996), the country's supreme law, stipulates that local municipalities are legally required to promote social and economic development within their areas of jurisdiction. This means that local development should address the

community's basic needs, provide essential services, and support local businesses to ensure their sustainability. The White Paper on Local Government (1998) emphasises a developmental mandate where the LED is seen as an essential feature of developmental local government; it also plays a significant role in sustainably creating jobs and economic opportunities. Abrahams (2018) states that LED has become essential to local government's core function. On the other hand, they face the challenge of ensuring the sustainable development of initiatives that meet the basic needs of local communities, improve people's quality of life, and contribute to the local economy's growth.

1.8 THEORETICAL FRAMEWORK

As the study lies in the Human Resource Management domain, the Human Capital Theory and the Economic Development Theory were employed. The achievement of any organisation's strategic goals and the economic growth of any country rely on their physical resources and human capital, which possess competencies, knowledge, skills, and capabilities (Ekwoaba, Ikeijie & Ufoma, 2015).

The *Economic Development Theory* was developed in response to the complex and multidimensional problems of economic development (Dang & Pheng, 2015). The goal of the theory, in its simplest form, is to promote economic growth, enabling a country to improve its citizens' quality of life, achieve sustainable development, and meet the Millennium Development Goals (Dang & Pheng, 2015).

The Theory of Transformational Leadership informed this study. However, it integrated the Stakeholder Theory and the Endogenous Growth Theory to provide a comprehensive understanding of how leadership influences LED outcomes in the uMgungundlovu District Municipality. Transformational leadership theory, pioneered by James MacGregor Burns, emphasises inspiring and motivating followers to achieve a shared vision, fostering personal growth and development, and driving positive organisational change (Bruce & McKee, 2020). Stakeholder Theory is a view of capitalism that emphasises the interconnected relationships between a business and its stakeholders, including customers, suppliers, employees, investors, communities, and others who have a vested interest in the organisation. The theory argues that a firm should create value for all stakeholders, not just shareholders.

Transformational leadership theory was developed in the late 20th century by Burns (1978) in his analysis of political leaders. Prior to this time, much attention had been given to the approaches of leaders who successfully transformed organisations. Burns characterised transformational leadership as that which “occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality” (p. 20). He believed that transformational leadership could raise followers from a lower level to a higher level of needs, which agrees with Maslow’s (1954) hierarchy of needs. Bass (1985) refined and expanded Burns’ leadership theory. Bass said that a leader is “one who motivates us to do more than we originally expected to do” (p. 20). He said this motivation could be achieved by raising awareness of the importance of outcomes and the ways to achieve them. Bass also said that leaders encourage followers to go beyond self-interest for the good of the team or the organisation (Givens, 2008).

Endogenous Growth Theory is an economic theory that argues economic growth is generated within a system as a direct result of internal processes. More specifically, the theory suggests that enhancing a nation's human capital will lead to economic growth by developing new technologies and efficient, effective means of production.

1.9 RESEARCH METHODOLOGY

This section outlines the research methodology that underpinned the study. According to Wilson (2010), research methodology is the predetermined method used to conduct research. Therefore, this section outlines the plan for the research study, including research design, approaches, study site, and target population. The sampling, data collection, and measurements are outlined, followed by a brief of the data analysis, ethical considerations, and study limitations.

1.9.1 Research Design

Research design provides a ‘conceptual framework’ for a researcher to answer questions and ensure that scientific principles are followed (Edmonds & Kennedy, 2017). The study employed a qualitative approach for a phenomenological research design. A phenomenological approach frequently analyses and describes the meaning of an experience through identified relevant participants, producing an exhaustive description of ideas that reflect the lived experience (Moser & Korstjens, 2018). According to Leedy and Ormrod (2010), a phenomenological approach attempts to understand people’s perspectives, understanding, and

perceptions of a situation. Therefore, the design was appropriate for this study, as it enabled face-to-face in-depth interviews to access deeply entrenched information derived from experience, which often influences reasoning and decision-making.

1.9.2 Research paradigm

A paradigm is a fundamental theoretical framework and belief system that makes assumptions regarding ontology, epistemology, methodology, and procedures. In other words, it is how we learn about and comprehend the world's realities. Two main research paradigms exist: Interpretivism and Positivism (Rehman & Alharthi, 2016). Positivism holds that reality exists apart from people. It is unmediated by our senses and subject to unchangeable laws, while interpretivism is "a reply to the over-dominance of positivism" (Grix, 2004, p. 82). Interpretivism rejects the idea of a single, verifiable reality separate from our senses. Interpretivism advocates the view that realities are socially produced. Reality and truth are made, not found. The interpretivist approach necessitates understanding social phenomena "through the eyes of the participants rather than the researcher" (Cohen, Manion, & Morrison, 2007, p. 21). Based on this, the study adopted the interpretivist paradigm.

1.9.3 Research Approach

According to Grover (2015), a research approach is a method utilised to achieve that goal, whether qualitative or quantitative. The research methodology employed in this study was qualitative. The researcher's understanding of effective leadership and governance methods for local economic development in the uMgungundlovu District Municipality will be deepened through this strategy.

1.9.4 The Qualitative Research Method

According to Crossman (2020), a social science research technique known as the qualitative research method gathers and utilises non-numeric data. Focusing on specific groups or locations aims to analyse data that sheds light on social life. Brynard and Hanekom (1997) and Shai (2017) defined the qualitative strategy as a methodology for producing detailed information, which may include individuals' own written or spoken words. Hammarberg, Kirkman, and de Lacey (2016) define the qualitative approach as a method for responding to questions about experiences, meaning, and viewpoint, almost always from the participant's perspective. To grasp the meaning of people's spoken or written words, a qualitative research approach uses their words as part of the data it collects. Using a qualitative approach, this study

ensured that all the objectives were realised. The qualitative method enabled the concept of innovative leadership to be contextualised and clarified the differences between creative leaders and strategic managers.

1.9.5 Study Site

One case study from the uMgungundlovu District Municipality was used. Therefore, the study site was the uMgungundlovu District Municipality, located in Pietermaritzburg, KwaZulu-Natal.

The uMgungundlovu District Municipality is a Category C municipality in the KwaZulu-Natal Midlands. The district comprises the following seven local municipalities, which are based in the accompanying towns: Impendle (Impendle), Mkhambathini (Camperdown), Mpofana (Mooi River), Msunduzi (Pietermaritzburg), Richmond (Richmond), uMngeni (Howick), and uMshwathi (New Hanover/Wartburg). The area's central city is Pietermaritzburg, which serves as both the capital city and the legislative capital of KwaZulu-Natal. uMgungundlovu is a water services authority and a water service provider, continually striving to maintain its Blue Drop and Green Drop Status (uMgungundlovu District Municipality IDP 2021/2022). The district offers distinguished education facilities and is a retirement mecca for senior citizens. It also provides excellent sporting, commercial, and health facilities. It is an important industrial, timber, dairy, and agricultural hub with modern, sophisticated infrastructure, offering easy access to airports, the N3 arterial route, and railway stations.

1.9.6 Target Population

The researcher conducted eight in-depth interviews with municipal officials/leaders (15) selected from the uMgungundlovu District Municipality, including municipal managers, senior managers/directors, and officials. These individuals play direct roles in service delivery within the operational area of the uMgungundlovu District Municipality. A population is the total number of individuals, units, or elements with a particular set of characteristics from which a sample is taken (Sekaran & Bougie, 2016).

1.9.7 Sampling

A sample is a subset of the entire population from which a researcher collects data (Levac, Ronis, Cowper-Smith & Vaccarino, 2019). Wilson et al. (2018) argue that sampling is selecting a small portion of the population to represent the entire or target population in a research study.

Therefore, sampling is setting aside units from the entire population. In this study, the sample consisted of individuals who play direct roles in service delivery within the operational area of the uMgungundlovu District Municipality who were available and accessible during the study period.

The study employed a purposive sampling method, also known as judgmental or selective sampling. This is a non-probability sampling technique where researchers intentionally select participants based on specific characteristics, knowledge, or experiences relevant to their research question. The goal was to find participants who could provide rich and in-depth information, rather than aiming for a representative sample of the entire population. This was to assist in identifying key respondents, including municipal managers, senior managers/directors, and other officials.

1.9.8 Sampling Strategies

In qualitative research, sampling is a method of diversity management that ensures the variation and different types of phenomena being studied are represented as broadly as possible in the empirical data. Unlike quantitative research, which employs sampling to advance the logic of statistical generalisation (Flick, 2007), qualitative research uses sampling to ensure the variation and different types of phenomena being studied are represented as broadly as possible in the empirical data. According to Sekaran and Bougie (2016), there are two sampling strategies: probability and non-probability. Probability sampling provides every component of a population an equal chance of being chosen as a sample. As a result, it endorses the actual representation of the population and leads to a more comprehensive generalisation of findings (Saunders, Lewis, & Thornhill, 2009). Non-probability sampling, on the other hand, is a technique in which not every member of the population has an equal chance of being chosen as a sample (Wilson, 2010). Probability sampling represented the population and gave each member an equal opportunity to be selected. Given the population's size, the sample will be chosen randomly, ensuring every member of the population has an equal chance of being selected. The selection procedure will be fair, and the sample's characteristics will closely match those of the population (Van Zyl, 2014).

1.9.9 Sample Size

A sample of 15 participants was purposively selected across local municipalities within the uMgungundlovu District Municipality. The selection of a sample size of 15 was justifiable, as

Guest, Bunce, and Johnson (2006) stated that a sample size of 8 to 12 is suitable for a qualitative study. The sample included municipal managers, senior managers/directors, and officials. These individuals play direct roles in service delivery within the operational area of the uMgungundlovu District Municipality.

1.9.10 Data Collection Methods

This study used in-depth interviews as the instrument for collecting data. An in-depth interview is a qualitative research technique that involves intensive individual interviews with a small number of participants to explore their perspectives on a particular idea, programme, or situation (Babbie, 2014). This instrument assisted the researcher in collecting relevant information from participants and exploring their perspectives on transformational leadership and LED initiatives in the uMgungundlovu District Municipality.

Using in-depth interviews provided respondents with a forum to express their knowledge, opinions, and interpretations of the topic under study, as well as any significance they attributed to it. Since an interview guide does not limit the researcher or the respondent, the researcher can ask follow-up questions beyond the predetermined ones to gain a more thorough and nuanced understanding of the responses (Adewumi & Ogunnubi, 2019).

1.9.11 Data Analysis

Data analysis develops and validates ideas over time as more data is collected. It involves gathering and carefully examining data to identify concepts that accurately represent the respondent's intended meaning. Qualitative analysis tools include content analysis, thematic analysis, discourse analysis, and conversational analysis. Thematic analysis, employing an interpretive approach, was used to analyse the data for this study. Thematic data analysis selects themes that explain the research problem, questions, and objectives. A thematic analysis organises, gives meaning to, interprets, and describes data collected from participants comprehensively.

For this study, the key themes or variables that informed the data analysis focused on transformational leadership and local economic development initiatives in the uMgungundlovu District Municipality.

1.10 ETHICAL CONSIDERATIONS

Silverman (2000) states that researchers operate in the participants' private spaces when conducting research. Creswell (2014) states that the researcher must respect the informants' rights, values, needs, and preferences. Therefore, appropriate steps must be taken to uphold strict ethical standards to safeguard participants' rights to anonymity, confidentiality, and respect. As a result, before the commencement of the research, the participants were made aware of its purpose, objectives, and scope.

Participants were informed that the study was conducted solely for academic purposes and that their participation was voluntary. In addition, a letter of informed consent was submitted to the uMgungundlovu District Municipality to obtain permission to conduct the study. Before data collection began, an application for ethical clearance was submitted to the University of KwaZulu-Natal Humanities and Social Sciences Research Ethics Committee for approval.

1.11 SIGNIFICANCE OF THE STUDY

Research on how transformational leadership can enhance service delivery and promote good governance in the municipal, provincial, and national local government sectors is crucial for strengthening governance in South Africa. Leadership practices have a significant impact on the country's economic, social, and political environments. This study aimed to gain a deeper understanding of how transformational leadership influences governance in the South African government sector. While the literature indicates that many studies have examined leadership, few have focused on transformational leadership and its impact on governance, service delivery, and other environments. Research is essential to leadership and governance, as it enhances transformation across leadership, decision-making, policy-making, and ethics in governance and service delivery throughout the public sector in South Africa and across the entire government.

1.12 STRUCTURE OF THE DISSERTATION

The dissertation was structured into five chapters as follows:

Chapter One: Introduction and overview of the study

This chapter provides an introduction and an overview of the study. It outlines the research focus and establishes both its main research question and problem statement. The research objectives and questions are presented, outlining the methodology used to conduct the research.

Chapter Two: Local economic development and transformational leadership

This chapter provides a literature review relevant to the study. An overview of the current research on local economic development and transformational leadership is given in Chapter Two. The goal of this chapter is to provide definitions and explanations of local economic development and transformational leadership. The chapter also includes an overview of the study's objectives, theoretical framework, and underlying theories, along with a concise literature review.

Chapter Three: Research methodology and design

A thorough explanation of the research design, techniques, and processes is given in Chapter Three, which also presents an overview of the study's research methodology. It describes the data collection procedures and methods.

Chapter Four: Data presentation and analysis

The examination of the data gathered for the research is presented in Chapter Four, which also offers a thorough analysis. Chapter Four presents and analyses the study's findings. The analysis of the findings in Chapter Four may reveal whether, in terms of transformational leadership in local economic development, the District Municipality is prepared and whether it has adopted a Local Economic Development strategy that responds to the district's needs.

Chapter Five: Conclusions and recommendations

A summary of the previous chapters is given in Chapter Five. Summarising the findings and drawing conclusions based on the study's goals constitutes the dissertation's conclusion. Finally, the chapter offers several recommendations and suggestions for further analysis based on the research results.

1.13 CONCLUSION

This chapter outlined the research proposal by introducing the study, providing background information, and highlighting the problem statement, research objectives, research questions, and research methodology. Further, the chapter outlined the study design for the investigation into the impact of transformational leadership on local economic development, using the uMgungundlovu District Municipality as a case study.

CHAPTER TWO

LOCAL ECONOMIC DEVELOPMENT AND TRANSFORMATIONAL LEADERSHIP

2.1 INTRODUCTION

The second phase of this research involved conducting a systematic literature review, a rigorous desktop research methodology aimed at evaluating, synthesising, and interpreting existing studies on local economic development and transformational leadership in South Africa. A key feature of the systematic literature review was its comprehensive coverage, achieved through the application of strict inclusion and exclusion criteria. This approach ensured that only the most relevant literature was considered, filtering out non-pertinent studies, thereby reducing knowledge gaps and providing a more holistic view of local economic development and transformational leadership (Tranfield, Denyer, & Smart, 2003).

2.1.1 Theoretical Frameworks Underpinning this Study

The study lies in the Human Resource Management domain, and therefore, the Human Capital Theory and the Economic Development Theory were employed. The achievement of any organisation's strategic goals and the economic growth of any country rely on their physical resources and human capital, which possess competencies, knowledge, skills, and capabilities (Ekwoaba, Ikeijie & Ufoma, 2015).

The **Economic Development Theory** was developed in response to the complex and multidimensional problems of economic development (Dang & Pheng, 2015). The goal of the theory, in its simplest form, is to promote economic growth, enabling a country to improve its citizens' quality of life, achieve sustainable development, and meet the Millennium Development Goals (Dang & Pheng, 2015).

The **Theory of Transformational Leadership** informed this study. However, it integrated the Stakeholder Theory and the Endogenous Growth Theory to provide a comprehensive understanding of how leadership influences LED outcomes in the uMgungundlovu District Municipality. Transformational leadership theory, pioneered by James MacGregor Burns, emphasises inspiring and motivating followers to achieve a shared vision, fostering personal growth and development, and driving positive organisational change (Bruce & McKee, 2020).

Stakeholder Theory is a view of capitalism that emphasises the interconnected relationships between a business and its stakeholders, including customers, suppliers, employees, investors, communities, and others who have a vested interest in the organisation. The theory argues that a firm should create value for all stakeholders, not just shareholders.

Transformational leadership theory was developed in the late 20th century by Burns (1978) in his analysis of political leaders. Prior to this time, much attention had been given to the approaches of leaders who successfully transformed organisations. Burns characterised transformational leadership as that which “occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality” (p. 20). He believed that transformational leadership could raise followers from a lower level to a higher level of needs, which agrees with Maslow’s (1954) hierarchy of needs. Bass (1985) refined and expanded Burns’ leadership theory. Bass said that a leader is “one who motivates us to do more than we originally expected to do” (p. 20). He said this motivation could be achieved by raising awareness of the importance of outcomes and the ways to achieve them. Bass also said that leaders encourage followers to go beyond self-interest for the good of the team or the organisation (Givens, 2008).

Endogenous Growth Theory is an economic theory that argues economic growth is generated within a system as a direct result of internal processes. More specifically, the theory suggests that enhancing a nation's human capital will lead to economic growth by developing new technologies and efficient, effective means of production.

2.2 BACKGROUND ON LOCAL ECONOMIC DEVELOPMENT

In one of the early concept notes on local economic development, the World Bank in 2006 defined LED as the process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. The aim is to improve the quality of life for all community members (Swinburn, Goga, & Murphy, 2006). In 2007, GTZ (German Society for Technical Cooperation) (now called GIZ [German Society for International Cooperation]) refined the definition of the World Bank by describing LED as a process to mobilise stakeholders from the public and the private sectors, as well as from civil society, to become partners in a joint effort to improve the economy of a defined subnational territory and thus increase its competitiveness (Rücker & Trah, 2007).

Local economic development is an approach to economic development, of note in the developing world that, as its name implies, places importance on activities in and by cities, districts and regions. Local economic development combines economic development activities, urban planning, infrastructure development and social development activities to improve local conditions. In an attempt to ensure that local authorities do in fact focus on local economic development as a priority area, it is now compulsory for all local authorities to draw up (among other things) an annual and five-year Integrated Development Plan (IDP), which plan must contain an LED strategy (Section 26 of Local Government Municipal Systems Act of 2000) (Cohen, 2010; RSA, 2000). Local economic development is a crucial component of the local government's strategy for addressing unemployment and poverty issues.

Local government in South Africa is responsible for catering to the developmental needs of the people in their area, which is then allocated the role of acting independently and providing a wide range of services to fulfil these concerns regarding development. Local government is given a constitutional mandate to facilitate local economic development. One of the primary goals of local economic development is to increase the number of job opportunities available for the people within that locality. South Africa is facing high levels of unemployment, a persistent issue that has been a long-standing problem. Furthermore, issues of poverty alleviation and unemployment remain one of the biggest challenges regardless of policies and strategies, such as LED, already in place to improve the status quo (Ubisi, 2025).

Meyer-Stamer (2003) argues that local economic development is defined as the capacity of a specific region to generate cumulative income and improve the lives of its residents. According to Sibisi (2009), collaboration among public, business, and non-governmental partners is a process aimed at enhancing economic growth, creating employment opportunities, and promoting sustainable development. Hence, in the context of this study, local economic development is a process in which stakeholders, including the local government, the private sector, civil society organisations, and community members, work together to utilise the resources within the locality to alleviate unemployment and poverty. Masikane (2021) supports the attestation by stating that some of the goals of LED revolve around everyday matters, including job creation, community development, economic growth, and the restoration of economic competitiveness; hence, the involvement of these goals depends on the efforts and contributions of these stakeholders.

The International Labour Organization (ILO) defines LED as a participatory development process that encourages partnership arrangements between the main private and public stakeholders of a defined territory, enabling the joint design and implementation of a common development strategy, by making use of the local resources and competitive advantage in a global context, with the final objective of creating decent jobs and stimulating economic activity (Rodríguez-Pose, 2001).

From these different definitions of LED, several core elements are common (Rodríguez-Pose, 2001):

- It takes place within a defined territory;
- It has a strong bottom-up orientation, and local stakeholders drive it.
- It involves a range of stakeholders from the public and private sectors, as well as from civil society;
- It is about improving the competitiveness and attractiveness of the location;
- It is undertaken for the purpose of fostering economic well-being.

With the rapid changes in global, national, and local economies, definitions of LED are increasingly incorporating aspects of inclusiveness, sustainability, and resilience. Many international development organisations view LED as complementary to other support measures, such as improving governance, reducing inward migration, and enhancing urban development. International development projects or national government initiatives can help establish or enhance LED locally, but should not replace or displace local efforts. As a consequence, the aim of external support should be to establish an effective LED process locally, rather than to solve the locality's economic problems (Rodríguez-Pose, 2001).

2.3 THE PURPOSE OF LOCAL ECONOMIC DEVELOPMENT

The purpose of local economic development is to enhance the economic capacity of a local area, thereby improving its economic prospects and the quality of life for all residents. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation (World Bank, 2004). Local economic development focuses on creating strategies and programmes that enable people to thrive within their locality (Sibisi, 2009). In the global context, countries such as Vietnam, Brazil, Ghana, Indonesia, Sri Lanka, and Hungary, among others, have seen the growing role

of local communities in the international economy play a significant part in paving the way for local economic development (Meyer, 2014). Meyer (2014) further states that various stakeholders, development practitioners, and academics recognise the significance of the local economic development strategy in alleviating poverty, improving the quality of life for people at the local level, and, most importantly, creating jobs for them. Since South Africa became a democratic state in 1994, considerable attention has been devoted to promoting local economic development, creating employment, fostering community development, and driving economic growth.

Local economic development provides local governments, the private sector, and not-for-profit organisations with the opportunity to collaborate and enhance the local economy. It focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive. Local economic development encompasses a range of disciplines, including physical planning, economics and marketing. It also incorporates many local government and private sector functions, including environmental planning, business development, infrastructure provision, real estate development and finance (World Bank, 2015).

The practice of local economic development can be undertaken at different geographic scales. A local government pursues local economic development strategies to benefit its jurisdiction, and individual communities and areas within a local government's jurisdiction can also implement local economic development strategies to enhance their economic competitiveness. Such approaches are most successful if pursued in partnership with local government strategies. Local economic development is thus about communities continually improving their investment climate and business-enabling environment to enhance their competitiveness, retain jobs, and improve incomes. Local communities respond to their local economic development needs in many ways, and a variety of approaches can be taken that include (World Bank, 2004):

- Ensuring that the local investment climate is functional for local businesses;
- Supporting small and medium-sized enterprises;
- Encouraging the formation of new enterprises;
- Attracting external investment (nationally and internationally);
- Investing in physical (complex) infrastructure;

- Investing in soft infrastructure (educational and workforce development, institutional support systems and regulatory issues);
- Supporting the growth of particular clusters of businesses;
- Targeting particular parts of the city for regeneration or growth (areas-based initiatives);
- Supporting informal and newly emerging businesses;
- Targeting certain disadvantaged groups (World Bank, 2004).

The World Bank (2015) refers to local economic development as the collaborative efforts of the public, business, and non-governmental sectors to improve economic growth and generate employment opportunities. Residents are encouraged to collaborate in order to promote sustainable growth and development at the local level. This will lead to economic advantages and an enhanced quality of life (UNHSP, 2005). In the context of this study, local economic development is a process in which stakeholders, including the local government, Small, Medium, and Micro Enterprises, non-profit organisations, and community members, work together to utilise local resources to alleviate unemployment and poverty.

2.4 FUNDING A LOCAL ECONOMIC DEVELOPMENT STRATEGY

Funding a local economic development strategy can be a significant challenge. One reason for this is that local authorities often lack a statutory responsibility to deliver local economic development services. When it comes to budget time, local economic development is competing for scarce resources with departments such as housing, health and education. Sometimes, it is challenging for elected officials to justify allocating scarce resources to local economic development efforts, as short-term responses are often perceived as more important than long-term initiatives, which often have longer time horizons and whose benefits may not be immediately apparent (World Bank, 2004).

The local economic development strategy should have a budget allocated for it. When selecting particular programmes and projects, care must be taken to ensure that funds are available for the entire duration of each project, as projects are likely to span multiple financial years. Forward or exit strategies should also be developed. According to Rogerson (2010), there is currently a range of funding sources for LED activities, including the DBSA LED Fund, national sector support from various government departments, the Municipal Infrastructure Grant, the Neighbourhood Development Partnership Grant, local government own revenue and

equitable share funds, and donor funding. Generally, LED has few secure funding sources and often relies on charitable donations and public grants. This means that local and international non-governmental organisations, as well as donors, are significant actors for many local authorities in terms of either accessing or making available direct funding for local development initiatives. New initiatives launched in 2008 by the DBSA through its Local Economic Development Fund aim to finance LED.

Sources of funding for local economic development initiatives include (World Bank, 2011):

- local authority revenue raised from the usual sources, including property taxes and user fees;
- sale or renting of local authority-owned industrial or commercial buildings and land;
- national and state government intergovernmental transfers;
- international donor grants and loans;
- private sector funding, such as corporate donations;
- foundations, especially for environmental improvements, human resource initiatives and poverty alleviation (World Bank, 2011).

2.4.1 Implementing the Local Economic Development Strategy

Municipalities are given a constitutional mandate to facilitate the LED through Section 152 of the Constitution of the Republic of South Africa of 1996. Furthermore, it is essential to recognise that municipalities must effectively implement the LED strategy. According to the South African Cities Network (SACN) (2019), LED stakeholders collaborate to create innovative, competitive, sustainable, and inclusive local economies. Their goal is to maximise local opportunities, address local needs, and ultimately contribute to national and provincial development objectives. It can be deduced that if the LED strategy is implemented correctly, people within the municipal jurisdiction will be able to get employment through the opportunities that would be presented, moreover, businesses will thrive because there will be investors and sponsors that would provide cash injections within the economy, ultimately businesses will create more jobs by hiring and retaining people within that locality which lessens the unemployment curve within the municipality, province and country.

Action plans drive strategy implementation. Key issues to consider here are:

- Who takes responsibility for each programme or project?

- What are the targets in terms of outputs, timing and funding?
- What steps need to be taken to achieve the targets?
- What will be the reporting structures (including to stakeholders)?
- What are the performance monitoring and evaluation systems and processes?
- What has to happen to ensure they are in place and used?
- What are the budgetary and human resource requirements for the sustained delivery of the project or programme?

Key issues in South African LED can be summarised as follows (Rogerson, 2010):

- Disconnect between planning: There is a significant "disconnect" between business development strategies and local economic development (LED) planning, hindering progress.
- Capacity and understanding: Many municipalities lack the capacity and a clear, common understanding of their role in LED.
- Institutional culture: The institutional culture is often not conducive to a shift from top-down intervention to a more enabling, bottom-up approach that fosters private-sector partnerships.
- Urban-rural divide: There is an increasing urban-rural divide in the implementation of LED processes.
- Weaknesses in implementation: Past LED initiatives have been critiqued for being more like "social work" and for collapsing after funding ended, rather than building a sustainable economic base.

The notion that local economic development is a mechanism for poverty alleviation has led to heated debates over the past few decades. The two concepts have been intertwined and, in some cases, confused with each other (Ababio & Meyer, 2012). LED strategies typically form part of a comprehensive poverty alleviation plan. This multifaceted approach aims to meet the socio-economic needs of a specific community within a defined geographical area. In a similar vein, the pillars of any poverty alleviation strategy should, at the very least, include strategies such as:

- providing the basic needs of local people, creating sustainable economic development,
- offering job creation opportunities,
- developing human resources and skills,

- ensuring safety and security, and
- maintaining a well-managed quality environment.

The current weaknesses in government interventions regarding poverty alleviation and LED, according to Ababio and Meyer (2012), could be overcome with explicitly “pro-poor” strategies. Such strategies prioritise the formulation of strategies for job creation, sustainable rural and urban development, and the central role of people with low incomes as the focus of all interventions. Poverty alleviation must be the top priority in an LED strategy, and it is acknowledged that people experiencing poverty require a “safety net” due to their high levels of vulnerability (Ababio & Meyer, 2012).

The Microeconomic Reform Strategy is a central component of the 2005 policy guidelines for implementing LED in South Africa (Nel & Goldman, 2006). This strategy aims to address the country's inequalities and build on the RDP (Reconstruction and Development Programme) by focusing on issues such as geographical spread of activity, integration, black economic empowerment, knowledge-led growth, skills development, and state responsiveness.

In addition to laws and policies that directly support and encourage pro-poor LED, other instruments, such as integrated development planning, provide further support for implementation. Integrated development planning is a key process within LED, utilising planning to position pro-poor development and LED specifically (Nel & Goldman, 2006). The South African Forum for Effective Planning and Development in 1995 defined integrated development planning as, ‘a participatory approach to integrate economic, sectoral, spatial, social, institutional, environmental and fiscal strategies in order to support the optimal allocation of scarce resources between sectors and geographical areas and across the population in a manner that provides sustainable growth, equity and the empowerment of the poor and the marginalised’ (DPLG, 2000).

In terms of what an Integrated Development Plan (IDP) should include, the Municipal Systems Act clearly brings out the pro-poor dimensions of government thinking. The act states that an integrated development plan must reflect (RSA, 2000):

- The municipal council's vision for the long-term development of the municipality. Special emphasis is to be placed on the municipality's most critical development needs

- An assessment of the existing level of development in the municipality. This should include the identification of any communities which do not have access to adequate basic services
- The council's long-term development vision should consider the need for social and economic advancement of disadvantaged sections of the community
- The IDP must describe in detail how the municipal council will realise its development objectives and the time frame within which those objectives will be realised
- The council's spatial development framework, which should guide the way in which the physical area will be developed.

It is suggested that Integrated Development Plan can assist in the promotion of socio-economic development in at least three ways; first, in helping to attract funds from other spheres of government, donor organisations and investors through defining and packaging attractive projects and programmes; secondly in helping to create an environment that is conducive to private sector investment and the general promotion of LED; and thirdly, by proposing direct interventions in the economy through, for example, providing incentives, developing economic infrastructure, and buying, developing and leasing/selling land (DPLG, 2000).

Most broad-based, comprehensive LED strategies are delivered through public/private sector partnerships that are strongly driven or led by the local authority. The private sector is often keen to manage initiatives to improve the vitality of town centres or to be involved in business development. Community groups may seek to lead initiatives to improve the health or housing conditions of a target group of disadvantaged individuals (World Bank, 2004). Strategy implementation is never as clear-cut as the strategy development itself. It often takes longer than expected and involves a consistently changing environment. Within each project and programme being implemented, strategic thinking will occur at every step. This will often focus on how to advance the project effectively in a rapidly changing environment.

Local economic development fosters partnerships among the public, private, and civil society sectors to identify and address local economic challenges collaboratively. The LED process aims to empower local participants to effectively utilise business, labour, capital, and other local resources to achieve local priorities (e.g., promoting quality jobs, reducing poverty, generating municipal taxes). LED practitioners have many actions available to them. For LED to succeed, participants and practitioners must be aware of these actions and committed to a

process that delivers sustainable results. An LED strategy is a process-oriented and non-prescriptive endeavour incorporating (UNHSP, 2005):

- Local values (poverty reduction, basic needs, local jobs, integrating social and environmental values);
- Economic drivers (value-added resource use, local skills training, local income retention, regional co-operation); and
- Development (the role of structural change, quality of development).

2.5 LOCAL ECONOMIC DEVELOPMENT FRAMEWORK IN SOUTH AFRICA

The focus of the Local Economic Development Framework is on four areas: (a) improving good governance, service delivery, public and market confidence in municipalities, (b) spatial development planning and exploiting the comparative advantage and competitiveness of Districts and Metros, (c) enterprise support and business infrastructure development, and (d) introducing sustainable community investment programmes.

Recent Local Economic Development research suggests that strong and appropriate institutions are necessary, and governments should pursue four concepts in Local Economic Development (UNHSP, 2005): The National Framework for Local Economic Development in South Africa aims to support the development of sustainable local economies through integrated government action. This government action is developmental and stimulates the heart of the economy, which comprises those enterprises that operate in local municipal spaces. Tremendous progress had been made since the implementation of the 2006–2011 National Framework for Local Economic Development. South Africa is therefore regarded as one of the leading countries in local economic development in Southern Africa. However, the overall assessment of local economic development implementation indicates that, although there are pockets of good practices, South Africa must still intensify its focus on local economic development and build on gains and lessons learnt (CoGTA, 2018).

The framework is underpinned by an appreciation of the evolving practice of local economic development internationally and is grounded in the unique South African context and its specific challenges. It contextualises the move towards ‘new institutionalism’ that breaks down the distinction between economy and society, showing how economic decision-making and action are shaped by the shared values, norms, beliefs, meanings, and rules and procedures of the formal and informal institutions of society.

Typically, the main challenges facing LED policy and implementation include, among others (CoGTA, 2018):

- A lack of a shared conceptual understanding of what local economic development is;
- A lack of integration of sector plans as part of local economic development planning and implementation;
- Limited funding and financing for municipal local economic development programmes;
- A lack of a differentiated approach in local economic development implementation;
- An uncoordinated project approach to developing local economies; and
- A skills deficit and human resource challenges.

The National Framework for LED in South Africa, released in 2006, aims to foster a shared understanding of good LED practice and promote more effective implementation. The LED framework by DPLG (2006) also suggests that municipalities must play a key role in creating an enabling environment by providing infrastructure and quality service.

According to the DPLG (2006 – National Framework for LED in South Africa), local government now has three key roles to play in LED:

- To provide leadership and direction in policy making (by-laws and processes to regulate land in a manner that reduces the costs of doing business and maximises the involvement of people in the local economy).
- To administer policy, programme and projects (the core function of anybody or structure responsible for LED is to coordinate and maximise the impact of programmes and projects with respect to growth and development).
- To be the main initiator of economic development programmes through public spending, regulatory powers, and (in the case of larger municipalities) their promotion of industrial, small business development, social enterprises and cooperatives (Cohen, 2010).

The local government context for the National Framework for LED is derived from the Constitution, which outlines the role of local government in LED. Sections 152 (c) and 153 (a) of the South African Constitution of 1996 state that local government must “promote social and economic development” and must “structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community”. In describing the characteristics of a

developmental local government, Section B 1.1 of the White Paper on Local Government of 1998 states that “the powers and functions of local government must be exercised in a way that meets basic needs of the poor and the growth of the local economy”. This National Framework is therefore positioned within the mandates of the Constitution, national legislation, and policy to guide municipalities in meeting their LED imperatives. The Framework is driven by the cardinal principle of LED, which emphasises the roles of the three spheres of government in delivering each policy objective (CoGTA, 2018).

2.6 ALIGNING LOCAL ECONOMIC DEVELOPMENT WITH NDP FOR SA DEVELOPMENT

In terms of the grand vision strategy, the National Development Plan (NDP) encourages robust economic development to enable South Africa to address unemployment, poverty, and inequality by 2030.

The link between Local Economic Development (LED) and the NDP (National Development Plan) in South Africa is that LED serves as a crucial mechanism for implementing the NDP at the local level. The NDP sets the long-term vision of eradicating poverty and inequality by 2030, while LED initiatives provide the practical, on-the-ground actions local governments use to achieve these goals by focusing on local economic growth and job creation.

Local Economic Development supports the National Development Plan by (Bureau for Economic Research, 2020):

- **Localising national goals**

LED takes the national objectives of the NDP and translates them into specific, localised strategies that address the unique challenges and opportunities of each municipality.

- **Addressing the triple challenge**

By focusing on local economic growth, LED aims to tackle the NDP's "triple challenge" of poverty, inequality, and unemployment at a community level.

- **Implementation and service delivery:**

Local government, through LED, is the sphere of government closest to the people and is responsible for implementing national policies and achieving NDP targets.

- **Strengthening the economy:**

LED initiatives, such as supporting small and medium-sized businesses and fostering innovation, are designed to boost local economies, which in turn contribute to the national economy as outlined in the NDP.

- **Framework for coordination:**

The National Framework for LED provides a guiding vision and structure for LED planning and implementation, ensuring that LED activities are aligned with national development priorities.

The 2006 National Framework for Local Economic Development represents a critical turning point in the drive to provide a comprehensive policy statement for planning LED in South Africa (Rogerson, 2010b). The analysis by Rogerson (2010) shows that, to achieve its central vision of shaping robust and inclusive local economies, all LED stakeholders need to pursue a set of coordinated interventions to address important issues arising from the South African LED experience during the period 1994–2009. Thirteen challenges need to be addressed: the clarification by national government of the meaning of LED, especially to guide small towns and poorer municipalities; greater integration and closer cooperation between LED stakeholders and sector departments involved in implementing LED; appropriate scaling of LED; reinvigoration of the role of provinces; narrowing the gap in LED practice between large cities and small towns or poorer municipalities; the dissemination of good practice; the professionalisation of LED; involving the private sector; building LED networks and knowledge platforms; capacity-building at several levels; LED financing; improving local economic data; and pursuing interventions aimed at the second economy.

2.7 LEGISLATIVE FRAMEWORK ON LOCAL ECONOMIC DEVELOPMENT

The following range of key policies and policy papers has, either directly or indirectly, contributed to the LED debate in South Africa:

- The Constitution of the Republic of South Africa of 1996;
- White Paper on Local Government of 1998;
- Local Government: Municipal Systems Act No 2 of 2000;
- Policy paper on Integrated Development Planning of 2000;
- LED Guidelines to Institutional Arrangements of 2000;
- Draft Local Economic Development Policy of 2002;
- Policy Guidelines for implementing LED in South Africa of 2005;
- National Framework for Local Economic Development (LED) in South Africa of 2006-2011.

The key pieces of legislation and related documentation relevant to LED, and which provide context for LED in South Africa, are the following:

2.7.1 The Constitution of the Republic of South Africa of 1996

The Constitution of the Republic of South Africa of 1996, which recognises the importance of local government in economic development, through the following:

"A municipality must structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community." Section 152 of the Constitution (1996) clearly states that "municipalities must provide and manage administration, budgeting, and planning process to give priority to the basic needs of communities" (RSA, 1996).

The Constitution of the Republic of South Africa (1996), the supreme law of the country, stipulates that local municipalities are legally obligated to promote social and economic development within their area of jurisdiction. This means that local development should address the basic needs of the communities, providing community services and supporting local businesses to ensure their sustainability. The White Paper on Local Government (1998) emphasises a developmental mandate where LED is seen as an important feature of developmental local government; it also plays a significant role in creating job opportunities and economic opportunities in a sustainable manner. Abrahams (2018) states that LED has increasingly become an important component of local government's core function, whereas on the other hand, they are faced with the challenge of ensuring the sustainable development of initiatives that will meet the basic needs of local communities and simultaneously improve the quality of people's lives and contribute to the growth of the local economy.

To achieve the goal of developing sustainable LED initiatives, local authorities must have a comprehensive understanding of the various social and economic dynamics operating within their area, enabling them to address developmental backlogs and plan for future socio-economic requirements.

2.7.2 The White Paper on Local Government of 1998

The White Paper on Local Government of 1998, which introduced the concept of 'developmental local government', defined it as: "Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social,

economic and material needs, and improve the quality of their lives.” (RSA, 1998). The White Paper on Local Government (1998) advocates for a strong local sphere of government. This means that local governments should actively collaborate with citizens and community groups to address their social, economic, and material needs in sustainable ways, ultimately enhancing their quality of life.

According to the 1998 White Paper on Local Government, local government is responsible for achieving LED within its jurisdiction. In South Africa, municipalities are categorised into three categories, namely category A, B, and C. The municipality is responsible for catering to the developmental needs of the people in its area, which is then allocated the role of acting independently and providing many responsibilities for social and economic development (Koma, 2014).

2.7.3 The Local Government: Municipal Systems Act No 32 of 2000

The Local Government: Municipal Systems Act No. 32 of 2000, which made integrated development planning compulsory and legislated several key LED functions, roles, and responsibilities. The aim of the Act is “to provide for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities” (RSA, 2000).

The Local Government: Municipal Systems Act mandates that municipalities actively engage in Local Economic Development (LED) as a core function, requiring them to develop strategies, create infrastructure, and foster a local economy that benefits their residents. The Act provides the legal framework for this through its requirements for Integrated Development Plans (IDPs) and performance management systems, ensuring LED is integrated into a municipality's overall planning and development goals.

The Local Government: Municipal Systems Act connects to LED in the following manner (RSA, 2000):

- **Mandatory function**

The Local Government: Municipal Systems Act legally obligates municipalities to play a role in LED, rather than it being an optional activity.

- **Strategic planning**

LED is integrated into the municipality's overall development strategy through the mandatory requirement of an Integrated Development Plan (IDP).

- **Implementation**

The Local Government: Municipal Systems Act grants municipalities the authority to implement LED through various mechanisms, including developing and providing infrastructure, promoting local businesses, and establishing special tariffs for commercial users.

- **Performance management**

The Local Government: Municipal Systems Act requires municipalities to establish a performance management system to monitor, audit, and report on their progress towards LED goals.

- **Intergovernmental cooperation**

The Local Government: Municipal Systems Act emphasises the need for cooperation between national, provincial, and local government spheres to achieve LED objectives (RSA, 2000).

2.7.4 The Local Economic Development Guidelines of 2000

The 2000 Local Economic Development Guidelines were a South African policy initiative that established a framework for municipalities to promote pro-poor development by fostering competitive business environments, investing in infrastructure, and supporting small businesses to drive local economic growth and job creation within their communities. These guidelines were a crucial part of a broader effort, alongside the Local Government: Municipal Systems Act 32 of 2000, to decentralise economic planning and empower local governments to address poverty and inequality through targeted interventions and community partnerships.

The LED Guidelines of 2000 refer to the draft and subsequent work on Local Economic Development (LED) guidelines in South Africa, which aimed to maximise local economic potential through a strategic and integrated approach. This process, led by the Department of Provincial and Local Government (DPLG) and the South African Local Government Association (SALGA), resulted in the 2000 draft policy, a series of LED manuals, and training packs to support municipalities in creating sustainable local economies by focusing on areas like business environment improvement and strategic planning.

2.7.5 The Draft Local Economic Development Policy of 2002

The 2000 Guidelines were followed by a 2002 Draft LED Policy and further documents, indicating an ongoing process of developing and refining the national LED strategy in South Africa. The focus varied between metropolitan areas (emphasising competitive business environments and investment) and smaller centres (focusing more on service delivery and public works), reflecting different local needs and capacities (RSA, 2000b).

The National Spatial Development Perspective has made a significant contribution to the LED policy debate by asserting that certain areas are better suited for business development and growth, while others should be allocated for government services and transfers. The Draft LED Policy of 2002 was a proposed South African government policy to guide Local Economic Development (LED), building on the 2000 LED Guidelines. It aimed to address poverty and inequality by promoting ‘pro-poor development’ and was designed as a framework for local authorities to enhance their economic potential and create employment opportunities. While it was the basis for later, formal policies and the inclusion of LED into municipal Integrated Development Plans, it was still a draft at the time and was followed by the National Framework for Local Economic Development in 2006.

2.7.6 The Integrated Sustainable Rural Development Strategy and Urban Renewal Strategy of the DPLG

The Integrated and Sustainable Rural Development Strategy (ISRDS) was designed to realise a vision that will “attain socially cohesive and stable rural communities with viable institutions, sustainable economies and universal access to social amenities, able to attract and retain skilled and knowledgeable people, who are equipped to contribute to growth and development” (ISRDS, 2000).

The implementation of the ISRDS aimed to utilise and develop existing institutional, planning, management, and funding mechanisms to focus government expenditure in the three spheres, thereby more effectively and efficiently responding to needs and opportunities. It was not predicated on additional funding from the government. It was intended to enhance the efficiency of public funds application in rural areas, producing appropriate outputs where they are most needed. The structures and procedures of the Medium-Term Expenditure Framework were intended to provide a mechanism for realising national and provincial budget structures that meet ISRDS objectives. Additional funding was to be derived from the structure of

delivery relationships that will be established. Sources were to include the private sector, public-private partnerships, organs of state and the donor community (ISRDS, 2000). The reform of municipal government places local government organs in a central role in integrating programmes to achieve synergistic rural development. Many municipalities needed assistance and guidance to build capacity, but their roles and responsibilities were clearly established.

According to ISRDS (2000), municipalities were required to clearly identify local development needs and opportunities and to plan accordingly to address them. They were supposed to align their budgets to achieve their planned objectives. They satisfied the core lessons of international experience by operating as decentralised, accountable entities that manage participatory planning and implementation processes. They were to be supported by provincial governments, which would coordinate, integrate and align planning outputs. Provincial governments will also play a key role in coordinating and aligning development inputs from public and other sources.

The strength of the strategy lay in its emphasis on a mechanism that could achieve results on the ground. That mechanism, in brief, empowered rural stakeholders to use the IDP process to select programmes that address their priorities. The basket of selected programmes was to be financed at the municipal level through an expenditure envelope comprising the municipal budget, commitments from line departments through the IDP process, commitments from donor organisations and non-governmental organisations, and public-private partnerships. Although these resources were available in the past, they lacked the integrative mechanism described in the strategy (ISRDS, 2000).

Several policies, including the Constitution (1996), the White Paper on Local Government (1998), and the National Framework for LED (2006), among others, have been enacted to facilitate the effective implementation of LED in the country. Some strategies are also developed by the national government and provinces, focusing on creating an environment in which all stakeholders involved in LED play a critical role in utilising available resources to improve their lives and achieve economic development.

2.8 THE CONCEPT OF LEADERSHIP

Organisations are increasingly focusing on developing transformational leadership in their managers because it leads to better organisational performance (Waldman, Ramirez, House, & Puranam, 2001). Organisations are continually seeking new ways to develop their managers'

transformational leadership abilities and to help employees feel that they belong to the organisation.

According to Schenck, Nel and Louw (2010), leadership involves creating plans to realise a particular idea. Creating a strategy entails providing a roadmap; that roadmap must be precise and well-defined. Leadership must connect the vision with the strategy process. Establishing a distinct set of organisational ideals should foster a culture of learning. Values establish the tone for behaviour within an organisation and direct it in the right direction, and they should be reflected in the vision and tactics (Shavinina, 2011). Starling (1993) defined leadership as a method of social influence through which one can help and support others to carry out a particular objective. However, when looking at leadership from a research perspective.

Rowe and Guerrero (2011) link leadership to influence within organisations, emphasising its role in shaping and guiding organisational behaviour and culture. They stressed that effective leadership should be exercised ethically, ensuring that influence is used responsibly and morally within the organisation.

2.9 CONCEPTUALISING TRANSFORMATIONAL LEADERSHIP

Transformational leadership is a leadership style that has gained recognition for its significant impact on national development. This chapter examines the concept of transformational leadership and its implications for a nation's progress and growth. The characteristics of transformational leaders, such as inspirational motivation, idealised influence, intellectual stimulation, and individualised consideration, are discussed.

Transformational leadership is a leadership style characterised by leaders who inspire and motivate their followers to achieve exceptional performance and personal growth. According to Daniel and Jonathan (2024), it involves the leader creating a compelling vision and communicating it effectively, encouraging creativity and innovation, and fostering a sense of purpose and commitment among followers. Transformational leaders can inspire and influence others by their charismatic demeanour, high ethical standards, and strong values. They empower their followers by providing support, guidance, and individualised attention, while also challenging them to exceed their own expectations and develop their full potential. The

essence of transformational leadership lies in its ability to transform individuals, teams, and organisations, leading to positive changes in attitudes, behaviours, and outcomes.

The impact of transformational leadership on national development is examined across three key dimensions: economic, social, and political. Farazja and Khademi (2011) argue that in terms of economic development, transformational leaders foster innovation, encourage entrepreneurship, promote sustainable growth, and attract foreign investments. Socially, these leaders create a culture of inclusivity and diversity, empower communities and individuals, and improve education and healthcare systems. Politically, transformational leaders enhance transparency, accountability, and good governance, strengthening democratic institutions and promoting the rule of law.

Moradi Korejan and Shahbazi (2016) argue that in the fast-changing world, organisational leadership becomes more important and is considered a critical success factor. In this regard, not only do top-level managers need to show their capabilities, but all managers at all levels of the organisation also feel the need to cooperate with others to achieve the desired results. Regardless of their job, they should know how to influence others, motivate them to work, and also take responsibility for the outcomes. Transformational leadership refers to leaders who seek to create new ideas and perspectives, paving the way for growth and prosperity within the organisation. By developing commitment, passion, and loyalty among managers and staff, they mobilise the organisation's members to make fundamental changes in the organisation's fundamentals and basis, thereby preparing it to gain the necessary capabilities for moving in new directions and reaching higher ideal performance peaks. A transformational leader is inspiring and creative, leading people in a way that encourages them to exceed their abilities within the organisation, and also invent and innovate in their work area. Scholars and theorists believe that transformational leadership management is more effective than pragmatic leadership (Moradi et al., 2016). Transformational leaders make their employees realise the value of what they do.

The purpose of this chapter is to explore the concept of transformational leadership and its profound impact on national development. By understanding the characteristics and roles of transformational leaders, governments and municipalities can examine how their leadership style contributes to the growth and advancement of nations.

2.10 LEADERSHIP STYLES

2.10.1 Autocratic leadership

Autocratic leadership is characterised by a hierarchical structure in which the person with authority is the boss. Whatever he or she says goes without objection or question (Kaleem, Asad, & Khan, 2013). One of the benefits of autocratic leadership is that it yields quick results, as whatever the leader decides is implemented without delay or questioning. Autocratic leaders are commonly categorised as leaders who make choices based on their beliefs. They do not typically include anyone when making a decision. Cherry (2022) states that autocracy might be regarded as a leadership style without democracy that emphasises individual control.

According to Van der Waldt, Auriacombe, and Stroh (2010), autocratic leadership is characterised by followers being obedient to the leader. Autocratic leaders value discipline and established rules. This leads to the followers feeling as if they are useless and oppressed because they may never break any laws that have been set before them. Van der Waldt et al. (2010) emphasise that an autocratic leadership climate is usually tense and mistrustful, and, because of this, autocratic leadership is always a problem.

2.10.2 Participatory leadership or democratic leadership

When a democratic leadership style is used, people are involved in decision-making. Followers are empowered to participate in determining work methods and goals, and are not sidelined during meetings (Van der Waldt et al., 2010). This type of leadership style allows ordinary individuals to participate in decision-making through elected representatives. Jibon, Kumar, Sharma, and Singh (2013) define democratic leadership as a form of leadership that fosters increased follower productivity, involvement, commitment, and satisfaction.

In democratic leadership, the leaders will always require the input of others before a decision can be taken (Van der Waldt et al., 2010). In an organisation, if the leader is democratic, employees can participate and voice their opinions and grievances. Democratic leaders value and appreciate critical thinkers, for they serve an important function in this leadership. A democratic leader always supports and motivates their followers, whether they be employees, subordinates, members of a sports team, or any other group which has a leader and those who follow (Jibon et al., 2013). Democratic leaders emphasise the Batho Pele principles, and they strongly believe that everyone is equal before the law.

2.10.3 Laissez-faire leadership

According to Tosunoglu and Ekmekci (2016), laissez-faire is a phrase from French that is most frequently used in economics and political science to describe a policy of minimal state intrusion in people's and society's economic problems. This leadership style allows members to have complete freedom, as the leader offers no interference in their activities. Cherry (2022) states that this leadership style is delegative leadership, as the leader delegates duties to other team members. This is done so that team members can have the opportunity to demonstrate their ability to make and implement decisions. This type of leadership has several disadvantages, as the leader does not provide clear direction to those individuals, and if they are not adequately trained, they may struggle to complete the work (Tosunoglu & Ekmekci, 2016).

2.10.4 Transformational leadership

According to Van der Waldt et al. (2010), it is a leadership style that emphasises that leaders should always motivate their followers to perform to the best of their capabilities. However, a leader is expected to persuade people to do their best, which is not an easy task because the leader must constantly remind them that performing well is in their own best interest.

Robbins (2003) states that transformational leadership depends on the group's desire to realise the vision. The motivation that drives the team to achieve to the best of their ability will disappear if they lose hope in the vision as they travel. A transformational leader places great pressure on their followers to exceed expectations. Transformational leadership depends on the group's desire to realise the vision. The motivation that drives the team to achieve to the best of their ability will disappear if they lose faith in the vision along the way.

Transformational leadership is a complex and dynamic process in which leaders influence their followers' values, beliefs and goals. Moradi Korejan and Shahbazi (2016) state that transformational leaders therefore move organisations toward the future, recognise environmental needs, and facilitate appropriate changes. They also create perspectives on potential opportunities for employees and develop a commitment to change, culture improvement, and the need to design new strategies for the efficient use of energy and resources. The role of transformational leaders who move the organisation toward the future, recognise the environmental need and facilitate appropriate changes becomes more evident.

These leaders can strengthen staff understanding and fairness, and improve the quality of work-life in the organisation.

In transformational leadership, leaders encourage subordinates to consistently strive for excellence. It also develops followers to ensure that they possess the skills necessary to exceed expectations. The leader should be able to identify those people who lack inspiration and excitement when doing their duties. Through transformational leadership, everyone can carry out duties and perform excellently, as this kind of leadership emphasises empowerment (Alqatawenh, 2018).

2.10.5 Bureaucratic leadership

Luenendonk (2017) defines bureaucratic leadership as a system that governs or runs a nation, company, or organisation, run by several officials tasked with strictly adhering to the rules. According to Al Khajeh (2018), bureaucratic leadership is a style of leadership whereby leaders persuade followers to adhere to established rules and guidelines. In this type of leadership, leaders are primarily concerned with their policies and procedures; they want to see these implemented, and they do not care about the reactions of the people (Luenendonk, 2017). The strategy employed by this type of leadership is insufficient and often fails, as it neither encourages the participation of followers nor values the opinions and ideas of those on the ground (Al Khajeh, 2018). Bureaucratic leadership is a type of leadership that often fails to provide sufficient opportunities for personal growth and development. This is due to the presence of structural rigidity.

2.10.6 Traditional leadership

Traditional leadership is a distinct leadership style, as leaders are not elected; they assume the position by inheritance. They are the sons or daughters of great or influential people, and the leadership role is passed on to them. Of course, it does not guarantee that they will automatically become great leaders (Lindhard, Dlamini, & Bernard, 1987). In most cases, traditional leadership is often found in family businesses. For example, the father may start a business, and his son takes it over. In religion, the father may be a priest, and the son or daughter may inherit the position. In politics, the son of a chief becomes chief himself after the death of his father. Chiefs, kings, and queens are *ex officio* (by virtue of birth) leaders (Lindhard et al., 1987).

2.10.7 Community leadership

A community refers to all residents of a specific location. Community leadership is provided by formal structures, such as ward committees and IDP forums, as well as informally through non-governmental organisations (NGOs), community-based organisations (CBOs), and civic organisations. Community leaders should aim to develop their areas. Community development aims to stimulate growth, address development issues, and improve the community's living conditions (Van der Waldt et al., 2010).

Community leadership is the process of guiding and uniting a community to achieve common goals and enhance its collective well-being, often led by individuals who naturally emerge from within the community. It involves facilitating dialogue, providing direction, and empowering members, while focusing on the common good and fostering a sense of shared responsibility (Catana, 2020). Key qualities for community leaders include integrity, courage, commitment, compassion, and the ability to collaborate creatively and effectively. The above points emphasise the importance of effective community management for achieving goals. Community leaders should promote growth, invite participation, and maintain lively interactions. Regular gatherings, both online and offline, are essential for building trust and rapport among members. Identifying and recruiting the right members is critical for community success

2.10.8 Charismatic leadership

Natural leadership is another name for this form of leadership. Some people are natural leaders; they stand out in a group, and people automatically and willingly follow them. A charismatic leader has special qualities and skills, some of which are innate, and others learnt (Luenendonk, 2017). The leader has the power to inspire or attract others to work toward a particular goal. A charismatic leader has the potential to lead; he is a gifted leader, and he is regarded as a hero by his people.

One benefit of charismatic leadership is its ability to generate emotional appeal. Because they sense the possibility of accomplishing their own objectives, people are motivated by charismatic leaders. To establish an emotional bond with their followers or subordinates, charismatic leaders always provide individuals the opportunity to do something that feels bigger than themselves (Susanto, Azeharie, & Sari, 2016). A charismatic leadership style encourages employees to think creatively, which is advantageous. People may view an issue differently when a charismatic leader shares a particular perspective (Al Khajeh, 2018). They

may even occasionally come up with more ambitious, yet realistic, objectives or dreams. A charismatic leadership approach develops a sense of community.

2.10.9 Situational leadership

Lindhard et al. (1987) state that situational leaders are often people who are not normally leaders. However, in unexpected situations or emergencies, they come to the fore, revealing their ability to take control and make informed decisions. Situational leadership occurs in emergency situations. Leaders in difficult situations understand they need to be adaptable rather than imposing the same standards and viewpoint on everyone. They don't insist on having a set of rules that everyone must follow. As a result, everyone can grow because they encourage a culture of sharing and speaking up (Gaille, 2018).

Situational leaders work to create solutions that consider the demands and level of preparation of the team. Since most employees can feel at ease carrying out their duties in this environment, they are more likely to be happy at work and be more effective. The likelihood of achieving successful outcomes is increased when leaders employ situational leadership. Situational leadership enables leaders to motivate employees in a way that matches the demands of each individual (Luenendonk, 2017).

Situation leaders analyse each scenario on an individual basis rather than grouping all personnel under one general heading. Their goal is to assess each employee's abilities and raise their motivation level using the strategy that works best for them. It enables each team member to carry out their responsibilities in the most effective manner for them. This strategy enhances the team's efficiency and effectiveness. With this leadership approach, leaders must be highly adaptable and open to change. Leaders who employ this style of leadership must switch between the numerous approaches that are most effective at each level of preparation (Gaille, 2018).

2.10.10 Administrative leadership

Administrative leadership is about coordinating duties (and frequently involves mobilising people) to establish and maintain a new organisation. To meet the demands of both clients and staff of such an organisation, these leaders can create systems that support and maintain vital operational functions (Talan, 2016). Van Wart (2013) defines administrative leadership as the individuals (at all levels) and systems, including networks, that manage, direct, and lead

governmental and non-profit organisations. Political leaders are less of a priority in administrative leadership than civil service and appointed leaders. More so than policy advocacy, it emphasises policy implementation and technical components of policy creation.

2.11 TRANSFORMATIONAL LEADERSHIP

Burns (1978), quoted by Singh and Krishnan (2008), held that leadership could be broadly classified into two forms, transactional and transformational leadership. Transactional leadership occurs when one person takes the initiative in making contact with others to exchange valued things. Transformational leaders, on the other hand, appeal to followers' higher moral values.

Transformational leadership emphasises inspiration, motivation, and fostering intellectual stimulation. Transformational leaders aim to engage employees by appealing to higher ideals and values, rather than focusing solely on short-term rewards. This leadership style is frequently associated with favourable outcomes, including increased job satisfaction, organisational commitment, and improved staff performance. Transformational leadership enhances employee motivation and job satisfaction, both of which are associated with higher performance (Avolio & Bass, 2004). Additionally, transformational leaders often encourage innovation and creativity, thereby improving organisational effectiveness (Bass & Riggio, 2008).

The influence process of transformational leadership is through internalisation. Followers tend to accept (internalise) the appealing vision provided by the leader. The vision becomes appealing to followers when it aligns with their values and ideals (Dvir & Shamir, 2003). Leaders can enhance perceptions of their commitment to the vision through self-sacrifice. Self-sacrificial behaviours by leaders contribute to many important outcomes, such as:

- perceptions of charisma;
- norms of reciprocity;
- leader effectiveness;
- contributions to the public good;
- cooperation for the group;
- willingness to exert extra effort;
- group belongingness; and

- attributions made about the leader's behaviour (Singh & Krishnan, 2008).

Therefore, authentic transformational leaders are those who prioritise the common good over their own interests. Self-sacrifice builds trust, earns the acceptance of followers as a role model, and contributes to making a leader a transformational leader. Kanungo and Mendonca (1996) state that a transformational leader is essentially a person with moral convictions and values. If organisations wish to see their managers become transformational, they would be better off by addressing the whole personality of the manager.

2.11.1 Collective identity

An organisationally important outcome of transformational leadership is that it fosters a sense of collective identity among unit members. Transformational leaders have the ability to transform the self-interests of followers into collective interests. They achieve this by enhancing the salience of collective identity within the self-concept of followers. Followers of transformational leaders strive to advance the overall mission of the group, rather than pursuing their own personal interests. Members of such groups are prepared to stand up for these leaders and do the work necessary for their vision to be realised (De Cremer & van Knippenberg, 2004).

With respect to collective identity, this study provides support to the earlier theories. Singh and Krishnan (2008) argue that transformational leadership fosters a collective identity among followers. When leaders model the importance of cooperative behaviours over personal interests through helping behaviours and personal sacrifices, they are likely to be seen as more transformational, thereby promoting similar behaviours among their followers.

2.11.2 Group performance

Studies have empirically demonstrated that transformational leadership is associated with higher levels of performance (Conger, Kanungo, & Menon, 2000). Leaders' expectations of successful unit performance play a crucial role in ensuring the successful implementation of unit goals. Such feelings have a transformational influence, empowering subordinates to participate in the implementation of the vision. It also helps subordinates persist in efforts despite organisational obstacles. The goals and visions set by transformational leaders are often lofty and challenging, encouraging followers to perform beyond expected boundaries. Transformational leaders also inspire trust and express high confidence in their followers'

abilities. Similarly, followers also repose high trust in leaders and have faith in the achievement of the vision set by these leaders. This would lead to a collective belief in the group's overall potential for achievement. They express belief in the group's ability to achieve the target. From this, Singh and Krishnan (2008) conclude that perceptions of group performance are likely to be high under transformational leaders.

2.12 TRANSFORMATIONAL LEADERSHIP IN ORGANISATIONS

Transformational leadership is a leadership style characterised by leaders who inspire and motivate their followers to achieve exceptional performance and personal growth. It involves the leader creating a compelling vision and communicating it effectively, encouraging creativity and innovation, and fostering a sense of purpose and commitment among followers. According to Rowe and Guerrero (2011), transformational leaders have the ability to inspire and influence others by their charismatic demeanour, high ethical standards, and strong values. They empower their followers by providing support, guidance, and individualised attention, while also challenging them to exceed their own expectations and develop their full potential. The essence of transformational leadership lies in its ability to transform individuals, teams, and organisations, leading to positive changes in attitudes, behaviours, and outcomes.

Transformational leadership refers to leaders who seek to create new ideas and perspectives, paving the way for growth and prosperity within the organisation. By developing commitment, passion, and loyalty among managers and staff, they mobilise the organisation's members to make fundamental changes in the organisation's fundamentals and basis, thereby preparing them to gain the necessary capabilities to move in new directions and reach higher ideal performance peaks (Farazja & Khademi, 2011). The transformational leader constantly seeks potential motives in followers and aims to draw their attention to superior needs, thereby converting individual interests into collective interests.

Transformational leadership is a style of leadership that has gained recognition for its ability to bring about significant positive changes in organisations and society as a whole. This leadership approach emphasises inspiring and motivating followers, challenging the status quo, and fostering innovation and growth. While transformational leadership has been widely studied and applied in various organisational contexts, its impact on national development is a topic of growing importance and interest.

Transformational leadership is a leadership style that focuses on inspiring and motivating followers to achieve exceptional performance and personal growth. It involves creating a compelling vision, fostering a sense of purpose, and influencing others to transcend their self-interests for the greater good of the organisation or society. The following are some key aspects of understanding transformational leadership (Singh & Krishnan, 2008):

Charismatic Leadership: Transformational leaders often possess qualities that inspire and influence others. They have a strong presence, exude confidence, and communicate their vision and values effectively. Through their charisma, they captivate and motivate followers, creating a sense of excitement and commitment to shared goals.

Visionary Thinking: Transformational leaders have a clear and compelling vision for the future. They articulate this vision in a way that resonates with their followers' values and aspirations. By painting a vivid picture of the desired future state, they inspire others to strive towards achieving that vision and create a sense of purpose and direction.

Inspirational Motivation: Transformational leaders inspire and motivate their followers through their words and actions. They use powerful and persuasive communication to convey their vision, values, and expectations. They provide a sense of meaning and purpose, igniting enthusiasm and commitment among followers. By setting high standards and expressing confidence in their followers' abilities, they empower them to exceed their own expectations.

Intellectual Stimulation: Transformational leaders encourage creativity, innovation, and critical thinking among their followers. They challenge the status quo, stimulate intellectual curiosity, and promote a culture of learning and growth. They encourage their followers to question assumptions, explore new ideas, and find innovative solutions to problems. This intellectual stimulation fosters a climate of continuous improvement and adaptability.

Individualised Consideration: Transformational leaders demonstrate genuine care and concern for their followers' individual needs and development. They provide support, guidance, and mentorship, tailoring their approach to each individual's unique strengths and weaknesses. They foster a supportive and nurturing environment where individuals feel valued, empowered, and encouraged to reach their full potential.

Positive Role Modelling: Transformational leaders lead by example and serve as role models for their followers. They exhibit high moral and ethical standards, displaying integrity, honesty, and fairness in their actions. Their behaviour aligns with the values they promote, establishing trust and credibility. They inspire followers to emulate their positive qualities and values (Singh & Krishnan, 2008).

In the current era, the pace of change and the diversity of instruments used in our daily lives are increasing. Changes are happening so fast that no human being, even in the last century, could anticipate them. Global competition and growing business in both East and West, as well as in developed and developing countries, have created a highly unstable environment for all businesses. To deal with this uncertain environment and its continuous changes, strong leadership is needed. The world needs transformational leaders. Transformational leadership actions enable organisations to improve performance in a turbulent, unpredictable environment. When transformational leadership components complement other leadership actions, it can become a source of competitive advantage for organisations. The use of this competitive advantage can be a significant help in strategic competition, yielding higher returns in both the short and long term. Deveshwar and Aneja (2014) contend that without effective transformational leadership, the probability that an organisation will be able to face global economic challenges and achieve superior and satisfactory performance will be reduced.

Transformational leadership has been associated with numerous positive outcomes, including increased employee satisfaction, higher levels of organisational commitment, improved performance, and enhanced innovation. By inspiring and motivating followers, transformational leaders can drive meaningful change, foster growth, and achieve exceptional results within organisations and society as a whole.

2.13 THE INFLUENCE OF TRANSFORMATIONAL LEADERSHIP ON ECONOMIC DEVELOPMENT

A transformational leader inspires individuals, communities, and organisations to work towards a common vision and achieve remarkable results. Givens (2008) states that by promoting innovation, fostering inclusivity, and driving positive change, transformational leaders can create an environment conducive to sustainable economic growth, social progress, and political stability. In terms of economic development, transformational leaders foster innovation, encourage entrepreneurship, promote sustainable growth, and attract foreign investments. Socially, these leaders create a culture of inclusivity and diversity, empower communities and individuals, and improve education and healthcare systems. By understanding the impact of transformational leadership on these outcomes, transformational leaders can influence employee behaviour so that the behaviour has a positive impact on the organisation.

Daniel and Jonathan (2024) state that transformational leadership is a leadership style that has gained recognition for its significant impact on national development. They explore the concept of transformational leadership and its implications for the nation's progress and growth. The characteristics of transformational leaders, such as inspirational motivation, idealised influence, intellectual stimulation, and individualised consideration, are discussed. This argument highlights the influence of transformational leaders in driving change, innovation, and development within a nation.

The impact of transformational leadership on national development is examined across three key dimensions (Daniel & Jonathan, 2024): economic, social, and political. In terms of economic development, transformational leaders foster innovation, encourage entrepreneurship, promote sustainable growth, and attract foreign investments. Socially, these leaders create a culture of inclusivity and diversity, empower communities and individuals, and improve education and healthcare systems. Politically, transformational leaders enhance transparency, accountability, and good governance, strengthening democratic institutions and promoting the rule of law.

Transformational leadership has a positive influence on economic development by fostering innovation, enhancing productivity, and attracting investment through inspiration and a clear vision. Leaders inspire employees and citizens to go beyond their self-interest, leading to higher motivation, increased performance, and greater innovation, crucial factors for economic growth. This leadership style enhances competitive advantage and can drive sustainable and long-term development across national, organisational, and even local levels. Mdletshe and Nzimakwe (2023) argue that, based on the transformational leadership approach, the quality of leadership can be determined by the effect the leader has on followers.

2.14 ROLE OF TRANSFORMATIONAL LEADERS IN DRIVING CHANGE AND INNOVATION

Transformational leaders play a crucial role in driving change and fostering innovation within organisations and society. The following are some key aspects of the role of transformational leaders (Singh & Krishnan, 2008):

Creating a Compelling Vision: Transformational leaders articulate a clear and inspiring vision for the future. They communicate this vision in a way that resonates with their followers,

creating a sense of purpose and direction. The vision provides a compelling reason for change and serves as a guidepost for innovation efforts.

Inspiring and Motivating: Transformational leaders inspire and motivate their followers to embrace change and pursue innovation. They use their charisma, passion, and persuasive communication skills to instil enthusiasm and commitment. By setting high expectations and expressing confidence in their followers' abilities, they empower individuals to push beyond their comfort zones and explore new possibilities.

Encouraging Risk-Taking and Learning: Transformational leaders create a supportive environment that encourages risk-taking and learning. They foster a culture where mistakes are viewed as learning opportunities rather than failures. They provide resources, autonomy, and psychological safety for employees to experiment, take calculated risks, and learn from their experiences.

Challenging the Status Quo: Transformational leaders challenge the status quo and encourage their followers to question traditional practices and assumptions. They promote a mindset of continuous improvement and strive for excellence. By challenging existing norms and encouraging critical thinking, they open the doors for innovative ideas and approaches.

Fostering Collaboration and Teamwork: Transformational leaders promote collaboration and teamwork to foster innovation. They create opportunities for cross-functional collaboration, encourage diverse perspectives, and facilitate knowledge and expertise sharing. They emphasise the value of collective intelligence and create a culture that supports collaboration, cooperation, and the exchange of ideas.

Providing Resources and Support: Transformational leaders provide the necessary resources, support, and guidance for innovation efforts. They allocate budgets, provide access to expertise, and remove barriers that impede creativity and innovation. They actively listen to their followers' ideas and concerns, providing encouragement and constructive feedback to help them overcome challenges.

Recognising and Celebrating Innovation: Transformational leaders recognise and celebrate innovative ideas and achievements. They publicly acknowledge and reward individuals and teams who contribute to change and innovation. This recognition reinforces the importance of innovation, motivates others to follow suit, and creates a positive culture that values and encourages innovation (Singh & Krishnan, 2008).

Transformational leaders recognise the needs of the organisation and staff, and also stimulate and meet higher-level needs within individuals. A transformational leader encourages people

to unite in pursuit of higher goals, aiming for positive and significant change within an organisation. Transformational leadership comprises four primary dimensions: idealised influence, inspirational motivation, intellectual stimulation, and individualised consideration (Moradi Korejan & Shahbazi, 2016).

The following factors affect transformational leadership (Deveshwar & Aneja, 2014):

- **Inspirational motivation:** Inspirational and motivational leaders are those who challenge their followers in their jobs and create a clear perspective to reach goals and go toward the future by increasing efficiency in the workplace.
- **Individualised consideration:** The Leader behaves with his/her subordinates according to their own characteristics and capabilities. The leader pays personal attention to individuals, developing healthy relationships by providing new learning opportunities tailored to their interests and skills.
- **Intellectual stimulation:** Leaders encourage their subordinates to try to create motivation and creativity by modifying approaches and opportunities for their own subordinates. The primary purpose of the leader is to facilitate a free flow of ideas and imagination, enabling their followers and subordinates to explore new techniques and approaches.
- **Idealised influence:** Leaders become a model for their followers through their friendly behaviour. They admire, respect, and trust their followers. They pay more attention to the needs of their followers than their own needs, and avoid using the power for personal interests (Deveshwar & Aneja, 2014).

By assuming these roles, transformational leaders create an environment that nurtures change and innovation. They inspire and empower their followers to embrace new ideas, take risks, and challenge the status quo. Through their leadership, they foster a culture of innovation that drives organisational growth, adaptability, and success.

2.15 THE IMPORTANCE OF ECONOMIC DEVELOPMENT

National development is of paramount importance for countries worldwide. In terms of Economic Prosperity, economic development plays a crucial role in promoting economic growth and prosperity. It entails creating an environment conducive to business and investment, developing infrastructure, and implementing policies that stimulate economic

activity. A strong economy generates employment opportunities, increases income levels, reduces poverty, and enhances the overall standard of living for citizens.

In terms of sustainable development, economic development encompasses sustainable practices that balance economic growth with environmental protection and social equity. It involves adopting environmentally friendly policies, promoting renewable energy sources, and implementing sustainable resource management strategies. Sustainable development ensures the preservation of natural resources for future generations, mitigates the impacts of climate change, and fosters long-term ecological stability.

A study by Ngobeni, Nekhavhambe, and Mahole (2025) examines the significance of Local Economic Development (LED) in supporting community development projects in South African municipalities. South Africa attempts to combat unemployment, poverty, and inequality. The introduction of LED in municipalities aims to generate jobs and alleviate the poverty prevalent in various communities across the country. The LED strategy leverages local resources, communities, public institutions, and the private sector to generate employment, alleviate poverty in rural areas and address unemployment. Research findings suggest that LED plays a crucial role in generating job opportunities, reducing poverty in local communities, and promoting economic growth. The study offers valuable insights for policymakers to effectively implement LED projects, enhance job creation, and combat poverty. The study concludes that failure to implement an LED strategy will result in a country's high unemployment rate, poverty, low income, inequality, and low skills, significantly hindering economic development.

Cohen (2010) argues that market-enabling approaches to local economic development (LED), typically found in urban areas, are more sustainable for utilising public-sector funds for growth and development. The core idea is that local governments, particularly in the South African context, face challenges in effectively implementing LED strategies and need to consider different approaches to foster sustainable economic growth. Until very recently, the primary focus of most municipal LED initiatives was community economic development projects, the majority of which proved unsustainable once donor or public-sector funding disappeared, and so had no real long-term impact on poverty reduction. The Department of Co-operative Governance and Traditional Affairs (CoGTA) is now clear that municipalities have a key role in creating a conducive environment for investment through the provision of infrastructure and quality services, rather than by developing programmes and attempting to create jobs directly.

Due to a high unemployment rate, poverty, low income, and inequality, as well as a low level of skills, the country is struggling to implement the LED strategy. It has yet to have a significant impact on the local economy. However, this issue can be addressed by ensuring that LED projects are developed and implemented, thus addressing the issues of joblessness and eradicating poverty. The findings of this study indicate that local economic development plays a pivotal role in community projects when implemented effectively, as it results in poverty alleviation, reduces unemployment and contributes to the local economy. This is supported by the Greater-Giyani Local Municipality LED strategy (2014/2016), which states that the importance of LED is to build an integrated local economy that opens latent economic development potential, encourages business investment, and creates economic development and job opportunities for the poor in its drive to alleviate poverty (Ngobeni, Nekhavhambe, & Mahole, 2025).

2.16 CHALLENGES AND LIMITATIONS OF TRANSFORMATIONAL LEADERSHIP IN NATIONAL DEVELOPMENT

While transformational leadership can have significant positive impacts on national development, it also faces specific challenges and limitations. The following are some key challenges and limitations associated with transformational leadership in the context of national development (Deveshwar & Aneja, 2014):

Resistance to Change: Transformational leadership often involves introducing significant changes and challenging the status quo. However, resistance to change can arise from various stakeholders who may feel threatened by the proposed reforms. This resistance can hinder the implementation of transformative policies and initiatives, slowing down the pace of development.

Sustainability and Continuity: Transformational leadership is often associated with a charismatic and visionary leader who drives change and fosters long-term growth and development. However, the sustainability of transformative changes may be at risk once the leader leaves office. If the institutional framework and support systems are not adequately developed, there is a risk of reverting to the previous state or facing challenges in maintaining the momentum of development.

Overreliance on the Leader: Transformational leadership can create a dependency on the leader's vision and charisma. This overreliance on a single individual may lead to challenges in succession planning and the continuity of transformative efforts. Strong institutions and

mechanisms for leadership development are crucial to ensure sustained progress beyond the tenure of a transformational leader.

Limited Stakeholder Engagement: While transformational leaders may inspire and motivate their followers, there are limitations to engaging diverse stakeholders in the decision-making process. Inclusive participation and collaboration with various sectors of society are vital for sustainable development. Failure to involve key stakeholders can lead to a lack of ownership and hinder the successful implementation of transformative initiatives.

Balancing Short-Term and Long-Term Goals: Transformational leadership often focuses on long-term vision and goals. However, in the context of national development, there may be a need to address immediate challenges and priorities. Balancing short-term needs with long-term goals can be a complex task, and leaders must navigate this trade-off effectively to ensure both tangible improvements in the short term and sustainable, long-term development.

Ethical Considerations: Transformational leadership can be susceptible to ethical dilemmas and risks. The immense power and influence of transformational leaders can lead to potential abuses if not held accountable. Leaders need to uphold ethical standards, transparency, and accountability to avoid detrimental consequences for national development.

Contextual Challenges: National development contexts can vary significantly, with unique social, political, economic, and cultural factors at play. Transformational leadership approaches that have been successful in one context may not be directly applicable or practical in another. Leaders must carefully consider the specific context and adapt their approaches accordingly to address the unique challenges and opportunities present (Deveshwar & Aneja, 2014).

While transformational leadership has the potential to drive national development, it is essential to be aware of these challenges and limitations. Adapting leadership styles, building strong institutions, fostering stakeholder engagement, ensuring continuity, and addressing ethical concerns can help mitigate these limitations and maximise the positive impact of transformational leadership on national development.

Transformational leadership can play a crucial role in national development by inspiring change, driving innovation, and mobilising resources. However, as Daniel and Jonathan (2024) observe, it is essential to acknowledge the challenges and limitations associated with this leadership style. Resistance to change, sustainability concerns, overreliance on leaders, limited stakeholder engagement, the balance between short-term and long-term goals, ethical considerations, and contextual challenges can all pose obstacles to the effectiveness of

transformational leadership in national development. To address these challenges, leaders must foster inclusive participation, build strong institutions, prioritise sustainability and continuity, maintain ethical standards, and adapt their approaches to the specific context. By doing so, they can maximise the positive impact of transformational leadership and ensure the long-term success of national development efforts. While transformational leadership is not a panacea, it remains a valuable approach that, when combined with effective governance, participatory processes, and institutional capacity-building, can contribute to sustainable and inclusive development, benefiting societies and future generations.

2.17 CONCLUSION

In summary, economic development is crucial for countries to achieve economic prosperity, social welfare, environmental sustainability, political stability, and global competitiveness. It serves as a framework for governments, policymakers, and stakeholders to collaborate in creating a better future for their citizens and ensuring the long-term progress and well-being of the nation.

The next chapter discusses the research methodology and design applied in the study.

CHAPTER THREE

RESEARCH METHODOLOGY AND DESIGN

3.1 INTRODUCTION

This chapter outlines the research methodology applied in the study. It describes the methods employed to carry out the study: the research design, qualitative and quantitative research approaches, the population, sampling and sample size, research instruments, and data collection and analysis techniques. Leedy and Ormrod (2015) define research methodology as the general approach a researcher takes in carrying out a research project; to some extent, this approach dictates the tools a researcher selects. This chapter, therefore, provides the sequence of activities that illustrates the approach used to address the research questions, explains the choice of research methodology, and describes how the collected data were analysed.

3.2 RESEARCH METHODOLOGY

This section outlines the research methodology that underpins the study. According to Wilson (2010), research methodology is the predetermined method used to conduct research. Therefore, this section outlines the plan for the research study, including research design, approaches, study site, and target population. The sampling, data collection, and measurements are outlined, followed by a brief of the data analysis, ethical considerations, and study limitations.

3.3 RESEARCH DESIGN

Research design provides a ‘conceptual framework’ for a researcher to answer questions and ensure that scientific principles are followed (Edmonds & Kennedy, 2017). A research design

is the plan according to which a researcher obtains research participants (subjects) and collects information from them (Welman et al., 2005). The study will employ a qualitative approach for a phenomenological research design. A phenomenological approach frequently analyses and describes the meaning of an experience through identified relevant participants, producing an exhaustive account of ideas that reflect the lived experience (Moser & Korstjens, 2018). According to Leedy and Ormrod (2015), a phenomenological approach attempts to understand people's perspectives, understanding, and perceptions of a situation. Therefore, the design is appropriate for this study, as it will enable face-to-face in-depth interviews to access deeply entrenched information derived from experiences, which often influences reasoning and decision-making.

Babbie and Mouton (2006) describe research design as a strategy that scholars use to undertake the procedure, enabling them to solve the research problem. According to Kumar and Kothari (2020), a case study is defined as an empirical research method used to investigate a contemporary phenomenon, focusing on the dynamics of the case within its context. The study adopted a case study research design because it provides an accurate and complete description of the case and expands knowledge about human behaviour or attitude. In the context of the research, the chosen case study was the uMgungundlovu District Municipality. Using interviews for data collection was deemed appropriate as it is a structured way of gathering data.

3.4 RESEARCH PARADIGM

A paradigm is a fundamental theoretical framework and belief system that makes assumptions regarding ontology, epistemology, methodology, and procedures. In other words, it is how we learn about and comprehend the world's realities. Two main research paradigms exist: Interpretivism and Positivism (Rehman & Alharthi, 2016). Positivism holds that reality exists apart from people. It is unmediated by our senses and subject to unchangeable laws. At the same time, interpretivism is "a reply to the over-dominance of positivism" (Grix, 2004, p. 82). Interpretivism rejects the idea of a single, verifiable reality separate from our senses. Interpretivism advocates the view that realities are socially produced. Reality and truth are made, not found. The interpretivist approach necessitates understanding social phenomena "through the eyes of the participants rather than the researcher" (Cohen et al., 2007, p. 21). According to Ryan (2018), the research paradigm comprises a set of practices and beliefs that guide research. In essence, this is how a researcher reflects on their personal worldview. The

choice of a research paradigm influences how the researcher perceives the environment around him/her, approaches problems, and interprets findings. Based on this, the study adopted the interpretivist paradigm.

3.5 RESEARCH APPROACH

According to Grover (2015), a research approach is a method utilised to achieve that goal, whether qualitative or quantitative. The research methodology for this study will be qualitative. The researcher's understanding of effective leadership and governance methods for local economic development in the uMgungundlovu District Municipality will be deepened through this strategy.

3.5.1 Quantitative Research Method

Quantitative approaches, on the other hand, are used to test objective theories by examining relationships between variables (Creswell, 2014). Creswell and Creswell (2018) define quantitative research as a methodology that embraces a post-positivist perspective and employs surveys and experiments. They state that open-ended questions are best suited for quantitative methodology. Variables can be measured using methods such as questionnaires and analysed using statistical methods. However, with this approach, respondents are constrained by how the data are collected, so they are not free to express their opinions as they wish. This suggests that this approach focuses more on investigation than on understanding the phenomenon. This method allows researchers to collect data by issuing surveys to respondents. This means that many representative samples are required.

3.5.2 Qualitative Research Method

According to Crossman (2020), a social science research technique known as the qualitative research method gathers and utilises non-numeric data. Focusing on specific groups or locations aims to analyse data that sheds light on social life. Brynard and Hanekom (1997) and Shai (2017) defined the qualitative strategy as a methodology for producing detailed information, which may include individuals' own written or spoken words. Hammarberg, Kirkman, and de Lacey (2016) define the qualitative approach as a method for responding to questions about experiences, meaning, and viewpoint, almost always from the participant's perspective. To grasp the meaning of people's spoken or written words, a qualitative research approach uses their words as part of the data it collects. Using a qualitative approach, this study ensures that all the objectives are realised. The qualitative method will enable the concept of

innovative leadership to be contextualised and will clarify the differences between creative leaders and strategic managers.

Qualitative research is designed to help researchers understand a phenomenon by observing or interacting with the participants in the study. For this study, a qualitative research design was used to address the research problem. This was because the researcher wanted to understand the issues and challenges of transformational leadership and LED implementation in depth in the uMgungundlovu District Municipality. Interviews were conducted to explore and appreciate participants' attitudes, views, emotions, and behaviours regarding the implementation of transformational leadership and LED.

3.6 STUDY SITE/ DESCRIPTION OF THE STUDY AREA

According to Smith (2018), the study site refers to the specific geographic location or region where researchers conduct their research (Smith, 2018). One case study from the uMgungundlovu District Municipality will be used. Therefore, the study site will be the uMgungundlovu District Municipality, located in Pietermaritzburg, KwaZulu-Natal.

The uMgungundlovu District Municipality is a Category C municipality situated in the Midlands of KwaZulu-Natal. Pietermaritzburg, the capital city of KwaZulu-Natal, is home to uMgungundlovu, located 80km from the country's busiest harbour, Durban, and is linked to the country's industrial hub, Gauteng, by the N3, which cuts through the District. The District enjoys a competitive advantage in agriculture, as the Spatial Development Framework indicates that a significant portion of the land has high and relatively good agricultural potential. This, coupled with the abundance of water resources in the form of six significant rivers and five major dams, puts uMgungundlovu into the country's top bracket for agricultural yield potential. Another major challenge is the high poverty rate in the District. It is estimated that approximately 63.4% of the population in the District is living below the poverty line. Of this 63.4%, approximately 45.6% have no source of income, and about 17.8% earn less than R400 per month. All Local Municipalities within the District have a high dependency ratio, except for Mpendle, Richmond, and Umshwathi municipalities, which have extreme dependency ratios and require urgent intervention. Regarding the age structure, a considerable portion of the population aged 20-29 has the potential to be a strong labour force if properly educated and skilled. The economic contribution in uMgungundlovu is largely driven by the tertiary sector, which accounts for 69% of the District's economy. The main industries in the

tertiary sector are community and personal services, followed by trade, accommodation, and finance and business services, with lesser contributions from the transport, storage, and communications, and government services sectors. The secondary sector, which accounts for 23% of the district's economy, comprises predominantly manufacturing activities, as well as some utilities and construction activities (DRDLR, 2015). The primary sector accounts for 7% of the economy and is predominantly comprised of agriculture and forestry.

The Ilembe District Municipality borders the area to the east, the Umzinyathi District Municipality to the northeast, the eThekweni Metropolitan Municipality to the southeast, the Harry Gwala District Municipality to the southwest, and both the Okhahlamba-Drakensberg World Heritage Site and the uThukela District to the north. The District consists of seven Local Municipalities, namely: Msunduzi, Mpendle, Umshwathi, Mkhambathini, Mpofana, uMngeni, and the Richmond Local Municipality (uMgungundlovu District Municipality IDP 2021/2022).

The uMgungundlovu District Municipality is a Category C municipality in the KwaZulu-Natal Midlands. The district comprises the following seven local municipalities, based in the towns listed below: Mpendle (Mpendle), Mkhambathini (Camperdown), Mpofana (Mooi River), Msunduzi (Pietermaritzburg), Richmond (Richmond), uMngeni (Howick), and uMshwathi (New Hanover/Wartburg). The area's central city is Pietermaritzburg, which serves as both the capital city and the legislative capital of KwaZulu-Natal. uMgungundlovu is a water services authority and a water service provider, continually striving to maintain its Blue Drop and Green Drop Status (uMgungundlovu District Municipality IDP 2021/2022).

Figure 3.1: Map of uMgungundlovu District



Source: uMgungundlovu District Municipality (2021)

The district offers excellent educational facilities and is a retirement mecca for seniors. It also provides excellent sporting, commercial and health facilities. It is an important industrial, timber, dairy, and agricultural hub with modern, sophisticated infrastructure, offering easy access to airports, the N3 arterial route, and railway stations.

3.7 TARGET POPULATION

Imenda and Muyangwa (2000) define population as the group of subjects to whom the findings of the given study will be generalised. A population is a group of participants to whom the researcher wants to generalise the study's results. The target population refers to the entire collection of objects, events, or individuals that a researcher wants to study (Babbie, 2020). The researcher conducted 15 in-depth interviews with municipal officials and leaders from the uMgungundlovu District Municipality, including municipal managers, senior managers, directors, and other senior officials. These individuals play direct roles in service delivery within the operational area of the uMgungundlovu District Municipality. A population is the total number of individuals, units, or elements with a particular set of characteristics from which a sample is taken (Sekaran & Bougie, 2016).

3.8 SAMPLING

A sample is a subset of the entire population from which a researcher collects data (Levac, Ronis, Cowper-Smith & Vaccarino, 2019). Wilson et al. (2018) argue that sampling is selecting a small portion of the population to represent the entire or target population in a research study. Therefore, sampling is the process of selecting units from the entire population. In this study, the sample consisted of individuals who played direct roles in service delivery within the operational area of the uMgungundlovu District Municipality who were available and accessible during the study period.

According to Saunders et al. (2019), sampling is a technique used to select individuals, items, or units from a population to make statistical inferences or conduct research. The study employed a purposive sampling method, also known as judgmental or selective sampling. This is a non-probability sampling technique where researchers intentionally select participants based on specific characteristics, knowledge, or experiences relevant to their research question. The goal was to find participants who could provide rich and in-depth information, rather than aiming for a representative sample of the entire population. This assisted in identifying the key respondents, including municipal managers, senior managers, and directors.

3.9 SAMPLING STRATEGIES

In qualitative research, sampling is a method of diversity management that ensures the variation and different types of phenomena being studied are represented as broadly as possible in the empirical data. Unlike quantitative research, which employs sampling to advance the logic of statistical generalisation (Flick, 2007), qualitative research uses sampling to ensure the variation and different types of phenomena being studied are represented as broadly as possible in the empirical data. According to Sekaran and Bougie (2016), there are two sampling strategies: probability and non-probability. Probability sampling provides every member of a population an equal chance of being selected into the sample. As a result, it endorses the actual representation of the population and leads to a more comprehensive generalisation of findings (Saunders, Lewis, & Thornhill, 2009). Non-probability sampling, on the other hand, is a technique in which not every member of the population has an equal chance of being selected into the sample (Wilson, 2010). Probability sampling represents the population and gives each member an equal chance of being selected. Given the population's size, the sample will be chosen randomly, ensuring every member of the population has an equal chance of being

selected. The selection procedure will be fair, and the sample's characteristics will closely match those of the population (Van Zyl, 2014).

3.10 SAMPLE SIZE

A sample of 15 participants was purposively selected across local municipalities within the uMgungundlovu District Municipality. The selection of a sample size of 15 was justifiable, as Guest, Bunce, and Johnson (2006) stated that a sample size of 8 to 12 is suitable for a qualitative study. The sample included municipal managers, senior managers/directors and mayors. These individuals play direct roles in service delivery within the operational area of the uMgungundlovu District Municipality.

3.11 DATA COLLECTION METHODS

This study utilised in-depth interviews as the data collection instrument. An in-depth interview is a qualitative research technique that involves intensive individual interviews with a small number of participants to explore their perspectives on a particular idea, programme, or situation (Babbie, 2014). Bryman (2016) states that semi-structured interviews offer a balance of structure and flexibility, permitting the researcher to adjust questions based on participants' responses. This instrument enabled the researcher to collect relevant information from participants and explore their perspectives on transformational leadership and LED initiatives in the uMgungundlovu District Municipality.

Semi-structured interviews help the researcher build trust by creating a relaxed, conversational atmosphere that encourages participants to share their views openly. Furthermore, with semi-structured interviews, participants' viewpoints are valued, and this method positions participants at the centre of the research. Using in-depth interviews provided respondents with a forum to express their knowledge, opinions, and interpretations of the topic under study, as well as any significance they attribute to it. Since an interview guide does not limit the researcher or the respondent, the researcher can ask follow-up questions beyond the predetermined ones to gain a more thorough and nuanced understanding of the responses (Adewumi & Ogunnubi, 2019).

3.12 DATA QUALITY CONTROL

Data were collected from various reliable sources, including municipal officials/leaders selected from the uMgungundlovu District Municipality, as well as municipal managers, senior managers, directors, and other senior officials. To ensure the reliability and validity of the data, the researcher employed techniques such as triangulation (using multiple data sources), prolonged engagement (spending several days with participants), and member checking, in which participants were provided with clarification and feedback on the findings. The data were stored in the OneDrive cloud and were password-protected, with the password shared only with the supervisor. Additionally, data collection ensured the anonymity of the interviewed participants by assigning them code names.

3.13 DATA ANALYSIS

Data analysis develops and validates ideas over time as more data is collected. It involves gathering and carefully examining data to identify concepts that accurately represent the respondent's intended meaning. Qualitative analysis tools include content analysis, thematic analysis, discourse analysis, and conversational analysis. Data analysis involves reviewing, cleaning, transforming, and modelling data to produce useful information, facilitate decision-making, and draw inferences (Bryman, 2016). This study employed thematic data analysis to analyse qualitative data. Thematic analysis is a qualitative approach used to identify, analyse, and report patterns in data themes (Braun & Clarke, 2019). Thematic analysis, employing an interpretive approach, was used to analyse the data for this study. Thematic data analysis selects themes that explain the research problem, questions, and objectives. A thematic analysis organises, gives meaning to, interprets, and describes data collected from participants comprehensively.

The thematic analysis process conducted in this review followed standardised qualitative research practices, employing both inductive and deductive coding techniques as patterns of significance emerged from the document collection. According to Nowell et al. (2017), systematic thematic analysis enables researchers to explore complex phenomena through a well-structured investigation of documentary evidence and organisational experiences across a range of documents. For this study, the key themes or variables that informed the data analysis focused on transformational leadership and local economic development initiatives in the uMgungundlovu District Municipality.

3.14 ETHICAL CONSIDERATIONS

Silverman (2000) states that researchers operate in the participants' private spaces when conducting research. Creswell (2014) states that the researcher must respect the informants' rights, values, needs, and preferences. Therefore, appropriate steps must be taken to uphold strict ethical standards to safeguard participants' rights to anonymity, confidentiality, and respect. As a result, before the commencement of the research, the participants were made aware of its purpose, objectives, and scope.

Ethical behaviour is important in any scientific research. The researcher documented the respondents' fears and concerns throughout the study. Firstly, the uMgungundlovu District Municipality granted permission to conduct research in the area, and ethical clearance was obtained from the Ethical Clearance Committee of the University of KwaZulu-Natal and the Graduate School of Business and Leadership at the University of KwaZulu-Natal (Westville Campus).

On the days of data collection, respondents were informed of their rights before being interviewed; they were also informed that they could withdraw at any time if they felt uncomfortable. They were also told that anonymity was to be maintained throughout the study. Confidentiality would also be maintained. Ethical considerations come into play at three stages of a research project, namely:

- When participants are recruited;
- During the interview process/procedure to which the participants are subjected, and
- In the release of the results obtained.

The general principles typically invoked in codes of research are, firstly, that no harm should befall the research subjects, and secondly, that subjects should participate freely, based on informed consent (Welman et al., 2005).

Participants were informed that the study was conducted solely for academic purposes and that their participation was voluntary. In addition, a letter of informed consent was submitted to the uMgungundlovu District Municipality to obtain permission to conduct the study. Before the start of data collection, an application for ethical clearance was forwarded to the University of

KwaZulu-Natal Humanities and Social Sciences Research Ethics Committee for approval. This study adhered to the principles of common ethics to protect participants' rights, dignity, and well-being. Participation in the study was voluntary, and informed consent was obtained from all participants prior to data collection. The nature and aim of the study, the right to withdraw at any point, and the intended use of the data were clarified to the participants. The study ensured data privacy for confidentiality. The researcher collected no personal information. There was a password-protected device for data storage, and the data were only accessible by the researcher. The study did not include any deceptive information and did not cause participants physical and psychological harm.

3.15 CONCLUSION

The next chapter will provide data analysis and interpretation. The findings are organised through a thematic analysis, using a similar approach to the achievement of the research objectives set out in Chapter 1. This involves a systematic analysis of documents to observe the relationship between transformational leadership and LED.

CHAPTER FOUR DATA PRESENTATION AND ANALYSIS

4.1 INTRODUCTION

This chapter presents the research findings, analysis, and interpretation of the data gathered in this study. The purpose of this study was to investigate the implementation of Local Economic Development in reducing unemployment, using the uMgungundlovu District Municipality in the KwaZulu-Natal province as a case study. The study employed a qualitative approach, utilising a semi-structured interview to gather data on the topic. Some respondents were municipal managers, department heads, and managers within the uMgungundlovu District Municipality. A total of 15 respondents from the above-mentioned groups participated in this study. The data presentation will be divided into separate themes which emerged from the interviews. An analysis of the data will follow this.

4.2. ALIGNMENT OF RESEARCH OBJECTIVES AND QUESTIONS

Table 4.1 illustrates the alignment between the research objectives of this study and the interview questions designed to gather data that addresses the study's objectives.

Table 4.1: Alignment of Research Objectives and Questions

Research Objectives	Questions
Identify the current state of local economic development in the uMgungundlovu District Municipality.	What is the current state of local economic development in the uMgungundlovu District Municipality?
Examine the impact of transformational leadership on local economic development in the uMgungundlovu District Municipality.	How does transformational leadership impact local economic development in the uMgungundlovu District Municipality?
Evaluate the key characteristics of transformational leadership that have a positive impact on local economic development.	What are the key characteristics of transformational leadership that positively impact local economic development?
Evaluate the challenges faced by the uMgungundlovu District Municipality in implementing transformational leadership in local economic development.	What challenges does the uMgungundlovu District Municipality face in implementing transformational leadership in local economic development?
Propose strategies for effectively integrating transformational leadership into local economic development initiatives in the uMgungundlovu District Municipality.	How can transformational leadership be effectively integrated into local economic development initiatives in the uMgungundlovu District Municipality?

4.3 UMGUNGUNDLOVU DISTRICT MUNICIPALITY

UMgungundlovu District in KwaZulu-Natal, South Africa, boasts a dynamic manufacturing sector that significantly contributes to the region's economic vitality. Key industries include automotive, textiles, and agro-processing, all of which play pivotal roles in job creation and economic development. The district's strategic location along the N3 Corridor, the country's busiest logistics route, coupled with well-established infrastructure and access to key transportation networks, enhances its appeal for manufacturing activities. Manufacturing firms

are primarily located in the Msunduzi, Mkhambathini (Camperdown), and uMngeni municipalities. Over the past decade, while specific sub-sectors, such as shoe production, have experienced declines, others, like aluminium processing, have emerged, reflecting the district's adaptability and resilience.

4.4 DESCRIPTION OF THE STUDY

Study

The sample of 15 respondents was drawn from key stakeholders for the implementation of LED in the uMgungundlovu District Municipality. To uphold the respondents' confidentiality and privacy, pseudonyms were used as shown in Table 4.2.

Table 4.2: List of Respondents

Participants	Gender	Race	Position
Participant 1	Male	African	Director
Participant 2	Male	African	Municipal Manager
Participant 3	Male	African	General Manager
Participant 4	Male	Indian	Manager
Participant 5	Male	African	Trade and Investment Manager
Participant 6	Female	African	Manager
Participant 7	Male	White	Managing Director
Participant 8	Male	African	Head of Department
Participant 9	Male	African	Manager
Participant 10	Male	African	Manager
Participant 11	Male	African	Chief Operations Officer
Participant 12	Female	African	Director
Participant 13	Male	African	Municipal Manager
Participant 14	Female	Indian	Manager
Participant 15	Female	Indian	Manager

Source: Author's Own Compilation (2025)

4.5 DATA PRESENTATION AND ANALYSIS

This section presents an analysis and understanding of the importance of transformational leadership and local economic development in municipalities.

In this aspect, the researcher sought to determine the extent to which participants understand the LED strategy. This was an important question for the researcher as it provided the answers to the questions that the study needed to address. Obtaining comprehensive answers was a crucial step in developing recommendations to address the challenges identified through the researcher's interactions with the study participants.

The researcher employed Braun and Clarke's (2019) approach to thematic analysis, as it provides systematic methods for identifying, analysing, and reporting patterns or themes within qualitative datasets, utilising both inductive and deductive approaches.

This study analysed the impact of transformational leadership on local economic development in the uMgungundlovu District Municipality. Economic development is crucial for achieving the municipality's development objectives.

Objective 1: To identify the current state of local economic development in the uMgungundlovu District Municipality

This section describes the results of the thematic analysis of interview responses concerning the current state of Local Economic Development within the uMgungundlovu District Municipality.

THEME 1: THE CURRENT STATE OF LOCAL ECONOMIC DEVELOPMENT IN THE UMGUNGUNDLOVU DISTRICT MUNICIPALITY

Among the development initiatives carried out by the uMgungundlovu District Municipality (UMDM) is the uMgungundlovu Economic Development Agency (UMEDA), which promotes radical transformation of rural economies and societies and facilitates strategic catalytic projects. The District Development Model (DDM), which aims to coordinate planning across all branches of government and involve citizens and civil society in development initiatives, was also implemented by UMDM.

All things considered, the UMDM boasts a diversified economy, abundant natural resources, and ample room for growth and development. However, it also faces significant challenges related to water quality and climate change.

“The uMgungundlovu Economic Development Agency (UMEDA), wholly owned by UMDM, leads the LED charge. Its core mission is to drive inclusive growth, investment attraction, and catalytic projects across its seven local municipalities.” (Participant 1)

“The uMgungundlovu District Municipality is fast-growing in terms of tourism-led LED. This is facilitated by the major enabler- UMEDA. Mpfana Municipality is a gateway to the KZN Midlands. There is a rapid decline in terms of LED.” (Participant 2)

From the above findings, it appears that the uMgungundlovu District Municipality (UMDM) does comply with section 152 of the Constitution of South Africa that outlines the objects of Local Government, which relate to the promotion of social and economic development within the municipality, creating opportunities for economic growth, job creation and social upliftment. In UMDM, there is an Economic Development Department which comprises the following units: LED and Tourism, Environmental Management, Planning, Rural Development, Sports, Arts and Culture. UMDM also has a dedicated Economic Development Agency, known as the uMgungundlovu Economic Development Agency (UMEDA), which aims to identify, facilitate, package, and implement strategic sustainable economic development and investment projects and programmes within the District. UMEDA also has a mandate to develop catalytic projects and programmes. This Agency is also given a clear mandate to attract investors, which will help the District address the triple challenges of unemployment, inequality, and poverty.

“The local economic development in uMgungundlovu District is showing encouraging signs of growth and transformation. One of the most significant developments has been the introduction of new Chinese manufacturing investments, which are expected to bring renewed investor confidence, infrastructure improvements, and job creation in the district. These investments, particularly in manufacturing, are beginning to boost local industries, create employment opportunities, and stimulate the informal economy. Our efforts to support SMMEs and local cooperatives are further contributing to inclusive economic growth, although more work remains to be done to unlock our district's potential fully” (Participant 3). As part of enhancing

strategic planning and investor engagement, UMEDA has produced the uMgungundlovu District Economic Overview and Investment Intelligence booklet. This initiative aims to enhance the district's state-of-the-art analysis tools by providing up-to-date economic data, sector insights, and investment trends, thereby supporting evidence-based decision-making and attracting targeted investments that align with the district's development priorities.

The response above is supported by Madumo and Koma (2019), who argue that in South Africa, LED is significant for several reasons, including, among others, creating new jobs within the municipal area and generating new economic opportunities for people at the local level.

Over the past two years, uMgungundlovu's LED has transitioned from isolated efforts into an integrated, district-wide growth strategy aligned with national and provincial priorities. The uMgungundlovu Economic Development Agency (UMEDA) has played a pivotal role in driving flagship projects. *“The Howick Falls Precinct Upgrade and the District Energy Security Programme (DESP), a R1 million public-private collaboration, is aimed at expanding renewable energy access across local municipalities. This project alone is expected to generate over 200 jobs during its rollout phase. In addition, a recent Chinese investor commitment—1,000 jobs over three years—signals manufacturing potential. On the community front, R55 000 grants to nine rural tourism groups to formalise operations and strengthen grassroots tourism. The district's Economic Development Programme (EDP) continues to support youth entrepreneurship and SMME resilience, with capacity-building and mentoring to reduce reliance on social grants.”* (Participant 4)

To back the LED initiatives with data-driven insights, the District Municipality, through UMEDA, has developed an Economic Outlook and Investment Briefing Pack. This tool helps guide economic decisions and promote investment aligned with priority sectors. *“Local economic development in uMgungundlovu is gradually gaining traction, driven by renewed planning efforts and targeted investments. Recent industrial interest, particularly from global investors in sectors such as agro-processing and light manufacturing, is helping to reposition the district as a regional economic player. Small businesses and informal traders are also receiving more attention through local support programmes.”* (Participant 5)

According to Mufamadi (2001), LED is a process where locally based stakeholders work together to identify and mobilise local resources, stimulating local economic growth. LED aims to ensure that there is sufficient capacity in the local area, enabling improvements in the standard of living in that particular area.

The current state of local economic development (LED) in the uMgungundlovu District Municipality is one of strategic transition and institutional consolidation. Participant 8 stated that *“The Municipality has recently finalised an updated LED Strategy (2023/24), which positions the district to respond to both longstanding developmental backlogs and emerging economic opportunities. The strategy provides a detailed situational analysis that highlights key challenges such as high poverty rates, a structurally underperforming economy, and persistent inequality, especially in rural municipalities.”*

Despite these challenges, the Municipality has made significant strides in aligning its LED framework with national and provincial priorities, including the NDP 2030, KZN PGDP, PSEDS, and the National LED Framework (2018–2028), thereby establishing a coherent policy foundation for local development.

Institutionally, uMgungundlovu has strengthened its LED ecosystem through the establishment of the uMgungundlovu Economic Development Agency (UMEDA), which serves as the operational arm of LED implementation. UMEDA’s role includes investment promotion, coordination of catalytic projects, and support to SMMEs and cooperatives. The district has also begun embedding LED across IDPs, sectoral plans, and the District Development Model (DDM), which provides a platform for intergovernmental planning and alignment with local municipalities. These developments are reshaping the landscape of LED, shifting the focus from fragmented, ad hoc projects toward programmatic, impact-driven interventions.

While there is notable progress in terms of strategy formulation, the implementation environment remains fragile. *“Major constraints include insufficient funding for infrastructure, weak capacity at the local municipal level, and low private sector confidence in certain areas. Nevertheless, the Municipality is actively responding to these through capacity-building, strengthening partnerships with development finance institutions (DFIs), and improving its investment packaging capabilities. Overall, the current LED state can be characterised as*

evolving, moving from a reactive posture to one that is increasingly strategic, integrated, and oriented towards long-term, inclusive economic transformation.” (Participant 8)

This finding corroborates section 152(1)(c) of the Constitution of the Republic of South Africa (1996), as it obligates municipalities (government) in South Africa to promote LED in their local communities. Although it is not the municipality's responsibility to create employment through LED, municipalities are mandated to create a suitable environment that fosters the growth and success of LED. Masikane (2021) further confirms the findings above, emphasising that, in the South African context, LED in local government should aim to create inclusive and robust local economies for its SMMEs and foster conditions favourable for development and growth.

The uMgungundlovu District Municipality's local economic development is influenced by the performance of its seven local municipalities. Pre-COVID-19, the district's growth was projected at 2.25%; post-COVID-19, the trajectory reflected no major changes. There are positive factors that have contributed to the relatively stable economic performance of the district; each municipality would have contributed differently from the others. Noticeable contribution stems from Msunduzi due to its advantage of being host to the provincial parliament; therefore, more services are located in this municipality. The property industry in the commercial and social space is one of the leading sectors. (Participant 9)

Most participants agreed on the following:

Due to its hosting of the provincial legislature and retaining most of the government departments, Msunduzi remains the most significant contributor to the district's GDP. Better still, Msunduzi retained or continues to retain a capital mix which possesses buying power in the form of government employees. An upward economic trajectory mushrooms from this phenomenon. Therefore, it would make sense for Msunduzi to remain the most significant contributor.

UMngeni Municipality has had a long history of positioning itself as a high-income retirement haven. They have maintained this over the years and continue to grow from this history. Strategic location along the N3 belt has contributed to the growth of uMngeni. This can be confirmed by the number of businesses that have moved from elsewhere within the district to re-establish at strategic points within uMngeni. Besides the commercialisation of retirement

villages, this municipality has a nice combination of economic variables in the primary, secondary and tertiary services. For example, the agricultural sector in this area can easily transition from tertiary (livestock farming) to secondary (processing products, such as those found in the Midlands Meander and along the N3), and eventually to tertiary in the form of craft sales, as seen at Howick Falls.

UMshwati Municipality has extensive pockets of land parcels suitable for a variety of agricultural commodities, and to a certain extent, they are utilising this advantage quite well, even in the midst of land redistribution and restitution uncertainties; they have been able to maintain steady economic performance. The topography is supported by a very rich soil structure, allowing almost any commodity to be farmed in this part of the district, whether on small holdings or through commercial farming, resulting in a high percentage of employment in the agricultural sector.

UMkhambathini Municipality suffers from bad economic opportunities for a well-located municipality. Its proximity to eThekweni is robbing this municipality of opportunities as the population finds it easier to trade with Durban than with uMkhambathini itself. Spatial planning of the town of uMkhambathini has delayed the exploitation of opportunities that exist in this part of the district. A significant portion of land is occupied by storage facilities; from the naked eye, this may seem positive; however, very few employment opportunities exist in these developments. The municipality is located in the major development corridor, but there is no visible attraction that can persuade traffic to divert into the town of Camperdown. The development of Ridge Oasis somewhat compromised uMkhambathini's opportunity to establish an economic hub. However, the Dunbars precinct holds a key to the economic growth of this area since it is still within a development corridor.

Mpofana Municipality is another prime example of a missed opportunity, especially in the primary and tertiary sectors. Located at the pinnacle of N3, which is the gateway towards the Berg area and Gauteng. Manufacturers seek easier access to transportation routes. Mpofana is well-suited for the manufacturing sector, particularly given its thriving agricultural sector, which produces raw materials for processing. There are several abattoirs in Mpofana, and a thorough analysis of the slaughter value chain could yield greater benefits for Mpofana.

The Constitution of the Republic of South Africa, adopted in 1996, mandates the local sphere of government to promote and facilitate local economic development within its area of authority. The collaboration requirements of this mission were captured in the district's response through the development of its district development agency, UMEDA. *“UMgungundlovu District Municipality is in transition from an agriculture-service economy to a diversified district economy, conditioned by socio-spatial inequality, governance architecture and emergent public-private partnership. UMDM is still challenged by issues of poverty, unemployment, and inequality, which hinder the realisation of growth and development within its area of authority.”* (Participant 10)

To contextualise the significant role of the uMgungundlovu District Municipality in local economic development (LED), it is important to consider Section 152(c) and Section 153(a) of the South African Constitution which states that local government must promote social and economic development, and must structure and manage its administration, budgeting, and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community. *“The district LED strategy is a practical tool towards building diverse and innovation-driven local economies, spearheading enterprise development and support, and strengthening local systems of innovation. The alignment of the district LED strategy with the District Development Model One Plan (DDM One Plan) and the work of the uMgungundlovu District Economic Development Agency (UMEDA) has ensured that the local businesses are involved through “social compact”, and are more open to play an active role in partnerships with local communities. This also has ensured that the DDM One Plan is strategically ‘anchored’ in the district, various stakeholders are properly coordinated; their participation has a direct impact on the district's economic development.”* (Participant 11)

“Among the development initiatives carried out by the uMgungundlovu District Municipality (UMDM) is the uMgungundlovu Economic Development Agency (UMEDA), which promotes radical transformation of rural economies and societies and facilitates strategic catalytic projects. The District Development Model (DDM), which aims to coordinate planning across all branches of government and involve citizens and civil society in development initiatives, was also implemented by UMDM.” (Participant 12). All things considered, the UMDM boasts a diversified economy, abundant natural resources, and ample room for growth and

development. However, it also faces significant challenges related to water quality and climate change.

Akudugu and Laube (2013), Rogerson (2010), and Meyer (2014) share the same sentiments as the participants, stating that collaborations are crucial among all stakeholders, including SMMEs, government, community members, and other nongovernmental organisations and agencies, to organise and plan local resources.

Participant 13 stated that *“In UMDM, there is an Economic Development Department which comprises the following units: LED and Tourism, Environmental Management, Planning, Rural Development, Sports, Arts and Culture. UMDM also has a dedicated Economic Development Agency, known as the uMgungundlovu Economic Development Agency (UMEDA), which aims to identify, facilitate, package and achieve the implementation of strategic sustainable economic development and investment projects and programmes within the District.”*

“There are huge differences in terms of the success or failure of Local Economic Development across the seven local municipalities that are part of the UMDM. The obvious success story is in terms of achieving huge private sector investment and some public infrastructure investment, especially in the transport infrastructure, viz. roads.” (Participant 14)

As some participants have concluded, a new city is emerging within the Mkhambathini Local Municipality and those who are fortunate to have witnessed this growth believe that a major economic transformation has been occurring in this LM. If we examine some of the key components of success, we see that the location alongside the N3, combined with the availability of private land for developing new industrial and logistics economies, and the economic sectors that emerge from these developments, such as retail, fuel stations, and new housing developments. If one were to then compare other LMs that are located along the N3 and their status of local economic development. The Mooi Mpfana LM has been experiencing a long-term decline in economic and governance performance. The municipality has not attracted investment from the private sector, except for the Spar and the mall adjacent to it. The landscape along the N3 as it passes through the Mpfana LM has been unchanged for more than 20 years, despite pockets of private land that could have been developed. The weak LM governance has also affected the interests of both public and private sector investors. Long-

distance bus services and tourists began avoiding the Mooi River Garage, which includes the Wimpy, some time ago, due to the steep toll fees to enter Mooi River, as well as the investment in similar tourist infrastructure along the N3 at Nottingham Road. Residents and businesses in the area frequently complain about the frequent electricity and water outages, as well as the rapidly deteriorating road infrastructure, and the continuous long-term administration of the LM.

According to Sithole (2022), for successful LED, local governments should strive to cultivate an environment where they not only roll out projects to communities or informal traders in townships but also ensure that continuous monitoring and evaluation mechanisms are in place, offering support in various forms.

Objective 2: To examine the impact of transformational leadership on local economic development in the uMgungundlovu District Municipality

This section presents the results of the thematic analysis on the impact of transformational leadership on local economic development within the uMgungundlovu District Municipality.

THEME 2: THE IMPACT OF TRANSFORMATIONAL LEADERSHIP ON LOCAL ECONOMIC DEVELOPMENT IN UMGUNGUNDLOVU DISTRICT MUNICIPALITY

Many participants identified transformational leadership as a prominent leadership style which can have a positive impact on local economic development within the uMgungundlovu District Municipality, characterised by visionary thinking.

Participant 1 stated that transformational leadership impact on local economic development in the following manner:

“Visionary Planning: The Integrated Development Plan (IDP) and the establishment of UMEDA reflect strategic thinking aimed at inclusive growth and job creation.

Stakeholder Engagement: LED Forums and programmes like the Youth LED Summit promote collaboration with the private sector, communities, and traditional leaders.

Capacity Building: Leadership-driven initiatives, such as the KwaMpumuza Skills Development Centre and the Midlands Passport tourism program, are designed to upskill youth and expand local opportunities.

Innovation & Investment Attraction: Leaders successfully attracted foreign investment (e.g., Zoeyol processing hub in Willowton), which is expected to create 1,000 jobs.”

“The shared vision resulting from transformational leadership in UMDM has seen a positive shift. There has been a massive surge in investor confidence in economic development and Growth. This is measured by the move from Policy documents into actionable steps with SMART results.” (Participant 2)

“Transformational leadership has played a crucial role in reshaping the economic landscape of the uMgungundlovu District. By inspiring a shared vision and focusing on long-term, sustainable development, we’ve been able to attract strategic investments, such as those from recent Chinese manufacturing firms. These partnerships are not accidental; they are the result of a proactive, collaborative leadership approach that encourages innovation, builds trust, and aligns stakeholders around a common development agenda.” (Participant 3)

To measure the success of an economic development project, researchers look at both quantitative and qualitative indicators. These include:

- Number of jobs created;
- Growth in local Gross Domestic Product (GDP);
- Business retention and expansion rates;
- Increase in Small, Medium, and Micro Enterprises (SMME) activity; and
- Community satisfaction and social impact assessments.

“Leadership continues to evolve into a collaborative, vision-driven model. The municipality actively involves diverse stakeholders—through platforms like the Social Compact Oversight Committee and Youth LED Summits—to ensure development strategies are co-designed and community-driven. For example, the Msinsi–UMEDA partnership links tourism growth to water conservation around dam sites, benefiting both local economies and ecosystems.” (Participant 4)

Participants indicated that they are also seeing active engagement through Oversight Committees and youth summits, where voices across demographics are helping shape the agenda. Moreover, transformational leadership is visible in how the district supports first-time SMME applicants through simplified processes, mentoring, and follow-up monitoring. As for tracking success, they said they use data-driven tools through the PMS framework. This tool can also be enhanced to monitor job creation, retention rates, tourism hub expansion, and SMME growth.

Transformational leadership is a leadership style that inspires and motivates followers to achieve shared goals by enhancing their sense of purpose, engagement, and commitment. Cross and Brohman (2015) state that in transformational leadership, people are able to see how their efforts benefit themselves and are therefore motivated by the leader to participate, making informed decisions.

Transformational leadership has shifted the focus of development from reactive service delivery to proactive facilitation of growth. *“By prioritising innovation, inclusive engagement, and future-oriented planning, leadership has helped open doors to foreign partnerships and catalyse local enterprise development. The effects are visible in new investor deals, increased infrastructure rollout, and community-based projects.”* (Participant 5)

“Measuring the success of economic development projects typically involves: Job creation; Investment volume facilitated; Service delivery improvements and poverty reduction; Social impact, such as uplift in tourism or empowerment outcomes; and Sustainability metrics, such as water conservation or renewable energy adoption.” (Participant 6)

“Transformational leadership is a leadership style focused on inspiring and motivating followers to innovate and achieve organisational goals through positive change. It involves creating a vision, fostering a positive work environment, and encouraging individual growth and development to inspire collective commitment to shared objectives.” Participant 7)

The success of an economic development project depends largely on the nature of the initiative. It is primarily the number of jobs created and the magnitude of investment that are measured, but the real test is the Gross Value Added (GVA) to the district in terms of revenue generation, as this allows for the measurement of secondary industries attached to the initiative to also be

assessed. As an example, uMgungundlovu District has increased its GVA by 1% over the last 24 months, which equates to approximately R6 billion annual revenue to the KZN Provincial fiscus.

Transformational leadership is a cornerstone of successful LED implementation in the uMgungundlovu District Municipality. The complex, multi-sectoral nature of local economic development necessitates leadership that can transcend administrative compliance and instead drive strategic visioning, cross-sector coordination, and community-based transformation. In the context of uMgungundlovu, transformational leadership has enabled the municipality to conceptualise LED as a systemic function anchored in intergovernmental cooperation, inclusive stakeholder engagement, and institutional reform. Through visionary leadership, the Municipality has recalibrated its LED focus to respond not only to macroeconomic pressures but also to local realities, particularly those faced by youth, women, rural communities, and informal businesses.

Participant 8 stated that *“One of the defining impacts of transformational leadership has been the prioritisation of LED as a central component of the municipality’s long-term development agenda. Executive leadership within the district has championed initiatives such as the establishment of UMEDA, formulation of the updated LED Strategy, and integration of LED goals into IDPs and sectoral plans. This leadership has also helped convene strategic partnerships with traditional authorities, national departments, and the private sector. Such partnerships are essential for projects such as rural agro-processing facilities, youth enterprise hubs, and smart infrastructure corridors that require coordinated governance, funding, and technical oversight”*.

According to Korejan (2016), a transformational leader inspires and creatively guides others to exceed their capabilities within the company, fostering innovation and creativity within their field of expertise. According to academics and thinkers, pragmatic leadership is less effective than transformational leadership.

The LED Strategy itself emphasises the role of strong leadership in mobilising resources, influencing planning frameworks, and fostering a culture of innovation. For example, initiatives under the Township Economy Revitalisation Programme or the Green Economy Corridor would not be possible without leaders who embrace risk, champion collaboration, and

push institutional boundaries. Leaders have further enabled innovation by aligning with the DDM, which reimagines the district's economic, social, and spatial fabric in transformative terms. This strategic vision requires leaders who can inspire not just staff and councillors but also communities and investors.

“For years, local municipalities have been lamenting the role of district economic development in the local municipalities. The district had focused on playing a coordinating role, which in itself was no different from other sector departments. In fact, at one point, there seemed to creep some sort of duplication. Introduction of Municipal Employment Initiative (with its flaws) reinvented the district within local municipalities.” (Participant 9)

This programme places the district's role in local economic development on a positive note; the fact that local communities anticipate an open call for proposals is a step towards enhancing the district's leadership image. The transformational leadership raises anticipation for local economic development within Mpendle. It makes sense that, since there is an annual programme, the district could possibly be on track to introduce other programmes or even enhance existing ones.

“It is clear that there is resistance to transformation in sectors of the economy which were previously owned by people of a race and also by gender dominance. The district still has the Pietermaritzburg Chamber of Commerce as the regional formation for business and has not achieved the establishment of a District Chamber of Commerce and Industry. Similarly, the tourism sector finds segregation in Community Tourism Organisations where transformation is difficult to achieve.” (Participant 10)

Transformational leadership is considered a critical success factor for the Local Economic Development (LED) in the uMgungundlovu District Municipality (UMDM). In this regard, transformational leadership has provided the district's senior management with the necessary “room and space” to demonstrate their capabilities, as well as ensuring that all district employees at all levels cooperate with one another to achieve the district municipality's LED strategy objectives. By transformational leadership, one refers to a ‘leader’ who is inspiring, creative, and can move the organisation (district) towards the future. This leader must be able to facilitate appropriate changes towards new paths of growth and must demonstrate knowledge and awareness about the organisational environment, and be able to ensure that all the

employees and the members of the district council realise and appreciate the value of what they do, thereby improving the quality of work life in the district. Leaders with these qualities act as mentors and advisors, paying attention to the personal development, learning, and needs of their employees. A transformational leader provides a sense of mission, broader perspectives, respect, and trust for employees. They lead by example and create an atmosphere of trust, motivating employees to work for the organisation beyond their own self-interest.

There is a plethora of government and non-governmental organisations, as well as private sector organisations, which are active in the LED. The introduction of the District Development Model (DDM) has to a certain extent attempted to clear the confusion about the respective roles and responsibilities regarding strategy and implementation among the various players, that is, the three spheres of government; public entities (e.g. science councils, SOEs, universities, agencies, etc); and businesses, communities and non-governmental organisations (NGOs). The DDM is viewed as a tool for enhancing cooperative governance, aiming to establish a capable and ethical developmental state, and ensuring that the three spheres of government and state entities operate in tandem through an impact-oriented approach, thereby achieving higher performance and accountability in coherent service delivery.

Participant 11 stated that *“One must point out that the introduction of the DDM was disruptive to a certain extent; it introduced ‘change’ and disrupted ‘old ways’ that government and other sectors were used to—this could have created a highly unstable environment for all sectors. However, transformational leadership dealt with uncertainties and continuous changes that impacted the organisational structure and various roles and responsibilities introduced by the district development model. The transformational leadership actions enabled the district to improve its performance in an unpredictable environment, and transformational leadership complemented other leadership actions by the various structures of the organisation (i.e. Executive Management, Executive Council, and District Council), and it became a source of competitive advantage for the district. Proving the point that without effective transformational leadership, the probability that organisations will be able to face global economic challenges to achieve superior and satisfactory performance will be reduced significantly.”*

Participant 13 stated that *“At UMDM once the concept of Transformational Leadership is fully grasped and embraced one will expect to see the following as success measures: GDP Growth increase in local GDP; Business start-ups (number of new businesses started); Infrastructure*

Development (improvements in infrastructure e.g., roads, utilities); Community Engagement (level of community involvement and participation); Poverty Reduction Decrease in poverty rates; Unemployment Rate (decrease in unemployment rates)."

Participant 14 stated, *"The transformation leader is indispensable within all municipalities in the UMDM since a leader who does not work with stakeholders and accepts that leadership is about transforming society and economy through creating a shared vision and results that align with most stakeholders' interests and harm being minimised or avoided."* Taking this partnership approach creates an environment where both public and private sector investors can collaborate to undertake local economic development, benefiting citizens and investors alike. The traditional leadership model, where the leader is solely responsible for setting the vision, determining the strategy to achieve it, and ultimately delivering the results, has failed because it is impossible for one all-powerful leader to bring about solutions, results, and investor confidence on their own. The absence of a transformational leader is often an indicator that development in general will fail, and local economic development will be limited or begin to decline.

"Transformational leadership at this stage does not have a positive impact on local economic development. The reason is that it does not focus on inspiring and motivating communities to achieve extraordinary outcomes and personal growth." (Participant 15)

Measuring the success of an economic development project

"The success of economic development projects in uMgungundlovu is measured through a multi-dimensional results framework that includes both quantitative indicators and qualitative assessments. Key performance areas include job creation, local economic stimulation, increased access to services and infrastructure, and improved social cohesion", according to P8. The District's LED Strategy provides a strong foundation for performance monitoring, aligning success indicators with those of the National Development Plan, Provincial Growth and Development Plan, and the District Development Model. For instance, employment generation through SMME support programmes, expansion of agro-processing value chains, or the operationalisation of youth enterprise hubs is tracked through defined output and outcome metrics.

Economic growth alone is not considered sufficient; success must translate into improved livelihoods and community resilience. Therefore, the municipality uses indicators such as the

number of informal businesses formalised, youth and women participation in LED programmes, volume of public-private partnerships leveraged, and extent of community participation in LED forums. Special attention is given to the catalytic effect of projects, whether they stimulate related business activities, improve spatial connectivity, or enhance environmental sustainability. For example, a rural poultry cooperative is not just assessed for profitability but also for its multiplier effect on household incomes, nutrition levels, and linkages to input and output markets.

Participant 10 stated that *“An economy is made up of people, and prioritising their well-being is essential for creating a sustainable and growing local economy. This includes Employment Rates, GDP Growth, Income Inequality, Infrastructure Development, and Quality of Life Indicators.”*

Objective 3: To evaluate the key characteristics of transformational leadership that have a positive impact on local economic development.

This section presents the results of the thematic analysis regarding the key characteristics of transformational leadership that have a positive impact on local economic development in the uMgungundlovu District Municipality.

THEME 3: KEY CHARACTERISTICS OF TRANSFORMATIONAL LEADERSHIP THAT POSITIVELY IMPACT LOCAL ECONOMIC DEVELOPMENT IN UMGUNGUNDLOVU DISTRICT MUNICIPALITY

Several participants highlighted how key characteristics of transformational leadership impact local economic development within the uMgungundlovu District Municipality.

Local economic development in uMgungundlovu is gradually gaining traction, driven by renewed planning efforts and targeted investments. Recent industrial interest, particularly from global investors in sectors such as agro-processing and light manufacturing, is helping to reposition the district as a regional economic player. Small businesses and informal traders are also receiving more attention through local support programmes. To back these initiatives with data-driven insights, the district, through UMEDA, has developed an Economic Outlook and Investment Briefing Pack. This tool helps guide economic decisions and promote investment aligned with priority sectors.

Some key characteristics of transformational leadership include visionary thinking, collaboration, adaptability, and ethical leadership. A transformational leader inspires innovation and builds trust, which is essential in public service. They also drive capacity development, particularly for young people and women, and ensure that development is inclusive and community-driven. In this context, leaders who are proactive, strategic, and engage meaningfully with all sectors — public, private, and traditional — are the ones making a lasting impact.

Participant 8 stated that “*Transformational leadership within uMgungundlovu District Municipality is characterised first and foremost by a clear and compelling vision for inclusive, spatially integrated, and innovation-driven economic development. This vision, embedded in the LED Strategy and the Viability Vision 2052, ensures that leaders do not merely manage LED functions but actively shape the district’s developmental trajectory.*” A transformational leader has the ability to align municipal priorities with strategic national and provincial goals, such as those outlined in the National Development Plan (NDP, 2030), the Provincial Growth and Development Plan (PGDP), and the Integrated Urban Development Framework (IUDF). This alignment creates coherence and synergy across planning frameworks and resource mobilisation strategies, enabling the district to access multi-tiered funding and technical support.

Another defining feature is the ability to foster collaboration and intergovernmental coordination. LED in uMgungundlovu cannot be effectively implemented in silos. Leaders must create space for co-ownership of development agendas by various actors, including local municipalities, provincial departments, SOEs, development agencies, and the private sector. A transformational leader enables platforms like the District LED Forum, Social Compact Committees, and UMEDA-led technical task teams to thrive by building consensus, driving integration, and ensuring that planning is both inclusive and participatory. These leaders work beyond institutional boundaries and possess the emotional intelligence to convene and align diverse interests towards shared developmental goals.

Participant 4 stated that several leadership qualities stand out in shaping effective LED outcomes in the district:

“i. Visionary Alignment—leadership here have aligned LED efforts with long-term strategies like the IDP and the National Development Plan.

- ii. *Inclusivity – LED programmes, such as EPWP and grant schemes, are structured to reach underrepresented groups—over 70% of EPWP beneficiaries, for example, are women.*
- iii. *Collaboration—Partnerships with private investors, NGOs, and community groups allow for shared ownership of initiatives and resources.*
- iv. *Transparency – Digital platforms like social media and the municipality’s website are used for real-time communication on projects and initiatives.*
- v. *Empowerment – Initiatives such as Work Integrated Learning (WIL) placements and youth entrepreneurship training enable residents to participate directly in building the district economy.”*

According to Ebert and Griffin (2009), leadership style impacts motivation and effectiveness. Bass and Avolio (2008) linked leadership to influence within organisations, emphasising the importance of leadership in shaping and guiding organisational vision and mission through influence. They stressed that transformational leadership should be exercised to inspire and motivate people within the organisation.

Participant 10 stated that *“The key characteristics of transformational leadership that bear a positive impact are:*

- *Self-Awareness*

Transformational leaders are reflective; they develop a deep understanding of who they are. With this kind of self-knowledge, they can see how their personal goals can coincide with and be transformed by the needs of the larger group. For these leaders, becoming more self-aware is a continuous process; they never stop growing and expanding as human beings.

- *Authenticity*

Transformational leaders bring authentic presence to their work. They are courageously imperfect, embrace their true selves, and regularly exhibit integrity, vision, and compassion in a way that awakens and inspires others.

- *Ability to collaborate*

Transformational leaders regularly enlist the engagement of those they lead. They convene important conversations that include diverse stakeholders, then use the fruits of these discussions to address complex problems that they cannot solve on their own.

- *Understanding Interdependence*

Transformational leaders learn how to develop, empower, and mobilise networks. These networks allow for the emergence of movements, which often lead to social, cultural, and systemic change.

- *Humility*

Transformational leaders have a sense of humility. They are constantly learning and listening to others. They do not get too comfortable. Knowing that they do not have all the answers enables them to be more flexible, so they can cope with and even thrive in an era of rapid change.”

In agreeing with Participant 4, Participant 7 stated that “*Vision, fostering a positive work environment, and encouraging individual growth and development to inspire collective commitment to shared objectives are the key characteristics to positively impact LED.*”

Vision: Strong and healthy leadership is required in the political, administrative, and private sectors to achieve a clear vision in LED.

Fostering a positive work environment: creating an environment where the officials can work unencumbered by external forces such as corrupt activities, political expedience, collusion for personal gain, and ineffectual administrative leadership.

Encouraging individual growth and development: every individual wishes to aspire to grow and develop positively, and be recognised and compensated for good work undertaken. Workplace skills programmes and training are vital for knowledge and growth.

Transformative leadership is characterised by the following: “*It focuses on developing a shared economic development vision. In this instance, the shared vision should be at a District level and form part of the District Development Model. It focuses on idealising economic development influence, inspiring motivational economic development and stimulating individual ideas as contributory factors in the economic development of the area.*” (Participant 15)

Objective 4: To evaluate the challenges faced by the uMgungundlovu District Municipality in implementing transformational leadership in local economic development

This section presents a thematic analysis of the interview responses, evaluating the challenges faced by the uMgungundlovu District Municipality in implementing transformational leadership in local economic development.

THEME 4: CHALLENGES FACING UMGUNGUNDLOVU DISTRICT MUNICIPALITY IN IMPLEMENTING TRANSFORMATIONAL LEADERSHIP IN LOCAL ECONOMIC DEVELOPMENT

This thematic analysis, achieving objective 4, identified challenges facing the uMgungundlovu District Municipality in terms of key factors shaping transformational leadership and local economic development. While adaptability and inclusivity were seen as positive, challenges such as misalignment between the district and local municipalities, infrastructure backlogs, resource constraints, rigid hierarchies, and poor leadership transitions were highlighted as potential risks to the success of transformational leadership and local economic development.

The implementation of the LED Strategy in uMgungundlovu is confronted by a series of structural and operational challenges, many of which are typical of developmental local government. Participant 8 stated that *“A core issue is the misalignment between the district and local municipalities. Although the strategy is comprehensive and aligned with national frameworks, its execution requires local municipalities to act as implementing agents, which is often hindered by a lack of early engagement during project conceptualisation stages. This weakens ownership, reduces political and administrative will, and leads to poor integration of district LED priorities into local IDPs and budgets.”*

A further challenge lies in funding constraints and limits financial planning capacity. Many of the LED interventions outlined, such as rural infrastructure development, the expansion of SMME hubs, and township revitalisation, are capital-intensive. Yet, the district’s own budget is constrained, and local municipalities often lack the capacity to develop investment-ready proposals or co-finance strategic projects. Although the LED Strategy outlines partnerships with Development Finance Institutions (DFIs) and non-governmental funders, the lack of technical and project packaging skills within municipal structures remains a significant bottleneck. This results in lost opportunities for accessing grants, blended finance, or Public-Private Partnerships (PPP) arrangements.

Participant 12 stated that *“The uMgungundlovu District Municipality do have some difficulties when it comes to implementing transformational leadership in local economic development, including:*

- **Urban-Rural Gap:** *Closing the divide between urban and rural areas regarding service delivery, infrastructure, and access to economic opportunities is a major challenge.*
- **Limited Resources:** *Resource constraints, including financial limitations, skills shortages, and staffing gaps, hinder the municipality's Local Economic Development.*
- **Stakeholder Engagement:** *It's essential to ensure that all stakeholders are included and engaged in local economic development initiatives, but this can be tough, especially when it comes to involving traditional leaders.*
- **Poverty, Unemployment, and Inequality:** *High rates of poverty, unemployment, and inequality continue to be a problem, particularly in rural areas, making it hard to achieve sustainable economic growth and development.*
- **Infrastructure Backlogs:** *Development in the district isn't consistent, especially in rural areas where people often struggle to access reliable water and sanitation.*
- **Leadership Effectiveness:** *Internal issues, such as personality conflicts and differing interests, can undermine leadership, while external factors like technology shifts, political changes, and economic fluctuations can also create hurdles.*
- **Capacity Constraints:** *The municipality's limited capacity, including a lack of skilled employees and weak organisational unity, can make it tough to implement effective local economic development (LED) strategies.*
- **Land Use and Spatial Planning:** *Ongoing problems with spatial inequality and poor land use planning can restrict economic opportunities and hinder development.”*

According to Avolio and Bass (2004), transformational leadership enhances employee motivation and job satisfaction, both of which are related to higher levels of performance in an organisation. Furthermore, transformational leaders often encourage innovation and creativity, which can improve organisational effectiveness (Bass & Riggio, 2008).

Regarding transformational leadership challenges, budget limitations often mean that promising LED initiatives cannot be scaled quickly enough. This was evident during the recent review of the Tourism Strategy. Key catalytic projects require prioritisation and will need investment from PPPs.

- Then there's the tough reality of high unemployment. Youth long-term joblessness is still above 70%.
- Balancing priorities among municipal departments, provincial mandates, and private-sector goals requires persistent coordination.

- Foreign tariffs and global conflicts elevate supply-chain risks and import costs, straining vendor viability and delaying infrastructure inputs.
- Policy misalignment can also delay things, especially when national or provincial directives shift midstream.

Participant 4 stated that *“The municipality can mitigate these by enhancing its PPP frameworks to share risks and costs, expanding training that leads to viable career paths, and simplifying application systems. The advancement of the District Development Model (DDM) hopes to bring to an end the fragmentation of government into a more unified vision for the execution of works.”*

Participants were of the view that the uMgungundlovu District Municipality (UMDM), as a government institution, is subject to frequent changes in political leadership due to local government elections. Often, these changes affect the administration, disrupting the continuity of strategic planning and implementation, as new leaders may introduce different agendas and strategies. Although the Constitution of the Republic of South Africa considers the sphere of local government as an equal and autonomous ‘partner’ within a non-hierarchical structure of government ‘spheres’, this has been diluted by political arrangements and political party structures, which are hierarchical by nature.

This has generally weakened the ‘local voice’, with more importance given to the provincial (rather than local) leaders and officials. Through political party deployments, many highly qualified politicians and experts are moved out of the municipal system to either provincial or national spheres of government. This causes a “brain-drain” and adds to the weakening of municipalities. Local government fiscal arrangements recognise the link between paying taxes and receiving services, as well as the need to strengthen local control over public services. However, the basis for redistribution (to address inequalities) is a national responsibility, which constrains the extent to which the fiscal system can be decentralised. Lack of fiscal decentralisation is another challenge that contributes to the under-resourcing of municipalities—all these challenges constrain the implementation of transformational leadership in local economic development. Participant 11 stated that *“To provide a clear picture of the challenges that are currently facing the uMgungundlovu District and their impact on the implementation of transformational leadership in the LED, one would like to focus on*

the four (4) challenges: (a) Illegal foreign nationals' invasion of the informal economy (rural and township—tuck shops etc.); (b) Financial sustainability of the District Municipality; (c) Factionalism, Coalitions and Government of National Unity; and (d) Overlapping Responsibilities between the district and local municipalities.”

Addressing potential obstacles

Participant 8 stated that “*A major challenge is the technical and financial capacity deficit in smaller and rural municipalities such as Mpendle, uMshwathi, and Mpofana. Many lack skilled LED practitioners, project managers, or engineers who can conceptualise and manage large-scale infrastructure or enterprise development initiatives. The district must address this through focused capacity building programmes, secondment of skilled staff via UMEDA or provincial departments, and partnerships with academic institutions such as UKZN or DUT.”*

The LED Strategy advocates for the use of mentorship, graduate training programmes, and peer-to-peer learning exchanges to deepen institutional capabilities across the district.

On the funding side, LED initiatives are often delayed due to poor project preparation, weak financial models, and a lack of investor confidence. One solution lies in enhancing the district's capacity to develop bankable projects. This involves training municipal staff in investment packaging, conducting detailed feasibility studies, and building strategic partnerships with development finance institutions such as the Development Bank of Southern Africa (DBSA), Small Enterprise Finance Agency (SEFA), Industrial Development Corporation of South Africa Ltd (IDC), and Trade & Investment KwaZulu-Natal (TIKZN). The LED Strategy also proposes the formation of a dedicated Investment Facilitation Desk under UMEDA, which would support the preparation and marketing of catalytic projects, such as the Mooi River Agro-Processing Plant or the Howick Tourism Node, to potential funders.

Lastly, community apathy and weak participatory governance remain obstacles to sustainable LED. To overcome this, the district is implementing the Social Compact approach, which involves community structures, traditional leaders, faith-based organisations, and youth forums in the ongoing design and implementation processes of projects. By creating feedback loops and establishing community-based monitoring teams, the Municipality aims to increase local ownership, ensure more equitable benefit sharing, and build long-term trust in LED institutions. Without addressing these social dynamics, even the most technically sound project is likely to underperform or face resistance.

Implementing transformational leadership in local economic development within the uMgungundlovu District Municipality presents several challenges, including resistance to change, a limited skills base, resource constraints, and bureaucratic delays. To address these, Participant 3 stated that *“we are investing in leadership development at all levels, streamlining regulatory processes, forming public-private partnerships, and collaborating with TVET colleges to align skills development with industrial needs. Complementing these efforts, the Social Compact Initiative, facilitated by UMEDA, plays a pivotal role by fostering inclusive collaboration among government, business, labour, and civil society. It strengthens trust, aligns stakeholder interests, accelerates decision-making, and embeds shared accountability and co-ownership of development goals—thereby enhancing the overall success and sustainability of the district’s economic transformation initiatives.”*

There are challenges in implementing the economic development strategy in the District. *“The development of the strategy itself is not inclusive in that when it is developed, not all the sectors are involved from the beginning to completion. This results in the strategy not taking essential economic development levers of the district.”* (Participant 15)

Participant 14 identified the potential obstacles and how these should be addressed:

<i>Obstacle</i>	<i>Solution</i>
<i>Political buy-in</i>	<i>Political leadership to drive economic development projects</i>
<i>Inclusivity</i>	<i>All sectors to be part of the strategy development</i>
<i>Gate keeping</i>	<i>Avoiding identification of projects that will benefit only a few, especially the already well off</i>
<i>A strategy that is wholly driven by consultants</i>	<i>Avoiding the development of a strategy to be led by the consultants</i>
<i>Land availability</i>	<i>Encouraging public-private partnerships</i>

Objective 5: To propose strategies for effectively integrating transformational leadership into local economic development initiatives in the uMgungundlovu District Municipality.

This section presents a thematic analysis of the interview responses, proposes strategies for effectively integrating transformational leadership into local economic development initiatives in the uMgungundlovu District Municipality.

THEME 5: STRATEGIES FOR EFFECTIVELY INTEGRATING TRANSFORMATIONAL LEADERSHIP INTO LOCAL ECONOMIC DEVELOPMENT INITIATIVES IN THE UMGUNGUNDLOVU DISTRICT MUNICIPALITY

Participants reported that there are strategies that can be employed by the District municipality to integrate transformative leadership and positively influence LED initiatives. These include motivation, engagement, creativity, inspiration, articulating vision effectively, and empowering staff, which are perceived as more successful in positively impacting local economic development.

Integrating transformational leadership into the local economic development of uMgungundlovu begins with a shift in mindset, viewing leaders not as custodians of administrative compliance but as visionaries, facilitators, and enablers of inclusive growth. Participant 8 stated that *“The first step is building leadership capacity across the district. This involves targeted training for councillors, municipal managers, and LED practitioners on key developmental themes such as ethical leadership, economic governance, stakeholder engagement, and innovation. Such leadership development programmes must be integrated into the performance management systems (PMS) of the district and its municipalities to ensure consistent delivery on strategic goals.”*

Secondly, transformational leadership must be institutionalised through structural reforms. For example, strengthening UMEDA, positioning the LED Unit as a strategic planning hub rather than an administrative silo, and establishing high-level steering committees that drive catalytic projects are all critical. The Municipality must embed LED into its core governance structures, such as the IDP Technical Committee, Budget Steering Committees, and Infrastructure Planning Forums. This not only elevates LED on the municipal agenda but ensures that leaders across departments view economic development as a shared responsibility rather than the domain of a single unit.

Another pathway is the deliberate embedding of transformational values in how projects are conceptualised, implemented, and evaluated. This includes principles such as inclusivity (e.g., prioritising youth and women-led businesses), innovation (e.g. integrating ICT and digital tools in SMME development), sustainability (e.g. supporting green economy initiatives), and transparency (e.g., participatory budgeting for LED programmes). A transformational leader ensures that these values are reflected in procurement practices, stakeholder engagements, and institutional KPIs. Such alignment enables consistent and coherent implementation of the LED Strategy.

Municipalities play a huge role in implementing the LED policy. According to Matlala and Motsepe (2015), there is a need for structures and institutional arrangements to be in place to ensure support for the implementation of the LED policy, whether directly or indirectly. Reddy and Wallis (2012) emphasise the role of local government in providing infrastructure, facilitating, and coordinating the LED, so that an enabling environment can be created for the LED to thrive.

Participant 4 stated that *“We’ve had a good foundation so far, but the following strategies could further enhance integration:*

- *LED should not be siloed—it must be embedded in broader municipal functions like infrastructure, community services, and environmental planning.*
- *We need to invest more in youth-led training—targeted at growing sectors like green energy, agro-processing, and digital services and taking advantage of potential industries in the Artificial Intelligence arena. Training and development programs from LGSETA can enhance leadership capacity and accelerate transformation.*
- *Continue leveraging online platforms for open progress reporting, beneficiary feedback, and stakeholder mobilisation.*
- *Create structured mentorship networks that pair established business leaders with emerging SMMEs, fostering skill transfer and business incubation.”*

The feedback above indicates that, when it comes to the proper implementation of the LED strategy by the Municipality, some challenges exist. Most participants indicate that the LED in the municipality is not meeting its expectations. Ababio and Meyer (2012) state that many municipalities in South Africa have difficult LED strategies. As a result, it becomes challenging

to implement an LED strategy that addresses the rural needs of the people. The findings also align with the World Bank's (2015) view that implementing the LED strategy is a challenging task. This is due to the fact that it typically takes longer than expected, and it involves adjusting to changes in the economic cycle and environment.

The effective integration of transformational leadership into local economic development in the UMDM municipality will be possible if leadership seeks to respond to the challenges facing the communities. Participant 11 stated that *“To do so, the leadership will have to promote good communication and create a culture of improvement by encouraging learning. In addition, the leadership will have to ensure that the district municipality is an entity that treats its employees as an important asset, and will have to be a champion for the needs of communities and ensure that communities participate in the work of the district municipality by maintaining a focus on good governance. When the leadership is willing to give power to the employees by supporting them as they seek to deliver high service standards and to meet the challenges facing the municipality, it automatically unlocks employee creativity and strengthens their sense of purpose and responsibility. When this happens, power is not reduced; on the contrary, power expands as more people learn to use it with the aim of achieving what is in the best interest of the municipality and the community.”*

Participants agreed that there is a need for a more integrated strategic response to local economic development (LED) in the uMgungundlovu district municipality. Participant 11 also stated that *“Our municipality should conduct a thorough assessment of its unique circumstances, capacities and development realities and be in the position to determine critical considerations for infusing transformational leadership in the LED strategy.”* Proposed considerations for effectively integrating transformational leadership into economic development would include:

- (a) Clarity regarding the nature and scope of sustainable economic growth that focuses on investment and growth based on the appropriate, effective and efficient development and utilisation of a municipality's human, physical, natural, financial and social resources.
- (b) Job creation that focuses on initiatives that create meaningful, sustainable and long-term employment opportunities based on meaningful skills development and training.
- (c) Education, training and skills development that include both formal and informal mechanisms such as mentoring and ongoing in-service training. This should be geared towards

developing technical and life orientation skills that encourage career growth and entrepreneurship, while promoting excellence in the execution of work is imperative.

(d) Poverty reduction that focuses on sustainable and resilient livelihoods. This would include facilitating access to human, financial, natural, social, and physical assets as key components of a household's sustainable livelihood.

(e) Employment equity, such as Broad-Based Black Economic Empowerment (BBBEE) in the district, must lead to economic empowerment that does not only benefit a few. It should ultimately increase broader participation and ownership among the most disadvantaged communities and individuals in the local economy.

(f) Industrial recruitment and place-marketing that promote and advertise the local area, so that people, businesses and industries see the area as a desirable place to visit, live and work in.

(g) Business promotion and support that focus on providing support to Small, Medium and Micro Enterprises (SMMEs) for the creation of employment opportunities. Our municipality should ensure that local businesses have access to resources and are supported by an enabling local policy environment. This can be achieved by providing information and creating a regulatory environment conducive to SMME development, reforming tender processes, and offering public facilities for small business incubators and other support initiatives.

(h) Business retention, expansion and attraction to ensure that firms within the district area do not leave for a seemingly more attractive location. One of the most important ways our municipality can ensure an existing business is retained is by providing adequate infrastructure and services.

(i) The streamlining of internal municipal functions, such as building plan approvals, is also important. The efficiency of our district municipality in a particular location often influences decisions about where to locate a business.

(j) Local partnerships and coordination to foster LED in local communities. Involvement of the community is essential to obtain commitment and to ensure that the entire community is empowered. Ensuring the involvement of the community not only forces the community to mobilise and work together to meet socio-economic development challenges such as poverty and unemployment, but also increases the chances of LED projects being more sustainable.

The above findings support the literature by various scholars regarding what should be done to improve the implementation of LED. Van der Waldt et al (2014) advise that the capacity of municipalities to implement their LED strategies should have a positive impact on the economic welfare of citizens at the grassroots levels. It can be argued that for this to happen,

stakeholders need to play an active role in implementing LED strategies. Van Niekerk et al (2015) contend that communities can play a crucial role in promoting economic opportunities by creating employment and developing entrepreneurial skills.

The above-mentioned strategies are not exhaustive of the subject but represent a starting point for effectively integrating transformational leadership into economic development initiatives. One must emphasise that partnerships should also include youth and women in the LED planning process, and that people with local knowledge and expertise should be involved to ensure practical approaches are applied. It is worth noting that these considerations pertain solely to the human or social development dimension of LED. It illustrates the multidimensional nature of LED again and accentuates the need for an integrated strategic response. It should also be pointed out that these considerations, or elements of strategy design, are not mutually exclusive. They overlap significantly, and limitations in one element may have negative consequences for others. Furthermore, the environment in which they are applied should be considered before deciding which strategy to pursue.

4.6 FINAL ANALYSIS

According to Deveshwar and Aneja (2014), transformational leadership is the process of fostering commitment to organisational goals and empowering people to fulfil them. Transformational leadership helps and encourages followers to increase their creativity and self-actualisation level, thereby promoting team, group, and organisational interests. A transformational leader drives change across the entire organisation and fosters a shared perspective among managers and staff. According to Farazja and Khademi (2011), transformational leadership consists of 4 main dimensions:

- Idealised influence (role model, leading by example);
- Inspirational motivation (creating enthusiasm);
- Intellectual stimulation (encouraging innovation); and
- Individualised consideration (caring about followers' needs and development).

Transformational leadership, therefore, is a conscious, moral, and spiritual process that provides patterns of equal power relationships between leaders and followers to achieve a collective goal. It essentially focuses on empowering others and fostering positive change. The transformational leadership in the district extends beyond the institution (the municipality) and also impacts informal traders (spaza shops) by promoting their ideas, providing the necessary

support, and encouraging them to achieve higher levels of performance. In other words, whatever characteristics of transformational leadership are evident, council members and district employees are more encouraged to enhance the organisation's performance.

In conclusion, all four dimensions of transformational leadership have had a positive impact on the district's LED. Take, for instance, the inspirational motivation: leadership constantly challenges employees to improve the quality of their performance, providing a clear perspective on achieving goals and increasing efficiency in the workplace. The district leadership is attentive to individual needs and provides learning opportunities tailored to each individual's interests and skills. The leadership has created an environment that fosters a free flow of ideas, enabling employees to be creative and apply new techniques and approaches to the district's LED.

4.7 CONCLUSION

This chapter focused on data analysis, presenting the refined, analysed data derived from responses collected during the study. The chapter outlines the thematic analysis process employed to interpret the qualitative data collected from semi-structured interviews and field notes. The thematic analysis of interview transcripts was a major focus, involving the categorisation and organisation of data into themes.

The next chapter presents the summary, conclusions and recommendations.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter aims to conclude the study and provide recommendations based on the theories employed, the literature reviewed, and the primary data gathered from public managers' responses through in-depth personal interviews and the researcher's reflections. While the previous chapter analysed and discussed the collected data from semi-structured questionnaires, interviews, and document analysis, this chapter revisits the study's objectives and research questions. It summarises the entire research project, including the findings from Chapter Four, to directly address the research objectives and questions. Additionally, it offers recommendations to improve future responses to transformational leadership on local

economic development. This chapter presents the study's main findings and conclusions, focusing on the key results and their implications.

5.2 OBJECTIVES OF THE STUDY

The objectives of the study were to:

- Identify the current state of local economic development in the uMgungundlovu District Municipality;
- Examine the impact of transformational leadership on local economic development in the uMgungundlovu District Municipality;
- Evaluate the key characteristics of transformational leadership that have a positive impact on local economic development;
- Evaluate the challenges faced by the uMgungundlovu District Municipality in implementing transformational leadership in local economic development;
- Propose strategies for effectively integrating transformational leadership into local economic development initiatives in the uMgungundlovu District Municipality.

5.3 RESEARCH QUESTIONS

The study attempted to answer the following key questions:

- What is the current state of local economic development in the uMgungundlovu District Municipality?
- How does transformational leadership impact local economic development in the uMgungundlovu District Municipality?
- What are the key characteristics of transformational leadership that positively impact local economic development?
- What challenges does the uMgungundlovu District Municipality face in implementing transformational leadership in local economic development?
- How can transformational leadership be effectively integrated into local economic development initiatives in the uMgungundlovu District Municipality?

5.4 SUMMARY OF CHAPTERS

Below is a summary of the chapters and the study's discussion.

Chapter One: Introduction and overview of the study

Chapter One presented the introduction, the background of the research, and the methodological orientation. This chapter introduced the research topic and provided an orientation to the study. Chapter One provided a brief historical background and the rationale for the study, placing the statement of the problem and the primary research question into proper context. This chapter also covered the research issue, research questions, aim and objectives, and justification. The chapter also briefly outlined the research methodology used during the course of the study. Lastly, Chapter One concluded with an outline of the chapters presented in the dissertation.

Chapter Two: Local economic development and transformational leadership

An overview of the current research on transformational leadership and local economic development was given in Chapter Two. The goal of this chapter was to provide a definition and explanation of authentic leadership. The chapter also included an overview of the study's objectives, theoretical framework, underlying theories, and a concise literature review.

Chapter Three: Research methodology and design

A thorough explanation of the research design, techniques, and processes is given in Chapter Three, which also presents an overview of the study's research methodology. It described the data collection procedures and methods. In terms of methodology, the study utilised a qualitative research approach. Qualitative research has been utilised widely in research due to its ability to gather rich information regarding people's lived experiences (Creswell & Creswell, 2018). The current research employed a qualitative research approach, as the researcher aimed to understand the influence of transformational leadership on local economic development. For this study, the researcher used a case study design. Creswell and Creswell (2018) note that a case study research design enables the researcher to explore a phenomenon within a particular context through multiple data sources. In this study, the uMgungundlovu District Municipality was used as a case study. Thematic analysis, guided by Braun and Clarke (2019), was used to analyse qualitative data gathered through interviews.

Chapter Four: Data presentation and analysis

This chapter presented and analysed the discussion and research findings relating to transformational leadership and local economic development, with the case study being the uMgungundlovu District Municipality. The examination of the data gathered for the research is presented in Chapter Four, which also offers a thorough analysis. Chapter Four presented

and analysed the findings of the study. The analysis of the findings in Chapter Four revealed that, in terms of transformational leadership in local economic development, the District Municipality has prepared and adopted a local economic development strategy that responds to the district's needs. This study employed a thematic analysis, a qualitative methodology in which the researcher identifies and examines themes or patterns within the data.

Chapter Five: Summary, conclusions and recommendations

A summary of the previous chapters is given in Chapter Five. Summarising the findings and drawing conclusions based on the study's goals constitutes the dissertation's conclusion. Finally, the chapter offers several recommendations and suggestions for further analysis based on the research results.

5.5 SUMMARY OF FINDINGS

This section provides a synthesis of the study in terms of the research objectives and secondary research questions. It presents a summary of the key conclusions drawn from the significant findings presented in the dissertation chapters. These conclusions are presented in light of the research objectives given above, as well as the secondary research questions posed in Chapter One, which are given below in terms of the relevant chapters.

Theme 1: The current state of Local Economic Development in the uMgungundlovu District Municipality

From an economic structure perspective, the uMgungundlovu District Municipality remains dependent on a limited number of traditional sectors, such as agriculture, manufacturing, and services, which are dominated by public sector employment. However, the LED Strategy outlines a vision to diversify the economy through targeted interventions in sectors such as the green economy, ICT, township economy revitalisation, and creative industries. The Municipality has also identified catalytic value chains, especially in agro-processing, tourism, and transport logistics, that can stimulate inclusive growth. Strategic spatial nodes have been identified and mapped to ensure development is spatially balanced, linking rural hinterlands with urban cores through infrastructure development and enhanced service delivery.

In addition to strategic planning, several departments within the District Municipality are actively contributing to local economic development through targeted programmes and project

implementation. The Local Economic Development (LED) Unit plays a central role in coordinating district-wide economic development activities. It is responsible for formulating and aligning strategies, providing support for SMMEs, and promoting key sectors, including agriculture, manufacturing, tourism, and the township economy. The LED Unit has set aside an annual budget of R5,000,000 to support informal businesses. It also leads the cooperative development initiative, which assists in formalising community enterprises and improving their access to markets. In addition, the LED Unit provides both accredited and non-accredited training programmes to equip SMMEs and cooperatives with the skills and knowledge needed to grow and sustain their businesses.

Theme 2: The impact of Transformational Leadership on Local Economic Development in uMgungundlovu District Municipality

UMgungundlovu District Municipality leaders articulate a compelling vision for economic growth, inspiring stakeholders to pursue innovative solutions and sustainable development initiatives tailored to local needs. UMgungundlovu District Municipality has initiated an SMME support programme to assist informal and micro-enterprises in stimulating local economic development and creating job opportunities. The programme is implemented across all seven local municipalities in the district to support informal and micro businesses, including those requiring funding for working capital (including stock, equipment, furniture, and fittings), as well as businesses in township and rural areas (street and tuckshop traders). The impact the programme has had on SMMEs is a result of visionary planning and innovation—the establishment of UMEDA. This agency acts as a catalyst for economic growth and investment opportunities.

“Positive change refers to modifications or transitions that result in beneficial outcomes, improvements, or advancements for individuals, groups, or systems. It's about moving towards a more desirable state, whether that's personal growth, better relationships, improved performance, or societal betterment.” (Participant 11)

In terms of leadership in local economic development, the District Municipality has prepared and adopted a Local Economic Development strategy which responds to the Integrated Development Plan and Spatial Development Framework of the district. Its agency, the uMgungundlovu Economic Development Agency (UMEDA), has developed an economic development indicator for each primary sector, as well as identified competitive advantages for

the district, which enable more transparent decision-making when investing in macroeconomic projects within the region.

Transformational leadership has a human development dimension that is often overlooked. In the uMgungundlovu District Municipality, it has meant the deliberate inclusion of marginalised groups through economic empowerment programmes, mentorship networks, and access to economic infrastructure such as incubators and enterprise support centres. It also involves ethical governance, fostering public trust, transparency, and accountability in the roll-out of projects and budget allocations. Thus, transformational leadership in uMgungundlovu District Municipality is not a theoretical concept, but a lived leadership model that has directly influenced the shaping and implementation of LED initiatives.

The institutional performance of UMEDA and LED units is also a key indicator. We measure whether development agencies are facilitating investment, enabling access to finance, and delivering support services to entrepreneurs. Additionally, the Municipality assesses these institutions' ability to package and submit bankable projects for funding by development finance institutions, a critical determinant of LED sustainability. Community feedback mechanisms, satisfaction surveys, and participatory evaluations provide further layers of accountability and success measurement.

Lastly, project alignment with long-term strategic intent, such as achieving spatial equity, economic inclusion, and environmental resilience, is a fundamental criterion. A project that reinforces the district's spatial targeting approach, such as investing in economic infrastructure within rural nodes, is rated higher in terms of strategic value than one with isolated short-term gains. This integrated, outcome-driven measurement approach ensures that LED success in uMgungundlovu is not merely symbolic, but transformative and accountable to the district's development priorities.

The impact of transformational leadership on the LED is rooted in the principles of good governance. The district's culture of transparency ensures that information on municipal LED programmes, finances, and decision-making processes is accessible. It ensures that public officials are held accountable for their actions and decisions, thereby promoting adherence to the principles of accountability. The district places a high value on involving citizens in the decision-making process; systems are in place to help the district deliver services effectively

and efficiently. Upholding the rule of law, promoting integrity, and ensuring sound financial management practices, including the management of potential operational, financial, and reputational risks to the district, characterises the transformational leadership of the uMgungundlovu District Municipality, thereby creating a stable and predictable environment that promotes economic growth. Most participants emphasised this.

Theme 3: Key Characteristics of Transformational Leadership that positively impact Local Economic Development in uMgungundlovu District Municipality

Inclusivity and ethical governance are also at the heart of transformational leadership. The LED Strategy emphasises that successful development must be pro-poor, gender-sensitive, and responsive to youth and people living with disabilities. Leaders in uMgungundlovu have operationalised this by promoting empowerment programmes, youth enterprise parks (e.g., Imbali Youth Enterprise Park), and women-led cooperative development. Ethical leadership ensures that resource allocation is transparent and that interventions benefit communities rather than being shaped solely by political or elite interests. This trust-based approach has fostered stronger public-private-community partnerships, particularly in areas such as agriculture, infrastructure rollout, and the formalisation of the informal sector.

Another key characteristic is an innovation-oriented and adaptable approach. Transformational leaders in uMgungundlovu District Municipality have increasingly embraced the Fourth Industrial Revolution (4IR), recognising the role of ICT, data, and innovation hubs in reshaping local economies. Under their direction, the district has begun exploring innovative city concepts in projects like the Camperdown Smart City and the Pietermaritzburg Technology Hub. These leaders recognise that economic development is not a static process. It must adapt to changing technologies, environmental conditions, and social dynamics. Through an iterative, learning-by-doing approach, these leaders ensure that the LED Strategy remains a living document, responsive to current needs and capable of driving impactful changes.

Participants agreed on the following key characteristics of transformational leadership that are positive for economic development:

- Working with all stakeholders, regardless of previous challenges, working with specific stakeholders, and leadership that is inclusive when developing policy, plans and investments for local economic development.

- Recognition that the private sector is the most critical stakeholder to work with and develop joint visions, plans and investments. The private sector encompasses a wide range of businesses, from large enterprises to small and informal businesses, as well as any other sector affected by local economic development. These could include educational institutions, healthcare facilities, and communities affected across the entire local municipality.
- Transformational leaders have integrity and diligence to do what they have decided to do and continue to do what they are meant to do through all stages of local economic development. This builds trust among stakeholders to invest in and be assured that transformational leadership is present to fulfil the responsibilities they agreed upon.
- Transformational leadership is available during challenging times and successful times to support local economic development.
- Transformational leadership does not require benefiting financially from local economic development if they are leaders from the government, for the local economic development to obtain support, co-planning and co-investment and execution of the project.
- The private business sector and the local municipality must both have transformational leadership, or economic development will most likely fail.
- Transformational leadership from the state sector needs to have a flexible, agile and compromising ability to work effectively with the stakeholders in the economic sector.

Theme 4: Challenges facing uMgungundlovu District Municipality in implementing Transformational Leadership in Local Economic Development

Community participation and stakeholder fatigue are implementation hurdles. Despite investment in mobilisation and awareness campaigns, attendance at LED events is often limited, support programme uptake is weak, and community ownership of public infrastructure is low. Historical disenchantment, broken service delivery promises, and limited tangible benefits from past development projects exacerbate this. Moreover, local businesses and cooperatives frequently cite delays in accessing municipal support or confusion about available incentives and programmes, which weaken confidence in LED as a meaningful municipal service.

Institutional capacity and administrative inefficiencies continue to impede progress. Many municipalities within the district have vacant LED posts, outdated organograms, or limited

knowledge of strategic planning tools. Procurement processes remain slow, and compliance requirements often delay rollout. Furthermore, while entities such as UMEDA provide critical implementation support, their reach is still expanding and dependent on continuous funding and executive oversight. Addressing these challenges requires a consolidated effort centred on capacity building, stronger inter-municipal partnerships, improved monitoring and evaluation systems, and a sustained political commitment to LED as a developmental priority.

One of the most pressing obstacles in LED implementation is the lack of institutional coherence and intergovernmental alignment. Too often, projects are initiated at either the district or provincial level without adequate consultation with local municipalities, resulting in duplication or misalignment with local spatial development priorities. To address this, uMgungundlovu District Municipality has institutionalised the use of District Cluster Hubs and Technical Planning Forums to ensure that planning processes are inclusive, bottom-up, and reflective of each local municipality's unique development potential. Strengthening the District Development Model (DDM) as a platform for integrated budgeting, resource mobilisation, and reporting is also essential to overcoming fragmentation.

Participants agreed on the following challenges that have an impact on implementing a local economic development strategy:

- High Unemployment and Poverty Rates

Current reality: About 64% of residents live below the poverty line; youth unemployment is at about 39%.

Impact: Even with visionary leadership, a limited economic base and social inequalities, progress is slow.

Why it matters for transformational leadership: Leaders' ability to inspire is weakened when immediate service delivery and survival needs dominate.

- Limited Financial Resources

Challenge: Budget constraints and dependency on grants.

Impact: LED projects, such as skills centres and tourism development, are often delayed or scaled back.

Example: R184 million capital budget is spread across water, sanitation, and roads, leaving fewer funds for economic stimulation.

- Weak Institutional Capacity

Challenge: Shortage of skilled personnel for LED planning and implementation.

Impact: Difficulty in driving innovation and monitoring projects effectively.

Leadership Gap: Transformational leaders require competent teams to deliver results.

- Political Instability and Leadership Turnover

Challenge: Frequent changes in leadership and political interference.

Impact: Disrupts long-term LED strategies, such as the Midlands Passport tourism programme and UMEDA's projects.

- Low Community Engagement

Challenge: Lack of trust and citizen involvement in decision-making.

Impact: Projects may face resistance, especially in rural areas under traditional authority.

Example: Slow buy-in for rural economic projects due to a perceived lack of consultation and transparency.

- Corruption and Governance Issues

Challenge: Mismanagement of funds and poor accountability in some municipalities.

Impact: Erodes investor confidence, reduces grant support, and limits donor funding.

Theme 5: Strategies for effectively integrating Transformational Leadership into Local Economic Development initiatives in the uMgungundlovu District Municipality

Participants agreed that the uMgungundlovu District Municipality needs to do more to implement the proposed strategies. Creating an environment that enables innovation and experimentation is vital. The LED Strategy encourages a “learning-by-doing” approach, where municipal leaders are empowered to test pilot projects, adjust implementation based on evidence, and share lessons across the district. Examples include the Pietermaritzburg Technology Hub, Hemp and Cannabis Agri parks, and the Inland Logistics Platform, all of which require leadership willing to venture beyond the norm. By promoting a culture of risk tolerance, adaptive learning, and intersectoral collaboration, the uMgungundlovu District Municipality can ensure that transformational leadership becomes the driving force behind LED, rather than a complementary tool.

The integration of transformational leadership across the economic development sector requires that such leadership be primarily developed through experience and learning, with training provided on how to lead in a transformational manner. To ensure expertise is gained in such forms of leadership, mentors should always be involved in projects along with the development of standard operating procedures to ensure transformational leadership practices are mandatory to practice and deploy in all processes, the leadership style and monitoring for the presence and absence of such leadership across all projects in the economic development sector. The successful leadership that has achieved success must be shared with all officials and politicians involved in economic development within the uMgungundlovu District Municipality and all its local municipalities. The lessons learned from successful and unsuccessful projects must be identified and rectified to ensure that the uMgungundlovu District Municipality learns from its failures.

To effectively integrate transformational leadership into the uMgungundlovu District Municipality's economic development initiatives, the respondents proposed the following strategies:

- Capacity Building: Train municipal leaders and officials in transformational leadership and project management.
- Strategic Partnerships: Continue fostering collaborations with international investors like the new Chinese manufacturers, while ensuring alignment with local development goals.
- Community Engagement: Ensure that residents are part of the decision-making process and benefit from economic initiatives.
- Monitoring and Evaluation Frameworks: Establish clear benchmarks for success and continuous improvement.
- Agility and Innovation: Create flexible policies that can quickly adapt to changing economic conditions and investor needs.

Participants were asked how transformational leadership can be effectively integrated into local economic development initiatives in the uMgungundlovu District Municipality. All participants agreed on the following measures:

District Economic Growth Vision

Why? Transformational leaders need a new vision to support economic development.

Strategy: Develop a District Economic Growth Vision 2030 through public consultations, traditional leaders, private sector forums, and youth participation. Align it with IDP and Provincial Growth and Development Strategy.

Expected Impact: Increased stakeholder buy-in for tourism projects (e.g., Midlands Passport), skills development, and investment initiatives.

Strengthen Institutional Leadership Capacity

Why? Transformational leaders need strong administrative support.

Strategy: Train municipal managers and LED officials in transformational leadership principles (visionary planning, change management, ethical governance). Establish a Leadership Development Programme in partnership with SALGA, UMEDA, and SETAs.

Expected Impact: Improved implementation and monitoring of LED strategies like UMEDA investment programmes.

Foster Stakeholder Collaboration and Trust

Why? TL depends on relationships and collective action.

Strategy: Create Public-Private-Partnership (PPP) Forums for co-funding projects. Involve community structures and traditional authorities in rural LED projects (e.g., agriculture, ecotourism).

Expected Impact: Stronger social buy-in, reduced resistance, and increased investment confidence.

Encourage Innovation and Entrepreneurship

Why? TL promotes intellectual stimulation and creative solutions.

Strategy: Launch a Youth Innovation Fund to support start-ups in agro-processing, tourism, and ICT. Expand KwaMpumuza Skills Centre to include business incubation hubs.

Expected Impact: Job creation and diversification of the local economy.

Institutionalise Ethical Governance and Accountability

Why? Idealised influence in TL demands transparency.

Strategy: Implement digital performance dashboards for LED project progress. Adopt open tender systems for LED projects to curb corruption.

Expected Impact: Increased investor confidence and sustainable development.

Communication and Inspirational Motivation

Why? TL requires leaders to inspire.

Strategy: Regular community engagement roadshows to share progress and success stories. Launch a district economic newsletter and social media campaigns that showcase LED achievements.

Expected Impact: Motivated communities and higher project participation rates.

5.6 CONCLUSIONS OF THE STUDY

The key characteristics of transformational leadership that positively influence our local economic development include:

- **Visionary Thinking:** Setting a clear and ambitious vision for economic growth, and a mission to become a manufacturing and logistics hub.
- **Inclusivity and Collaboration:** Engaging local communities, business leaders, and foreign investors alike is evident in the partnerships with Chinese manufacturers.
- **Innovation and Risk-Taking:** Encouraging bold solutions to tackle unemployment and infrastructure gaps.
- **Empowerment:** Delegating authority to local economic development units, thus speeding up implementation and fostering accountability.
- **Ethical Leadership:** Maintaining transparency and trust to attract credible investors.
- These characteristics have laid the foundation for attracting high-impact investments and sustainable development in the district.

There are significant differences in the success or failure of local economic development across the seven local municipalities that comprise the uMgungundlovu District Municipality. The most notable success story is attracting significant private-sector investment, as well as public infrastructure investment, particularly in transport infrastructure such as roads. As some have concluded, a new city is emerging in the Mkhambathini Local Municipality, and those fortunate enough to have witnessed this growth believe a significant economic transformation is underway there. Suppose one examines key components of success: the location alongside the N3, the availability of private land for developing new industrial and logistics economies, and the economic sectors that emerge when these sectors are established, such as retail, fuel stations, and new housing developments. Suppose one were to compare other local municipalities located along the N3 and their status of local economic growth. In that case, the Mooi Mpfana Local Municipality has been in a long-term decline in both financial and governance terms. The Mpfana Local Municipality has not attracted significant private-sector

investment, except for Spar and the mall adjacent to it. The landscape along the N3 as it passes through the Mpofana Local Municipality has been unchanged for more than 20 years, despite pockets of private land that could have been developed. Weak governance has also affected the interests of both public- and private-sector investors. Long-distance bus services and tourists began avoiding the Mooi River Garage, which includes the Wimpy, some time ago, due to the steep toll fees to enter Mooi River, as well as the investment in similar tourist infrastructure along the N3 at Nottingham Road. Residents and businesses in the area frequently complain about frequent electricity and water outages, rapidly deteriorating road infrastructure, and the lack of long-term administration by the local municipality.

The long-term growth in profits, production of goods and services, employment, and the expansion of the project measure the success of an economic development project. The success of the project can also be determined by how various stakeholders in that economic space all carried out their roles and responsibilities effectively and costs efficiently to support the economic project or projects in a local municipality since an economic development project requires a well-run business or enterprise as well as support from key stakeholders who are critical to the business or enterprises success by delivering goods and services that they are responsible for and purchasing the goods and services that the business provides.

The key challenges transformational leadership within the uMgungundlovu District Municipality will encounter in economic development are the type of leadership it works with at the local municipality, within which economic development is being planned and executed, since weak leadership at the local municipality level is likely to prevent or limit the scope or environment required for economic development projects to start and proceed successfully. Another challenge is that, as a result of our apartheid legacy, some existing private businesses and traditional investors may only want to work on projects without involving the government of the day or excluding African businesses from being part of an economic development project. Some traditional capitalists may work together because their interests require government support, but also have unrealistic expectations and expect racially stereotyped behaviour from municipal leadership, and make decisions based on prejudice rather than facts. The uMgungundlovu District Municipality also has limited resources or no mandate to co-fund non-water and sanitation costs.

Implementing transformational leadership comes with its own set of challenges:

- **Resistance to Change:** Some institutional and community members are hesitant to embrace new ways of doing things, especially when it involves international partners.
- **Limited Skills Base:** The influx of Chinese investment has highlighted the need for more skilled and semi-skilled labour, which we are now addressing through training and education initiatives.
- **Resource Constraints:** Budget limitations can hamper project implementation and service delivery.
- **Bureaucratic Red Tape:** Lengthy approval and compliance processes can delay investor onboarding.

Participants agreed that the following key characteristics of transformational leadership positively impact local economic development:

- **Inspirational Motivation**

What it means: Leaders articulate a compelling vision that inspires stakeholders to work towards a shared goal.

Impact on LED: Builds commitment from the business, community, and government sectors for development projects (e.g., attracting investors and supporting tourism initiatives).

- **Idealised Influence (Visionary Role Modelling)**

What it means: Leaders act as role models, demonstrating integrity, accountability, and ethical behaviour.

Impact on LED: Increases trust among stakeholders, reduces corruption, and encourages private-sector participation.

- **Intellectual Stimulation**

What it means: Encourages innovation, creativity, and problem-solving within the municipality.

Impact on LED: Leads to innovative projects such as smart infrastructure, green economy initiatives, or skills development programmes.

- **Individualised Consideration**

What it means: Leaders focus on mentoring and developing people's potential, particularly those from marginalised groups.

Impact on LED: Improves capacity building, youth empowerment, and SMME growth, addressing structural unemployment.

- **Visionary and Strategic Thinking**

What it means: Ability to see beyond short-term service delivery towards long-term economic sustainability.

Impact on LED: Helps municipalities develop comprehensive Integrated Development Plans (IDPs) and investment attraction strategies.

- **Strong Communication and Stakeholder Engagement**

What it means: Transparent communication and inclusive decision- making processes.

Impact on LED: Fosters partnerships with private investors, traditional leaders, and communities, ensuring buy-in and project sustainability.

- **Change Management and Adaptability**

What it means: Leaders drive organisational and policy changes to align with economic trends.

Impact on LED: Enables municipalities to respond to market shifts (e.g., transitioning to a green economy or digital economy).

5.7 RECOMMENDATIONS OF THE STUDY

Based on the above research findings and conclusions, the researcher proposes the following recommendations.

Theme 1: The current state of Local Economic Development in the uMgungundlovu District Municipality

The political leadership (Mayor, Deputy Mayor and Speaker) must lead the economic development of the uMgungundlovu District Municipality. Each Chairperson of a Portfolio Committee of Council must drive economic development initiatives of their Portfolio Committee. Each chairperson must ensure that at least 5% of their portfolio committee budget is set aside for an economic development initiative or project for that particular financial year, and that it is closely monitored.

To boost LED, the uMgungundlovu District Municipality can consider the following:

- Empower UMEDA as a strong LED Champion, i.e. bolster its mandate, funding, autonomy, and leadership to serve as a central LED engine.
- Stakeholder Engagement Platforms, i.e. create structured forums that bring together local municipalities, tribal leadership, private investors, civil society, and relevant government departments for shared planning and execution.
- Targeted Capacity Development, i.e. invest in leadership training for local government officials, LED practitioners, and traditional leaders, focusing on project management, collaborative governance, and resilience.
- Resource Mobilisation and Funding Diversification, i.e. pursue funding models that include public–private partnerships, donor funding, and government grants across both short-term and catalytic LED projects.

Theme 2: The impact of Transformational Leadership on Local Economic Development in uMgungundlovu District Municipality

The visionary leadership of uMgungundlovu District Municipality encourages and inspires stakeholders to strive toward a shared objective of sustainable economic development and growth. The uMgungundlovu District Municipality's cooperative strategy promotes collaboration among the community, private sector, and local government. To promote economic development, it is recommended that the uMgungundlovu District Municipality's cooperative strategy should encourage alliances between community organisations, the private sector, and local government.

To help create jobs and reduce unemployment, the uMgungundlovu District Municipality should encourage entrepreneurship and support local small businesses. By implementing strategies that support inclusive economic growth and development, the uMgungundlovu District Municipality's effective leadership contributes to the fight against poverty. To determine needs and priorities, uMgungundlovu District Municipality interacts with local communities and other stakeholders.

It is recommended that the uMgungundlovu District Municipality evaluate how well an economic development project is doing by looking at several key factors:

- The number of jobs created as a result of the project.

- The amount of investment drawn to the district.
- The reduction in poverty rates among the targeted communities.
- The number of people who have received training or skill development through the project.
- The level of community involvement and engagement in both planning and executing the project.
- The enhancements made to the quality and condition of the infrastructure that supports economic activities.
- The increased access to essential services, such as water and sanitation.

Theme 3: Key Characteristics of Transformational Leadership that positively impact Local Economic Development in uMgungundlovu District Municipality

To ensure that transformational leadership positively impacts Local Economic Development in the uMgungundlovu District Municipality, it is recommended that district leaders embark on the following:

Visionary Thinking: This involves anticipating change and crafting strategic plans to address it, ensuring the local economy remains competitive and adaptable.

Bold and Decisive Decision-Making: It involves taking courageous steps and making firm decisions to fuel economic growth and development.

Public Participation and Transparency: This means nurturing a culture of openness and accountability, actively engaging with the community and stakeholders to promote inclusive decision-making.

Dynamic Local Leadership: It is about providing strong leadership that can effectively navigate the complex challenges and opportunities within the local landscape.

Partnership Formation: This involves establishing robust partnerships with diverse stakeholders, including the private sector, civil society, and other government agencies.

Integrated Approach: Adopting a comprehensive strategy for local economic development that takes into account the physical, socio-economic, and institutional context of the area.

Skills Training: Investing in skill development to boost the capabilities of local government and stakeholders in driving economic progress.

Theme 4: Challenges facing uMgungundlovu District Municipality in implementing Transformational Leadership in Local Economic Development

The uMgungundlovu District Municipality faces some challenges in implementing transformational leadership in local economic development.

To tackle these challenges, it is recommended that the municipality focus on:

- **Establishing Effective Development Agencies:** The uMgungundlovu Development Agency (UMEDA) can be pivotal in spearheading economic development efforts.
- **Integrated Development Planning:** By putting integrated development plans into action that emphasise LED, infrastructure growth, and social services, the municipality can better address its development difficulties.
- **Promoting Inclusive Economic Growth:** Building partnerships with various stakeholders, including the private sector and civil society, can help foster inclusive economic growth and create jobs.

Given the challenges highlighted by the respondents/participants, transformational leadership within the uMgungundlovu District Municipality must work with the leadership of local municipalities and the business sector long before the economic development project or projects are to commence, and through transformational leadership characteristics already identified, find solutions to potential institutional conflict and disagreement within the intergovernmental sector. The same approach must be used with the private business sector, bringing key stakeholders in this sector from across the uMgungundlovu District Municipality together long before an economic development project is supposed to start, to create a shared vision, to co-plan, and deal with differences at each stage and provide different options to solve the points of disagreement. Local economic development projects must strive to transform economic ownership in an inclusive, realistic, and practical manner, given the divisions within our society, particularly within the business sector. The need to address mental models people have developed or believe in that perpetuate stereotypical thinking must be part of the issues to be addressed to demonstrate a serious commitment with no illusions about the challenges within our society. Ignoring this issue will only allow it to persist, creating conflict and eroding trust. The uMgungundlovu District Municipality must also clearly acknowledge what it can do on its own and what it cannot, and identify other state sector role players to become involved where their mandate, skills and resources are needed for successful economic development.

Theme 5: Strategies for effectively integrating Transformational Leadership into Local Economic Development initiatives in the uMgungundlovu District Municipality

As part of the strategies for effectively integrating transformational leadership into Local Economic Development initiatives, the uMgungundlovu District Municipality must:

Develop a Clear Vision

The uMgungundlovu District Municipality needs to create a shared vision for the district's economic development that aligns with the municipality's Integrated Development Plan (IDP) and incorporates input from all stakeholders.

Foster Stakeholder Engagement

It is essential to ensure that everyone has a seat at the table when it comes to LED initiatives. This involves engaging traditional leaders, local businesses, and community members in a conversation. The uMgungundlovu District Municipality should also build strong partnerships with the private sector, civil society, and other government agencies to drive economic development forward effectively.

Address Infrastructure and Service Delivery Challenges

The uMgungundlovu District Municipality needs to prioritise infrastructure development, especially in rural areas, to enhance access to economic opportunities and essential services.

Promote Economic Diversification and Growth

The uMgungundlovu District Municipality should encourage entrepreneurship, support small business development, and focus on job creation, particularly for our youth and marginalised groups.

Strengthen Governance and Accountability

It is crucial to implement effective governance structures that ensure transparency, accountability, and responsiveness to what the community needs. The uMgungundlovu District Municipality must foster a culture of performance management, monitoring, and evaluation to track progress and adjust strategies as necessary.

Invest in Youth and Skills Development

Collaborating with TVET colleges and universities is key to providing skills training and development programs that meet the local economy's needs.

5.8 FURTHER RESEARCH

The local economic development in the uMgungundlovu District Municipality is showing encouraging signs of growth and transformation. One of the most significant developments has been the introduction of new Chinese manufacturing investments, which are expected to bring

renewed investor confidence, infrastructure improvements, and job creation in the district. These investments, particularly in manufacturing, are beginning to boost local industries, create employment opportunities, and stimulate the informal economy. The uMgungundlovu District Municipality's efforts to support SMMEs and local cooperatives are further contributing to inclusive economic growth. However, more work remains to fully unlock the district's potential. As part of its efforts to enhance strategic planning and investor engagement, UMEDA has produced the *uMgungundlovu District Economic Overview and Investment Intelligence* booklet. This initiative aims to enhance the district's state-of-the-art analysis tools by providing up-to-date economic data, sector insights, and investment trends, thereby supporting evidence-based decision-making and attracting targeted investments aligned with the district's development priorities.

Key areas for further research on local economic development and transformational leadership include current challenges, emerging trends, and gaps in the existing literature or policy practice.

5.9 CONCLUSION

A successful economic development project fosters innovation and builds strong relationships to drive economic growth and development within a particular community. It is considered successful if it triggers significant, positive change within a specific community and sector. It must initiate a chain of reactions that lead to further development and positive impacts, exceeding the initial project scope. It must spark broader transformative change, especially among the previously disadvantaged communities. This research evaluated the link between transformational leadership and local economic development, as mediated by communities, leaders, and political leaders in South African municipalities.

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Annexure A: Gatekeeper Letter

Enquiries: Dr EX Muthwa

02 May 2025

Muziwokuthula Zuma

University of KwaZulu Natal

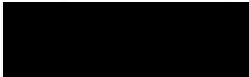


RE: PERMISSION GRANTED FOR RESEARCH ON EVALUATING THE EFFECTIVENESS OF TRANSFORMATIONAL LEADERSHIP ON LOCAL ECONOMIC DEVELOPMENT AT UMGUNGUNDLOVU DISTRICT MUNICIPALITY

I Dr EX Muthwa in my capacity as the Municipal Manager hereby give permission to Muziwokuthula Zuma (9304481) to conduct research in my organisation.

The student may use the name of the organisation in the dissertation.

Yours in development



.....
Dr EX Muthwa
Municipal Manager
02 May 2025

Office of the Municipal Manager
PO Box 3235, Pietermaritzburg, 3200
242 Langalibalele Street, Pietermaritzburg, 3201
Tel: 033 8976700

Annexure B: Informed Consent

UKZN HUMANITIES AND SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE (HSSREC)

APPLICATION FOR ETHICS APPROVAL For research with human participants

Information Sheet and Consent to Participate in Research

Date: 09/06/2025

Greetings,

My name is Muziwokuthula Zuma from the University of KwaZulu-Natal under the Graduate School of Business & Leadership. I am a master's candidate in Leadership Studies. I am contactable on [REDACTED] and/or 9304481@stu.ukzn.ac.za.

You are being invited to consider participating in a study that aims to qualitatively examine the role and impact of transformational leadership on local economic development initiatives in uMgungundlovu District Municipality, identifying enabling factors and institutional barriers. The purpose of this study is to seek to evaluate the current state of the local economic development in the uMgungundlovu District Municipality and identify the key characteristics of transformational leadership that positively impact local economic development.

The study is expected to include 8-10 participants in total, who are involved in local economic development across the uMgungundlovu District Municipality. It will involve the following procedures: you will be asked to participate in an interview about your experience in the local economic development programme and initiatives. The duration of your participation, if you choose to participate and remain in the study, is expected to be approximately 30 minutes. All information provided will be treated with strict confidentiality and used solely for academic purposes. Your identity will remain unidentified, and no personal identifiers, such as your name and department, will be disclosed in any reports. Your participation is completely voluntary; you may withdraw at any stage without providing a reason, and your response will not be used if you choose to withdraw.

There are no known risks associated with participating in this study. Your participation will contribute to research aimed at studying and contributing to the knowledge base on the role of leadership in local economic development and to provide practical recommendations for policymakers, leaders, and practitioners in the field.

We hope that the study will create the following benefits:

- Evaluate the key characteristics of transformational leadership that have a positive impact on local economic development.
- Evaluate the challenges faced by the uMgungundlovu District Municipality in implementing transformational leadership in local economic development; and
- Propose strategies for effectively integrating transformational leadership into local economic development initiatives in the uMgungundlovu District Municipality.

The research is essential in leadership and governance as it will enhance transformation in leadership, decision-making and policy-making, and ethics in governance and service delivery throughout the public sector in South Africa and the entire government.

This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (approval number ____).

In the event of any problems or concerns/questions, you may contact the researcher at 9304481@stu.ukzn.ac.za or the UKZN Humanities & Social Sciences Research Ethics Committee, contact details as follows:

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION

Research Office, Westville Campus
Govan Mbeki Building
Private Bag X 54001
Durban 4000 KwaZulu-Natal, SOUTH AFRICA
Tel: 27 31 2604557- Fax: 27 31 2604609
Email: HSSREC@ukzn.ac.za

Your participation in the study is voluntary and by participating, you are granting the researcher permission to use your responses. You may refuse to participate or withdraw from the study at any time with no negative consequence. There will be no monetary gain from participating in the study. Your anonymity will be maintained by the researcher and the School of Management, I.T. & Governance and your responses will not be used for any purposes outside of this study.

All data, both electronic and hard copy, will be securely stored during the study and archived for 5 years. After this time, all data will be destroyed.

If you have any questions or concerns about participating in the study, please contact me or my research supervisor at the numbers listed above.

Sincerely,

Muziwokuthula Zuma

CONSENT TO PARTICIPATE

I (Name) have been informed about the study entitled (provide details) by Muziwokuthula Zuma, the researcher/fieldworker.

I understand the purpose and procedures of the study.

I have been given an opportunity to ask questions about the study and have had answers to my satisfaction.

I declare that my participation in this study is entirely voluntary and that I may withdraw at any time without affecting any of the benefits that I am usually entitled to.

I have been informed about any available compensation or medical treatment if injury occurs to me as a result of study-related procedures.

If I have any further questions (concerns or queries related to the study) I understand that I may contact the researcher at [REDACTED] or 9304481@stu.ukzn.ac.za.

If I have any questions or concerns about my rights as a study participant, or if I am concerned about an aspect of the study or the researchers, then I may contact:

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION
Research Office, Westville Campus
Govan Mbeki Building
Private Bag X 54001
Durban
4000
KwaZulu-Natal, SOUTH AFRICA
Tel: 27 31 2604557 - Fax: 27 31 2604609
Email: HSSREC@ukzn.ac.za

Additional consent, where applicable

I hereby provide consent to:

Audio-record my interview/focus group discussion	YES
Video-record my interview/focus group discussion	NO
Use of my photographs for research purposes	NO

Signature of Participant

Date

Signature of Witness
(Where applicable)

Date

Signature of Translator
(Where applicable)

Date

Annexure C: Interview Schedule

Interview Schedule

1. Describe your leadership style: How do you lead a team, and what are your core principles as a leader?
2. How do you measure the success of an economic development project?
3. What challenges do you see in implementing an economic development strategy?
What are some of the potential obstacles, and how would you address them?
4. How would you approach developing a community economic development plan?
What steps would you take to identify community needs, develop goals, and implement strategies?
5. What is the current state of local economic development in the Umgungundlovu District Municipality?
6. How does transformational leadership impact local economic development in the Umgungundlovu District Municipality?
7. What are the key characteristics of transformational leadership that positively impact local economic development?
8. What challenges does the Umgungundlovu District Municipality face in implementing transformational leadership in local economic development?
9. How can transformational leadership be effectively integrated into local economic development initiatives in the Umgungundlovu District Municipality?

Thank you for your participation in this research.

Annexure D: Ethical Clearance Letter



18 July 2025

Muziwokuthula Zuma (9304481)
Grad School of Bus & Leadership
Westville Campus

Dear M Zuma,

Protocol reference number: HSSREC/00008910/2025

Project title: Evaluating the effectiveness of transformational leadership on Local Economic Development: A case study of uMgungundlovu District Municipality

Degree: Masters

Approval Notification – Expedited Application

This letter serves to notify you that your application received on 24 June 2025 in connection with the above, was reviewed by the Humanities and Social Sciences Research Ethics Committee (HSSREC) and the protocol has 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.

Incidents of adverse events and serious adverse events (AEs and SAEs) should be reported in writing to HSSREC, the study sponsors, and any regulatory authority (where appropriate), within 7 working days of the occurrence for local sites and 14 days for all other South African sites.

This approval is valid until 18 July 2026.

To ensure uninterrupted approval of this study beyond the approval expiry date, a progress report must be submitted to the Research Office on the appropriate form 2 - 3 months before the expiry date. A close-out report to be submitted when study is finished.

HSSREC is registered with the South African National Health Research Ethics Council (REC-040414-040).

Yours sincerely,

Doctor Shamila Naidoo (Interim Chair)

/nng

Humanities and Social Sciences Research Ethics Committee

Postal Address: Private Bag X54001, Durban, 4000, South Africa

Telephone: +27 (0)31 260 8350/4557/3587 Email: hssrec@ukzn.ac.za Website: <http://research.ukzn.ac.za/Research-Ethics>

Founding Campuses: Edgewood Howard College Medical School Pietermaritzburg Westville

INSPIRING GREATNESS