



**COLLEGE OF LAW AND MANAGEMENT STUDIES**

**An exploration of strategic leadership and resource allocation for effective municipal performance: The case of Harry Gwala District Municipality**

**By**

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Masters in Public Administration

**School of Management, Information Technology and Governance**

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## DECLARATION

I, Khayakazi Mhatu student number 219060723, wish to declare that:

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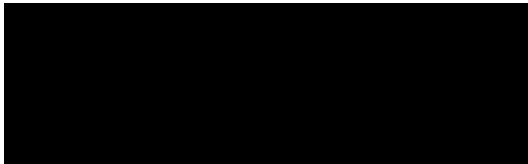
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Date: 10/02/2022



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## **DEDICATION**

This dissertation is dedicated to my late father, Llewellyn Khwezi Mhatu, who raised me with dignity, taught me the values of life and respect for other people. He gave me all the support financially and emotionally while I was at primary school and at secondary school. He also supported me financially and encouraged me to continue with my studies although I was about to surrender before completing my undergraduate studies. He used to say to me, “Forget about the things that are not important make sure that you put all your effort to your studies. There is no one who can take your education from you so make sure that you study hard to obtain your qualification.”

## ABSTRACT

This study sought to examine the relationship between strategic leadership and resource allocation for effective performance at Harry Gwala District Municipality (herein referred to as HGDM). HGDM is one of the district municipalities that is under the jurisdiction of KwaZulu-Natal Province. This study focussed on determining how strategic leadership can improve resource allocation at HGDM; identifying factors that could facilitate or hinder resource allocation by senior management at HGDM; developing strategies that could foster strategic leadership to optimise effective resource allocation at HGDM and exploring how senior managers could create an enabling environment through tactical administration at the chosen municipality. The theoretical framework of the study was underpinned by the Bower-Bulgerman (BB) Process Model of Strategy Making. This study employed a qualitative research methodology and exploratory research design. The target population of the study involved managerial employees at HGDM. A sample size of eight respondents was used. Purposive sampling and convenience sampling were employed to select respondents. Standardised open-ended interviews were used to conduct interviews and thematic analysis was used to analyse data. Findings of the study revealed that there are varied perceptions about how resources are allocated at HGDM. The first perception that emerged is that the municipality is embracing the Fourth Industrial Revolution by making communication easier for all employees. The second perception is that the resources at HGDM are inadequate due to poor revenue collection arising from the high number of indigent residents and resistance by people to pay for municipal services, resulting in the municipality having to depend on equitable share or grants from the government. The third perception is that the resources at HGDM are allocated in alignment with the PMS and in the spirit of implementing Integrated Development Plans (IDP), systems and budgetary arrangements. The fourth perception is that resources are allocated to priority areas such as water and sanitation. The study findings revealed the need for training and development of employees and proper identification of priority areas. The research established that strategic leadership should continually increase funding for the training and development of employees as a way of capacitating them to perform better and to optimise strategic leadership include conducting strategic planning sessions to ensure that goals and objectives of the municipality are fulfilled.

**Key words:** strategic leadership, resource allocation, municipal performance, strategic planning, enhanced service delivery

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## LIST OF ACRONYMS

AG	Auditor-General
COGTA	Co-operative Governance and Traditional Affairs
DCOGTA	Department of Cooperative Government and Traditional Affairs
HGDM	Harry Gwala District Municipality
IDP	Integrated Development Plan
IMF	International Monetary Fund
IT	Information Technology
KZN	KwaZulu-Natal
MFMA	Municipal Finance Management Act
MSA	Municipal Structures Act
OUTA	Organisation Undoing Tax Abuse
PMS	Performance Management System
RAP	Resource Allocation Process
SALGA	South African Local Government Association
UN	United Nations
WB	World Bank
WHO	World Health Organisation

# **CHAPTER ONE:**

## **INTRODUCTION AND OVERVIEW OF THE STUDY**

### **1.1 Introduction**

This study is based on the desire to explore the relationships that exists between “strategic leadership and resource allocation” for the effective performance of the Harry Gwala District Municipality (HGDM). The research explored the factors that are working against the effectiveness of resource allocation through application of strategic leadership and exploring strategies for enhancing the effectiveness of strategic leadership at HGDM. In this chapter, the focus was on presenting the background to the study and the problem statement, highlighting the identified problems and opportunities related to resource allocation through strategic leadership. The aim of the study is also highlighted in this chapter. This chapter outlined the four objectives and four research questions that underpin the study. The justification for undertaking the study, the research methodology and the limitation of the study is explained. The chapter also provided an overview of the dissertation with a final conclusion.

### **1.2 Background to the research**

Globally, strategic leadership has gained prominence in both academic and corporate circles (Nicolaidis & Tornam-Duho, 2019:214). It is against this background, that scholars such as Zoogah (2017:202) and Khoza (2018:2) have advanced the view that the practice of strategic leadership is critical to organisational effectiveness (Zoogah, 2017:202; Khoza, 2018:2). The recent outbreak of Covid-19, globally and in South Africa, has ignited interest in strategic leadership. For instance, the unexpected emergence of Covid-19 has caught many municipalities unaware. According to the Municipal Manager’s report (2020:14), for example, HGDM was grossly underprepared financially and materially for the emergence of the unexpected pandemic. This alone, is evidence of a lack of strategic leadership and poor planning for contingencies and unexpected disasters. Ideally, strategic leadership requires that organisations should always be in a state of readiness for contingencies and unexpected hazards. This can only be achieved through proper resource allocation. Before Covid-19, South African municipalities were accused of lacking strategic leadership. In the daily edition of the Citizen newspaper of the 7<sup>th</sup> of August, 2018, one of the Executive Directors of the Organisation for Undoing Tax Abuse (OUTA) blamed the collapse of service delivery in most

local municipalities of South Africa as being a manifestation of lack of strategic leadership. Khoza (2018:2) specifically pointed out that the service delivery failures of most municipalities are attributable to lack of strategic leadership and ultimate failure to balance multi-stakeholder's competing interests with resource allocation towards service delivery priority areas. Khoza's (2018:2) assertions seemed to concur with the then, Minister of Co-operative Governance and Traditional Affairs' assessments as contained in the annual report for 2017 which amongst others, exposed that thirty one percent (31%) of municipalities in the Republic of South Africa were meeting minimum standards of functionality whilst another thirty one percent (31%) were almost on the verge of dysfunctionality; and the remaining thirty one percent (31%) were completely dysfunctional. The apparent lack of satisfactory functionality was blamed by the then Minister on lack of strategic leadership and poor resource allocation. These claims are well documented in the *Department of Co-operative Governance and Traditional Affairs Annual Report for 2017 (DCGTA Annual Report, 2017:39)*.

This study is specifically focussed on HGDM whose Municipal Manager's report (2016:3) reiterated for the practice of strategic leadership as one of the ways to deal with the service delivery performance challenges. This study is contextualised to HGDM. The HGDM Municipal Manager's report (2016:3) emphasised the need for strategic leadership as a way to overcome numerous problems in service delivery provisioning in HGDM (Municipal Manager's Annual Performance Report, 2016:3). The SALGA KZN Provincial Chairperson's Annual Speech (2017:19) recommended that people in positions of leadership in the various municipalities must be innovative, especially when allocating resources.

Recently, the Oversight Report for HGDM (2020) has pointed to the continuing wasteful and irregular expenditure in the municipalities which is crippling service delivery. Both human and financial resources seem not to be strategically allocated to high impact areas like water and sanitation (AG Report, 2020).

The continued occurrence of service delivery protests in the four municipalities under HGDM is a cause of serious concern. More recently, in April 2021, a service delivery protest about water shortages was reported in the Gqumeni area located in Dr Nkosazana Dlamini Zuma Local Municipality, along the R617 route, connecting Underberg and Bulwer, in the jurisdiction of HGDM. Protesters attacked and burnt several vehicles, including trucks, operating along the route. This demonstrates that, at HGDM, the municipal resources are not

being strategically deployed to meet the strategic priorities of the communities it serves. Earlier, Municipal Manager of HGDM had stressed that strategic leadership is a growing necessity in overcoming a number of challenges in delivering of services in HGDM.

### **1.3 Problem statement**

The ideal situation for HGDM is a situation whereby its leaders allocates resources strategically in a manner that demonstrates adaptability to the evolving broader macro-environment. This new evolving macro-environment is underpinned by the equally evolving technological and information revolution that amongst other things, requires massive allocations of resources to help in the development of innovative solutions for the improvement of service delivery. In the ideal world, strategic leaders are expected to allocate municipal resources in a manner that demonstrates efficiency and effectiveness. Furthermore, strategic leaders are idealistically expected to allocate resources towards areas that brings about high impact in the arena of service delivery, and also in a manner that resonates with the preferences and priorities of the modern-day citizen. Thus, resource allocation in the modern era should be done in a manner that dislodges the current dysfunctional *status quo* towards helping to move the municipality to a desired state of efficient and quality service delivery (Maritan & Lee, 2017:262). In so doing, the leadership are deemed strategic if they develop a resource allocation matrix that has high levels of responsiveness to citizen expectations and demands whilst also deploying resources to develop not only a quality culture but also technological, human resource and institutional capacity for the improvement of service delivery. Thus, ideally strategic leadership should be found allocating resources in a manner that brings strategic improvements towards performance and service delivery improvements.

Regrettably, House, Hanges, Javidan, Dorfman and Gupta (2020:113) have opined that lack of strategic leadership worldwide, is a worrying trend that often manifests itself in poor resource allocation and organisational failures. Dorfman and House (2016:18) in their capacity as Globe Researchers, expressed the view that strategic leadership has been found to be lacking in many local authorities of the world to such an extent that this has become a global concern to the world population. Regrettably Dorfman and House (2016:18) further noted that the problem of lack of strategic leadership is more serious in countries classified as ‘developing’ compared to ‘developed’ countries. The authors further pointed to poor performance in the realm of service delivery in most developing countries mainly due to poor resource allocation and poor strategic planning and leadership.

Unfortunately, the leadership at HGDM have been found to be deviating from allocating resources strategically towards building better institutional and human resources capacity to improve service delivery. Again, the major weakness of the municipality leadership has been a fixation with *status quo* preservation and allocation of resources towards areas that do not bring tangible benefits for service delivery. Resultantly, service delivery has been unable to meet societal expectations and has become condemned as poor and sub-standard from the numerous citizen satisfaction surveys conducted by the municipality. For instance, Khambule, Nondo & Siswana (2020) chronicled the destructive effect of service delivery protests staged by the residents of Kwa-Meyi under uMzimkhulu Local Municipality in the jurisdiction of HGDM, protesting against the perennial shortage of water in their community and having to fetch water from a polluted river. Poor resource allocation at the municipality has led to a leadership that is highly unresponsive to residents' needs and expectations leading to negative perceptions about the relevance of the municipality. At worst, poor strategic leadership and resource allocation has often led to numerous service delivery protests that has affected HGDM in the past five years (SALGA, 2018:7). There is an evident lack of strategic leadership, characterised by the failure to display the requisite attributes, such as challenging and questioning the status quo, and challenging old rules and processes; as well as the lack of a strategy to get the support of stakeholders. This has negatively affected the ability of leaders in failing municipalities to bring about the desired changes that result in proper allocation of municipality resources towards areas that are strategic for the improvements of the livelihoods of its residents. Should the municipality management fail to be strategic in the manner in which they allocate resources for the effective functioning of the municipality, the persistent problem of service delivery protests and deteriorating living standards of the people will continue to prevail.

This research is focused on examining in explicit terms, the perennial problem of lack of strategic leadership in resource allocation for the enhanced performance of HGDM. This is against the background of rising cases of wasteful, irregular and fruitless and expenditure that has been reported in various AG reports spanning many years. All this points to poor resource allocation and poor strategic leadership, which has led to poor service delivery. The problem of lack of strategic leadership is not unique to HGDM, but is an existing South African and global public sector problem.

## **1.4 Current research gaps**

In the recent past, some notable researchers such as Maritan and Lee (2017:263) have identified gaps in the literature and knowledge pertaining to strategic leadership and resource allocation. This has of essence ignited renewed interest into the study of these two most important variables in the leadership matrix. This renewed interest has been personified by the likes of Aral and Weill (2017:764), who have undertaken a study to examine how strategic resource allocation contributes to differential organisational performance in selected private sector organisations. This is commendable given that in the present research on strategic leadership, organisational performance in the context of resource allocation is mainly focused on private sector organisations at the expense of local government institutions. Zoogah (2017:205) too also observed that there are still far fewer research studies focused on strategic leadership and its relationship to resource allocation, especially with regards to local municipalities. This study therefore, aims to fill this gap in literature by focusing on strategic leadership and resource allocation in a local government institution such as HGDM.

## **1.5 Aim of the study**

The study aimed to explore the relationship between strategic leadership and resource allocation for the effective performance of HGDM.

## **1.6 Research objectives**

### **The objectives of the study were to:**

- Determine how strategic leadership could improve resource allocation at HGDM;
- Identify the factors that could facilitate or hinder resource allocation by senior management at HGDM;
- Develop strategies that could foster strategic leadership to optimise effective resource allocation at HGDM; and
- Explore how senior managers could create an enabling environment through tactical administration at HGDM.

## **1.7 Research questions**

**Key questions explored through the study include the following:**

- How can strategic leadership improve resource allocation at HGDM?
- What factors facilitate or hinder senior management at HGDM?
- What strategies could foster strategic leadership to optimise effective resource allocation at HGDM?
- How can management create an enabling environment through tactical administration at HGDM?

## **1.8 Justification of the study**

The study is motivated by the need to bring in new and innovative ideas around the practice of strategic leadership and allocation of resources so that there can be new improvements in service delivery at HGDM. Improvements in strategic leadership and resource allocation are necessary as a way to abandon unworkable and poor old ways of leading and allocating resources which have been blamed on the current state of poor service delivery and emergent discontent among the people under the HGDM. The old ways of leading and allocating resources are no longer in tandem with the demands of the new operating environments as new approaches are now urgently needed to enhance the performance of the municipality and improvements in service delivery.

## **1.9 Methodology**

This research adopted a purely qualitative research methodology and approach. Qualitative research involves the detailed study of human lived experiences in order to determine perceptions, views, attitudes, beliefs and values of the people in a natural setting (Edwards & Holland, 2013:18). The research adopted interpretivism as a research paradigm that guides how data will be collected and analysed. The interpretivist paradigm believes that “reality is multi-layered and complex such that a single phenomenon can have multiple interpretations” (Creswell, 2013). Qualitative research involves the study of human behavior and relies on the analysis of narrative data to interpret the meaning of these behaviors from the perspective of the participants themselves, within their own social context (Brewer & Hunter, 2015:29). In line with the qualitative research approach, the study adopted an exploratory research design

and adopted in depth interviewing as the research strategy. The rationale was to get a detailed understanding of the research questions revolving around strategic leadership and resource allocation. Purposive sampling was used to select respondents from the target population of managerial staff at HGDM. Data for this study was analysed using thematic analysis and methods of data quality control such as conformability, credibility, dependability and transferability ensured and enhanced trustworthiness of the data.

### **1.10 Limitation of the study**

One major limitation that ensued from the study is the issue of researcher presence during the collection of data which may have had unintended consequences on the respondents' composure and truthfulness when responding to questions. The researcher's presence may have influenced the participants to answer questions in a certain way which would have been different if other approaches such as availing a self-administered interview guide was undertaken. The researcher made efforts to assure respondents of the confidentiality and anonymity with which their participation was treated.

### **1.11 Overview of chapters**

This dissertation is presented in five main chapters that includes the following sequence:

#### **Chapter 1: Introduction and overview of the study**

The discussion in this chapter provides the research background, research problem statement, aim of the research and the research objectives and questions. In addition to providing a brief overview of the research methodology, the chapter also examines the justification for the research, the limitation of the study and an overview of the chapters.

#### **Chapter 2: Theoretical Framework focusing on strategic leadership and resource allocation**

In accordance with the research questions and objectives, which are outlined in Chapter 1, this chapter evaluates theories which are relevant to the study. In addition to examining the legislative framework governing resource allocation, the chapter also evaluates theories and literature on strategic leadership and resource allocation. The chapter also discussed the issues surrounding municipal service delivery and local government".

### **Chapter 3: Relationship between strategic leadership and resource allocation**

This chapter focusses on reviewing literature from different scholars pertaining to how strategic leadership could improve resource allocation; the factors that could facilitate or hinder resource allocation by senior management; the strategies that could foster strategic leadership to optimise effective resource allocation; and an exploration of how senior managers could create an enabling environment through tactical administration.

### **Chapter 4: Research Design and Methodology**

This chapter provides a detailed description of the research design and methodology which were used in the primary research process. The research design was exploratory, and the chapter also highlights that the study used the qualitative research method, with the result that standardised open-ended questions in interviews were used as the main research method. In the context of the interviews used in the study, the latter sections of the chapter examine the target population and sampling process; the design of the interview guide; the administration of the interview guide; data collection; data analysis; validity and reliability; and the research ethical considerations that were upheld.

### **Chapter 5: Findings and discussion of results**

This chapter focuses on the findings and a discussion of the results of the study followed by an interpretation in context to the study.

### **Chapter 6: Conclusion and Recommendations**

In this chapter, the conclusion and recommendations on strategies for improving strategic leadership and resource allocation are presented.

#### **1.12 Conclusion**

In this chapter, the intention was on introducing the main focus of the study, which is related to exploring the relationship between strategic leadership and resource allocation for the effective performance of HGDM. The chapter also highlighted the forces constraining effective resource allocation through strategic leadership, and strategies for enhancing the effectiveness of strategic leadership at HGDM. In this chapter, the focus was on presenting the background to the study and the problem statement, highlighting the identified problems and opportunities related to resource allocation through strategic leadership. The aim of study was

also highlighted in this chapter. The chapter also outlined the four objectives and four research questions that underpin the study. The justification for undertaking the study, the research methodology and the limitations of the study, were explained. The chapter also provided an overview of the chapters and the final conclusion.

**CHAPTER TWO:**  
**THEORETICAL FRAMEWORK FOCUSING ON THE**  
**RELATIONSHIP BETWEEN STRATEGIC LEADERSHIP AND**  
**RESOURCE ALLOCATION**

**2.1 Introduction**

The focus of this chapter is to discuss the theoretical framework relating to the relationship between strategic leadership and resource allocation. The legislative framework governing the resource allocation mandate of South African municipalities is discussed. Two pieces of legislation governing resource allocation in municipalities are presented. This is followed by a discussion of the theoretical framework underpinning the study. The Bower-Burgelman resource allocation process model, the differential resource allocation model and the stream models of resource allocation are discussed. The main ideas of the theories, their limitations and relevance to the understanding of the relationship between strategic leadership and resource allocation are interpreted, discussed and analysed. A discussion of municipal service delivery and local government is also undertaken in the last section of this chapter. This is followed by a conclusion of the chapter.

Considering that the goal of public policy is an efficient allocation of resources, the municipalities should prioritise allocating resources to areas where the communities they serve derive maximum benefit. To achieve this, the South African legislative framework for municipalities, especially the Local Government: MSA 32 of 2000 and the Local Government MFMA 56 of 2003, includes useful guidelines for leaders to adhere to when allocating resources for service delivery. However, these acts do not dictate the amount of financial resources that municipalities can allocate towards the implementation of their mandate. This is where strategic leadership comes in – to determine how scarce resources can be distributed to achieve the service delivery objectives of the municipality. The legislative framework, including the Local Municipal Systems Act 32 of 2000 and the Local Government Municipal Finance Management Act 56 of 2003, requires municipal leadership to include citizens and stakeholders such as politicians, political parties and civil society organisations in providing input and making decisions as to how resources need to be allocated.

The effective and efficient allocation of resources for the improvement of service delivery should always be the end goal of each and every municipality in South Africa. Thus, leaders need to craft strategies that ensure the effective and efficient use of resources. This makes the examination of the relationship between strategic leadership and resource allocation an imperative for good governance in local government. The next section discusses the legislation governing resource allocation and management in South African municipalities in detail.

## **2.2 Legislative framework governing the resource allocation mandate of South African municipalities**

The Constitution of the Republic of South Africa particularly Chapter 10, section 195 which promotes efficiency, effectiveness and economic use of resources will be discussed first in this section. This will be followed by a discussion of the Local Government MSA 32 of 2000 and the Local Government MFMA 56 of 2003 are two important pieces of legislation governing resource allocation and management in South African municipalities, aside from the Constitution of the Republic of South Africa, 1996 (hereinafter referred to as the RSA Constitution, 1996). Flowing from this, the next section discusses the principles and sections of the Local Government MSA 32 of 2000 and the MFMA Act 56 of 2003 that are relevant to the study, for determining the most effective way that strategic leaders can allocate resources for improved service delivery.

### **2.2.1 The Constitution**

Chapter 10 of the Constitution of the Republic of South Africa section 195 promotes efficiency, effectiveness and economic use of resources. Section 195(1) (a) of the Constitution requires that “a high standard of professional ethics must be promoted and maintained” in public administration generally. This implies that the leadership at HGDM should allocate resources in a manner that promotes efficiency, effectiveness and economic use of resources. Further, the Constitution directs that resource allocation by the leadership at HGDM should be done through applying a high standard of ethics in the public sector.

### **2.2.2 Local Government: Municipal Systems Act 32 of 2000**

Section 52 of the Local Government: MSA 32 of 2000 specifies that the responsibilities of political bearers and municipal managers are governed by clear rules and are approved by municipal representatives in terms of resource allocation (Thornhill, 2018:79). Therefore, the

leadership at HGDM needs to allocate resources in line with the prescriptions of the MSA 32 of 2000 (Thornhill & Cloete, 2018:79). As part of their general mandate, the leadership at HGDM needs to make sure that policy statements, rules, instructions and procedures are followed in terms of implementation; more especially in relation to the *modus operandi*; areas of responsibility; processes; mechanisms; and procedures for communication with the municipal manager and other employees, as well as political structures, to minimise possible in-fighting and tension (Thornhill & Cloete, 2018:79). This MSA requirement helps to guide HGDM officials in the resource allocation process, since they are guided to areas of responsibility where they need to allocate resources.

Section 53 of the Local Government: MSA 32 of 2000 must be adopted by the leadership at HGDM when dealing with overlying obligations, differences and other ‘grey’ areas. The HGDM Council oversight, particularly over the executive, is fundamentally critical and must be improved so that resource allocation is done according to the prescripts of the law. A number of municipalities have adopted committee systems, among other things, to ensure proper resource utilisation and implementation of projects that would have been allocated.

### **2.2.3 The Municipal Finance Management Act (MFMA) Act 56 of 2003**

One of the principal pieces of legislation governing the management and disbursement of financial resources is the MFMA. The MFMA is pertinent and important as a regulatory instrument whose main objective involves promoting sound governance of financial resources under the purview of HGDM. The MFMA has other objectives related to the management of financial resources in South African municipalities. These include:

- The promotion of financial governance that is sound through the clarification of the roles and tasks of municipal employees;
- Undertaking a strategic budgeting approach;
- Reforming financial management;
- Promotion of consultative and co-operative governance; and
- Promotion of sustainable local government.

Pauw, Woods, Van der Linde, Fourie and Visser (2017:213) pointed out that “strict adherence to the MFMA principles lays a basis for accelerated service delivery specifically at HGDM and general in South African municipalities”. The MFMA guides proper resource allocation and management by the assigning of roles and duties to various role-players involved in

municipal financial management (Ferlie, Lynn, Jr & Pollitt, 2018:283). In terms of Section 62 of the MFMA, the accounting officer of HGDM is responsible for managing the financial resources. Therefore, the accounting officer is required, through the MFMA, to take all reasonable steps to ensure that the resources of HGDM are used effectively, efficiently and economically (Van der Westhuizen & Dollery, 2019:164). This obligation extends to taking all reasonable steps to ensure that unauthorised, irregular, or fruitless and wasteful expenditure and other losses are prevented (Van der Westhuizen & Dollery, 2019:164).

One of the key advantages of the MFMA is that it provides guidelines regarding the manner in which resources should be allocated and managed (Ferlie, Lynn, Jr & Pollit, 2018:283). The importance of the MFMA is that its policy and regulatory prescriptions are meant to ensure the achievement and maintenance of public accountability, transparency, good governance, and financial sustainability in the management of financial resources. Thus, leaders appointed in HGDM are mandated to ensure that the provisions of the MFMA are strictly adhered to, so that resources are allocated in a prescribed legal manner (Ferlie, Lynn, Jr & Pollitt, 2018:192).

Another important contribution of the MFMA towards financial resource management is contained from Section 32 of the Act. According to this section, the management of HGDM is mandated to use budget standards and prescribed formats; to establish audit committees and internal controls; to put in place procurement and supply chain management processes; to measure and report performance, to establish mechanisms to resolve financial problems; and to implement procedures to ensure proper resource allocation and management, as well as the implementation of municipal objectives (Van der Westhuizen & Dollery, 2019:164). Chapter 15 of the MFMA provides the legal framework for financial misconduct and financial offences, thereby helping to ensure that those who abuse public funds are held accountable and are disciplined. This acts as a deterrent to fraudsters and to people with unethical practices, who do not intend to manage public resources effectively and efficiently for the achievement of improved service delivery.

Despite the requirement for accounting officers to adhere to the dictates of its rules, the MFMA does not restrict or prescribe the amount of resources that management can allocate in the delivery of the municipality's mandate. The accounting officers are simply provided with guidelines regarding the processes and procedures for financial management. This effectively ensures that municipal leaders can use their discretion regarding the amount of resources they can deploy. In addition, to guard against the pursuit of self-interests, the MFMA makes it

mandatory for accounting officers to engage in public participation and consult members of their communities with regards to their priorities before allocating resources.

With reference to Section 4(2) (a) of the MSA; HGDM has an obligation to utilise the resources of the municipality in a manner that covers the best interest of the local community. Therefore HGDM, should adopt policies and processes that prevent unauthorised, irregular, fruitless and wasteful expenditure.

## **2.3 Models informing the study for enhancing public administration practices**

The study is theorised within the following dimensions.

### **2.3.1 The Bower-Burgelman Resource Allocation Model**

This study has adopted the Bower-Burgelman (B-B) process model of strategy-making. The B-B process model, formulated by Bower (1970:13) and Burgelman (1983a:116), postulates that resource allocation occurs under a broad strategic management process. Beforehand, Bower (1970) came up with what is now known as a RAP which with Burgelman's (1983:116), cooperation updated and modified to become the B-B process model.

The Bower-Burgelman model views resource allocation as an integral part of an entire strategic management process consisting of simultaneous, interlocking and sequential activities involving lower, middle and upper management.

The B-B model additionally pointed out that making strategies and allocating resources is an evolutionary process characterised by constant changes and adjustments. The evolution of strategy making and allocation of resources comes into being whenever an organisation undertakes assessments of its environment and other related factors. Burgelman, (1996:116) is of the conviction that functional leaders at their level of operation in the business are responsible for committing resources to be utilised for functional purposes. This implies that resources also need to be allocated to functions that are not only routine but also to areas that enhances the way an organisation performs.

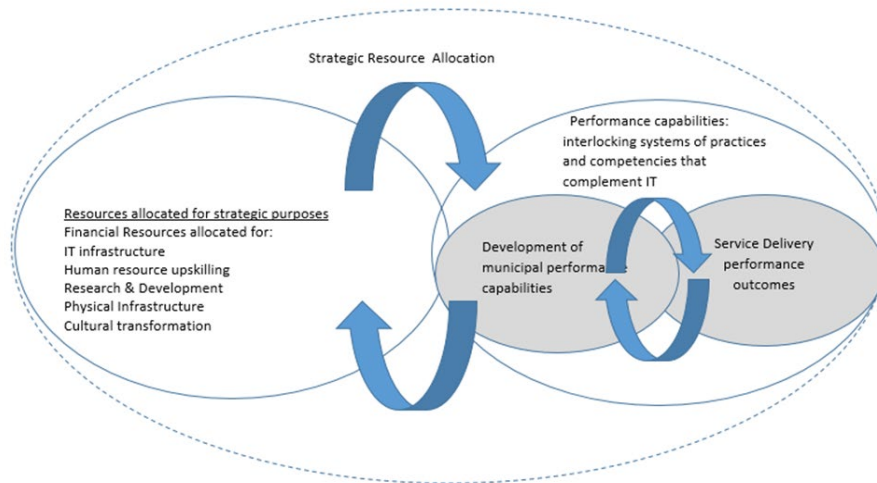
According to the Bower-Burgelman model, rationality in the resource allocation process dictates that there should be incremental allocations of resources in line with the new and emerging changes in the demands of the operating environment. For instance, Burgelman (1983a:116) recommended that managers in frontline positions are best placed to make decisions for allocating resources in a way that results in improvement in service delivery.

Top management has an indispensable role to play in the resource allocation matrix as they yield enormous influence in terms of approving the strategic initiatives of lower ranked managers. To this end, Bower (1970:13) and Burgelman (1983:116) pointed out that senior management is important as they exist to direct and guide the direction that an organisation should take. More so, top managers ultimately communicate performance expectations to lower level managers. By so doing, they contribute towards strategy development and implementation. In the B-B process model, it is asserted that frontline managers are responsible for making strategic initiatives and identifying resource needs that are necessary for the achievement of their departmental goals. The model further asserts that frontline managers have intimate knowledge about the resources that are critical for the achievement of organisational goals and the vision. “This explains why Bower and Burgelman (1983) asserted that strategy-making is an iterative process of resource allocation that is initiated by the lower levels of the management hierarchy, rather than by top management; hence, the argument that resource allocation in business organisations is a bottom-up process”. The B-B resource allocation model also acknowledged that managers at the lower level of the command chain often compete for the attention of the senior management in as far as location of resources is concerned.

The B-B model strikingly advocates for a bottom-up process and bottom-up strategic initiatives, whereby management at the lower levels are in constant competition for scarce organisational resources (Vieregger, Larson & Anderson, 2017: 2499). In the BB model, top executive managers have a restricted role that they play in the making of strategies and in the making of resource allocation decisions. This according to the model, implies that they rely on lower level managers (Busenbark, Wiseman, Arrfelt & Woo, 2017:2430). The lower level managers are deemed by top managers to have appropriate information that transforms them into being experts as they are viewed as being capable of making technical and economic evaluations. Ultimately, top managers are forced to rely on frontline managers in making resource-allocation decisions. By relegating the resource-allocation decisions to lower level managers, top managers position themselves as professionals who are close to business activities and in charge of technical and functions (Souder & Bromiley, 2017:2558).

The diagram, below, summarises the B-B resource allocation model.

**Figure 2.1: Diagrammatic illustration of the B-B model on resource allocation**



Source: (Maritan & Lee, 2017:2609)

As illustrated in Figure 2.1 of the BB model, it is clear that financial resources should be allocated strategically towards developing IT infrastructure; human resource upskilling; research and development; physical infrastructure; and cultural transformation to develop competencies in municipal governance and improve service delivery in HGDM. If financial resources are deployed to the aforementioned areas, better outcomes in the form of better municipal service delivery should result.

### 2.3.2 Weaknesses of the Bower-Burgelman process model

An understanding of the weaknesses can be helpful for leaders in HGDM to take precautionary measures when implementing the model during the allocation of resources. The main limitation of the B-B resource allocation model pertains to the fact that it does not adequately resolve the issue of how resources for different types of innovations need to be allocated, notably disruptive innovation at HGDM. Resource allocation, as enunciated in the B-B resource allocation model is in disconformity with “the financial and operating criteria for supporting disruptive innovations”. Furthermore, the model over exaggerates the role of frontline management in the strategy-making and resource-allocation. In practice, senior management at HGDM are the ones at the forefront of making resource allocation decisions whilst frontline managers are relegated to the implementing function. The other limitation of the B-B model is that it is most appropriate for profit-oriented organisations and not for municipalities. The other weakness of the B-B resource allocation model lies in its assumption

that frontline managers always acts rationally and always acts in the interests of the organisations they serve, unfortunately this is rarely the case. In the real world, this assumption defies “logic because human beings, no matter their situation in life, do not always act rationally and in the best interests of the organisation” (Noda & Bower, 2018:160).

Despite notable weaknesses, the B-B resource allocation model of strategy-making provides useful insights into the relationship between strategic leadership, policy implementation and resource allocation at HGDM to improve service delivery, as it forms the core of this study. Strategic leadership in HGDM has a responsibility and mandate to improve service delivery in the communities that they serve. It is important for the leadership to understand the weaknesses of the B-B resource allocation process model. This would help leadership in HGDM to take precautionary measures in order to avoid the identified weaknesses of the model when allocating resources and to adopt the positive aspects as a way to improve service delivery in HGDM.

### **2.3.3 Relevance of the Bower-Burgelman process model to resource allocation in HGDM**

Despite some apparent limitations of the B-B resource allocation model, there are also some strengths, notably that the model espouses the notion that strategic development and strategy adoption precedes strategic allocation of resources (Noda & Bower, 2018:160). This resonates with practices within HGDM. The other strength of the B-B resource allocation model is the notion that resource allocation is dependent on environmental factors within and outside the organisation (Bower, 2017:13). The B-B model therefore applies to this study on resource allocation in HGDM: resource allocation in HGDM is often affected by political forces (Van der Voet, Kuipers & Groeneveld, 2015:294). Allegations of political meddling in the allocation of resources and deployments are common in most municipalities (Van der Voet *et al.*, 2015:294). This resonates perfectly with assertions in the B-B model that resource allocation is affected by environmental factors obtaining within an organisation. When linked to this study on the relationship between strategic leadership and resource allocation, one finds the B-B model extremely useful in terms of one of the model’s prescriptions that resources need to be allocated in line with environmental changes, such that it must be incremental in supporting efforts to change and enhance organisational capabilities, and less to routine *status quo* operations (Bower, 2017:14).

To this effect, HGDM can adopt this line of thinking by allocating organisational resources in line with changing priorities emerging within the communities they serve, and towards developing strategic capabilities that support better service delivery within municipalities. Consequently, the model acknowledges that resource allocation should be done with the active participation of the generality of other lower level managers. This is commendable given that lower level managers have more knowledge about the things that need to be done and the amount and quality of resources that are required to successfully achieve positive performance outcomes. The B-B framework helps to provide guidance to the leadership in municipalities such as HGDM regarding where financial resources need to be allocated, in the development of information technology infrastructure; human resource performance capabilities; research and development; physical infrastructure; and cultural transformation in HGDM for the improvement of service delivery.

#### **2.4 Differential resource allocation theory**

A discussion of differential resource allocation theory is essential in terms of fostering greater understanding of the ideal resource allocation criteria that leadership at HGDM can employ in order to improve service delivery. Knowledge of the aspects of the differential resource allocation theory helps to determine how leadership should ideally, allocate resources in order to achieve the strategic objectives of HGDM that they lead. Through a discussion of the main ideas of the differential resource allocation theory, it would become apparent to the strategic leadership in HGDM what works better in the municipal environment to improve service delivery. The other rationale for discussing the differential resource allocation theory lies in the fact that, for years, there have been calls for the equitable distribution of resources within the municipalities. However, as is discussed below, the differential resource allocation theory disputes the notion of equitable distribution of resources in favour of the model described below.

The differential resource allocation theory was initially advanced by Harris (2008:1), further developed by Reardon and Robinson (2019:498), and later adopted by Baker and Corocan (2018:67). Knowledge of the differential resource allocation theory helps to respond to one of the research questions of this study, by identifying the forces constraining effective resource allocation through strategic leadership for the enhanced performance of HGDM. The main idea behind the theory is that resource allocation should be based more on the basis of needs and not merely on the basis of equity. This applies to HGDM whose leaders are expected to be

more strategic in allocating resources towards the neediest and in essential areas, as opposed to other areas. As different areas or departments have differing challenges, needs and problems, more resources must therefore be allocated to areas with the greatest need or areas facing more challenges. The equity-focused theory of resource allocation had gained prominence by advocating for equitable distribution of resources based on the liberal theories of equity and equality (Baker & Corocan, 2018:67). Though noble in terms of advancing the notion of equalness, the equity-focused theory cannot work at HGDM because of the existence of competing needs and interests being pursued by different stakeholders within and outside the municipalities. For example, HGDM is saddled with more pressing challenges related to the provision of water and sanitation for the residents, compared to other challenges such as road patching, parking spaces, and illegal street traders. Equity-focused resource allocation does not work in such scenarios. The strategic move for the leadership in HGDM will be to prioritise the allocation of scarce resources to those areas that are most essential for human survival, are more challenging, and affect the greatest number of people. Haverson and Plecki (2015:216) posited that the equity-focused theory does not work in those municipalities where there are existing developmental disparities within areas under their jurisdiction. Disparities in terms of spatial development; water supply and provision; sanitation provision; electricity connections and other infrastructural developments within South African municipalities make the competition for resources even more intense and disruptive (Reddy, 2018:144). This, combined with the existence of politically influential actors from different persuasions, makes the operating environment for strategic leaders even more complicated and difficult.

The question to be asked is, what theoretical framework can be adopted in order to foster a greater understanding of the political dimensions of the policy and the work leadership has to do to implement equity-focused differential resource allocation? This question can best be answered by examining a combination of theoretical perspectives regarding public sector finance with resource allocation policy design and implementation (Haverson & Plecki, 2015:216).

According to the differential theory of resource allocation, reconceptualisation and articulation of resource challenges, followed by an explicit recognition of departmental and spatial disparities within a municipal area, is a pre-requisite for achieving proper resource allocation (Haverson & Plecki, 2015:217).

This assertion is convincing and stands out as proper advice to municipal manager of HGDM to always consider spatial and departmental disparities in terms of resource allocation needs. This is effectively linked to one of the research questions which seeks to determine proper strategies for resource allocation for improved service delivery. This then, must be followed by a process of engaging in public discussions about what is the most equitable and fair way of allocating resources within a municipality. The practice of public participation in the budgetary processes vindicates the plausibility of the differential resource allocation concepts, when the community of Harry Gwala is approached for input regarding what they regard as priorities in terms of resource allocation through HGDM. The differential resource allocation theory essentially helps to inform strategic leadership in HGDM of the design and implementation of differential resource allocation in a municipality with marked disparities in the level of economic development.

Defining what is fair in terms of resource allocation is not easy. A substantial amount of research has established that not all departments within HGDM have identical needs. It has been revealed, through numerous research studies, that there would always be differential needs for different departments within HGDM. Socio-economic challenges facing local municipalities, and the different tastes and preferences of people under the jurisdiction of HGDM, can mean that categorical funding alone is not enough. In fact, there would always be a need to add to categorical funds when it comes to one area, as dictated by the prevailing circumstances in different areas (Harris, 2018:188). A formula for allocating resources that fails to consider the different needs of HGDM departments could inadvertently lead to failure in achieving the goal of development in needy areas (Baker & Corocan, 2017:61). Regrettably, this brings to the fore the daunting challenge of what strategic leadership need to do, given that equitable allocation of resources to various departments under the jurisdiction of HGDM does not always work as an effective resource allocation formula (Haverson & Plecki, 2015:218). The challenge, therefore, facing many policy-makers is that of coming up with a sustainable resource allocation formula that gives more to the needy areas and less to others. At the core of this question, is the complication of making distinctions between equality and equity in allocating public sector resources to support local economic development. One notion of equity, when it is used in the allocation of resources across an area, refers to the equal treatment of equals. This type of equity is known as horizontal equity (Baker & Corocan, 2017:61). Given the fact that, in most cases, different areas are not quite the same and have differing needs, defining equitable resource allocation presents a serious and complicated

challenge to policy-makers and to strategic leaders. Consequently, the unequal nature of the development within a given area creates the need for the exploration of strategies that provide a differential approach to allocating resources in an environment of 'unequals'. This approach is known as vertical equity in resource allocation (Berne & Stiefel, 2017:515). Rodriguez (2020:10) also supported this notion of vertical equity by positing that equitable resource allocation does not always lead to a reduction in the developmental gap across the district; hence the need to pursue the assessment of appropriate unequal treatment of unequals or the desired allocation of resources linked to necessities. If this is accepted, then HGDM need to take into consideration the unequal nature of development among unequals.

A key feature of good strategic leadership is to firstly recognise that unequal resource needs that exist within areas falling under the jurisdiction of Harry Gwala. Unfortunately, another key challenge is that of accurately and measuring the differential needs at HGDM. Aside from this, is another challenge that confronts strategic leadership at HGDM, especially with regard to understanding the distinction between distributional equity and the spatial distribution of taxpayers within an area, as many municipalities get a substantial amount of their revenues from property rates, levies, and so on. This is a plausible explanation because HGDM normally have different economic and residential zones occupied by taxpayers with different economic resources (Reddy, 2018:169). For example, high-income taxpayers who reside in high-income residential areas paying high rates would expect a high allocation of resources to their areas for use and services (Reddy, 2018:169). Failure to do this often results in serious complaints and rate paying boycotts to force HGDM to yield to their demands. On the other hand, low income earners also expect similar resource allocations to enable their areas to become developed. Chambers (2019:883) argues that, when one considers the distribution of taxpayers and ratepayers, resource equity needs to take this distribution into consideration.

The resource allocation formula should apply the concept of adequacy or sufficiency and relate it to the notion of equity. The differential theory postulates that establishing an equitable allocation of resources to communities or to departments of HGDM is only half the challenge (Ladd, 2018:406). For example, in HGDM much consideration needs to be given to the outcomes of resource allocation. According to the differential resource allocation theory, a distributional resource allocation system would ideally result in all areas having enough resources allocated to achieve similar developmental outcomes (Ladd, 2018:406). If that becomes the case, then one of the strategies for achieving good service delivery in HGDM is that strategic leadership need to allocate more resources to certain identified areas, as some

areas would need more resources than others, because of the greater number of challenges they would be facing (Ladd, 2018:406).

Haverson and Plecki (2015:219) opined that there are a number of structural and technical challenges that arise when policy makers adopt an equity focused resource allocation policy. The structural technical challenges are further compounded by political changes that always occur in both the short- and long-term. Maritan and Lee (2017:413) asserted that both the short- term and long- term political changes result in a shift of political priorities. Thus, issues like resource allocation equity become questionable as priorities shift, especially during periods of recession, fiscal contraction and poor revenue inflows. Chambers (2019:886) further asserted that, during times of constrained fiscal inflows, policy makers are often forced to consider differential resource allocation. Furthermore, the assertions by Ladd (2018:406) and Maritan and Lee (2017:413) clearly demonstrate that there are always constraining forces that hinder the effective allocation of resources in HGDM.

#### **2.4.1 Alternative theory to the differential resource allocation theory**

The differential resource allocation theory has its own weaknesses. This led scholars like John Kingdon (2003:14) to develop the ‘streams model’. This model helped in the better understanding of the complexity of problems in the public sector such as HGDM; the identification of the problems; setting agendas; and the design of policy for resource allocation.

The streams model is useful for explaining the challenges and constraining factors that hinder the effectiveness of resource allocation to improve service delivery at HGDM. Kingdon’s (2003:14) model has three streams: “a stream full of problems, a stream full of policies and the last stream, full of politics”. The model also highlights that there are always opportunities which organisations like HGDM can exploit to improve service delivery. In the model Kingdon (2003:14), asserts that the stream full of problems has a plethora of issues floating and requiring the attention of policy makers. Kingdon (2003:15) also asserted that not all issues in the stream of problems are easily recognisable as problems and thus not all of the issues branded as problems get the attention of policy-makers for resource allocation purposes. Although there are routine checks and balances within the public sector to elevate issues to the status of problems, sometimes this does not happen as it is intended. Much depends on the way in which political actors or leaders especially at HGDM package and articulate issues to make them become recognisable as problems. Kingdon’s (2003:14) model further postulated that, in

the stream of policies, there are various solutions that policy makers have. In this stream various solutions are floating ready to be applied to identify problems. Some of the solutions in the stream may also have been tried in the past or may have lost public favour or trust; while some other solutions may not yet have been practically tested, waiting to be snatched or applied by any entrepreneur or leader, whatever the case may be.

In the stream of politics, there are different political actors with different interests, each pursuing a certain agenda. In this stream of politics, there will also be prevailing political moods or political attitudes, which will all be in favour of a certain policy direction. This was supported by Scheneider and Ingram (2019:413) who posited that these streams often act independently of each other, but it later reaches a point where they all need attention at once, thereby presenting a dilemma to policy-makers regarding resource allocation. At the very least, Kingdon posited that a window of opportunity often arises when streams integrate with one another to create an opportunity for driving a certain policy agenda. Kingdon's (2003:14) model is highly relevant to this study as it highlights the nature of the challenges faced by HGDM, in allocating resources. It also highlights that strategic leadership in HGDM can also exploit windows of opportunity that arise from time-to-time to achieve their intended objectives.

## **2.5 Municipal service delivery**

Municipal service delivery is a key objective of local government. Thus, municipal service delivery cannot be viewed in isolation from local government. As alluded to in Section 2.2, there are various pieces of legislation that guide local government institutions like municipalities in the manner and nature of resource allocation. A discussion of municipal service delivery and local government is important to the study because it aligns with the objective of determining how resource allocation can help improve service delivery through municipality under local government administration.

Municipalities derive their financial resources from multiple sources (Stevens, 2018:42): municipalities, as local government institutions, have both internal and external sources of finance that they allocate towards service delivery, such as the procurement of materials for infrastructure development; the provision of water and sanitation; education; housing; health; and electricity (Campbell, 2016:1). Sources of municipal finance include money obtained from parking fees; water and sewerage rates; property rates; fines; and from central government grants. Though municipalities are financed from these sources, financial resources are seldom

sufficient (Campbell, 2016:1). HGDM is faced with scarce financial resources to allocate towards service delivery priority areas. Thus, in some cases, service delivery falls short of expectations. One of the major issues affecting service delivery in HGDM is that of insufficient financial resources and this is crippling municipalities' ability to provide world class service delivery and better amenities to the people (Kanyane, 2017:10). The HGDM is among the list of those municipalities cited by Kanyane (2017:10) as being over-dependent on central government financing which, in itself, is unsustainable because so often government is overburdened by numerous competing needs. One of the ways to circumvent this is to engage in prudent and effective utilisation of scarce resources so that service delivery priority areas receive priority when the resources are allocated.

However, in the service delivery mandate, HGDM often complain about the lack of skilled people to provide proper services to the people under its jurisdiction. A lack of appropriate skills, especially in technical and financial areas, has negatively affected service delivery (Pretorius & Schurink, 2017:26). Unattractive compensation packages have led to high turnover among senior qualified and competent staff in HGDM. Recent trends have pointed to the frequent resignations of technical staff, such as civil engineers, who are leaving HGDM for greener pastures (South African Institute of Civil Engineers (SAICE), 2018:24). The effect of this trend has been poor service delivery as people who have the requisite knowledge to deal with water and sanitation technical issues are not always available since it takes time to replace them. Often dysfunctional water and sewer plants are testimony to the shortage of critical skilled manpower.

The current status of service delivery in HGDM is a mixed bag, owing to resource disparities between municipalities (Pretorius & Schurink, 2017:26). There have been significant improvements in the provision of clean tapped water, mainly in the Central Business District (CBD) and low-density areas where the well-to-do residents of the municipality reside (Kanyane, 2017:12). The state of sanitation facilities is highly unsatisfactory: burst sewer pipes take too long to be repaired (Kanyane, 2017:12), and residents become angry. Another bone of contention is the slow pace of housing delivery to the people. Maintenance of the road and sewer infrastructure is often problematic and sometimes not done on time. The end result is the premature obsolescence of assets. Blockages in sewer systems is an indicator of poor service delivery (Kanyane, 2017:12).

The proper and effective management of scarce financial resources is key to the improvement of service delivery in municipalities (Pretorius & Schurink, 2017:34). However, this is contingent upon HGDM being able to improve their managerial competencies; stamp out corruption; and put in place strong internal controls to guard against fraud and the misappropriation of public funds (Pretorius & Schurink, 2017:34). An equally effective strategy would be one that embraces good corporate governance, as prescribed in King's III & IV code of good practice, which encourages transparency and accountability to reduce the theft of public resources and unauthorised, irregular and fruitless expenditure (Pretorius & Schurink, 2017:34). This will inevitably lead to incremental gains in the availability of financial resources to be channelled towards service delivery.

## **2.6 Conclusion**

The anchor theory underpinning this study, namely the BB resource allocation model (BB), a process model of strategy-making, is discussed in this chapter. The role of frontline managers in the allocation of resources is discussed. In addition, the Bowler-Burgelman process model is assessed for its strengths and weaknesses. The chapter also discussed the relationship between strategic leadership and resource allocation and performance in a municipality, as well as the forces constraining effective resource allocation, which could foster effective strategic leadership. The next chapter discusses the literature pertaining to resource allocation and strategic management.

## **CHAPTER THREE: RELATIONSHIP BETWEEN STRATEGIC LEADERSHIP AND RESOURCE ALLOCATION**

### **3.1 Introduction**

The previous chapter highlighted the background to the problems faced by the public sector in the allocation of resources, despite the desirability of implementing public sector programmes, and the significance of strategic leadership in the allocation of resources for sustainable organisations. Two factors affecting contemporary implementation processes are explored, namely public participation and democratic governance. This chapter provides an overview of the growing importance of strategic leadership in 21<sup>st</sup> century organisations. The chapter presents a discussion on strategic leadership and resource allocation concepts and definitions. The chapter also discusses the relationship between strategic leadership and resource allocation and performance in a municipality, the forces constraining effective resource allocation through strategic leadership; and the strategies for fostering strategic leadership and its effectiveness.

### **3.2 Background to strategic leadership**

Recently, leadership in the public sector has attracted growing and renewed attention emanating from the numerous and persistent failures of HGDM to make proper allocation of resources for improved service delivery. In South Africa, since the year 2012, under the Former President, the national focus shifted towards the quality of leadership in the local government sphere, in as far as performance is concerned. There are numerous reasons for this renewed surge in interest. Firstly, the public sector became synonymous with failures of governance (Mau, 2017:4). Secondly, resources of a financial; physical; human and information technology (IT) nature were not being deployed and allocated to strategic and priority where they were supposed to make a positive impact on service delivery (Mau, 2017:4). Thirdly, the rise in the number of educated people accompanied by growing literacy rates, and increased rates of citizen activism in many developing countries such as South Africa, have led to an increase in governance scrutiny and interest. Fourthly, global multi-

lateral institutions like the UN, IMF and the WB have seen enormous pressure being exerted on governments and their institutions to improve their “governance compliance systems, reduce corruption and embark on better resource-management strategies for maximum positive impact on the communities that they serve” (Mau, 2017:4).

### **3.3 Strategic leadership in perspective**

The 21<sup>st</sup> century requires new ways of thinking; solving problems; functioning as teams; communicating; developing and motivating staff (Covin & Slevin, 2017:215). It also requires reassessing the value of existing techniques, because there is no blueprint for dealing with change. This makes strategic leadership more important than ever before. This section seeks to define and explain the main dimensions of strategic leadership. A comprehensive understanding of the main aspects of strategic leadership is necessary since it forms the core of this study regarding resource allocation at HGDM. Strategic leadership is a leadership model that HGDM should embrace, develop, practise and implement for improvement of leadership skills and service delivery. Joyce (2016:38) pointed out that strategic leadership is characterised by actions whereby a leader focuses on the future and creates an excitement around an envisioned vision for the future, as well as excitement for what is happening today. Joyce (2016:39) further stated that the primary goal of strategic leadership revolves around attaining a better understanding of the business conditions and the challenges that the business is currently facing, followed by the crafting of strategies that makes the business operate viably, both in the short-term and long-term. Thus, the leadership at HGDM should embrace concepts of strategic leadership in order to improve resource allocation and service delivery.

Covin and Slevin (2017:215) define strategic leadership as involving a synergistic but mutually reinforcing combination of both managerial leadership and visionary leadership practised to affect subordinates and those actors in the environment to make decisions voluntarily. HGDM should therefore reinforce combinations of both managerial leadership and visionary leadership practiced to affect subordinates and those actors in the environment to make decisions voluntarily. Samimi, Cortes, Anderson and Herrmann’s (2018:356) definition of strategic leadership adopts a behaviourist orientation. Samimi *et al.* (2018:356) defined strategic leadership as a kind of leadership that involves having the person leading an organisation getting a deeper understanding of the environment in which the organisation is operating, followed by the development of moves and action plans that result in the creation of

strategic changes that help to ensure both short- and long-term viability. The main idea behind Samimi *et al's.*, (2018:357) definition is that strategic leadership does take prevailing environmental circumstances into consideration so that appropriate changes are initiated to make it possible for the organisation to remain sustainable in the future. Golensky and Hager's (2020:1) definition concurs with assertions by Samimi *et al.* (2018:357) in the sense that the latter's definition of strategic leadership also points towards a future orientation and a propensity to introduce changes that help to steer an organisation in both present and future environmental circumstances. Golensky and Hager (2020:1) define strategic leadership as a leadership philosophy that is flexible enough to envision what the future environment would look like and then takes a flexible approach to lead in the envisioned future, which in turn, leads to the initiation of changes that are necessary to give an organisation a competitive advantage. Golensky and Hager (2020:2) further explained the criteria used to identify strategic leadership versus non-strategic leadership which can be used to identify strategic leadership at HGDM.

Golensky and Hager (2020:2) posited that an operational leader is one who has a greater propensity to maintain the status quo in an organisation and lacks the critical skills to tackle the organisation's 'wicked problems'; whilst strategic leaders possess critical skills and know-how to tackle an organisation's wicked problems through initiating transformative change. Golensky and Hager (2020:2) further posited that strategic leaders are leaders who question the status quo and challenge the prevailing view without provoking outrage or cynicism. Leadership of HGDM can act decisively on the issues that impact on the municipality. Furthermore, strategic leadership at HGDM are expected to lead with inquiry, as well as advocacy; initiate changes that are necessary to sustain a municipality; and lead by engagement as well as command, while operating with humility and respect for others.

From the aforementioned definitions, it is clear that strategic leadership encompasses environmental scanning to identify present and future opportunities and strengths that need to be exploited for future sustainability, as well as threats and weaknesses that need the development and implementation of strategic changes to allow an organisation to achieve both short- and long-term viability. In addition, strategic leadership includes harnessing and deploying resources with a future orientation perspective. The definition by Covin and Slevin (2017:215) provides useful insights into the fact that both managerial and visionary leadership inherently complement each other under strategic leadership. Golensky and Hager's

(2020:216) definition attests to the fact that strategic leadership requires flexibility due to changes in environmental conditions, which are often constant. Joyce's (2016:43) definition of strategic leadership pointed out that strategic leadership involves motivating staff (creating excitement among staff) to work towards ensuring the future sustainability of the organisation. To this end, it can be concluded that strategic leadership involves initiating and implementing strategies that are tailor-made to respond to both the prevailing and envisioned future environment, with the objective of making an organisation sustainable in both the short- and long-term. Strategic leadership is defined as "the leader's ability to anticipate, envision, and maintain flexibility and to empower others to create strategic change as necessary" (Hitt, Ireland & Hoskisson 2017: 375). Strategic leadership is multifunctional, involves managing through others, and helps HGDM cope with change that seems to be increasing exponentially in today's globalised environment (Huey, 2018:42–50). Strategic leadership requires the ability to accommodate and integrate both the internal and external environment of the municipality, and to manage and engage in complex information processing. According to Hitt, Ireland and Hoskisson (2017: 376) several identifiable actions characterise strategic leadership that contribute positively to effective strategy implementation:

- Determining strategic direction;
- Establishing balanced organisational controls;
- Effectively managing the organisation's resource portfolio;
- Sustaining an effective organisational culture;
- Emphasising ethical practices.

### **3.4 Concept of resource allocation**

Resource allocation refers to the process that involves the assignment, deployment and management of assets in a manner that contributes towards an organisation's strategic goals (Kool & Van Dierendonck, 2018:422). Arrfelt, Wiseman and Hult (2019:1081) described the notion of resource allocation as being connected to the deployment and management of an organisation's tangible assets in order to make the best use of softer assets such as human capital. Resource allocation involves balancing competing needs and priorities, followed by a process of determining the most effective course of action in order to maximise the effective use of limited resources and achieve the desired outcomes (Bardolet, Brown & Lovallo, 2017:2471). Resource allocation is a process and strategy that is used by HGDM in

deciding where scarce resources should be used in the production of goods or services (Maritan & Lee, 2017:265). There is a general misconception regarding what a resource is. A resource is not always financial. Maritan and Lee (2017:265) explained that a resource can be any factor of production used to produce goods or services, such as labour; real estate; machinery; tools and equipment; technology; natural resources; and financial resources such as money.

### **3.5 Resource allocation process and strategies of HGDM**

#### **3.5.1 Strategic planning**

Effective resource allocation at HGDM should be preceded by strategic planning. A distinction is usually made between planning on a strategic level and planning on a tactical and operational level. The concept 'planning' refers, in simple terms, to two phases. HGDM strategic planning should ideally follow the phases suggested by Joyce (2016:46). The first phase focuses on the visualisation of what an organisation aims to achieve in future in order to be successful (Joyce, 2016:46), followed by the establishment of an organisation's goals and objectives and an agreement on the best method to achieve them. The development of a strategic vision and mission and the setting of objectives is based on basic direction-setting tasks by an organisation's top management and involves strategies which constitute a strategic plan (Covin & Slevin, 2017:216). Thus, HGDM strategic planning process must ideally be informed by the strategic vision that the municipality has formulated. The second phase in planning, according to Joyce (2016), is to ensure the feasibility of the plan. This involves the allocation of resources, the development and maintenance of policies and programmes, and the development and implementation of processes and methods. The critical management processes of reviewing, strategic planning and resource allocation/budgeting should not function in isolation. The integration of these activities is imperative for HGDM in its quest for effective management and for reaching its performance goals. As identified by Bawany (2016:119), strategic planning is one of the processes that leads to resource allocation in the municipality. Bonchek (2017:289) expressed a similar view to that of Bawany (2016:120) by positing that resource allocation is initiated by the process of strategic planning during the time when the vision and goals of the municipality is formulated. Bawany (2016:120) further posited that the vision and strategic goals of an organisation are accomplished through proper resource allocation. To this end, it is clear that HGDM's resource allocation should be initiated

by the process of strategic planning during the time when the vision and goals of the municipality are formulated.

### **3.5.2 Budgeting**

HGDM should ideally undertake budgetary process in order to achieve effective resource allocation and improved service delivery. Bonchek (2017:289) identified budgeting as another process that leads to resource allocation. According to Bonchek (2017:290), once performance objectives have been set, management will need to allocate sufficient resources to achieve those set objectives. In practical terms, this is often a matter of project budgeting. In essence, HGDM will allocate money to areas that will have the most impact on achieving the set objectives. For instance, each department may take its budgeted funds and allocate those resources for more specific purposes, such as hiring employees; maintaining machinery and equipment; buying supplies; marketing; and funding operations. Thus, budgeting at HGDM must prioritise allocating resources to areas that will have the most impact on achieving the set objectives.

### **3.5.3 Logistical management**

According to Bawany (2016:121), logistical management is an important process in resource allocation. By implication HGDM's resource allocation should also be channelled to logistical management have to be moved to where they are needed in order to accomplish the objectives of the municipality that will bring it closer to its strategic goal. Logistics is the process by which the organisation manages the flow of resources coming into the organisation, flowing through the organisation, and flowing out of the organisation.

## **3.6 Resource allocation and the policy framework**

Resource allocation at HGDM should be done in the context of the policy framework. 'Policy' is what governments actually do; for example, protecting the environment; regulating trade; controlling the money supply or inflation; and in general, providing public services (Serhal, Arena, Sockalingam, Mohri & Crawford, 2018:45). With regard to resource allocation, public sector leaders operate under the guidance of a policy (Serhal *et al.*, 2018:45). Thus, resource allocation is not independent of policies but is implemented following a set of policies gazetted by the public sector, the organisation itself, or the management of an organisation (Serhal *et al.*, 2018:45). Put simply, resource allocation operates through a policy framework

governing the criteria for allocating the resources, or other guidelines or frameworks that a policy stipulates. Policy can be seen as the authoritative, but democratic, allocation of values, implying the result of consensus and compromise between contesting groups in society. Public policy is a purposive, or goal-oriented, action, rather than a random behaviour change (Kanyane, 2017:118). Every resident in South Africa is, on a daily basis, directly or indirectly, influenced by local government policies. Policies on tariffs; social development; local economic development; debt collection; standards of service provision; language and development; and the maintenance of pavements, to name a few, all have definite consequences for the welfare, security and comfort of the community (Kanyane, 2017:118). These public policies are designed to accomplish specified goals and consist of courses of action. Policies are also based on law and are authoritative (Serhal *et al.*, 2018:45).

### **3.6.1 Resource allocation and the public policy problem**

HGDM leadership needs to have an understanding of the public policy issues before engaging in resource allocation. Before a legislative body at any level of government formulates a policy, the policymakers identify what is termed a ‘public policy problem’ (Cloete, de Coning & Wissink, 2018:138). Public policy refers to the actions and/or decisions taken by government with the intention of solving problems and improving the quality of life for its citizens (Cloete *et al.*, 2018:138). In South Africa, the public policy-making process occurs at three levels, namely at national government level, provincial government level and local government level (Cloete *et al.*, 2018:138). At national government level, public policies are formulated to regulate industry and business and to also protect citizens, both at home and abroad, and to help the state and local government authorities to provide services in such a way that helps in the achievement of social, economic and political goals (Pretorius & Schurink, 2017:23). “The formulation of public policy rests, in practice, mainly with the legislative institutions at the different levels (spheres) of government and administration; political functionaries; leading public officials; pressure groups and interest groups” (Mullon & Ngoepe, 2019:504). These institutions and people, however, cannot play a central role in policy formulation if adequate information relevant to policy is not available. It is mainly in this context that public officials, who perform their duties on a daily basis at grass roots level, are in a position to provide valuable information for the development of public policy, for example related to resource allocation.

Resource allocation policy development also occurs at local government level in South Africa (Lindquist & Wanna, 2015:209). The provincial government has a responsibility to facilitate public participation with regards to public policy formulation at the provincial level. As a state actor, they do this through an institution called the legislature, to craft policy on any matter, such as regarding resource allocation (Cloete *et al.*, 2018:139). At local government level, policies are made by the mayoral committee and councillors as a whole in consultation with the municipal administrators, such as the municipal managers and other senior managers, regarding resource allocation and other issues (Cloete *et al.*, 2018:139). The mayoral committee and all the councillors act as legislators and also make policy for the municipalities that they run. Together, they constitute a legislative body which is mandated by the South African Constitution to make local laws and policies (Cloete *et al.*, 2018:139). Consequently, legislative authority is generally limited to what the state specifically grants to local authorities.

### **3.6.2 Resource allocation and policy-making procedures**

Resource allocation and policy-making procedures at HGDM needs to be done in the context of policy-making procedures, notably agenda setting, consideration of choices, policy formulation and policy adoption. For a resource allocation policy to be established and implemented, it has to go through several stages, from inception to conclusion. When a resource allocation policy is developed by the national, provincial or local government, it goes through several processes, namely, agenda setting; formulation; adoption; implementation; evaluation and termination (Lindquist & Wanna, 2015:209). At any level of policy making, the persons in charge first engage in agenda setting. Before one creates a resource allocation policy, one must identify a problem that exists within society and which requires government attention (Lindquist & Wanna, 2015:209). The next step involves a policy formulation and adoption which is appropriate for solving the identified problem (Lindquist & Wanna, 2015:209). The implementation phase is the last part of the policy-making process and involves coming up with an approach to solving a problem. The implementation of the policy is most often accomplished by institutions other than those that formulated and adopted the policy.

- **Agenda setting**

Initially, policy-makers at local government level embark on agenda setting (Ismael, Bayat & Meyer, 2015). The process of agenda setting involves having the policy makers identify problems in their areas of jurisdiction that require attention, for the purposes of allocating resources. It will be inevitable that the municipality is facing many problems requiring their attention, but it will have to identify the most pressing problems which are affecting the well-being of a majority of the population and which also require urgent attention, ahead of other issues. Resources permitting, the municipality can set policy and allocate resources for several policies; but the general rule of thumb is to first set an agenda for the most serious problems affecting the community, before proceeding to the other problems. Once the problem requiring urgent attention has been identified, they then set the agenda.

- **Consideration of Choices**

Choices or alternatives are typically considered under agenda setting, rather than as separate items as Cloete *et al.* (2018:157) envisioned in their model, detailing the stages and steps undertaken in formulating and implementing policy in HGDM. As a significant departure from other leading scholars on policy-making processes, Cloete *et al.* (2018:159) have introduced salient features that represent a unique portrayal of the resource allocation policy formulation processes.

Despite other authors' neglect of choice as a crucial resource distribution method, Cloete *et al.* (2018:157) argue that this is a unique and very significant process, and thus deserving of its own discussion. Cloete *et al.* (2018:157) argue that bureaucrats often deal with multiple problems at once, but that they cannot solve all of them at once. In order to decide how to allocate resources to problematic areas, serious consideration must be given to their priority. When a problem has been identified and prioritised, the next mammoth task is to select an alternative strategy or solution from among a range of options (Cloete *et al.*, 2018:157). A wide range of options needs to be examined to determine resource allocation strategies and solutions that will achieve desired results. Before choosing a course of action to solve its current problems, HGDM needs to engage in a serious brainstorming session (Cloete *et al.*, 2018:157). As soon as the most viable policy options and alternatives for solving the problems are identified, the next step involves making the resource allocation decisions and publicising them (Cloete *et al.*, 2018:157).

Consideration of choice, or alternative strategies, can be related to the study of effective strategies for resource allocation and improvement of service delivery by strategic leadership. The observations by Cloete *et al.* (2018:157) regarding the policy-making processes undertaken by public policy-makers provide useful insights into how resource allocation can be implemented to achieve better service delivery. Thus, municipalities need to choose programmes for allocating optimum resources to achieve better service delivery. Creators of policies need to engage in brainstorming sessions to identify community problems and to choose alternatives for the allocation of resources that yield the best service delivery outcomes (Lindquist & Wanna, 2015:211). Furthermore, Birkland (2019:88) requires public participation in the identification of problems, prioritising problems, and choosing the best alternative strategies for solving societal problems. The next step after the adoption of an alternative strategy is resource allocation.

- **Resource allocation and policy formulation**

Reddy and Govender (2018:79) posited that policy formulation is the next critical step after agenda setting. Reddy and Govender (2018:79) further posited that the municipal policy-makers, inclusive of the mayoral committee and the municipal council, as well as municipal employees, play a significant role in the policy formulation process. They highlighted that excluding municipal employees in the formulation of policy is a serious mistake because they normally have more intimate knowledge about operational issues than other stakeholders. Lampaki and Papadakis (2018:631) added that in the policy formulation process, municipal employees determine the general framework for the policy, define important questions and recommend solutions. “During this phase, the nature, origin and scope of policy problems are determined, analysed and investigated and recommendations are formulated for consideration by the municipal council” (Lampaki & Papadakis,2018:631). Reddy and Govender (2018:80) posited that the policy formulation phase is characterised by the policy-makers identifying and creating alternatives for resolving public problems. The policy formulators may be confronted with several options to deal with a specific problem and they need to keep several factors in mind to address these problems adequately.

- **Resource allocation and policy adoption**

As the policy formulation phase shifts towards the policy adoption phase, some alternative proposals will be rejected, others accepted and others modified” (Lindquist & Wanna, 2015:216). The main focus during the resource allocation policy adoption phases involves

deciding which proposed alternative will be used to address the problem. Reddy and Govender (2018:80) expressed the view that a policy decision involves the action of an official person or body to adopt, modify, or reject a preferred policy alternative. At local government level, the responsibility to amend, approve or reject a particular policy recommendation remains with the municipal council officials (Van der Waldt, 2016:39). A municipal council has to take political, operational, technical and financial feasibilities; and organisational, personnel and legal implications into consideration before adopting any policy matter (Pretorius & Schurink, 2017:25).

- **Resource allocation policy implementation and execution**

Once a resource allocation policy has been adopted by a municipal council, it must be translated into action (Cloete & Wissink, 2015:118). During this phase, the attention focuses on what should be done to execute the adopted policies. Cloete and Wissink (2015:118) pointed out that the consequences of implementation and the impact and degree of success are every bit as important as what emerges during the formulation and adoption phases. According to Reddy and Govender (2018:82), it is the responsibility of municipal councillors to monitor and oversee the implementation process to determine whether or not policies are executed the way they were intended. Pretorius and Schurink (2017:25) point out that policy implementation deals with the relevant officials involved, the procedures they follow, the systems they employ and the political support and opposition they encounter.

- **Resource allocation and policy evaluation**

Policy evaluation involves the estimation and assessment of the goal accomplishment of a particular policy (Fox, Schwella & Wissink, 2016:97). Policy evaluation also looks for the factors that contribute to the success or failure of a policy and this may, in turn, lead to the reprocessing of the policy cycle to modify or even terminate the policy. Fox *et al.* (2016:97) stated that Section 11(3) (j) of the MSA stipulates that a municipality must monitor the movement and effectiveness of its policies. The purpose of these evaluations is to take corrective steps and to ensure public accountability. For instance, leadership might have discovered that some areas are needier than others. HGDM leadership can then allocate more resources to those needy areas.

### **3.7 The relationship between strategic leadership and resource allocation and performance of a municipality**

The relationship between resources and strategy is two-way: strategy affects resources and resources affects strategy (Bardolet *et al.*, 2017:2470). Strategic intent often dictates how resources will be allocated (Bardolet *et al.*, 2017:2470). As resources are allocated, the strategic action commences. Strategic leadership often comes up with strategic initiatives that prioritise certain programmes (Huey, 2018: 43). As a central management function, the allocation of resources facilitates the execution of a strategy (Yavitz & Newman, 2017:10). Any resource allocation programme is only valuable if it achieves the objectives of the municipality (Yavitz & Newman, 2017:12). For HGDM, strategic initiatives include those related to the improvement of service delivery (Van der Waldt, 2016:41). In such a case, resource allocation often follows the strategic action plans and marks the implementation of policies, programmes or initiatives by municipal leadership to improve service delivery (Van der Waldt, 2016:41). This alone indicates a strong relationship between strategic leadership and resource allocation. In fact, strategy formulation often precedes resource allocation. Maritan and Lee (2017:268) asserted that resource allocation indicates the strategic direction of the municipality.

According to Dick, Ash, Diamantides, Grabarczyk, Main, Schuessler and Van Cura (2018:1452), strategic leadership and resource allocation have a two-way relationship. Dick *et al.* (2018: 1452) asserted that strategy affects resources and resources affect strategy. Galpin (2018:46) further highlighted the different perspectives that help in the understanding of the evaluation of different aspects of resources.

The notion of strategic leadership is not new in management and leadership literature. However, what has been lacking in most leadership literature has been the absence of a comprehensive focus on the role played by strategic leadership in resource allocation for improved performance in not-for-profit organisations such as municipalities. Aral and Weill (2019:763) have made attempts to try and dissect the link between allocating resources to IT-related assets and infrastructure, and performance and productivity of an organisation. In a study conducted by Aral and Weill (2019:765) involving US firms from 2002 to 2010, results demonstrated that resource allocation to investments in IT-related infrastructure and capabilities led to varied organisational performance. Aral and Weill (2019:765) concluded that the strategic allocation of resources to IT-related assets was the main reason why some

firms performed better than others. However, the main limitation of the assertions by Aral and Weill (2019:766) were that they merely focused on one dimension of organisational resources, namely IT assets, without taking a holistic approach involving all types of resources. Furthermore, the findings by Aral and Weill (2019:767) are specific to the US operating environment and to US private profit-oriented organisations. They therefore have a limited, but important, application in South Africa. Despite this limitation, the study by Aral and Weill (2019:767) provides very useful insights into how resource allocation to IT infrastructure can help in enhancing organisational performance. Preliminary results from studies conducted by Maritan and Lee (2017:266) unearthed a paradox in the relationship between resource allocation and strategic management: Appropriate resource allocation fundamentally helps in supporting firm strategies and performance. For instance, Davies and Brent (2016:31) explored the rip-offs of strategically marshalling resources by organisational leadership in order to achieve the maximum potential of the organisation.

Strategic leadership allocates adequate financial resources to the achievement of organisational strategic goals (Gardner, Lowe, Moss, Mahoney & Cogliser, 2020:923). This implies that strategic leaders deploy all the necessary resources that have been budgeted for the execution of a budgeted mandate (Gardner *et al.*, 2020:923). As resource allocation often comes after thorough brain-storming and evaluating criteria, strategic leaders ensure that enough resources are allocated for the effective realisation of the intended objectives, such as improvements in service delivery (Dick *et al.*, 2018: 1453). For HGDM, the resources are allocated to funding priority areas such as the provision of water and sanitation and other service delivery mandates (Fox *et al.*, 2016:97).

The manifestation of strategic leadership is often measured by how well the leadership in an organisation deploys resources to priority areas (Kool & van Dierendonck, 2018:424). According to Golensky and Hager (2020:4), strategic leadership strategically deploy resources to areas that reflect citizen preferences in terms of service delivery. Maritan and Lee (2017:267) also pointed out that strategic leadership do not only allocate resources for routine purposes, but also for emergencies. This extends to the deployment of resources to be reserved for contingencies that may unavoidably occur. Samimi *et al.* (2018:358) expressed the view that strategic leaders are those leaders who allocate resources for continual training and development so that employees within the organisation are continually updated and up-skilled

in new and modern ways of performing their jobs in a cost-effective manner. This is necessary for meeting citizens' changing tastes and preferences.

### **3.8 Forces constraining effective resource allocation through strategic leadership**

A number of factors prohibit effective resource allocation, including an over-protection of resources; too great an emphasis on short-run financial criteria; organisational politics; vague strategy targets; a reluctance to take risks; and a lack of sufficient knowledge and HGDM is no exception. Yavitz and Newman (2017:12) explain why, below the corporate level, there often exists an absence of systematic thinking about resource allocation and strategies in a firm. Managers normally have many more tasks than they can do. Managers must allocate time and resources between these tasks. Pressure builds up, expenses are too high; yet the Chief Executive Officer (CEO) wants a good financial report for the third quarter. Strategy formulation and implementation activities often get deferred. Today's problems soak up available energies and resources. Scrambled accounts and budgets fail to reveal the shift in allocation away from strategic needs to currently squeaking wheels. The following forces are likely to constrain resource allocation at HGDM, as with affecting other organisations.

### **3.9 Resistance to change from subordinates**

As with all leaders, HGDM leadership are likely to experience resistance from subordinates. Van der Voet, Groeneveld and Kuipers (2016:173) posited that strategic leadership often faces resistance from their subordinates whenever they introduce changes that they deem necessary for enhancing corporate sustainability. Latham (2016) concurred, saying that if part of a leader's strategy is to initiate changes that are deemed necessary to transform an organisation, there will always be some pockets of resistance from some quarters in the organisation, no matter how well intentioned the changes are. Van der Voet *et al.* (2016:173) further posited that resistance to change may hinder organisational renewal and may scuttle efforts meant to enhance the long-term sustainability of an organisation. Dobson and Starkey (2018:46) advised that leaders facing resistance from subordinates and peers need to engage in continual dialogue and communication to persuade everyone in the organisation to accept change.

#### **3.9.1 Financial constraints**

Carter and Greer (2013) noted that one of the killers of strategic implementation is financial constraints. Carter and Greer (2019:89) further posited that strategic leadership that is keen on

implementing new changes and strategies often face the problem of financial constraints to execute the change initiatives. Undoubtedly, this does not bode well for corporate sustainability. In an assessment of strategy implementation in South African municipalities, Molobela (2019:65) noted that financial and human resource capacity plays a crucial role. Molobela (2019:65) argued that a lack of financial capacity to bring in new technologies, train employees in new ways of doing business; and adapt to changes, is one of the formidable challenges facing strategic leadership in their quest to enhance corporate sustainability.

### **3.9.2 Human resource challenges**

Strategy implementation for corporate renewal and sustainability often requires the availability of skilled and motivated employees who have the desired capabilities and capacities to implement changes (Schermerhorn, Davidson, Woods, Factor, Junaid & McBarron, 2019:118). According to Schermerhorn *et al.* (2019), leaders keen on strategy implementation often face the challenge of getting the right people with the right skills, values, motivation and orientation to successfully implement strategies that enhance corporate sustainability.

### **3.9.3 Lack of commitment and enthusiasm to implement identified strategies**

Uhl-Bien and Arena (2018:101) expressed the view that lack of commitment by organisational members to the implementation of strategies designed by strategic leadership to enhance corporate sustainability poses a strong challenge to the successful achievement of long-term goals.

### **3.9.4 Environmental turbulence**

The ever-changing external environment facing organisations is becoming a serious challenge for strategic leadership to cope with the amount and frequency of change (Rosenbach, 2018:540). Fast-paced changes in technological advances, coupled with changes in consumer tastes and preferences, are some of the challenges that strategic leaders are facing when trying to make their organisations sustainable.

### **3.9.5 Political interference**

The concept proposed by Lloyd-Sherlock (2012:102) was that politicians seek maximum power and to be office holders. Therefore, if lawmakers have such interests, they cannot be expected to act in the public domain, but will try to gain the favour of constituents in order to strengthen their political power and be re-elected. This may lead to politicians viewing short-term projects as more important than long-term projects with a larger return (Lynn, Jr, 2015:63) and they may advocate for the allocation of resources to short-term projects that will generate immediate benefits over longer-term projects with a higher return. Politicians would do what they can to protect the interests of their constituents, irrespective of the consequences for the broader public (Lynn, Jr. 2015:63).

### **3.10 Allocation of resources according to citizens' preferences and collective decision-making**

Strategic leadership needs to allocate resources according to the preferences revealed by citizens. Citizens with economically rational preferences will choose according to their usefulness. Surveys can be used by decision-makers to assess the preferences of individuals. From a practical point of view, it is relatively uncommon for individual consultations to provide an all-encompassing view of individual preferences, since they cover a limited range of options. However, in the United States, and increasingly in the United Kingdom, political leadership uses polls, attitude surveys and focus groups to gather information about citizens' preferences regarding the public spending (Lee & Johnson, 2019:97). Citizens' priorities for public expenditure can also be assessed during the participatory poverty assessments in developing countries. Through poverty participating assessments in Uganda, for example, the government increased resources that are allocated for rural water supply after hearing evidence that poor access to water was a key issue for rural women.

#### **3.10.1 Distribution of resources and responsibilities**

Leith, Lancefield and Dawson (2016:1) noted that strategic leadership should evenly distribute resources, power and responsibilities among employees in order to ensure “a fair amount of autonomy” (Leitch *et al.*, 2016:1). By distributing resources and responsibilities to employees within the municipality, the management will be affording their subordinates an opportunity to prove their talent and harness their potential, not only to the senior management of HGDM, but also to their clients and their colleagues (Leitch *et al.*, 2016:2). In addition, distribution of

resources and responsibilities to employees empowers HGDM employees at all hierarchical levels to voluntarily make the best decisions for the sake of HGDM, by creating a nurturing environment for the people to grasp adaptability and efficient decision-making processes, thereby creating a healthy bond or relationship with the municipality (Samimi *et al.*, 2018:413).

### **3.10.2 Honesty and transparency**

The virtue of honesty and transparency in the management and processing of information in an organisation is ranked among the most important principles of strategic leadership (Leitch *et al.*, 2016:2). In order to allow employees at all levels to make decisions for themselves and for the organisation, a clear and adequate source of information must be provided on a “need-to-know basis” (Leitch *et al.*, 2016:2). Transparency and honesty in the dissemination of information to subordinates is crucial, in the sense that putting an employee into a position of having to decide for their division without enough of the necessary information, could cause potential harm to the overall trajectory of the organisation, if the decision lacks a proper premise (Galpin, 2018:52). This view agrees with assertions by Strand (2017:687), who supported the notion of promoting honesty and transparency in the manner in which resources are allocated. Strand (2017:687) asserted that the provision of the best information to all subordinates within the organisation relays a crucial message that the leader is strategic and trusts, and has confidence in, his/her subordinates. Baroto, Arvand and Ahmad (2018:51) noted that honesty and transparency demonstrate that a leader has an appreciation of the talented employees, and their contribution to the organisation. It also serves to reaffirm the leader’s confidence in the employees, which is motivational and serves to improve subordinates’ overall performance.

### **3.10.3 Clarifying the vision and priorities**

Favaro (2015:78) highlighted that effective resource allocation is aided by the clarification of an organisation’s vision and mission. Similarly, Bower and Gilbert (2016:313) confirmed that vision, mission and strategic intent are widely used by strategic leaders as tools to determine how organisational resources, such as capital and labour, are to be deployed. Schrippe and Ribeiro (2018:590) posited that, though the words ‘vision, mission and strategic intent’ have different meanings, they play a crucial role in shaping the strategic direction of an organisation. A vision is imperative for an organisation’s success as it leads it into the future.

The vision is informed by anticipating where an organisation will be within the near future. Stewart and Niero, (2018:1007) asserted that the mere existence of a vision which is clear, compelling and inspirational helps the organisation in deciding what resources need to be allocated to achieve the vision. Based on the assertions of Bennis (2015:126), a vision compels managers to deploy organisational resources to ensure the organisation's future. The assertion by Stewart and Niero (2018:1007) demonstrates that a vision needs to be clear, inspiring and compelling in order to influence resources to be allocated in areas where they will make the best impact on organisational performance. The vision statement is a managerial decision. The vision provides "for a long-term direction and infuses the organisation with a sense of purposeful action" (Baroto *et al.*, 2017:2473), and hence guides the nature, quality and amount of resources to be allocated to areas where they will have a positive impact on achieving the organisational vision. The vision statement communicates the aspiration of the organisation to its stakeholders. It has many positive consequences. To mention a few, it promotes organisational change; provides the basis for strategic planning; and helps to keep decision-making in context. Strategic planning translates the vision of an organisation into "corporate behaviour" (Stewart. & Niero, 2018:1008).

However, Schrippe and Ribeiro (2018:591) argued that the participation of all stakeholders in the formulation of a clear vision, and a clarification of assumptions, leads to effective utilisation of resources. The implication of Schrippe and Ribeiro's (2018:591) assertion is that participation of all employees and any other stakeholder is necessary when formulating the vision of the organisation, such as when identifying priorities in a municipality, because it leads to the absence of conflict when resources are deployed (Bower & Gilbert, 2016:313).

#### **3.10.4 Creating multiple pathways for raising and testing ideas**

According to Leitch *et al.* (2016:3), innovation is an integral part of organisational development and comes about when all employees are given a platform that allows them to bring new ideas. Leaders with a strategic intent are required to create multiple pathways for raising and testing ideas so as to promote greater organisational innovation. The creation of open lines of communication and pathways for raising innovative ideas influences the strategic direction in which resources would be allocated (Leitch *et al.*, 2016:3). The implementation and testing of those ideas help to direct resources towards efforts of organisational renewal.

### **3.10.5 The environmental analysis and mission**

An organisation identifies, by means of an internal analysis, its strengths and weaknesses, which inform its strategic priorities and strategic plan (Bennis, 2015:128). The outcome of this analysis can be presented in the form of an organisational profile or portfolio, which indicates to top management what the organisation's capabilities are (Bennis, 2015:128). In finding the strategic internal factors, managers identify the key aspects of the organisation's limitations, capabilities and characteristics. The managers decide on the strategic factors by evaluating or assessing the functional segments or functional areas of an organisation. Information on the potential strengths and weaknesses of HGDM would help the managers to identify strategic internal factors so that more resources are allocated to needy areas.

In effective strategic planning, Mullon and Ngoepe (2019:46) identified some of the pre-conditions that HGDM planners take cognisance of when engaging in resource allocation:

- Incorporating contingency plans for mitigating unforeseen forces in the external environment;
- A full understanding of project objectives;
- Availability of highly qualified, skilled people;
- Adequate time and availability of highly motivated and committed employees and management;
- Optimal communication and co-ordination; and
- Existence of proper leadership and management structures and commitment of role players including other stakeholders.

The second phase in the policy implementation cycle involves allocating resources for the execution of strategic action plans. This is the phase when implementers plan how to execute their tasks in line with the resource allocation budget.

### **3.11 Conclusion**

This chapter provides an overview of the growing importance of strategic leadership in 21<sup>st</sup> century organisations, which is applicable to the context of HGDM. The chapter presented a discussion on concepts and definitions of strategic leadership and resource allocation. The chapter also discussed the resource allocation public policy framework; challenges constraining public sector leaders when allocating resources; the relationship between strategic

leadership and resource allocation; and strategies for enhancing the effectiveness of strategic leadership when allocating resources. This is relevant for improving HGDM in the current dispensation.

## **CHAPTER FOUR: RESEARCH METHODOLOGY AND DESIGN**

### **4.1 Introduction**

The aim of this chapter is to discuss the research methodology applied in this study. This study adopted an inductive qualitative research methodology to answer the key research questions, examining the relationship between strategic leadership and resource allocation for the effective performance of HGDM; investigating the forces constraining effective resource allocation through strategic leadership for enhanced performance; and exploring strategies for fostering strategic leadership and its effectiveness in the operations of HGDM. The chapter presents the research setting, research paradigm, research design, population and sampling techniques of the study. In addition, the chapter discusses the methods and research instruments involved in the data collection and analysis, as well as the limitations of the study and ethical considerations.

### **4.2 Research setting**

A study's context or setting refers to the environment, place or location where it is conducted (Piergiorgio, 2013:12). This study was conducted in the Harry Gwala District Municipality. The municipality is comprised of four local municipalities: Dr Nkosazana Dlamini Zuma, uMzimkhulu, Greater Kokstad and UBuhlebezwe. The administrative offices of Harry Gwala District Municipality are in Ixopo.



**Figure 4.2: Map of Harry Gwala District Municipality (DC43)**



Source: [www.municipalities.co.za](http://www.municipalities.co.za)

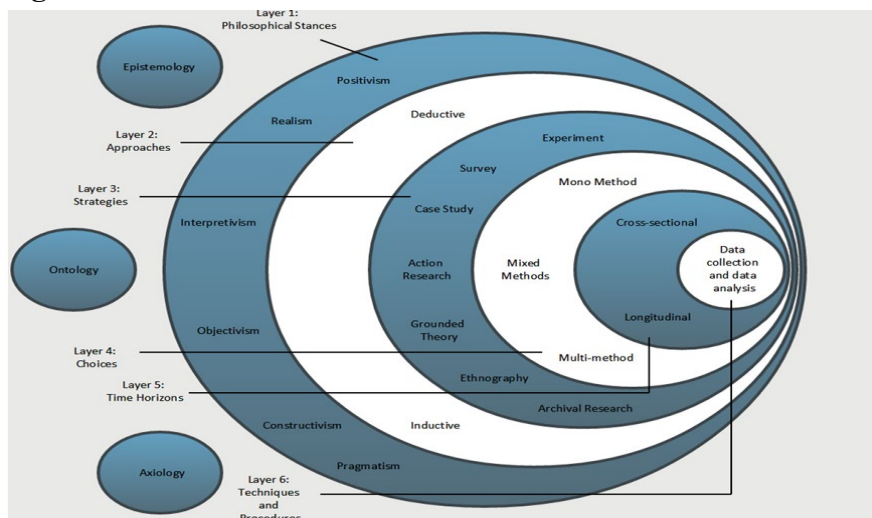
### **4.3 Research design**

The research design provides the structure of the research and links all the elements of the research together (Babbie & Mouton, 2011:46). A research design helps to guide the researcher regarding the research strategy, data collection techniques, and methods of analysing data (Babbie & Mouton, 2011:47). This research adopted an exploratory research design. According to Welman and Kruger (2012:67), an exploratory research design involves an in-depth study of a topic in order to elicit new knowledge that was previously unknown, or to add additional information that had not been uncovered before, so that the users of the research findings can have a detailed understanding of the issues under discussion. Case studies possess a weakness in that the research findings cannot be generalised to a large number of individuals, groups, or institutions. The usefulness of the findings is confined to the individual, group or institution studied. The intention of this study is to come up with findings peculiar to the relationship between strategic leadership and resource allocation for the effective performance of HGDM. Strategies include fostering strategic leadership and ensuring

its effectiveness. Factors constraining effective resource allocation in the operations of HGDM will be examined, since these issues were previously unexplored at this municipality.

The research onion displayed in Figure 4.3, below, illustrates how the research process was conducted.

**Figure 4.3: The research onion**



Source: Welman, Kruger & Mitchel, 2011:69

The research was conducted in strict adherence to the following levels below, as shown in the research onion:

- Level 1: Philosophical perspective

This perspective covers research paradigms such as positivism, interpretivism, realism and axioms of research paradigms such as ontology, epistemology and axiology.

- Level 2: Efforts to conduct research

For example, inductive and deductive approaches.

- Level 3: Strategies for conducting research

These aspects include grounded theory, interviews, action research, experiments, ethnography, surveys, case studies and archival research.

- Level 4: Research methodologies

The methodologies cover mono methods such as qualitative research, quantitative research and mixed methods research.

- Level 5: Time horizon

The time horizon covers aspects such as time frames within which the project is intended for completion in the context of cross-sectional and longitudinal research.

- Level 6: Techniques and procedures for data collection and analysis

The techniques cover aspects such as interviewing, surveying through questionnaire and analyzing data using thematic, narrative and discourse analysis, inferential and descriptive statistical analysis.

#### **4.4 Research paradigm**

There are two broad classifications of research paradigms, namely positivist and phenomenological paradigms. A research paradigm is a worldview with a set of beliefs, values and assumptions that a community of researchers shares about an aspect (Johnson & Christensen, 2010: 51). The community of researchers refers to research paradigms as stances, or worldviews, pertaining to the truth, or falsity, of certain beliefs; or the reality or unrealism of human experiences (Easterby-Smith., Thorpe & Jackson, 2012:7). A research paradigm can also be viewed as a set of common beliefs and agreements regarding how people understand society's problems and how they solve the problems (Scotland, 2012:11). There are three main research paradigms, namely positivism, interpretivism and pragmatism. This research has adopted the interpretivist research paradigm. According to the interpretivist research paradigm, reality derives from the collective perspectives of a community or group, implying that different perspectives lead to different conclusions; communities or groups interpret reality differently. The implication of the interpretivist research paradigm is that there is no such thing as a single reality, but there are several realities to any phenomenon. Easterby-Smith, Thorpe and Jackson (2012: 8) posited that research paradigms are characterised by their ontology, epistemology and methodology.

The positivist research paradigm is connected with quantitative research, and is premised on the belief that there is one single or universal truth about any issue (De Vos, 2015:54). On the

other hand, a phenomenological research paradigm is premised on the belief that there is nothing like a universal truth, but rather multiple realities to any topic (De Vos, 2015:54). Phenomenology is argumentative in practice and attempts to seek detailed information about a phenomenon (Coffey & Atkinson, 2014:48). This research adopted a qualitative, phenomenological research paradigm because this makes it possible to differentiate multiple effects/realities in the relationship between strategic leadership and resource allocation for the effective performance of HGDM; in the forces constraining effective resource allocation through strategic leadership for the enhanced performance; and in strategies for fostering strategic leadership and its effectiveness in the operations of HGDM.

#### **4.4.1 Essential elements of research paradigm**

Brewer and Hunter (2015:74) asserted that a paradigm is composed of four elements: epistemology; ontology; methodology; and axiology. The inclusion of these elements in the research allows users of the research to have a firm understanding of the basic assumptions, beliefs, norms and values that each paradigm holds.

- Ontology – what reality is
- Epistemology – how has something got to be known?
- Methodology – how a researcher goes about finding out about reality

#### **4.4.2 Application of epistemology**

Creswell (2013:36) states that research paradigms study the ways in which knowledge about our understanding was acquired. Raddon (2015:13) simply defines epistemology as the study of what constitutes valid knowledge. Accordingly, epistemology refers to the study of how much we know and can know at any given time, or how much we can expect to know in the future. Studying the link between strategic leadership and resource allocation for the effective use of resources would enhance knowledge of the process, exploring strategies for fostering effective resource allocation by strategic leadership among the operations, and identifying the constraints on effective resource allocation of HGDM through a subjective epistemological inductive subjective process, consistent with a qualitative research methodology, is the focus of the first part of this research methodology chapter.

### **4.4.3 Application of ontology**

Ontology is a sub-type of a research paradigm that studies the reality of things through facts, resulting in the formation of a belief about “how things really are” and “how things really work” (Sekaran & Bougie, 2016:85). In other words, ontology seeks an interpretation of what constitutes reality. In this study, one can benefit from an ontological interpretivist subjective position to better understand what actually happens in the link between strategic leadership and resource allocation and how it affects business performance. Using ontology enables this study to learn about the reality of strategic leadership, resource allocation and municipal performance, which is what underlines in its justification.

## **4.5 Research approach**

Level 2 of the research onion directs researchers to examine various research approaches. There are two broad classifications of research approaches, namely deductive and inductive. Positive research is concerned with determining the true nature of a situation and identifying and eliminating falsehoods, and deductive research approaches are concerned with disproving certain propositions and bringing out the objective truth (Coffey & Atkinson, 2014:47). Positivism enables new insights or knowledge to be introduced to existing phenomena by exploring new phenomena (De Vos, 2015:12). A deductive approach leads to a shallower understanding of a given research phenomenon (De Vos, 2015:17). By contrast, an inductive approach leads to a much more in-depth understanding (Brewer & Hunter, 2015:74). This research adopts an inductive approach in order to gain a detailed understanding of the relationship between strategic leadership and resource allocation for effective municipal performance. The strategies for fostering strategic leadership and its effectiveness in operations that constrain resource allocation for the enhanced performance of HGDM were the foci of the study.

### **4.5.1 Research method selected**

Researchers can choose between three main research methodologies, namely qualitative, quantitative, or mixed methods, in addressing the research questions. “Qualitative research methodologies are conducted in a natural setting, but are mainly focused on getting detailed insights into lived human experiences, views, attitudes, and perceptions (Edward & Holland, 2013:18). Quantitative research generally seeks insights into causes and relationships between variables and it generally quantifies and analyses research findings in numerical form (Edward

& Holland, 2013:19). The third research method is the mixed methods approach, which combines both qualitative and quantitative research methodologies into one, thereby employing the strengths of each methodology to get the best findings. This study uses a qualitative research methodology, since it allows the researcher to produce detailed descriptions, and analyse information from respondents covering the main themes and objectives of the study. This is due to the fact that this qualitative study focuses on the influences that constrain resource allocation and leadership strategies, and the relationship between resource allocation and municipal performance at HGDM.

This study employed a qualitative design to gain deeper insight into the impact of turnaround strategies on organisational performance. Denzin and Lincoln (2012:13) argued that qualitative research methodology is highly flexible compared to the rigid quantitative research because it allows the researcher to change the data progressively so that a deeper understanding of the subject matter can be achieved.

#### **4.6 Research strategies**

Data collection strategies belong to this layer of the research onion. There are three objectives for a research project: exploring, describing, and explaining topics being investigated. Therefore, research can be classified as exploratory, descriptive, or explanatory (Saunders, Lewis & Thornhill, 2016:90). The present exploratory research focuses on relationship between resource allocation and strategic leadership at HGDM.

##### **4.6.1 Interviews**

Interviews are the most commonly used research strategy in qualitative research designs (Wilson, 2010:63). Respondents are interviewed, mostly in structured, semi-structured, and unstructured ways, to gather information. Research interviews consist of one-on-one conversations between two individuals, with the objective of collecting relevant information. It is especially useful to interview participants to find out about their experiences (Mason, 2012:107). The interviewer can pursue in-depth information around the topic. Depending on the need and design, interviews can be unstructured, structured, or semi-structured, with individuals; or they may be focus-group interviews.

###### **(i) Unstructured Interviews**

An unstructured interview focuses on exploring participants' perceptions about the topic under discussion by using relatively open-ended questions (Babbie & Mouton, 2011:119). Patton (2012:62) defined unstructured interviews as those interviews in which neither the question nor the answer categories are predetermined. Patton (2012:62) further described unstructured interviews as a way to understand the complex behaviour of people without imposing any *a priori* considerations, which might limit the field of inquiry.

### **(ii) Structured interviews**

In a structured interview, respondents are given a structured questionnaire with guided responses (McMillan & Schumacher, 2016:106). Respondents are restricted in their choices of responses by these methods. Semi-structured interviews involve the use of an interview guide with a combination of both structured and unstructured questions. Those areas can then be probed further by the researcher in case further information is needed. A third type of interview is unstructured, in which questions are asked to respondents as and when new themes or dimensions are identified by the researcher. When conducting unstructured interviews, the researcher often asks questions related to the topic of the study, but also considers the respondent's characteristics, such as their educational level, income level, and family background. This method is useful when the researcher wishes to explore the full extent of a topic (McMillan & Schumacher, 2016:106).

### **(iii) Semi-structured interviews**

Semi-structured interviews were adopted as the sole research strategy for this research. Almost all of the questions in the semi-structured interviews were open-ended. This methodology is associated with the phenomenological research philosophy (Patton, 2012:63). Semi-structured interviews include both closed-ended and open-ended questions; therefore, combining the best of both structured and unstructured interviews (Bryman and Bell, 2011:146). This type of interview gives research participants the freedom to express themselves in their own words, which makes it an excellent method of gathering information, and making it possible to get detailed information about the research topic. Structured interviews were avoided because they do not allow respondents to provide detailed information about the research objectives (Sekaran & Bougie, 2009:174). Semi-organised interviews offer advantages in accumulating needed data and in inviting respondents to explain their opinions in detail, which brings about a deeper understanding of various issues, such as the comprehension of respondent sentiments, feelings, states of mind and encounters, on each topical question.

## **4.6.2 Time horizon**

There are two types of time horizon in research: cross-sectional studies and longitudinal studies. Saunders, Lewis and Thornhill (2016:81) define the cross-sectional time horizon as the study of a specific issue at given point in time; while the longitudinal time horizon is defined as the study of a phenomenon over different time periods (Saunders *et al.*, 2016:82). Due to time and cost considerations, this research adopted a cross-sectional study, which involves gathering data at a specific point in time, and almost at the same time, from respondents who had certain characteristics or experiences, or knowledge about the effect of turnaround strategies at HGDM at a given time.

## **4.7 Target population**

Mason (2012:81) argued that, according to the definition, a target population refers to the group of people to whom the person conducting the research intends to apply the findings. Pascoe (2014:110) states that an entire group of individuals, or an entire collection of units within a specific area where the research is being conducted, is called a population. Landerneau (2013:1) defined a population as an entire collection of units or of people in a given area in which the study is conducted. Kothari (2012:56) characterised a target population as the whole gathering of units or individuals that the researcher is engaged with. The target population of this research comprised of 22 senior, middle and lower level management employees at HGDM.

### **4.7.1 Sampling**

Trochim (2012:145) stated that the sample design is the act of identifying and selecting a random selection of items or respondents from a larger group so as to conduct investigations and analysis, and draw conclusions. There are two main types of sampling, namely probability and non-probability sampling. These will be defined separately and examples are given. According to Landerneau (2013:1), research participants are selected at random by probability sampling. Gray and Guppy (2014:127) further explain that, in probability sampling, respondents often know in advance of the opportunity of being included in the sample, unlike in non-probability sampling. Examples of probability sampling are random sampling, systematic sampling, stratified random sampling and cluster sampling.

According to Creswell (2013:119), researchers typically select respondents non-randomly, based on their judgment, rather than by using probability sampling. The selection of respondents does not involve an element of chance, as in probability sampling. According to Landerneau (2013:1), the selection of respondents in non-probability sampling is at the discretion of the researcher who decides who to include in the research survey. Examples of non-probability sampling methods include convenience sampling, purposive sampling, snowball sampling and expert sampling.

There are various types of probability sampling methods, namely:

- Random sampling;
- Systematic sampling;
- Stratified systematic sampling and;
- Stratified random sampling (Mason, 2012:83).

In non-probability sampling, participants are selected using methods that are not random, such as choosing participants from around the researcher's area or targeting certain groups of individuals. This illustrates that in non-random sampling, the respondents are selected at the discretion of the researcher. The researcher uses his/her practical experience and skills to select respondents for interviews. Non-probability sampling has the advantage of being an inexpensive method of selecting research participants, as well as saving time. However, Mason (2012:83) pointed out that they are unrepresentative. There are three main types of non-probability sampling:

- Convenience sampling;
- Purposive sampling; and
- Snowball sampling.

For the purposes of this research, both purposive sampling and convenience sampling are employed to select respondents for interview. Landerneau (2013:2) "defines purposive sampling as a method that involves selecting respondents whom the researcher strongly believes have the characteristics, the knowledge, the expertise, or other attributes, that he/she is interested in for the purposes of undertaking the research". "Purposive sampling excludes people who do not have the specific attributes that the researcher is interested in. This research purposively selected senior, middle and lower municipal management. Gray and Guppy (2014:128) defined convenience sampling as a sampling method that involves selecting

respondents from the target population who are easily accessible, available, and willing to participate in the research”.

Purposive sampling was selected due to the fact that senior, middle and lower-level municipal employees are the ones who have more knowledge about the factors that are constraining the effectiveness of strategic leadership and strategic resource allocation.

Secondly, purposive sampling saved the researcher from the inconvenience of collecting irrelevant information from respondents who do not have intimate knowledge about the impact of strategic leadership on resource allocation and municipal performance. The researcher was mindful of the disadvantages of purposive sampling, mainly the question of whether the researcher would be able to find the requisite information at the time it was needed (Schulze, 2010: 9). This was mitigated by also adopting convenience sampling, whereby managerial employees who were willing to participate in the research, and were easily accessible, were interviewed; also, by making advance appointments with the respondents, or making alternative arrangements to meet the respondents after hours.

#### **4.7.2 Sample size**

Sample size refers to the actual number of persons who participate in a study (Landerneau, 2013: 3). The sample size for this research involves eight (08) respondents taken from a poll of identified managerial employees. Eight is the maximum sample size recommended for a qualitative research study, especially where interviewing is concerned (Morse, 2010:21). From the eight (8) respondents that make up the sample size, two (2) respondents were taken from the senior management category (mayor, municipal manager, executive directors); four (4) were taken from middle-level management; and two (2) were taken from lower-level management.

**Table 4.1: Sample size estimation**

Harry Gwala District Municipality	Designation	Population of staff in each category	Data collection method		Sampling method	Sample Size
			Questionnaires	Interviews		
Senior Management	Mayor, Municipal Manager, Executive Directors	04	-	2	Convenience and Purposive sampling	2
Middle-level Management	Directors: Budgeting, Operations, Human Resources, and Water Governance	06	-	4	Convenience and purposive sampling	4
Lower-level Managers	Lower-level Managers in charge of Technicians and associated professionals	12	-	2	Convenience and purposive sampling	2
<b>TOTAL</b>		<b>22</b>	-	<b>08</b>		<b>08</b>

Source: Own Construct Table

#### **4.8 Data collection instrument and procedure**

In terms of research instruments, Edwards and Holland (2013:126) describe two main types, namely the interview guide and the questionnaire. This research developed and used an interview guide. The research of these authors defined an interview guide as a list of open-ended questions that need to be covered during the interview. During the interview, most open-ended questions are asked, despite the fact that the quantity of closed questions is limited

primarily to the demographic section (Bryman & Bell, 2011:113). A considerable number of the questions utilised in semi-structured interviews are derived from the interview guide. The semi-structured interview guide provides a clear set of instructions for guiding the research participants (Bryman & Bell, 2011:113).

#### **4.8.1 Recruitment strategy**

Since the written permission for conducting the study on HGDM was obtained from the authorised official within the municipal manager's office, the recruitment of potential respondents commenced after ethical clearance was officially obtained from the Research Division of the University.

After the approval letter was obtained, the researcher approached the Human Resources Division requesting access to the municipality's organisational structure, to determine how to contact the management staff. The aim was to acquire information on how identified respondents could be contacted. After contact details of respondents were obtained, the researcher contacted the potential respondents, deciding to set-up the appointments for the research interviews. The method that was used to gain access from potential respondents was to get information regarding the sitting of senior management meetings (MANCO), where the researcher requested 15 minutes of their time, with the aim of addressing management and staff jointly, outlining the research purpose and objectives. A piece of paper was circulated requesting an email and cell phone numbers for those who might be interested in participating in the interviews. An arrangement was made with those who showed an interest in participating in the interviews.

From an informed perspective, the researcher was mindful of the implications of the Covid-19 pandemic during the data collection process. The researcher considered the Covid-19 protocols and government regulations as strictly as possible. In light of the worldwide outbreak of the COVID-19 virus, the researcher made sure that the respondents were aware that adequate hygiene practices were in place, protecting the welfare of respondents during the face-to-face interviewing process, especially in cases where other forms of online interactions were not possible. Mindful of their safety, the researcher suggested two options: either face-to-face or online interviews. The use of online platforms for interviews suggested to respondents were Skype, FaceTime and Zoom, or even conducting telephonic interviews, depending on the nature, sophistication, and technological inclination of the participant, and his/her willingness

to participate on such platforms. The researcher requested permission from the respondents, prior to the commencement of the interviews, to audio-record the interviews.

The option of online platforms was afforded to respondents as a convenience, and for those who were not comfortable with an online interview, the option of direct face-to-face interviewing was arranged; and Covid-19 regulations were strictly followed. As per the recommendation of the WHO and the South African National Department of Health, wearing of masks and practicing social distancing of 1.5 meters between the researcher and respondents were strictly adhered to during the interviews.

#### **4.9 Pre-testing of interview guide**

Bhattacharjee (2013:83) highlights an increasing disregard for pilot studies as a critical component in research, as they can identify probable or potential issues in a research mechanism. A pilot study of an interview guide can quickly check if the questions are clear and address the issue. The pilot study involved interviewing two respondents selected from the managerial employees who were given the interview guide to respond to the questions in an open-ended manner. In line with the assertions of Miles and Huberman (2010:218), before conducting the actual interviews with the managers, it was hoped that the pilot study would identify shortfalls, so that any necessary refinements could be made. In line with recommendations from Bhattacharjee (2013:83), the respondents who participated in the pilot study were not included in the final interviews.

#### **4.10 Administering semi-structured interviews**

This study adopted face-to-face interviews. Respondents were given an interview guide and asked to complete it on their own after meeting personally (face-to-face). An interview guide that is administered face-to-face means that respondents have the opportunity to ask questions and seek clarification on issues related to the interview guide. Informed consent from respondents was obtained through explaining the purpose of the research and asking respondents to sign a document (see Appendix B). Permission to tape record conversations with respondents was sought, and these were transcribed in word format. Respondents were allowed to complete the interview guide in the presence of the researcher. For respondents who opted to fill in the interview guide at home, a drop-off point for completed interview guides was arranged with the respondents. Extreme caution was exercised in ensuring that voice conversations recorded on tape were correctly transcribed into the recording sheet,

which was used as the basis when collating the findings. A total of eight interviews were conducted. It was believed that the data collected from these eight participants would achieve data saturation, as it was deemed that no new information would be obtained from an increased number of participants in the interviews.

#### **4.11 Method of data analysis**

The collected data was analysed using thematic analysis methods, which provided a more complete picture of how turnaround strategies impact the performance of HGDM. Content analysis was used to analyse the documented information obtained from the interviews. Data analysis for this research was performed using NVIVO software. Before putting the data into the NVIVO software, the researcher classified and sort the information into thematic codes, which allowed for further analysis of the data. Thematic analysis is a much-respected model of analysis in qualitative research (Miles & Huberman, 2011:229). The main purpose for conducting thematic analysis is to identify patterns of meaning across a data set that answers a research question. One can analyse a study by familiarising oneself with the data. The following steps were followed as part of the thematic analysis:

##### **4.11.1 Familiarity with collected data**

This process involves the researcher getting immersed in reading and re-reading the collected data from the interviews conducted to become familiar with the entire content of the data set. The intention is to identify common trends of thought amongst the participants, as well as varying viewpoints.

##### **4.11.2 Coding and searching for themes**

Important features of the data set that were deemed relevant to the research question were identified and coded. Examination of the codes and the collection of data was done for the purposes of identifying significant broader patterns of meaning (potential themes). Data that was related to internal or external complexities were coded, and each internal or external environmental complexity that appeared to be recurring from several respondents was assigned a theme. This theme reflected the format of the interview questions which were structured according to themes emanating from the key questions raised in summary and overview in Chapter One of the study, and emphasised in this chapter.

### **4.11.3 Reviewing and naming themes**

The aim of this phase is to check whether the candidates' themes describe the data convincingly and provide an answer to the research questions. In this phase, themes are typically refined, which sometimes involves them being split, combined, or discarded. The adopted themes were assigned names. NVIVO Version 8 was used to help perform thematic analysis of the qualitative data by generating a visual display of themes in a summarised form.

### **4.11.4 Writing up the analysis**

This process involved 'weaving' all the identified themes into an analytical, narrative. The data were analysed in relation to the existing literature on internal and external environmental complexities affecting the municipality in particular, and possibly local government in general.

## **4.12 Data quality control**

According to Shenton (2014:2), credibility, transferability, reliability, and conformability are all requirements for a qualitative study to be considered trustworthy. The researcher took note of the quality of the data obtained through the empirical process.

### **4.12.1 Credibility**

In order to be credible, the research must be valuable, consistent, and conclusive. This is achieved through utilising the triangulation method and member checks. Using more than one source of data in the study of social phenomena is termed triangulation, so that findings may be cross-checked (Bryman, 2012:133). The researcher used member checks, as the participants were given a chance to comment on the transcribed data (Bryman, 2012:133).

### **4.12.2 Transferability**

Research findings that are transferable from one situation to another, or to a different population from those studied in the original study, are described as being translatable (de Vos, 2005: 177). By explaining how the research was undertaken in detail, researchers can promote transferability, so that the readers can assess whether or not the outcomes can be transferred (Shenton, 2004:2). In this study, the researcher has provided full details on methods, roles, and settings, for readers to transfer findings to similar contexts. This type of

information can assist any reader in assessing the relevance of the findings in relation to their own unique conditions (Barnes *et al.*, 2012).

#### **4.12.3 Dependability**

The assumption that the results would be consistent if repeated with the same subjects and in the same context is dependability. To demonstrate that proper procedures have been followed, the researcher is keeping the audio tapes, fieldwork notes, and transcripts of the data collected. In addition, full details of the research process or audit trail have been presented, so that the study can confidently be deemed trustworthy.

#### **4.12.4 Conformability**

Based on the information gathered, conformability seeks to establish how well the research findings are supported by primary data (Denzin & Lincoln, 2011:198). According to Shenton (2016), the concept of conformability is the qualitative investigator's version of objectivity. To the extent that it is possible, conformability helps to ensure that the findings of the research are the result of the experiences and ideas of the respondents, rather than the personal preferences and characteristics of the researcher.

In order to reduce the effects of researcher bias, and to omit one's assumptions and beliefs, this research employed triangulation in order to ensure conformability. It is important for the researcher not to influence the findings with personal values. The researcher must follow the following procedure to increase the conformability of the findings:

- Interruptions are to be avoided as far as possible during the interviews;
- Interviews are recorded on a voice recorder and in the form of notes, to ensure that key points were not missed; and
- The researcher's report has used direct quotations of what will be actually uttered by participants, in their own words, to express their responses.

#### **4.13 Limitations of the study**

As a result of adopting qualitative research methodologies, the researcher was required to be present during the data collection process. Respondents can be subjected to undue and unintended pressure that could lead them to answer certain questions in a manner not

reflecting their true opinions. A qualitative research methodology has the limitation that the findings are not generalisable to the broader population, due to the use of smaller sample size. As a result of this, quantitative research techniques do not necessarily represent the broader opinion, as would be true for qualitative research techniques.

#### **4.14 Ethical considerations**

According to Welman, Kruger and Mitchell (2014: 224), it is an ethical requirement that researchers consider the rights and safety of respondents when carrying out a study. In addition to ethical considerations, there are a number of other concerns. When conducting research, there are several ethical considerations that should be respected, including respecting confidentiality; assuring the anonymity of respondents; protecting respondents from harm; seeking informed consent from respondents; and obtaining permission for conducting the study from the organisation. Each of these ethical considerations are discussed in more detail below.

##### **4.14.1 Voluntary participation**

Participants voluntarily took part in the study since they were not forced into it (Welman *et al*, 2014:224). The researcher firstly informed participants that their participation in the study was completely voluntary, and that they could withdraw at any time without repercussions. Prior to the interviews, the researcher issued an information sheet (Appendix B) to the respondents.

##### **4.14.2 Informed consent**

According to Babbie (2014:475), data collection is only allowed after all individuals involved in the study have given consent. Firstly, voluntary informed consent was explained to all the respondents in order to get approval that was based on an understanding of the study, as well as that the consent was voluntary. In line with assertions by Bhattacharjee (2013:219), a draft consent form was prepared and handed out to respondents to sign as proof of the voluntary agreement for their participation in the research study. As per recommendations from Bhattacharjee (2013:219), all necessary explanations on the research purposes; objectives and rights; and the responsibilities of the respondents, were included in the consent forms to ensure that the respondents who took part were well informed. In line with recommendation from Babbie (2014:475), the participants were informed that they had the right to not answer the

questions they were not comfortable with. They were also informed that they had the right to stop the interview if he/she was not comfortable, and there would be no consequences.

#### **4.14.3 No harm to participants**

In line with recommendations from Welman *et al.* (2014:224), the research participants were protected from possible harm and danger by taking precautions during the interview process. Among the precautions, all the interviews were conducted during the day and at the places that were chosen by them. That was done with the aim of ensuring that they were comfortable and for their own safety.

#### **4.14.4 Anonymity and confidentiality**

As per the recommendations from Welman *et al.* (2014:224), responses to the surveys were treated as confidential and were stored in place with restricted access. In order to guarantee anonymity, participants' personal and contact details were not required on the interview documents. The researcher assured all participants prior the start of the interviews that the interviews were strictly confidential.

#### **4.14.5 Ethical Clearance**

The researcher obtained ethical clearance from the Research Ethics Committee (non-medical) of the University of KwaZulu-Natal before commencing with the empirical aspects of the study.

### **4.15 Conclusion**

The aim of this chapter was to discuss the research methodology applied in this study. This chapter discussed the inductive, qualitative research methodology adopted to answer the key research question examining the relationship between strategic leadership and resource allocation for the effective performance of HGDM; investigating the forces constraining effective resource allocation through strategic leadership for enhanced performance; and exploring strategies for fostering strategic leadership and its effectiveness in the operation of HGDM. The chapter discussed the research setting; research paradigm; research design; population; and sampling techniques in the study. In addition, the chapter discussed the methods and research instruments involved in the data collection and analysis, as well as the limitations of the study and ethical considerations. In the event that participants needed more

clarification or information about the study, they would be provided with the necessary details. Results of the study is presented in the next and final chapter of the study.

## **CHAPTER FIVE: FINDINGS AND DISCUSSION OF RESULTS**

### **5.1 Introduction**

In the last chapter, the focus was on the research methodology and design. The overall objective of the study was to assess the relationship between strategic leadership and resource allocation. This chapter focuses on presenting the results from the interviews. To achieve the objectives of the research, data collected through in-depth interviews from participants is presented and analysed in this chapter. This chapter has four main sections: The first section began by presenting and analysing biographical data obtained from the research. The second section presents and analyses data collected from in-depth interviews regarding participant views on improving strategic leadership through resource allocation at HGDM. The third section presents and analyses data on factors that could facilitate or hinder resource allocation by senior management at HGDM. The fourth section presents and analyses data collected gathered from in-depth interviews regarding strategies that could foster strategic leadership to optimise effective resource allocation at HGDM. The fifth part of the chapter presents and analyses data on how senior managers could create an enabling environment through tactical administration at HGDM. The last part of the chapter presents the conclusion drawn from the data presented.

### **5.2 Biographical information of respondents**

This section presents and analysis the biographical information of respondents. The section provides a brief insight into the biographical information of the respondents, with regards to their participant categories, age and gender. This section will begin by examining the different categories of respondents, followed by a discussion of age, gender and level of involvement of participants.

#### **5.2.1 Gender of Respondents**

The gender of respondents in this research was taken into cognisance. There were five (5) males and three (3) females, drawn from a target population of managerial employees at HGDM. The gender of the respondents who participated in this study demonstrates that there

are more males than females working in a managerial capacity. This finding might be interpreted to mean that HGDM is still falling behind in terms of achieving gender parity in their managerial structures.

### **5.2.2 Age categories**

The findings revealed a mixture of ages of respondents across all age categories. However, most respondents (5) were in the 36-50 age category, followed by one respondent above 50 years, with the other two respondents were aged between 25 and 35 years. The implication of this finding is that the responses came from people who are mostly middle-aged.

### **5.2.3 Positions occupied by respondents**

The respondents in this study comprised managerial employees who participated in the study. These respondents were purposively chosen because of the intimate and detailed knowledge they have about strategies to optimise strategic leadership, perceptions about the allocation of financial resources by strategic leadership at HGDM, and factors that could facilitate or hinder resource allocation by senior management at HGDM. None of the respondents were in clerical and general worker categories. Thus, the findings from this study are solely from the views of managerial employees at HGDM.

The next section interprets and discuss the findings on improving strategic leadership through resource allocation.

## **5.3 Interpretation and discussion of findings on improving strategic leadership through resource allocation at HGDM**

One of the objectives of the study was to investigate perceptions that respondents had regarding the improvement of resource allocation at HGDM. From the analysis of the data collected it is evident that perceptions were varied. Almost all eight (8) respondents provided diverse opinions regarding their perceptions about resource allocation at HGDM.

The question posed to respondents was:

- What are your perceptions about the allocation of financial resources by strategic leadership at HGDM?

The following interview excerpt corroborates this finding:

Respondent 1 stated that:

***“Harry Gwala have a serious challenge in terms of indigence. Harry Gwala District Municipality mostly rely on equitable share. Best in making sure that employees are getting enough resources to be able to perform their duties. Harry Gwala is trying to move with Fourth Industrial Revolution by making ways of communication easier for all employees for instance cell phone allowances are issued to employees to improve communication effectively and those employees who go on sites are given car allowances”.***

Respondent 1’s perception about resource allocation at HGDM is that the municipality is facing a challenge with too many people on the indigent list, a situation that has resulted in the municipality becoming somewhat reliant on the equitable share from central government. The respondent further asserted that the HGDM is good at providing resources which enable employees to perform their duties. HGDM is trying to move with the Fourth Industrial Revolution. A clear example of the distribution of resources at HGDM is the allocation of cell phones and car allowances for the improvement of communication and mobility of employees who go on sites.

Respondent 2 said that:

***“Harry Gwala is mainly rural and remains dependent on national revenue for survival. Revenue collection is also poor due to resistance from ratepayers and lack of capacity to enforce these taxes. As a result, the municipality has a challenge of rendering service delivery effectively and unsatisfactory to the community of Harry Gwala District”.***

Respondent 2’s perception was that the municipality is predominantly rural, and experiences poor revenue collection due to factors such as resistance from ratepayers to pay for municipal services. According to Respondent 2, this situation has led the municipality to become dependent on national revenue, which is similar to what Respondent 1 said about the municipality relying on equitable share from national government. Both Respondents 1 and 2 pointed out that the poor revenue collection is leading to financial challenges, which Respondent 2 further pointed out as leading to poor service delivery.

Respondent 3’s perception about resource allocation at HGDM pertained to:

***“when it comes to financial resources, I think it is equitable in the sense that when the budget process is done in terms of allocating financial resources, all departmental units are consulted to give their inputs and then there is a strategic planning session whereby all those inputs from different departments are taken into account and then budget is***

*determined in terms of affordability and financial resources are available so in short all departments and all units are given a chance to prioritise for the projects they want to do, depending on the financial resources available that can be trimmed down”.*

Respondent 3 gave a fairly clear picture of how resources are allocated at HGDM by pointing out that there is some kind of equitable distribution of resources and referred to the existence of a system of strategic planning which results from inputs from different departments who contribute ideas for how resources can be allocated. Respondent 3 further pointed out that different departments are given an opportunity to prioritise certain projects and highlighted that during periods of insufficient resources, it is common for departmental budgets to be cut.

Respondent 4 answered this way:

*“My perception, especially on the side of performance management, is that we are responsible for performance management of HGDM. Our responsibility is to ensure that IDP, as well as budget, which both informs service delivery, and budget implementation plan by these tools. We are making sure that whatever has been planned from the IDP, as well as on the budget of the municipality, is properly implemented and we do that by ongoing monitoring, by producing quarterly performance reports which are also audited by our internal auditors, as well as by external auditors, over and above the audit team do their physical verification to ensure that whatever financial allocation made by the municipality are properly used, specifically for what has been planned for. So, over the years that I am with HGDM, I can say that I am certain that financial resources that are allocated by HGDM are properly used for those projects that are allocated for, and are utilised for the projects that are allocated for, where there are challenges they are properly addressed accordingly.”*

Respondent 4 was of the opinion that resource allocation at HGDM has to be in alignment with the PMS and in the spirit of implementing IDP systems. Respondent 4 further posited that, in the municipalities where resources are allocated in the budget, they are for an intended purpose, especially to improve service delivery. This, according to Respondent 4, ensures that HGDM properly uses allocated resources for the projects mentioned in the budget plan. This can be interpreted to mean that the budget at HGDM is used as a resource allocation tool for funding purposes.

Respondent 5 said:

*“My perception is different. In fact, one point that I had to mention is that strategic leadership recognised that Harry Gwala District Municipality is a water services authority because the normal function of the district is the provision of water and sanitation services to its communities. Hence, resources of the institution are prioritised as such, in taking into cognisance the core function. However, optimal allocation of financial resources, in particular, is prescribed by national treasury that 8% of the carrying value of water services assets should be allocated for water services function. But it is very difficult to accomplish as a district because the value of assets that we have on the ground is about 2 billion rand,*

***so if you work out 8% will be a lot of money of which it will almost be the entire budget of the institution, so we do not actually conform to those prescripts, but we try by all means with the limited resources to concentrate on ensuring that financial resources are around the core function”.***

In summary, Respondent 5 pointed out that the resources of the municipality are prioritised to the provision of water and sanitation services to the communities. Since water provision is the core mandate of the district municipality, therefore, Respondent 5 posited that resources have to be spent on this priority. Respondent 5 even mentioned a percentage that is prescribed by the national treasury that needs to be allocated to water services function.

Respondent 6 said:

***“My perception is that allocations are not distributed according to the needs that have been identified through the planning process. This is informed by that, when we do the planning process, you’ll established that the number of programmes would be introduced and initiated by means of planning process and IDP, but when it comes to the allocation of resources in terms of budget and working equipment that respond to that, the budget is always not sufficient. Therefore, for me the resources are generally not as the systematic and strategic process is driving to, so there is no balance between the two.”***

Respondent 6 disputed the notion that resources at HGDM are allocated to the needs that will have been identified through the planning process. Contrary to assertions by Respondent 3 on the equitable allocation of resources; Respondent 4’s alignment of resource allocation to the budget plan; and that Respondent 5 pointed to resource allocation that prioritises water and sanitation, Respondent 6 pointed to the non-existence of a systematic form of resource allocation, but pointed to the existence of an imbalance between budgetary intentions and implementation, as most budgeted items are not practically provided for, when needed.

In summary of the above interview excerpts, it can be noted that several key perceptions emerged from the respondents. The first perception is that the municipality allocates resources to cell phone allowances for the improvement of communication and to try to keep up with the Fourth Industrial Revolution; and it gives car allowances to improve the mobility of employees at the municipality. However, there is no mention by the respondents of other resource allocation areas. The second key perception is that the resources at HGDM are inadequate due to poor revenue collection arising from the high number of indigent residents and resistance by people to pay for services that are provided by the municipality. This causes the municipality to depend on the equitable share or grants from the government. The third key perception is that the resources at HGDM are allocated in alignment with the PMS and in the spirit of implementing IDP systems and budgetary plans. The fourth key perception is that resources

are allocated to priority areas such as water and sanitation; and the fifth perception is that there is some kind of equitable distribution of resources arising from the existence of a system of strategic planning which result from inputs from different departments who contribute ideas as to how resources can be allocated. This finding is consistent with the views expressed by Bardolet *et al.* (2017:2470), who similarly pointed out that strategic leaders should allocate resources in a manner that prioritises the preferences and priorities of the organisation they lead. Fox *et al.* (2016:97) also posited that, when it comes to municipalities, resources are allocated to funding priority areas such as the provision of water and sanitation and other service delivery mandates. Harris (2018:188) pointed out that not all departments within an institution, or all areas, have identical needs. Harris (2018:188) revealed that there will always be different needs for different departments or areas within a region, which can mean that categorical funding alone is not enough. The sixth key perception is that resources are not allocated systematically enough, and there is often an imbalance between budgetary intentions and implementation of the budget.

#### **5.4 Interpretation and discussion of findings on how strategic leadership provides training to employees**

One of the main objectives of the study pertained to determining how strategic leadership could improve resource allocation at HGDM.

The question posed to respondents was:

- What is the role of strategic leadership in providing training to employees at HGDM?

The following interview excerpts were recorded from respondents:

Respondent 1 said:

***“In terms of training, Harry Gwala District Municipality has the responsibility of training employees and identify gaps in terms of the skills gaps, and then they submit it to our corporate services department, and from there I think leadership have to choose and prioritise in terms of which trainings that are needed, bearing in mind that they have to prioritise because resources won’t be enough”.***

Respondent 1’s view on the role of strategic leadership in providing training to employees was that the municipality had an obligation to provide training to employees after having identified skills gaps. Respondent 1 further pointed out that it is the duty of every leader to select training

programmes that are a priority to municipalities, given a situation where resources are not always enough.

Respondent 2 stated that:

***“Strategic leadership has a role to implement policies that would increase productivity in terms of effective, efficient and responsive delivery of services.”***

Though not mentioning the role of training directly, Respondent 2 was of the view that strategic leaders have a role to increase productivity and create an effective and efficient response to service delivery issues. Training is known to be one of the factors that helps to increase employee productivity and efficiency.

Respondent 3 said:

***“Strategic leadership have final say on allocation of budget for training. Employees are filling in skills audit form so to identify the gaps. Bursaries are issued to employees to ensure capacity building.”***

Some key words point to the fact that Respondent 3 believes that the strategic leadership makes decisions about how many financial resources can be allocated for bursaries to fund people for training so that employees become skilled.

Respondent 4 said that,

***“The role of strategic leadership is to make sure that everyone is appraised of what is being expected. As stated in the Constitution of the Republic of South Africa, Section 152, there are five objectives that we, as local government, are mandated to adhere to; so, the role of strategic leadership is to make sure that the objectives that are mandatory, including the needs of the community, transparent to community and executing projects that are needed by the community, not by the municipality, because we are there to serve community”.***

In response to the question requiring an opinion on the role of strategic leadership in providing training to employees, Respondent 4 is of the view that every strategic leader should appraise subordinates regarding the contents of the Constitution of the Republic of South Africa, Section 152. Respondent 4 further pointed out that the role of strategic leadership is to ensure that the needs of the community are met, and that they are transparent to the community when executing projects.

Respondent 5 answered this way:

***“Of course, strategic leadership plays a significant role in encouraging that all employees are trained, the new innovations that we have in our system, desire training of employees so as to cope with change in technology. One of the key strategies in Harry Gwala District Municipality is to reduce the outsourcing of certain services, especially with water services***

*functions, and therefore that requires our employees to be trained in order to ensure that they are registered with certain professional bodies and be able to insource some of the functions if they are properly registered. So, their view is actually around in ensuring that our employees are trained to cope with the change in technology and they are becoming innovative.”*

The main idea expressed by Respondent 5 is that strategic leadership needs to play a role in encouraging employees to get trained so that the municipality can develop and possess in-house skills which will result in the phasing out of the practice of outsourcing functions to external agents. Respondent 5 believed that training would result in cost savings on the part of the municipality, as employees become capacitated through training.

Respondent 8 said that:

*“I am assuming that the means of coping in working with limited resources, there is training, although it is not the one that is expected to be. For example, systems that are being used in Harry Gwala District Municipality are being updated on an annual basis and the available budget to handle those improvements is not available in terms of training. You’ll find that training funds are limited to few individuals per department, yet all the officials are expected to respond to the same challenge.”*

Respondent 8 pointed to prevailing problems in terms of limited funding for training of employees, against the background that employees are expected to cope with new updated systems on annual basis. So, Respondent 8 was implying that more funding for training and development was required to enable strategic leadership to capacitate employees in terms of skills.

A key and dominating theme that resonates through the research objective is the need for strategic leadership to continually increase funding for the training and development of employees as a way of capacitating employees to perform better. The provision of training and development to employees at HGDM by strategic leadership is consistent with assertions by Samimi *et al.*, (2018:358) who expressed the view that strategic leaders are those types of leaders who allocate resources for continual training and development so that employees within the organisation are continually updated and up-skilled in new and modern ways of performing their jobs in a cost-effective manner. This finding can be interpreted to mean that strategic leadership enables and facilitates training and development of employees as a strategy to develop the competencies and skills of employees. This is plausible, given that one of the strategies for improving performance is through the training and development of employees. This finding, therefore, resonates with the Bower-Burgelman theoretical model

which stipulated that resources need to be allocated, not only towards routine or status quo commitments, but also towards enhancing the organisation's performance capabilities in the emerging environment, in order to help sustain the organisation. The Bower-Burgelman model proposed that rational resource allocation decisions should be incremental in enhancing an organisation's environmental adaptive capabilities and in promoting continual learning and innovation. The finding on the training and development of employees vindicates assertions by Souder and Bromiley (2017:2558), who pointed out that in the B-B model it is clearly indicated that financial resources should be allocated strategically towards human resource upskilling, research and development in order to enhance the development of competencies in municipal governance, and improve service delivery in municipalities of South Africa.

### **5.5 Interpretation and discussion of findings on recommendations by interviewees to senior management for capacitating employees with skills to fulfil service delivery mandates to communities of HGDM**

One of the questions in the study was for the respondents to make recommendations to senior management for capacitating employees with skills to fulfil service delivery mandates to the communities of HGDM, from their perspective.

The question posed to respondents was:

- What would you recommend to senior management for capacitating employees with skills to fulfil service delivery mandates to communities of HGDM?

Respondent 1 said that:

***“They make higher allocations to bursaries so that employees can be afforded more opportunities, lifelong accreditations. Capacitating employees through bursaries. Harry Gwala is one of the districts that have illiterate people.”***

Respondent 1 recommended that there must be an increase in financial allocations to bursaries as a way of capacitating employees to acquire training that will benefit them in terms of lifelong learning. It is important to reduce illiteracy among the people of Harry Gwala. This is the view of Respondent 1.

Respondent 2 said that:

***“senior management should revisit their financial strategies so that they can improve their operations and capacitate employees so that they can tap into all the potential sources of revenue, consult all the role players in the planning and implementation of projects and***

***programmes, and improve debtors and creditors management, including the management of cash flow activities.”***

In contrast to Respondent 1, Respondent 2 advised management to revise their financial strategies so that they capacitate employees. Respondent 2 advised that one of the ways to capacitate employees is to tap into all financial resources with the aim of increasing funding for training of employees. The advice from Respondent 2 extended towards improving debtor and creditor management systems so that more funds can be released and channelled towards capacitating employees.

Respondent 3 said that:

***“I would recommend that, in every municipality, there are work skills plan; but even before that, I would recommend that each senior manager needs to know each employee within the department so that they know exactly what skills are needed in each employee so that they improve the performance of the municipality, because we understand that every employee is there to fit into the strategic objectives of the municipality as adopted by the council in every five years and obviously reviewed annually. I would recommend that performance development plan (PDP) are being developed for each employee of the municipality so that employees can be able to fill the gaps wherever there is a need of addressing the gaps.”***

Respondent 3 recommended the need for municipalities to have a skills audit that identifies skills deficiencies. This needs to be followed by the development’s work skills plan that seeks to capacitate employees with the skills that are needed for the performance of the municipality in terms of service delivery.

Respondent 4 said that:

***“I think the most important part now is that, when the prioritisation is done in terms of training and the capacity building, that when management is key of what they choose, and have to prioritise important activities that are important for service delivery”.***

The main idea that emanates from Respondent 4 is that municipalities must prioritise skills training and development of employees as a strategy towards improvement of service delivery.

Respondent 5 said that:

***“Firstly, I would prioritise those who have limited skills or less skills so that we can have an equitable distribution of skills. Yes, some individuals do have the skills that are available and some have very limited skills. It might then help to assist the capacity of the institution to be able to deliver to the expectations and service delivery objections.”***

Respondent 4 urged strategic leadership to prioritise the training of people with limited skills and competences so that they catch up with others and perform to the same level as others with skills.

Respondent 6 said that:

***“My recommendation is around introduction of systems in automated means or innovations to improve effectiveness and efficiency of delivering services. Currently we have a system which covers the entire district in terms of activities that we undertake to accomplish vision of the institution, so it is important to introduce those systems to spin off. Therefore, we will capacitate employees in order to ensure that they operate with those systems and by so doing it improves service delivery.”***

Respondent 6 was somewhat unique in not providing a recommendation for capacitating employees, but instead recommended the introduction of automated systems and innovations as ways to improve organisational efficiency.

Respondents were unanimous that strategic leadership need to allocate financial resources towards the training and development of employees as a way of capacitating employees with the relevant skills to perform better and improve service delivery for HGDM. This finding can be interpreted to mean that senior management at HGDM can capacitate employees with skills by increasing budgetary financial resources for the training and development of employees through arranging short courses; funding skills development programmes; accredited formal qualifications; and, more specifically, through on- and off-the-job training. The findings can be interpreted to mean that capacitating employees with more training and development opportunities helps to improve service delivery. This finding is consistent with the Bower-Burgelman model. Bower and Burgelman (1983) proposed that rational resource allocation decisions should be incremental towards enhancing an organisation’s environmental adaptive capabilities and promoting continual learning and innovation. Samimi *et al.* (2018:358) also expressed the view that strategic leaders are those types of leaders who allocate resources for continual training and development so that employees within the organisation are continually updated and up-skilled in new and modern ways of performing their jobs in a cost-effective manner.

The next section presents, interprets and discusses findings on strategies to optimise strategic leadership at HGDM.

## **5.6 Interpretation and discussion of findings on strategies to optimise strategic leadership**

The previous section interpreted and discussed recommendations by respondents to senior management for capacitating employees with skills to fulfil service delivery mandates to

communities of HGDM. In this section, findings on strategies to optimise strategic leadership at HGDM are discussed and analysed.

The next section presents, interprets and discusses findings on factors that could facilitate, or hinder, resource allocation by senior management at HGDM.

Respondent 1 said,

***“I think HGDM needs to have strategic planning sessions, both political sides together with administration side, to discuss any issues pertaining to service delivery. Proper strategic objectives need to be developed by both political side as well as administration.”***

Respondent 1 suggested that the municipal administration, together with the political parties, must engage in strategic planning. If they both participate in the strategic planning, they will be able to tackle all the issues that affect the organisation. Strategic planning will guide all the parties in terms of allocating resources efficiently.

Respondent 3 also said:

***“Having strategic planning sessions, inviting senior management in ensuring that the goal and objectives are achieved. Communication strategies should be implemented.”***

Respondent 3 seems to concur with Respondent 1 about hosting strategic planning, because they both want to achieve the main goal of allocating proper resources. Respondent 3 also emphasised that there is a need of implementing a communication strategy. Communication strategy involves a number of stakeholders and it is where the strategic leadership of the municipality will know and understand the needs of communities.

Respondent 4 noted:

***“At Harry Gwala District Municipality the main focus is on water and sanitation I think every allocation is properly placed so far, even though there are still challenges in allocating resources.”***

According to Respondent 4, the focus is on water and sanitation. Respondent 4 believes that resources are properly allocated because water and sanitation is the core function of HGDM; although concurring with other participants that there are still challenges.

Respondent 5 said:

***“I think in that one I will try to be very vague and I will try to be very realistic to Harry Gwala District Municipality: so, what is important in one of the key areas is to provide section support in all activities that drives the vision of the institution. We also support all strategies of the district to reduce dependence on government grants and subsidies that will ensure that the district is financially healthy to allocate enough resources for the activities.”***

According to Respondent 5, the activities of different sections need to get support because they all have one vision. Respondent 5 also raised a concern over the dependence of the municipality on government grants; and whether the municipality is able to raise funds that can improve allocation of resources by strategic leadership.

Respondent 8 said:

***“One aspect here with regards to strategic approach is that we may need to utilise a clear direction in what Harry Gwala District Municipality is intending to achieve in such a particular period of time. In doing so we can then be in a position to make decisions that lead us to that direction. Secondly avoid being reactive in nature so that being reactive in nature disrupts the long-term planning because the resources that would have been allocated for strategic initiatives get consumed by the measures where you are trying to solve or deal with problems that arising because you are being reactive in nature.”***

According to respondent 8, HGDM needs to decide and know what is it that they actually want to achieve. Respondent 8 also raised that the issue of being reactive can ruin the long-term planning.

## **5.7 Interpretation and discussion of findings on factors that could facilitate resource allocation by senior management at HGDM**

One of the objectives of this study pertained to investigating factors that could facilitate or hinder resource allocation by senior management at HGDM.

The main question asked was:

What factors could facilitate/hinder resource allocation by senior management at HGDM?

When asked about factors that could facilitate resource allocation by senior management at HGDM, different respondents provided different views. The following interview excerpts were recorded from respondents:

Respondent 1 answered this way:

***“I think when we talk of hindering is just that the resources are inadequate so the district ends up restricted. It might have a lot of plans that they do, like cutting out some programmes, especially those that are not a core function of the municipality because of limited resources.”***

Respondent 1 clearly pointed out that inadequate revenue hinders resource allocation at HGDM and this results in the management of the municipality having to cut down on some programmes which it is unable to finance.

Respondent 2 answered this way:

***“My view is that at Harry Gwala District Municipality we are getting there, even though we are not yet where we want to be. I strongly believe that we will achieve what we want to achieve. I would recommend that communities also need to get workshop of taking a good care of the facilities that are provided by the municipality.”***

Respondent 2 offered an optimistic view of things getting better and this implies that improvements could facilitate resource allocation at HGDM. The respondent pointed out that work-shopping residents to take good care of facilities could help improve conditions in the municipality. If Respondent 2 is to be believed, this might imply that, if people take good care of resources, the municipality will also see an improvement in resource allocation.

Respondent 3 stated that:

***“Resources are allocated through departments. Heads of Departments needs to play a pivotal role during allocation and must know what is expected from their departments.”***

Unlike Respondents 1 and 2, Respondent 3 if the view that the Heads of Departments can facilitate resource allocation if they know of what is expected from their departments.

Respondent 4 said:

***“The district endeavoured, by all means, to prioritise the core function that is ensuring that our communities receive the expected services in terms of the Constitution. However, in some instances the demands analysis guides us; otherwise you find that certain resources, because if there are certain components of the institution that required agility attention then by so doing we have to divert the allocation of resources to address those areas.”***

Respondent 4 pointed to the existence of guidelines from the district which guide them on how resources need to be allocated; but regrettably, sometimes unforeseen circumstances force the municipality to divert resources to cater for the unexpected occurrences.

Respondent 8 answered this way:

***“Firstly, I will touch on both sides because we are looking at factors and aspects that are hindrance. The aspect that is facilitating on how resources are allocated is mainly the strategic planning process – it could be your IDP, SDF, water services development plan and any strategic plans that are being done by the municipality. So those plans give the municipality an indication of what is really expected in terms of service delivery and therefore what budget is then required. Now, in terms of hindrance, what we tend to find is hindering the process in regard that the budget is made based on what is the ability of the municipality to generate revenue. Now, if the revenue is limited, then the allocation gets to be limited, then the allocation at Harry Gwala is structured between, vis-a-vis, the needs as well as the available revenue.”***

Respondent 8 pointed to the existence of strategic plans as facilitators of resource allocation. According to Respondent 8, strategic plans such as the IDP, SDF and water services development plan all help to facilitate resource allocation. On the other hand, Respondent 8 pointed to the existence of hindrances to resource allocation, such as limited financial resources.

From the aforementioned views, it is clear that there are four key issues. The first issue that featured prominently from the respondents' views is that limited financial resources hinder effective resource allocation at HGDM. The other key issue is that resource allocation can be facilitated through the development of strategic plans. This finding demonstrates that strategic planning is an essential process that optimises strategic leadership at HGDM. This finding agrees with assertions by Joyce (2016:46), who posted that strategic leaders establish an organisation's goals and objectives and engage in planning and securing agreement on the best method to achieve them. Covin and Slevin (2017:216) also pointed out that the development of a strategic vision and mission, and the setting of objectives, is based on basic direction-setting tasks by an organisation's top management and involves strategies which constitute a strategic plan that guides resource allocation. As identified by Bawany (2016:119), strategic planning is one of the processes that leads to resource allocation in an organisation. Bonchek (2017:289) expressed a similar view to that of Bawany (2016:120), by positing that resource allocation is initiated by the process of strategic planning during the time when the vision and goals of the organisations are formulated. Bawany (2016:120) further posited that the vision and strategic goals of an organisation are accomplished through proper resource allocation.

## **5.8 Interpretation and discussion of findings on the existence of tension between middle and senior management**

There were two main issues that emerged from the respondents, regarding the existence of tension between senior and middle management. A lack of tension between middle and senior management also emerged as one of the factors that could facilitate proper resource allocation at HGDM. Some respondents pointed out that proper and smooth resource allocation occurs if there are no tensions between middle and senior management. This finding is corroborated by the following interview excerpts:

Respondent 1 answered this way:

*“There are tensions that are caused with limited office space. Employees believe that human resources directorate is not assisting them in terms of resource allocations. Budget*

***and human resources usually face the challenges, like they point fingers at each other when employees raise dissatisfaction.”***

Respondent 1 pointed out that tensions do exist, caused by the limited office space. This can create tension between managers because lower-level employees put pressure to their managers, demanding that they come up with a plan.

Respondent 4 stated that:

***“... I don’t believe, so it also helps that between water and infrastructure services, water deals with WSIG grant, and infrastructure deals with Municipal Infrastructure Grant (MIG), so there is no interference and both departments are responsible for different grants so there are no tensions. To my understanding these departments are working well together.”***

According to Respondent 8, there are no tensions as such, because two main departments have different grants, so they are working together in harmony.

Respondent 6 said that:

***“In my view, definitely they will exist because each and every department has certain goals they want to achieve. So, when you have limited resources, then there comes a problem when you try to trim the budget in terms of trying to fit into what is available. Definitely, some of the activities would be cut out, so as the leader of the department you won’t be pleased. It is not the purpose of strategic planning session whereby decisions are made and priorities of the departments are done.”***

Respondent 6 pointed out that tensions between senior and middle management are inevitable at the municipality, given the fact that each department strives to achieve its own goals against the background of limited funding. Thus, competing interests, and limited funding, explain the reason for the existence of tensions between these two levels of management.

Respondent 5 pointed out that:

***“There are no tensions because the executive directors do understand the challenges faced by the municipality, by being in rural area, because out of 150 water schemes largely spreading in rural areas of the community that is making up, so at Harry Gwala the billing is only on 12000 out of 60 000 households. That says we are not collecting enough funds....”***

In contrast to the assertions of the other respondents, Respondent 5 disputed the existence of tensions between senior and middle management. This was attributed to the existence of a common understanding between levels of management regarding the funds available from the grants and their intended purposes. The other common understanding that executive directors have arises from the fact that the revenue is always limited, since fewer households are billed.

However, respondents said there are tensions that are caused by the shortage of office space, and other unavailable resources, that affect performance of the municipality.

Respondent 7 answered this way:

***“No, no, no... I won’t agree that there are any tensions because primarily at Harry Gwala District Municipality, everyone understands that most of the departments are support departments for prioritised function as a water services authority, so they actually even support the department. I can say everyone, even the employees, ensures that we divert our resources around water services department, including disaster activities and water services activities.”***

Respondent 7 concurs with Respondent 5 by dismissing the existence of tensions between senior and middle level managers. Respondent 7 stated that there is a common understanding that most departments are support departments to critical core mandates of the municipality, so that every departmental head supports the critical functions of the municipality.

Respondent 8 said:

***“Yes, they are, but may not be a crippling effect in such a way that they cripple the functionality of the municipality. Yes, they do cause those teething problems. Let me make an example: you will wonder what were you going to prioritise in terms of a scheme that is dysfunctional, or you prioritise beefing up the security of the schemes, and these responsibilities are sitting within different departments. Now who is supposed to getting more funds? Is it the one who is guarding the scheme, or the one who is refurbishing the scheme? Now, there is always be a contestation around those issues and, in this regard, we tend to find that, again, we have those departments that are responsible for constructing the schemes and other department is responsible for maintaining the scheme. Now then, there is always that conflict in terms of what do we prioritise? As I have indicated in the previous section, that we have to create a balance between the maintenance and the provision of basic services to the communities that they have never had before, so these tensions tend to happen within the institution.”***

Respondent 8 also acknowledged the existence of tensions between senior and middle management, but pointed out that these tensions are normal and not damaging to the normal operations of the municipality. Respondent 8 further emphasised that there is always a contest when it comes to prioritising certain issues, given the fact that some support departments may not be acting with the required urgency.

From the interview excerpts and analysis, it is clear that some respondents believed that the lack of tension between senior and middle management at HGDM could facilitate proper resource allocation at the municipality. As the two levels of management agree over how resources should be allocated according to policy, there will be general agreement and

consensus regarding how resources should be allocated; hence facilitating a smooth and proper allocation of resources by the municipality. If the two respondents are to be believed, the non-existence of tension between senior and middle management at HGDM facilitates proper resource allocation.

This finding vindicates assertions by Bower (1970:13) and Burgelman (1983:116) in the Bower-Burgelman (B-B) process model of strategy making. They asserted that both senior and lower level management play critical and complementary roles in the resource allocation process, so that there is no room for conflict between the hierarchical levels of management.

In essence, Bower (1970:13) and Burgelman (1983:116) asserted that senior management is responsible for spearheading the course that an organisation takes, or setting the strategic direction of the organisation. They therefore, communicate performance expectations to frontline managers (middle- and lower-level managers) and hence they create the impetus for strategy development and implementation. In the process model, Bower (1970:13) and Burgelman (1983a:116) asserted that strategic initiatives are identified and examined by frontline managers who act rationally to identify resources that need to be allocated to strategic areas that are identified, to achieve the greater good for both the organisation and its clientele. The model asserts that it is the frontline managers in an organisation who are knowledgeable about the resources that are needed to achieve the goals and vision of the organisation. This explains why Bower and Burgelman (1983) described strategy making as an iterative process of resource allocation that is initiated from the lower levels of the management hierarchy to top management. The argument is hence, that resource allocation in a business organisation is a bottom-up process. This finding also vindicates assertions by Vieregger *et al.*, (2017: 2499) who posit that, in the BB model, senior executive managers have a limited role to play in strategy making and resource allocation decisions, but rather rely on frontline or bottom-line managers. Similar to the findings are assertions by Busenbark *et al.*, (2017:2430) who posited that bottom-line or frontline managers are deemed by senior managers to be in possession of appropriate knowledge or information which makes them experts in terms of evaluating the technical and economic aspects of the strategic initiatives.

## **5.9 Interpretation and discussion of findings on factors that could hinder resource allocation by senior management at HGDM**

One of the objectives of this study was to investigate the factors that could hinder resource allocation by senior management at HGDM. In this section, the factors highlighted by the respondents that could hinder resource allocation by senior management at HGDM are presented, interpreted, and discussed.

The main question asked was:

**In your opinion, what are the forces that constrain resource allocation at HGDM?**

There were varied responses describing the forces that constrain resource allocation at HGDM.

Respondent 1 said:

*“... In my opinion there is political interference in administration. They are dictating on how things should be done. That can sometimes affect municipal performance due to instructions from politicians. For example, cadre deployment sometimes affect work as well as favouritism within the municipality.”*

Respondent 1 acknowledged that political interference exists in municipalities. The respondent further asserted that the political interference occurs in the form of politicians giving instructions, or in the form of cadre deployment, which in some cases implies favouritism in the appointment of certain individuals in the municipalities.

Respondent 4 said:

*“Recently, Harry Gwala District Municipality received an allocation because they were one of the municipalities that uses grants as they were meant to be used for. In my opinion, we do not have any challenges as far as it is concerned. Other municipalities are not doing well because they wouldn't receive another funding if they're not doing well. Treasury department does not give funding to municipalities that are not utilising grants properly. HGDM uses the grants as per their allocations.”*

Respondent 4 responded to the question by pointing out that, not so long ago, HGDM received grants which were correctly used for their intended purposes and this same respondent spoke of the non-existence of challenges in resource allocation. Additionally, the respondent mentioned that the non-existence of challenges in resource allocation explains why the municipality continues to receive grants from the government.

Respondent 5 said:

*“I think it all starts with, for example, Harry Gwala is a big district and each ward is represented by a councillor and each councillor want things on their own, so you will find that some of these things brings lot of tension in terms of when you trying to prioritise projects, given the fact that I mentioned before pertaining to inadequate resources against a lot of needs, and ones for each and every ward. Each and every councillor will want things to happen in their own ward like to please their own people that might actually enhance performance around the municipality.”*

Respondent 5 pointed out that Harry Gwala district is vast and also mentioned that wards are represented by councillors and each councillor want services to be delivered as per their expectations. So, tensions do exist between councillors and management that are caused by dissatisfaction in the allocation of resources. Respondent 5 mentioned the existence of inadequate resources, and competing needs. This can be construed as a force constraining resource allocation at HGDM.

**Respondent 7** mentioned that:

*“Harry Gwala District Municipality is a very stable municipality politically, so political forces support the allocation of resources as determined or prescribed by the administrators; so, the allocation of resources has got no bearing in terms of political forces in our district. That will happen in a district whereby there are certain political dynamics, but Harry Gwala is a stable district and we don’t have any negative political forces. The forces that are there are actual promote the vision of the institution and the culture of working together between administrators and the political leadership.”*

A different dimension to forces constraining resource allocation at HGDM emerged from the analysis of interview records pertaining to Respondent 7 in the sense that the respondent dismisses the notion of counterproductive political interference, but instead pointed to the existence of political forces in support of administrative policy in resource allocation. This finding contradicts Respondent 1, who specifically pointed out the existence of political interference in the form of giving instructions and cadre deployment.

Respondent 8 answered this way:

*“Municipalities are political in nature and there can never be a situation where political force are not there. You know there will always be political forces and politics in its nature ... for some reason tends to affect administration in a positive and in a negative manner, because administratively the senior or top management is often aligned to the political leadership that is there; and when there are changes of political forces those issues become a factor. They hinder or they favour the performance of the municipality in that regard. Secondly, the political leadership within the municipality, we must remember when we talking about political forces there is political forces of people who are office bearers within the organisation and their organisation in which they are coming from, so the politics of the organisation that they are coming from, they also do play an impact in terms of the*

*performance of the institution. Lastly, Harry Gwala as a district municipality consisting of four local municipalities, and these four local municipalities, politically they are defined as sub-regions. If the relationship between the political leadership at a district level and these sub-regions is not harmonious, these issues tend to have an impact in terms of resource allocation and the performance of the municipalities. But once it becomes so well and good, you'll tend to find where the leadership of the district is much more aligned of that sub-region, the resources will go there and it enhance and improves the performance and the service delivery of that particular sub-region, and so on. So, we may not only constrain the view of politics within the office bearer, within the institution, but we must look at it holistically within the district in terms where are these office bearers coming from? They are coming from political parties that operate at a district level that have affiliations and that have kind of relationship at a sub-regional level and regional level, either provincial level or even at national level, but it does have an impact as well.”*

A lengthy answer regarding forces constraining resource allocation at HGDM came from Respondent 8, who acknowledged the existence of political forces and politicians in a municipality. Respondent 8 pointed out that political forces within the municipality play both positive and negative roles in resource allocation, depending on the state of political relations between politicians at a district level and administrations in the sub-regions under Harry Gwala. Thus, according to Respondent 8, politicians tend to apply pressure by means of ensuring that resources are channelled to sub-regions where the administrations are in a harmonious relationship and understanding with the political establishment at a district level. In cases where the political establishments at a district level are at odds with administrators in the sub-regions, there is negative interference in resource allocation to such an extent that resource allocation to those regions is impacted negatively.

In summary, three broad issues emerged from the respondents' views regarding the forces constraining resource allocation at HGDM. The first issue is the acknowledgement of the existence of political interference as a force constraining resource allocation within the municipality. This finding resonates with assertions by Lynn Jr (2015:63), who pointed out that politicians often advocate for the allocation of resources to short-term projects that will generate immediate benefits, over longer-term projects with a higher return. Van der Voet *et al.*, (2015:294) pointed out that resource allocation in South African municipalities is often affected by political forces. They also pointed to the existence of politics in the local government sphere where politicians exert pressure on public officials in order to influence the way in which resources are distributed to further their own personal interests. The second issue is the assertion by some respondents that there is non-political interference regarding resource allocation. This finding contradicts assertions by Lynn (2015:63), Van der Voet *et al.* (2015:294), and many other scholars who have pointed to the existence of political

interference within municipalities. The other issue is the existence of limited financial resources within municipalities. This finding agrees with assertions by Carter and Greer (2013) who noted that resource allocation is made difficult by financial constraints. Carter and Greer (2019:89) further posited that the problem of financial constraints is one of the main challenges facing municipalities when it comes to resource allocation. Undoubtedly, this does not bode well for corporate sustainability. In an assessment of strategy implementation in South African municipalities, Molobela (2019:65) noted that financial and human resource capacity constraints are hindering effective resource allocation. In line with the findings, Molobela (2019:65) also argued that lack of financial capacity to bring in new technologies, train employees in new ways of doing business and adapt to changes, is one of the formidable challenges facing strategic leadership in their quest to enhance corporate sustainability.

#### **5.10 Interpretation and discussion of findings on an enabling environment created by senior managers**

The last objective of this study was to explore how senior managers could create an enabling environment through tactical administration at HGDM.

The main question asked was:

**As a senior manager, how can you create an enabling environment for effective performance in HGDM?**

Responses to this question were varied. Here are some of the interview excerpts from respondents:

Respondent 1 stated:

***“Conduct employee self-satisfactory surveys and put them at the reception so to ensure it is filled so to make an honest improvement. Encourage capacity building to employees since education is key.”***

Respondent 1 was of the view that the leadership in the municipality can create an enabling environment for effective performance in HGDM if they conduct employee-satisfaction surveys by placing a suggestion box at the reception so that employee suggestions can lead to real improvements. Furthermore, Respondent 1 pointed out that an enabling environment can be created if managers encourage capacity building for employees.

Respondent 2 said:

***“Recently SALGA issued a circular recommending that every municipalities must cascade performance management system to every employee; reason being PMS has been seen for senior managers, whereas people on the ground are the ones doing the work and report to senior management. So, as I would strongly recommend that all employees are involved. Cascade PMS so that everyone is aware of what is expected from them and covered by the MSA, Schedule 2, that says every employee should participate in PMS so that everyone’s job is aligned to another.”***

According to Respondent 2, the implementation of the circular that was recently issued by SALGA recommending the application of the PMS to all levels of employees, will help in creating an enabling environment for effective performance in HGDM. This measure, according to Respondent 2, will help employees to be more aware of their job performance expectations.

Respondent 5 said:

***“I think the first thing is actually to acknowledge efforts, as well as the good work. It can be in a form of bonuses, or maybe awards at the end of the year, to ensure that all employees stay motivated. Also attend to the conflicts if there are any; also, to make sure to keep staff morale at higher level. Once staff is motivated there will be enabling environment.”***

Respondent 5 was of the view that, if employees are rewarded with performance bonuses or awards at the end of the year, the environment will become more enabling. Employees will be motivated if they are appreciated. Respondent 5 also suggested good conflict management as another strategy for creating an enabling environment.

Respondent 7 said:

***“I think the first one is to encourage innovation performance in workplace, including skills development; and that changing the culture as well of operation by the work force in the district, even to ensure that we have appropriate controls, including policies that could be effectively applied to deal with negative forces to derail resource allocation in the district.”***

Respondent 7 expressed the view that senior management can create an enabling environment for effective performance if they encourage innovation performance in the workplace, including skills development and cultural transformation. Additionally, Respondent 7 recommended a strategy putting in place the appropriate controls and policies that can help in dealing with negative forces that work against effective resource allocation.

Respondent 8 stated that:

***“Let start with who we are recruiting and what skill and experience do they have, in terms of do they know what programmes and systems that they are proposing. What do they mean and what resources do they require? You know, some people know what needs to be done, but they know what is required in terms of resources. If you recruit people with limited experience, you will have a problem, meaning that you have to improve strategies on recruitment process, be strategic on the issues of planning. Planning must be detailed at some stage. We get constrained by planning within the cycles of IDP to say the IDP process has started and therefore you have to submit the deadlines. Sometimes there isn’t that consistent planning of departments on their own, without being confined within the IDP process. For me, if we can get away from that approach of planning and budgeting for the purposes of treasury or budgeting for the purposes of being approved by the council, we can change a lot in terms of performance within the institution, because we will be in a position to come up with alternative strategies that can enable us to perform better with limited resources.”***

Respondent 8 expressed the view that, as senior managers, they can create an enabling environment for effective performance by recruiting people who meet the requirements of the position and are experienced. If the people recruited have the necessary requirements, the environment will be enabling. Respondent 8 also pointed out that there is a need for strategic planning within the cycles of the IDP, so that enough resources are mobilised for recruiting the right people.

Different strategies for the creation of an enabling environment for the effective performance of the municipality emerged from the above excerpts. One of the recommendations was the application of the PMS to all levels of employees. Another recommendation was that senior management should conduct employee-satisfaction surveys. Another strategy for the creation of an enabling environment for effective performance is the motivation of employees through performance bonuses, awards and good conflict management. Uhl-Bien and Arena (2018:101) expressed a similar view that strategic leadership needs to improve their compensation and reward systems in order to raise employee morale for performance improvement.

One recommendation was to encourage innovation performance in the workplace through skills development and cultural transformation. Another strategy is to recruit the right people with the right skills. Schermerhorn *et al.*, (2019) pointed out that leaders keen on strategy implementation often face the challenge of getting the right people with the required skills, values, motivation and orientation to successfully implement strategies that enhance corporate sustainability.

## **Theme 1: Political forces constraining resource allocation through strategic leadership at HGDM**

Political forces meddling in the resource allocation decisions of municipalities was identified as a factor constraining resource allocation at HGDM. Some respondents were of the view that political meddling and bickering were also making it hard for strategic leaders to allocate resources to priority areas, as some powerful and influential people interfere in the resource allocation implementation process. This finding is corroborated by the following interview excerpts:

Respondent 3 said:

*“....there are some shameless politicians who come to the municipality from time to time telling leaders which areas should be allocated more resources. The regrettable part is that these politicians fuses their political muscles to sway resources to the areas where they reside or originate from and I often observed that those areas are not priority or have been receiving resources most of the time. This deprives other deserving areas of vitally needed resources and is grossly unfair... in most cases political meddling and interference often has a disruptive effective on rational resource allocation because politicians often pursue their own political agendas, which in most cases goes against the policy and legal prescriptions of the mandate of the municipality, such that resources become allocated without objectivity and rationality.”*

Respondent 4 stated that:

*“....resource allocation is being negatively affected by political meddling and interference by some politicians who can exert pressure on municipal administrators to allocate resources in a manner that they like; and in most cases these politicians do not lead to resource allocation that will be in the best interests of everyone, but mostly in their own personal interests and this leads to poor service delivery in most cases.”*

Respondent pointed out that:

*“.... There are some instances where politicians threaten municipality management to allocate resources in a certain way and even issue threats that they will make life hell for the managers; and in most cases it will need strong and unyielding leadership to thwart off the demands. And in other cases, the political forces become so powerful such that compromises are made.”*

Respondents 3, 4 and 8 cited political interference and meddling as one of the factors that hinders proper resource allocation. Political meddling and interference in the municipality emanates from politicians who yield immense influence in society; and they use their political power and influence to unduly influence municipal management to allocate resources in a certain manner. This, according to respondents, leads to poor service delivery. Respondent 3 pointed out that political meddling, in most cases, goes against the policy and legal

prescriptions of the mandate of the municipality, so that resources are allocated without objectivity and rationality.

Respondent 4, for example, pointed out that some of the politicians exert pressure to have resources allocated the way they desire, and often these politicians pursue their self-interests at the expense of the interests of the wider society. Respondents pointed out that political interference sometimes includes threats to municipal officials resisting the undue political pressure. This finding reveals that there are some politicians pursuing self-interests, exerting pressure and issuing threats to influence the allocation of resources in a manner that satisfies their own interests at the expense of the interests of the wider society. This finding also reveals that political meddling leads to resources being allocated with a lack of objectivity, and against the existing legal frameworks. This finding vindicates assertions by Lynn, Jr (2015:63) who pointed out that politicians often advocate for the allocation of resources to short-term projects that will generate immediate benefits, over longer-term projects with a higher return. Van der Voet *et al.* (2015:294) also pointed out that resource allocation in South African municipalities is often affected by political forces. Scheneider and Ingram (2019:413) noted the existence of a ‘stream full of politics’ in the local government sphere, where politicians exert pressure on public officials in order to influence the way in which resources are distributed to further their own personal interests.

## **Theme 2: Economic forces constraining resource allocation through strategic leadership at HGDM**

Respondent 1 pointed out that:

*“I would say, internally the resources from the political principals, in fact the attitude of the political principals, are such that resources should be allocated to the main department, which is water and sanitation, because that department has to be capacitated in terms of human resource training, as well as financial resources should be made available to that department. I would say political forces are not in a way constraining the resource, but they would rather provide more resources to that department. However, the resources are limited - mostly financial resources are limited - because even if you want to employ or add capacity to those departments it is hindered by the fact that finances are limited. The fiscal capacity of municipalities depends on their fiscal efforts to employ an effective revenue collection and management model. Therefore, the advice I would give to strategic leadership would be for them to address the collection of sufficient revenue. If that done it should have a positive impact in terms of economic viability of the Harry Gwala District Municipality”.*

Respondent 2 said:

*“I would say that resources are allocated prioritising the main departments. That is pivotal for providing. That is water and sanitation and the other is infrastructure that is dealing*

*with the construction of new infrastructure. If we provide resources to water services for operation and maintenance, though resources are not adequate enough, though the municipality is trying its best to prioritise water services department well, we will always have challenges in terms of having enough funds because Harry Gwala is a rural municipality with largely non-revenue in rural areas.”*

Respondent 5 expressed the view that:

*“I would say it is the limited financial resources because the municipality mainly depend on grants from national department. When it comes to revenue, the source of revenue that is generated by the municipality is +- 11 % of the total revenue. The bulk of the revenue is from the government grants, meaning that management is hindered by the available resources when it starts to allocate funds.”*

Respondent 6 stated that:

*“I touched on the limited revenue source that we have is only the provision of water and sanitation. It is limited only to urban residents because rural community is not paying for services because of the level of service that we are providing to them. We are providing IDP-standard level of service, which is 200 meters away from the dwelling place so those are not billed, so the billing is only limited to urban residents who are also largely indigent.”*

Respondent 7 said:

*“Harry Gwala is mainly rural and remains dependant on national revenue for survival. Revenue collection is also poor due to resistance from property ratepayers and lack of capacity to enforce these taxes. As a result, the municipality has a challenge of rendering service delivery effectively and unsatisfactory to the community of Harry Gwala District. ...Firstly, the municipality like Harry Gwala District cannot deliver services to the citizens if they do not have sufficient municipal finances generated from taxes, levies, rates and service charges paid by the consumers for municipal services.”*

Most respondents were of the view that economic forces, especially in the form of financial constraints, were the main forces constraining resource allocation at HGDM. Though some respondents provided some unnecessary detail, not directly answering the question, there were clear opinions about fiscal/financial constraints hindering effective resource allocation. Respondent 1, for instance, pointed out that the fiscal resources available to departments are not always enough. Similarly, Respondent 2 pointed out that resources are not always adequate in the face of competing priorities, whilst Respondent 5 pointed to a similar problem by commenting that the bulk of the total revenue (almost 90%) comes from government grants, meaning that management is hindered by the available resources when it starts to allocate funds. Respondent 6 also pointed to the existence of limited revenue sources, whilst respondent 7 attributed the limited financial resources to the problem of ratepayers not paying

for municipal services. This finding demonstrates that resource allocation at HGDM is being hindered by insufficient fiscal and/or financial resources owing to insufficient government grants, resistance by ratepayers to pay for municipal services, and the growing joblessness among the population. This finding agrees with assertions by Carter and Greer (2013) who noted that resource allocation is made difficult by financial constraints. Carter and Greer (2019:89) further posited that the problem of financial constraints is one of the main challenges facing municipalities when it comes to resource allocation. Undoubtedly, this does not bode well for corporate sustainability. In an assessment of strategy implementation in South African municipalities, Molobela (2019:65) noted that financial and human resource capacity constraints are hindering effective resource allocation. In line with the findings, Molobela (2019:65) also argued that lack of financial capacity to bring in new technologies, train employees in new ways of doing business and adapt to changes, is one of the formidable challenges facing strategic leadership in their quest to enhance corporate sustainability.

## **5.11 Conclusion**

This chapter had four main sections. The chapter presented and discussed the biographical data obtained from the research, and analysed data collected from in-depth interviews regarding participant views on improving strategic leadership through resource allocation at HGDM. The chapter also presented and analysed data on factors that could facilitate or hinder resource allocation by senior management at HGDM. The chapter further presented and analysed data collected from in-depth interviews regarding strategies that could enable strategic leadership to optimise effective resource allocation at HGDM. The next chapter presents the conclusion and recommendations.

## **CHAPTER SIX: CONCLUSION AND RECOMMENDATIONS**

### **6.1 Introduction**

The previous chapter presented, analysed and discussed the findings obtained from interviewing the respondents and from the literature review. The findings and conclusions are based on the objectives and serve to answer the research questions. Based on these findings and conclusions, recommendations are proposed in this chapter. Based on the findings outlined in Chapter Five, this chapter presents the summary, the conclusions and the recommendations of the study.

### **6.2 Summary of the study**

Chapter One: presented the background to the research problem; the problem statement; the research aim; research objectives; research questions and significance of the study. In the chapter, a summary of the research methodology and definition of key concepts was presented.

Chapter Two: presented the theoretical framework on resource allocation and strategic leadership.

Chapter Three: focussed on reviewing literature from different scholars pertaining to how strategic leadership can improve resource allocation; factors that facilitate or hinder resource allocation by senior management; strategies that foster strategic leadership to optimise effective resource allocation; and how senior managers create an enabling environment through tactical administration.

Chapter Four: presented and discussed the research methodology for conducting qualitative research. The chapter firstly discussed the research philosophy, followed by the research type, including the research paradigm and its determinants. The research design and strategy chosen for conducting the study were also discussed. The data collection methods for the study were also presented. The chapter discussed the target population for the study; sampling techniques used to select respondents; principles of data trustworthiness; data analysis; and ethical considerations. The limitations of the study were also outlined.

Chapter Five: presented detailed findings, and analysed and discussed the research results emanating from the research data. The discussion of the findings ensued from the data obtained from the standardised open-ended interviews conducted. The analysis and discussion of the findings focussed on the research questions outlined in Chapter 1.

Chapter Six: presents a summary of the entire study. The chapter also draws conclusions arising from the findings and provides recommendations to the senior management at HGDM regarding proper resource allocation.

### **6.3 Conclusion**

From the research findings the study reached the following conclusions:

#### **6.3.1 Perceptions on the allocation of financial resources by strategic leadership at HGDM**

The researcher concludes that perceptions about the allocation of resources by strategic leadership at HGDM are varied, depending on the respondents and their experiences. Four key perceptions emerged from the respondents. The first perception is that HGDM is trying to move with the Fourth Industrial Revolution by making communication easier for all employees: they allocate cell phone allowances to employees for communication and car allowances for improved mobility of employees of the municipality. However, there was no mention by the respondents of other resource allocation areas. The second key perception is that the resources at HGDM are inadequate due to poor revenue collection arising from the high number of indigent residents, and resistance by people to pay for municipal services. This results in the municipality having to rely on the equitable share or grants from the government. The third key perception is that the resources at HGDM are allocated in alignment with the PMS and in the spirit of implementing IDP systems and budgetary plans. The fourth key perception plan is that resources are allocated to priority areas, such as water and sanitation, whilst the final perception is that there is some kind of equitable distribution of resources arising from the existence of a system of strategic planning which results from inputs from different departments who contribute ideas about how resources can be allocated.

#### **6.3.2 Role of strategic leadership in providing training to employees at HGDM**

The research found that strategies to improve resource allocation at HGDM include training and developing employees and proper identification. This finding can be interpreted to mean

that senior management at HGDM can capacitate employees with skills by increasing budgetary financial resources for the training and development of employees through short courses; skills development programmes; accredited formal qualifications; and more specifically, through on- and off-the-job training. There is therefore, a need for strategic leadership to conduct a skills audit which identifies priority training areas, followed by the preparation of a budget that provides funds for the actual training of employees. Strategic leadership needs to increase the allocation of financial resources to the training and development of employees as a way of capacitating employees with the relevant skills to perform better and improve service delivery at HGDM.

### **6.3.3 Strategies to optimise resource allocation at HGDM through strategic leadership**

The research found that strategies to optimise strategic leadership include conducting strategic planning sessions to ensure that the goals and objectives of the municipality are realised. The research also found that increasing the focus on the provision of water and sanitation as priority areas helps to optimise strategic leadership. Furthermore, the provision of support to all activities that drive the vision of the institution, and adopting all strategies that reduce dependence on government grants and subsidies, help to optimise strategic leadership.

### **6.3.4 Recommendations of respondents to senior management for capacitating employees with skills to fulfil service delivery mandates to the communities of HGDM**

The research revealed that increasing the allocation of financial resources to the training and development of employees is way of capacitating employees with the relevant skills to perform better and improve service delivery in HGDM. More financial resources should be allocated to training and developing employees as a means to capacitate employees. There is also a need to identify skills gaps, and provide adequate funding for both long and short courses. Strategic leadership needs to appoint competent trainers and put in place on-the-job training for both the unskilled and semi-skilled, as well as off-the-job training for employees, as way of capacitating them with skills to perform better. The need to promote continual training to improve the performance of employees and the municipality was also a common view that emerged from the interviews. Senior management at HGDM can capacitate employees with skills by increasing budgetary financial resources for the training and development of employees through short courses; skills development programmes; accredited

formal qualifications and, more specifically, through on- and off-the-job training; as well as capacitating employees with more training and development opportunities to improve service delivery.

### **6.3.5 Factors that could facilitate/hinder resource allocation by senior management at HGDM**

Lack of political interference in resource allocation is one of the factors that could facilitate resource allocation by senior management at HGDM. Non-political interference can help facilitate resource allocation by senior management at HGDM. Lack of political interference creates an enabling environment where senior managers can allocate resources properly, without being forced to deviate from policy and from the law. Implementing decisions that reflect the preferences and priorities of residents, reached through the consensus of a majority of people is key in facilitating proper resource allocation. Ethical strategic leadership is one of the factors that could facilitate resource allocation by senior management at HGDM. Ethical leaders act objectively, rationally and fairly when allocating resources to different spatial areas and departments.

Political forces meddling in the resource allocation decisions of municipalities are one of the forces constraining resource allocation at HGDM. Political meddling and bickering also makes it hard for strategic leadership to allocate resources to priority areas, as some powerful and influential people interfere in the resource allocation implementation process. Political meddling and interference in the municipality emanates from politicians who yield immense influence in society and they use their political power and influence to unduly influence municipal management to allocate resources in a certain manner, which leads to poor service delivery. Economic issues, especially in the form of fiscal/financial constraints, were the main factor hindering effective resource allocation at HGDM. Resources are not always adequate in the face of competing priorities. Resource allocation at HGDM is being hindered by insufficient fiscal and/or financial resources, owing to insufficient government grants, resistance by rate payers to pay for municipal services and unemployment in the population.

## **6.4 Recommendations based on findings of the study**

The following recommendations were made:

### **6.4.1 Perceptions on allocation of financial resources by strategic leadership at HGDM**

The management at HGDM should improve the communication system to help provide explanations to all stakeholders about the criteria used to allocate resources. This further implies that management should be more open and transparent to each and every stakeholder as a way of managing and improving the people's perceptions about the manner in which resources are allocated. Creating more channels of communication and a two-way communication feedback system can help improve people's understanding of how resources are allocated. Furthermore, people's perceptions regarding resource allocation can be improved if the senior management can commit to strict compliance with the policies and laws governing resource allocation. Consistent consideration and implementation of input and suggestions arising from public participation meetings also help to improve people's perceptions about how resources are allocated.

### **6.4.2 Strategies to improve resource allocation by strategic leadership at HGDM**

Several strategies to improve resource allocation at HGDM through strategic leadership were suggested. Firstly, resource allocation can be improved through strategic leadership if leaders align resource allocation to policies. Alignment of resource allocation with the MFMA and to HGDM official policy is one of the strategies that optimises strategic leadership. When allocating resources, leaders are expected to allocate resources according to the prescriptive requirements of the MFMA, which is the relevant legislation that guides municipal leadership on how financial resources should be allocated and utilised. Secondly, the alignment of resource allocation to the strategic performance objectives of HGDM is one of the strategies that can optimise strategic leadership at HGDM. The alignment of resource allocation to the strategic objectives of the municipality essentially acts as pointer to the fact that resources are actually allocated for intended purposes. Thirdly, resource allocation at HGDM can be optimised if strategic leaders engage in strategic planning. Strategic planning is an essential process that optimises strategic leadership at HGDM. Planning is an essential step in the resource allocation process.

Senior management must develop clear objectives and a clear vision to guide resource allocation. A unifying vision needs to be created. This can be achieved by undertaking a stakeholder- inclusive approach for developing a vision that guides resource allocation so that the vision will have a buy-in from all the stakeholders. This will ensure the smooth functioning of resource allocation as objectives and the created vision will have clarity and wide support. An inclusive approach to identifying problems and priority areas for allocating resources is recommended so that resources are spent on critically needy areas. This will help reduce incidences of wasteful, irregular and fruitless expenditure.

#### **6.4.3 Strategies to optimise resource allocation at HGDM through strategic leadership**

Firstly, set resource allocation objectives which are in line with the mandate of the municipality. Allocate resources in accordance with the priorities and preferences of the communities that they serve, but these must be also in line with the national policy and relevant legislation. Set up a committee that identifies the most pertinent problems that mainly affect communities so that they come up with solutions. Resources must be allocated to fulfil set objectives, and in alignment with the MFMA. Use public participation forums to dilute the power of politicians who are keen on pursuing self-interests. Always insist on referring to policy and public participation resolutions when dealing with politicians who will be exerting undue pressure on municipal management. If need be, management can seek legal advice for the correct guidance.

#### **6.4.4 How can senior management capacitate employees with skills to fulfil the service delivery mandate to communities of HGDM?**

The study recommends that the municipality increase the budget to cater for the training and development needs of the employees of the municipalities. Both on-the-job and off-the-job training programmes need to be organised so that employees get comprehensive training to equip themselves with the requisite skills so that they can serve the residents.

#### **6.4.5 Factors facilitating resource allocation by senior management at HGDM**

The senior management at HGDM must ensure that there is common understanding regarding the municipality's roles and responsibilities to the residents. This can be achieved by sending communications to various stakeholders. To achieve this, effective communication is required to help improve the common understanding between the municipality's management and

various stakeholders. Effective communication requires a two-way flow of information and developing efficient structures for getting information out, such as newsletters, web sites, and press releases. In addition, similar structures must be developed to ensure that feedback from stakeholders is actively solicited. As stakeholders and the municipality management reach a common understanding regarding the municipality's mandate, resource allocation will be smooth, since everyone will have an understanding regarding where resources need to be channelled. Democratic consensus in resource allocation is another factor that helps to facilitate resource allocation by senior management at HGDM. Senior management can facilitate proper resource allocation if they implement budgetary allocation decisions through democratic consensus during public participation meetings.

#### **6.4.6 Strategies to improve resource allocation by strategic leadership at HGDM**

The research found that strategies to improve resource allocation at HGDM include training and development of employees, as well as the proper identification of needy and priority areas, such as water and sanitation. Strategic leadership plays a pivotal role in enabling and facilitating training, and in developing employees to improve their competencies and skills. Therefore, there is a need for strategic leadership to conduct a skills audit which informs priority training areas, followed by the preparation of a budget that provides funds for the actual training of employees. Proper identification of needy and priority areas contributes to how strategic leadership can improve resource allocation. Strategic leadership needs to give serious attention to priority areas, such as water and sanitation. Strategic leadership can improve resource allocation if they prioritise needy areas, by allocating more resources to areas where they have a high impact, like water and sanitation services, followed by infrastructure maintenance and others in ranked order of priority. For municipalities such as HGDM, strategic leadership is expected to allocate more financial resources to the provision of water and sanitation. Embracing and implementing public participation inputs in the budget is one of the ways that strategic leadership can improve resource allocation at HGDM. The research concludes that strategic leadership at HGDM can be optimised if the leadership works with residents and other stakeholders in identifying priority areas for allocating resources, as this help reduces tensions between municipal leadership and other stakeholders, such as residents and civil society organisations.

## **6.5 Summary of the chapter**

This chapter has provided a summary of the entire study, as well as the conclusions. The study provided conclusions regarding how strategic leadership can improve resource allocation, factors that can facilitate or hinder resource allocation by senior management, strategies that can foster strategic leadership to optimise effective resource allocation, and how senior managers can create an enabling environment through tactical administration. Finally, based on the findings and conclusions, relevant recommendations have been made to help improve resource allocation.

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## **ANNEXURES**

- A: Ethical clearance letter from the University
- B: Interview Guide
- C: Informed Consent
- D: Gatekeeper's Approval Letter
- E: Language Editing Certificate

## Appendix A: Ethical Clearance



07 December 2021

**Khayakazi Mhatu (219060723)**  
School Of Man Info Tech & Gov  
Westville Campus

Dear K Mhatu,

**Protocol reference number: HSSREC/00003644/2021**

**Project title: An exploration of strategic leadership and resource allocation for effective municipal performance: The case of Harry Gwala District Municipality**  
**Degree: Masters**

### Approval Notification – Expedited Application

This letter serves to notify you that your application received on 16 November 2021 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.**

**This approval is valid until 07 December 2022.**

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.

**All research conducted during the COVID-19 period must adhere to the national and UKZN guidelines.**

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

Yours sincerely,



**Professor Dipane Hlalele (Chair)**

/dd

### Humanities and Social Sciences Research Ethics Committee

Postal Address: Private Bag X5/001, Durban, 4000, South Africa

Telephone: +27 (0)31 250 8350/4557/3587 Email: [hssrec@ukzn.ac.za](mailto:hssrec@ukzn.ac.za) Website: <http://research.ukzn.ac.za/Research-Ethics>

Founding Campuses:  Edgewood  Howare College  Medical School  Pietermaritzburg  Westville

**INSPIRING GREATNESS**

## **Appendix B: Interview Guide**

This interview schedule seeks your opinion/s and views concerning a study entitled: **“An exploration of strategic leadership and resource allocation for effective municipal performance: The case of Harry Gwala District Municipality”**.

Please respond freely about your views and opinions in as much detail as possible.

### **1. Improving strategic leadership through resource allocation**

1.1 What are your perceptions about the allocation of financial resources by strategic leadership at Harry Gwala District Municipality?

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1.2 What is the role of strategic leadership in providing training to employees at Harry Gwala District Municipality?

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1.3 What would you recommend to senior management for capacitating employees with skills to fulfil service delivery mandates to communities of Harry Gwala District Municipality?

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1.4 Water and sanitation are key functions of Harry Gwala District Municipality. How would you advise strategic leadership in ensuring allocated resources are sufficient for water services?

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**2. Factors facilitating/hindering resource allocation**

2.1 Give your views on how resources are allocated at Harry Gwala District Municipality

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2.2 Are there any tensions between departments that are caused by how resources are allocated?

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2.3 What factors hinder resource allocation by senior management?

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2.4 How can senior management overcome the factors that hinders the progress in the municipality?

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2.5 How are the relations between senior management and middle management in terms of resource allocation in Harry Gwala District Municipality?

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**3. Strategies to optimise strategic leadership**

3.1 Explain in detail the strategies that can be utilised to foster strategic leadership and its effectiveness in the operations of Harry Gwala District Municipality

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3.2 In your opinion, what are the forces that constrain resource allocation at Harry Gwala District Municipality?

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**4. Enabling environment by senior managers**

4.1 As a senior manager, how can you create an enabling environment for effective performance in Harry Gwala District Municipality?

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4.2 Explain in detail the political forces constraining resource allocation through strategic leadership for enhanced performance of Harry Gwala District Municipality

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**Thank you for participating in the interview**

## **Appendix C: Informed Consent**

**UKZN HUMANITIES AND SOCIAL SCIENCE RESEARCH ETHICS COMMITTEE**

**(HSSREC)**

**APPLICATION FOR ETHICS APPROVAL**

**For Research with Human Participants**

**Information Sheet and Consent to participate in Research**

**School of Management, IT and Governance**

**MPA Research Project**

**Researcher: Khayakazi Mhatu (Cell Number: 0783827528)**

**Supervisor: Prof M. Subban (031 260 7763)**

**Research Office: Mrs M. Snyman (031 260 8350)**

Date:

Greetings,

Re: Ethical Clearance: HSSREC/00003644/2021

My name is Khayakazi Mhatu. I am a Masters Student in Public Administration at the School of Management, Information Technology and Governance, University of KwaZulu-Natal, Westville Campus, Durban.

As part of my study, you are requested and invited to consider taking part in a research titled: **“An exploration of strategic leadership and resource allocation for effective municipal performance: The case of Harry Gwala District Municipality”**. The main purpose of the study is to investigate the relationship between strategic leadership and resource allocation in order to enhance effective municipal performance. It is significant that the research also seeks to evaluate the causes of a number of service delivery protests within the jurisdiction of Harry Gwala. The study is intended to identify the gaps within the institution, to ascertain if senior management does conduct thorough investigations before allocating the resources, also equipping field workers with necessary skills in order to eliminate complaints. This is to make sure that allocation of resources is in accordance with needs of the communities raised during the public participation (IDP) sessions, as per Chapter 5 of the Local Government Municipal Systems Act. This research is conducted in Harry Gwala District Municipality and targets senior level managers as respondents to the research questions underpinning the study.

Due to outbreak of Covid-19 pandemic, the researcher will not be able to meet face-face with participants when conducting interviews. Zoom meetings will be scheduled and the link to invite participants will be forwarded to them. The interview will be expected to take approximately 20-25 minutes per participant.

Participants are free to raise concerns or questions if they are unsure of the aspects raised in the research. Participants are expected to be realistic and display honesty when answering questions. If a participant feels that one of the questions is too sensitive, he or she will not be forced to answer such questions. Trustworthiness will assist the institution in closing any gaps that will be identified during the research. Your contribution and participation would assist in enhancing municipal governance and the engagement with the local communities in the district.

This study has been ethically reviewed and approved by the UKZN Human and Social Sciences Research Ethics Committee (approval number HSSREC/00003644/2021).

In the event of any queries or concerns the researcher may be contacted at 0783827528/0818343751 or email: [219060723@stu.ukzn.ac.za](mailto:219060723@stu.ukzn.ac.za) or my supervisor Prof M. Subban. Contact details: 031 260 7763 office. Email: [subbanm@ukzn.ac.za](mailto:subbanm@ukzn.ac.za) or the UKZN Humanities & Social Sciences Research Ethics Committee, details are 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: 0312604557 – Fax: 0312604609

Email: [HSSREC@ukzn.ac.za](mailto:HSSREC@ukzn.ac.za)

Your identity will not be revealed by the researcher and the School of Management, Information Technology & Governance and your responses will not be used for any purposes except for this research.

All data both electronic and hard copy will be stored in a safe keeping during the study and archived for a period of five (5) years. All the data will be destroyed once 5 years has passed in accordance with the University policy.

If you have any queries or concerns about participating in the study, please contact the researcher or the supervisor on the details mentioned above.

Sincerely,

CONSENT TO PARTICIPATE

I, \_\_\_\_\_ have been informed about the study title “**An exploration of strategic leadership and resource allocation for effective municipal performance: The case of Harry Gwala District Municipality**” by Khayakazi Mhatu under School of Management, Information Technology and Governance in the University of KwaZulu-Natal, Westville Campus.

I understand the purpose and procedure of the study.

I have 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 usually entitled to.

If I have any further queries, clarities and concerns related to the study I understand that I can contact the researcher at 0783827528/0818343751.

If I have any concerns about my rights as a participant, or if I am concerned about any aspect of the study 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: 031 260 4557 – Fax: 031 260 4609

Email: [HSSERC@ukzn.ac.za](mailto:HSSERC@ukzn.ac.za)

Additional consent, where applicable

I hereby provide consent to:

Audio record my interview

YES / NO

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**Signature of Participant**

**Date**

## Appendix D: Gatekeeper's Approval Letter



### HARRY GWALA DISTRICT MUNICIPALITY

"Together We Deliver and Grow"

#### OFFICE OF THE MUNICIPAL MANAGER

40 Main Street, Private Bag X501, IXOPO 3276

Tel: (039) 834 8701 Fax: (039) 834 1701

Email: [jilin@harrygwalam.gov.za](mailto:jilin@harrygwalam.gov.za)

Dear Ms. Mhatu

An exploration of strategic leadership and resource allocation for effective municipal performance: The case of Harry Gwala District Municipality

On behalf of Harry Gwala District Municipality, I am writing to formally indicate that we are aware that Khayakazi Mhatu (219060723) a student at the University of KwaZulu Natal, Westville Campus requested to do the academic research study with our institution.

As a Municipal manager of Harry Gwala District Municipality responsible for all departments in this institution, I humbly grant Khayakazi Mhatu a permission to conduct her study on the topic, Relationship between strategic leadership and resource allocation for effective municipal performance: The case of Harry Gwala District Municipality. We are also aware that she intends to administer face-to-face interviews with our senior management. It is therefore required that you adhere to the Covid-19 regulations of social distancing, wearing of masks and use of sanitizers when conducting interview as required by the disaster management act.

If you have any questions or concerns please do not hesitate to contact my office at 0398348700.

Yours Sincerely

A black rectangular box redacting the signature of the Municipal Manager.

Mrs. N.A. Dlamini  
Municipal Manager

## Appendix E: Language Editing Certificate

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**ETHEL ROSS**

English language editing and proofreading

7 February 2022

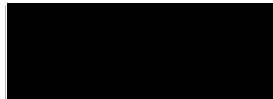
To whomever it may concern:

This letter serves to confirm that I worked as the proofreader and language editor on Khayakazi Mhatu's Master's thesis:

An exploration of strategic leadership and resource allocation for effective municipal performance: The case of Harry Gwala District Municipality

In no way did I change the content.

Yours faithfully



Ethel Ross (BA Hons; H Dip Ed)

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Email: [clanross1@jce0.co.za](mailto:clanross1@jce0.co.za)

Tel: 083 954 5412