

CHAPTER 3: ANALYSIS OF CURRENT BUSINESS PROCESS MANAGEMENT IN SEDIBENG DISTRICT MUNICIPALITY

3.1 INTRODUCTION

Chapter three introduces Total Quality Management (TQM) into Sedibeng District Municipality and analyzes the current business process management milieu, aimed at improving business process management at a strategic level. TQM and strategic business process mapping are mutually inclusive, meaning that strategic business process mapping cannot be pursued outside of TQM. Hence Sedibeng is seeking to achieve an integrated approach since quality and process reengineering cannot be divorced from each other.

Sedibeng's developmental perspective is clearly defined by the Integrated Development Plan (IDP). Expression to the developmental perspective derives from the budget, the service delivery and budget implementation plans as well as the performance management system. Sedibeng still grapple with strategic processes that are not aligned. Therefore the need for a strategic business process mapping aimed at business process reengineering to yield the results of creating a seamless and integrated business process that provide one common understanding of approaching development.

This chapter will provide a guiding framework for implementation of TQM in Sedibeng integrated with the process approach which underpins business process management.

3.2 RELATIONSHIP BETWEEN TQM AND BUSINESS PROCESS MANAGEMENT

Business process management and TQM share a complementary and integral relationship instead of in opposition to each other (Dale, 2003:448). TQM is a management system aimed at meeting and exceeding customer needs and expectations where everybody in the organization participates in the planning and implementation of breakthrough and continuous improvement processes. The relationship between TQM and business process management is clear in the eleven elements of TQM of which continual improvement is one of the elements which has a more direct correlation with business process management. The eight ISO 9000 quality management principles were derived directly from TQM and are closely associated with the eleven elements of TQM.

3.3 GUIDING FRAMEWORK FOR TQM IMPLEMENTATION

Rolling out TQM is a process itself as it has to fit in with other processes of the organization. In the Sedibeng District Municipality TQM is non-existent, but organizational processes are in place, which therefore implies that the implementation of TQM has to fit in with the current organizational processes. The implementation of TQM should be a strategic decision of an organization and can only be executed once management can decide to lead and that the leadership is dedicated to quality and innovation (UoP, 2006:17). The implementation of total quality is influenced by varying needs, particular objectives, the products provided, the processes employed and the size and structure of the organisation (ISO, 2005:6). Successful implementation of TQM as a concept can be materialized into a process which is made up of inter-connected elements such as:

- Culture change – transform the existing organizational culture into a total quality climate where everybody in the organization quest for continuous improvements.
- Effectiveness – review the existing structure and systems to create a “Doing the Right Things” ethos that can lead to effectiveness.
- Efficiency – the organization emphasizes the search for improvement opportunities and the solution of problems aimed at doing things right the first time and every time after in its endeavour to gain efficiency.
- Communication – the new culture has to be communicated through communication networks or patterns that have to be built, everybody has to understand the change initiatives and rapid feedback should be provided.
- Training – a well-planned programme of training interventions that is aimed at reaching all levels have to be established to address the new culture and leadership style, improving the structure and systems, adapt to multi-skilled tasks and to manage constant change. This whole training initiative should be internally managed; internal facilitators should be utilized for the training as part of fostering ownership of the Total Quality process, except for the initial phase. Some of the approaches to training that could be pursued are that of train the trainer.
- Teams – teamwork has to be encouraged where groups work in purposeful co-ordination, with agreed objectives, common methods and where roles are shared complementary. Teams will be semi-permanent and quality improvements teams just for the duration of a project (UoP, 2006:4).

During the preparation stage management decides whether or not to pursue a TQM program. Once they accede to the idea of pursuing TQM, management undergoes initial training and identifies the need for

outside consultants to provide for the implementation of TQM or train an internal dedicated person to champion the implementation of TQM (Answers.com, 2006).

3.4 SEDIBENG'S APPROACH TO TQM

Sedibeng is advancing towards readiness for the implementation of a TQM programme. The political leadership and the senior management team demonstrate willingness which could be interpreted for the implementation of TQM. This assertion stems from the fact the municipality embraces the *Batho Pele* principles, it subscribes to business or organisational excellence and it has a clear strategy in place. The strategic plan is inclusive of a vision, mission, strategic objectives and a new value system. It is based on this understanding that the organisation can be regarded as willing and able to implement TQM. According to James (1996) the introduction of TQM is threefold as it includes: a strategic plan which has to fully integrate TQM; the key elements for a successful organization; and the key management functions and issues. Apart from the total quality plan that has to be fully integrated with the municipality's strategic plan, several major steps have to be considered before the implementation of TQM. These steps are illustrated in the form of diagrams below outlining key organizational elements and management functions and issues:

Table 3.1 Five systems of total quality management explained

Process	Technology	Structure	People	Task
Organization and systems	Production line	Responsibilities	Team building	Quality issues
Quality planning	Information use	Communication	Education and training	Culture change
Organization		Administration		
Leading			Management	Job
Controlling			Development	Functions
			Rewards and reinforcement	
Design methodology				
Auditing				

Source: James, 1996:48

The management functions and the issues to be considered when implementing TQM are the following:

Table 3.2 Total quality management issues

Planning	Organizing	Controlling	Leading	Staffing
Commitment	Organization	Measurement	Implementation	Training
Managerial commitment	Systems	Control	Teamwork	Teamwork
Planning	Teamwork			
Design				

Source: James, 1996:51

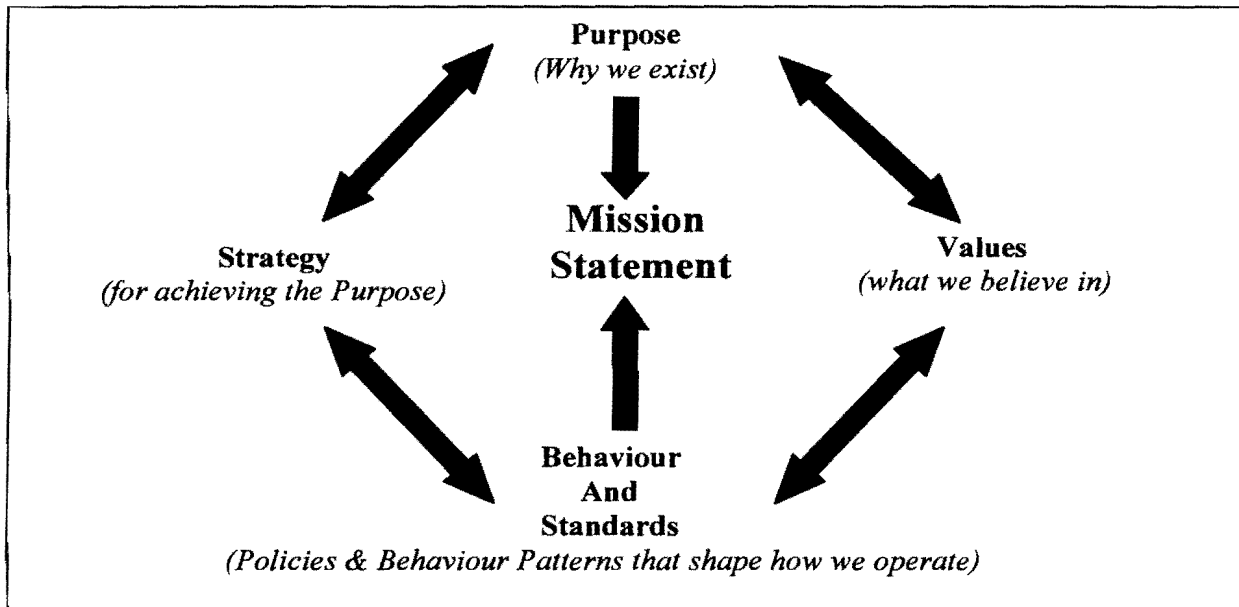
For the successful implementation of TQM, certain main steps towards implementing TQM have to be followed. The assessment alluded to earlier based on the organisation's readiness to implement TQM is more perceptual and factual. These main steps allow for a systematic way through the gathering of factual information, by applying certain tools and techniques based on the eight concepts of TQM. The approach to be followed is an approach similar to business planning which involves "goal setting and research, and the planning and control elements are significant in workload and will need detailed planning and resourcing" according to University of Portsmouth (Total Quality Management, 2006:6). This process can be outlined as follow:

Step 1: Start by determining where we want to be

First of all the organization has to embark on a vision of what the organization intends to be for its owners, its shareholders, its employees and its customers. The starting point is to think about why the organization exists. Sedibeng's fundamental role is service delivery to the residents of Sedibeng, who are citizens, clients and customers. Citizens pay for services and therefore have to be treated as clients and or customers hence they have to be satisfied and delighted. According to the University of Portsmouth (2006:7), "The focus on customer satisfaction is the result of a strategy and the policies formulated through visionary leadership and top management commitment creating a culture where values can be expressed in terms such as: customer is our first concern; everyone works to satisfy the customer; everyone is responsible for quality; management commitment is a must; and everyone is valued as an important contributor to total quality. Customer satisfaction values can be translated into a mission for the organization that enshrines the following values and beliefs: management must lead for quality; innovation and change for improvements are encouraged; everyone is responsible for quality; customer satisfaction is the prime concern; continuous improvement is the goal; and quality is rewarding and rewarded". Secondly the organization must develop a mission which

includes purpose, strategy, values and behaviours which make the organization distinct from other organizations.

Figure 3.1 Mission of the organization



Source: UoP, 2006:9

The Mission Statement is aimed at transforming the organization and allows for the first step to achieve culture change, whereas the other steps are communication and Training. The total quality culture has the following essential parts: leadership; commitment; involvement; reward; learning; teamwork; measurements; process management and communication (UoP, 2006:9).

Step 2: Then determine where we are now

As earlier mentioned TQM is an integrated part of an organization's strategic plan. Being part of institutional building, the Total Quality Management Programme has to follow the same sequence of steps as the formulation of the business plan. To determine where the organization is in terms of TQM, an audit or diagnostics has to be performed using the Strengths, Weaknesses, Opportunities and Threats (SWOT) matrix. Notwithstanding the fact that the following current symptoms are evident in a private sector organization, some of them apply to the public sector organizations such as municipalities and they are: firefighting; late and/or incomplete deliveries (poor response times); complaints; lost customers (unhappy citizens/customers/clients); confrontations with customers (citizens/clients) and suppliers including stakeholders; invoicing errors (wrong accounts); warranty claims; high scrap rates (rework, poor

workmanship); inventory delays; bottlenecks in manufacturing; absenteeism and lateness; and/or many other signs of poor quality health (UoP, 2006:12). The above can also serve as performance indicators which will determine the level of change needed. By applying the SWOT analysis method, the aim is to sketch a balanced picture. While conducting this kind of assessment of the organization, the organization has to identify and measure the main problem areas using appropriate tools such as: activity sampling; employee surveys; customer surveys; volume of inspection; cost of quality; and reliability of products or service records (UoP, 2006:13). In the case of Sedibeng, a SWOT analysis will be conducted by means of a workshop where employees will be allowed to express themselves based on the current situation. In addition techniques such as customer surveys and interviews will be used to enhance the current status. According to the University of Portsmouth (2006:13), the evidence gained from applying the above appropriate tools has to be quantified and focus attention on the following:

- Processes where problems exist, for example: Is the supplier-customer chain intact? Are all the steps in the processes necessary and value adding? Systems not designed to link customers with suppliers
- Cost of quality or quality costing which according to Dale (2003:155), “are the costs incurred in designing, implementing, operating and maintaining a quality management system, the costs involved in introducing and sustaining a process of continuous improvement, plus the costs incurred owing to failures of systems, processes, products and/or services. Quality-related costs commonly range from 5 to 25 percent of a company’s annual sales turnover or operating costs in public sector-type organizations, depending on the ‘industry’ and the way in which the company manages quality and the improvement process”.
- Employees’ attitude can be ascertained through the implementation of Employee survey Questionnaire which will allow the organization to measure the trends and set targets. Employees’ attitudes are critical in the entire change management process as employees are operating and managing processes. The form of the questionnaires and the contents will be elaborated more in chapter four.
- Customers’ requirements are very critical as the existence of an organization is premised on the customer/citizen/client. It is therefore crucial to understand the customers’ requirements and needs both current and future. The measurement of customers’ perceptions and their satisfaction can be obtained through customer surveys. As in the case of employees’ attitudes will be discussed in more detail in chapter four.
- Suppliers’ relationships are also forming an important part of customers’ satisfaction. A municipality delivers services essentially through supplier relationships which could be as a result of stakeholders, NGO’s as well as private-public partnerships including public-public partnerships. Demands of the

customers if genuine and justified could become part of the suppliers' specifications. The performance of suppliers can also be measured through the application of a survey method.

- Management attitudes – a positive management attitude can be achieved when management is aware of the TQM concept and process which will yield not only management's involvement, but commitment in the TQM programme.
- Using of suitable indicators of performance (called 'metrics'), such as cash flow, return on capital employed, profitability; income per employee, market share by key accounts or major business segments. These Performance Indicators (PIs) should reflect either essential parts of a process, or even better, Critical Success Factors for achieving the organisation's business objectives. There is little point in measuring some non relevant part of a process.
- Comparisons with similar and other businesses' performance, benchmarking. Comparisons between similar operational processes are used to improve performance aimed at becoming the best in class. According to the University of Portsmouth (2006:12), "Benchmarking is an intelligence data gathering process, but with a difference because it is internal as well as external. It consists of three basic tasks: identification of best practice; analysis of the processes behind best practice; and development of standards and improved processes".

Step 3: Formulate a plan on how to implement TQM

The TQM principles form the basis on which a TQM plan can be formulated. These TQM principles form the guiding framework, meaning that an organization has used these principles to navigate the entire TQM implementation process. They have to be continuously restated as to keep focus on them and they are as follow: Continuous improvement drive; Agree customer requirements; Define supplier specification; Identify customer - supplier chains; Do the right thing; Do it right first time and ever after; At competitive cost; With speed; Measurements; Management lead; Training for every one; Communication and feedback and finally Reward (UoP, 2006:17). According to the University of Portsmouth (2006:17 of 78), the critical success factors applicable to each organisation can be derived from the abovementioned TQM principles. These could consist of some or all the following:

- Leadership dedicated to total quality and innovation
- TQM as one process in the total system – from an implementation point of view TQM can be regarded as one of the key processes of the organization. In the case of Sedibeng TQM together with the IDP, Budget, service Delivery and Budget Implementation Plans as well as the Performance Management System are forming part of the key strategic processes of the municipality.
- TQM as part of the strategic plan – As indicated earlier TQM has to be an integral part of the organization's strategic plan.

- Systems and Processes that facilitate quality performance – TQM can be seen as a systems approach that deploys all the resources, technical, administrative and social into a co-ordinated and integrated system aimed at delivering a “predictable degree of uniformity and dependability at low cost, and suited to the market”, (Deming). A systems approach creates alignment of the technical systems with the social (human) systems. The following five key elements of an organization are affected by TQM as a process: its style, its structure, its systems, its skills and its symbols. Processes that transform efforts into results achieve Total Quality. Each function in an organization is using sensible procedures and they can produce efficient functional outcomes. Organizations are dependent on functions that are interrelated as the output of one function is the input of another to their process. Processes that are essential in Total Quality are cross-functional processes. The entire TQM process operate like a supply-chain where it begins with the external customers’ requirements and subject them to internal processes and return such requirements back to the external customer in the form of a product or a service (UoP, 2006:21,24-25).
- Each stage is a process adding value – the entire process change consists of a supplier (input), a processor and a customer (output). According to University of Portsmouth (2006:26) Total Quality consists in forging each link and joining together the external and internal chains with value added steps in each processing phase”.
- Prevention instead of correction
- Measurements at all process phases
- Training at all levels concerning all aspects of TQM process
- Organisation for TQM – This is about establishing the appropriate institutional arrangements that are responsible for the implementation of TQM. These can be regarded as steering committees and project and/or task teams which are found in Sedibeng linked to the duration of the project. Organising for TQM is all about the establishment of a Steering Group which consists of management whose responsibility it is to coordinate the entire TQM initiative, monitor progress and assess the results in accordance with the goals that it set for itself. The Steering Group is made up of members who are also sponsors of each Team. The TQM programme requires the services of a TQM Coordinator whose role it is to plan, organize, develop and administer the TQM programme. The TQM Coordinator reports directly to the Steering Group. The TQM programme further makes provision for a Quality Improvement Team (QIT) which is established to achieve a particular improvement. The Departmental Team is a team established within a specific department and reports to the department manager. Then there is a Task Force Team which consists of knowledgeable and skilled persons and addresses matters that are of inter-departmental or inter-functional processes nature. Finally the team has a leader whose role it is to drive the TQM programme from start to finish (UoP, 2006:30-32).

- Communication channeled throughout with feedback – communication is the lifeblood of TQM and has become a leadership essential which is operated through communication channels that must reach the organization and create a two way system of feedback. Communication has to achieve empowerment of people; provide information on TQM; linking the customer with suppliers (both internal as well as external) and to create a network of processes (UoP, 2006:26).

The above critical success factors can be categorized as follow: leadership, policy and strategy, resources and processes (UoP, 2006:18).

Step 4: Set priorities and systems on how to develop and maintain momentum?

According to Harrington (1991:149), “Management must set priorities, communicate them to employees, and then follow up to ensure that these priorities are lived up to”. At all times it should be guard against that attention and focus should be deviated from the set priorities. Harrington (1991:9) defines a system as: “The controls that are applied to a process to ensure that it is operating efficiently and effectively”.

Step 5: Implement in a controlled manner

This is about the identification of key processes which produce the deliverables to the customer and in doing so; a number of simple tools can then be used to analyze a process: process flow charting (breaking a process up in steps or activities); responsibility flow charting (linked a department or person to each of the activity and illustrating where the responsibility lies). The customer-supplier relationship is very crucial as it determines the requirements of the customer and can be achieved by talking to each other, which then could be applied to good effect. As the processor a set of questions can be developed to keep the processor in check of what the supplier expects and equally so what does the customer requires (UoP, 2006:19-21).

Step 6: Monitor progress to ensure continuous improvement

The rule of effectiveness has to be applied which is doing the right things as this rule ensures that processes and operations continuously meet the customer requirements at the most competitive cost possible (UoP, 2006:19).

3.5 STANDARDIZED APPROACH TO TQM

The above planning framework for the implementation of TQM has become generic and is applicable whether an organization is approaching implementation as something that can be achieved from internally or it could be linked to a consultant. ISO 9000 serves as a guiding framework for TQM implementation, since ISO 9000 is compatible to total quality management. According to Goetsch and Davis (2006:466), “The

International Organization for Standardization (ISO) is a federation of the national standards bodies of nations from around the world. ISO 9000 is an international quality standard for goods and services”.

According to Goetsch and Davis (2006:467), “ISO 9000 is about standardizing the approach organizations everywhere take to managing and improving the processes that ultimately result in their products and services. Specifically, ISO 9000 establishes the requirements for quality management systems (QMS) that must be employed by all organizations registered to the standard. Registered organizations should enjoy: Wider customer acceptance of products and services; improved effectiveness and reliability of its processes; improved quality of products and services; improved organizational performance and competitiveness”. ISO 9000 incorporates eight quality management principles that derive directly from TQM, they are:

- **Customer Focus** – organisations depend on customer and therefore should understand current and future customer needs; and hence they should meet customer requirements and should strive to exceed customer expectations.
- **Leadership** – leaders establish unity of purpose, direction and the internal environment of the organisation. They create the environment in which people can become fully involved in achieving the organisation’s objectives.
- **Involvement of People** – people at all levels are the essence of an organisation and their full involvement enables their abilities to be applied for the organisation’s maximum benefit.
- **Process approach** – all work in an organisation is done through processes, a desired result is achieved when related resources and activities are managed as a process.
- **System approach to management** – identifying, understanding and managing a system of interrelated processes for a given objective contributes to the effectiveness and efficiency of the organisation.
- **Continual improvement** – a permanent objective of the organisation is continual improvement, which dispels the notion that no process is so good that further improvement is impossible.
- **Factual approach to decision making** – effective and sound decisions are based on the logical or intuitive analysis of factual data and information.
- **Mutually beneficial supplier relationships** – taking advantage of the synergy that can be found in such relationships, therefore the ability of the organisation and its suppliers to create value is enhanced by mutually beneficial relationships (Portsmouth, 2006:13).

3.6 ESTABLISHING A TOTAL QUALITY MANAGEMENT SYSTEM

Organization should meet a general set of requirements in their endeavour to establish total quality management systems such as: establish; document; implement and maintain a quality management system; and continually improve its effectiveness in accordance with the requirements of this International standard. Successful establishment of a total quality management system requires:

- a) identify the processes needed for quality management system and their application throughout the organization,
- b) determine the sequence and interaction of these processes,
- c) determine criteria and methods needed to ensure that both the operation and control of these processes are effective,
- d) ensure the availability of resources and information necessary to support the operation and monitoring of these processes,
- e) monitor, measure and analyses these processes and
- f) implement actions necessary to achieve planned results and continual improvement of these processes. These processes shall be managed by the organization accordance with the requirements of this International standard. Where an organization chooses to outsource any process that affects product conformity with requirements, the organization shall ensure control over such processes. Control of such outsourced processes shall be identified within the quality management system.

NOTE: processes needed for the quality management system referred to above should include processes for management activities, provision of resources, product realization and measurement (ISO, 2005:5).

3.7 PROCESS APPROACH AS PART OF THE SYSTEM

Activities using resources and are managed through the transformation of inputs into outputs can be considered as processes (ISO, 2005). An organization (system) consists of processes and therefore explains how the process approach fits in the systems approach. Local government processes can be categorized into four main categories namely:

- management process – Process needed for oversight and governance of the local government in order to comply with the applicable legislation, policies and standards
- core process – Process that is needed in order to achieve the overall mission and objectives of the local government (Example might include the process for ensuring sustainable economic

development, the process for social development and the process for sustainable environmental development. The core processes are typically deployed using the local government's operational processes.

- operational process – operational process is part of the core process and allows the local government to provide products and services that meet the needs and expectations of the customer/citizen
- support process – Process needed to ensure the satisfactory performance of the core processes. Support processes might include the management of human, material, financial and computer-related resources (ISO, 2005:4).

The systems approach has its origin in the Ludwig Von Bertalanffy (1940) theory of 'a whole is more than the sum of its parts'. Unless processes which constitute the parts are thoroughly understood and analyzed, the desire understanding of the whole (organization) will forever lacks (Roth, 1992:23). Processes are interrelated and interlinked activities, best demonstrated where the output from one process becomes the input to the next. The process approach refers to the application of a system of processes within an organization, the identification and interaction of such processes, and their management (ISO, 2005).

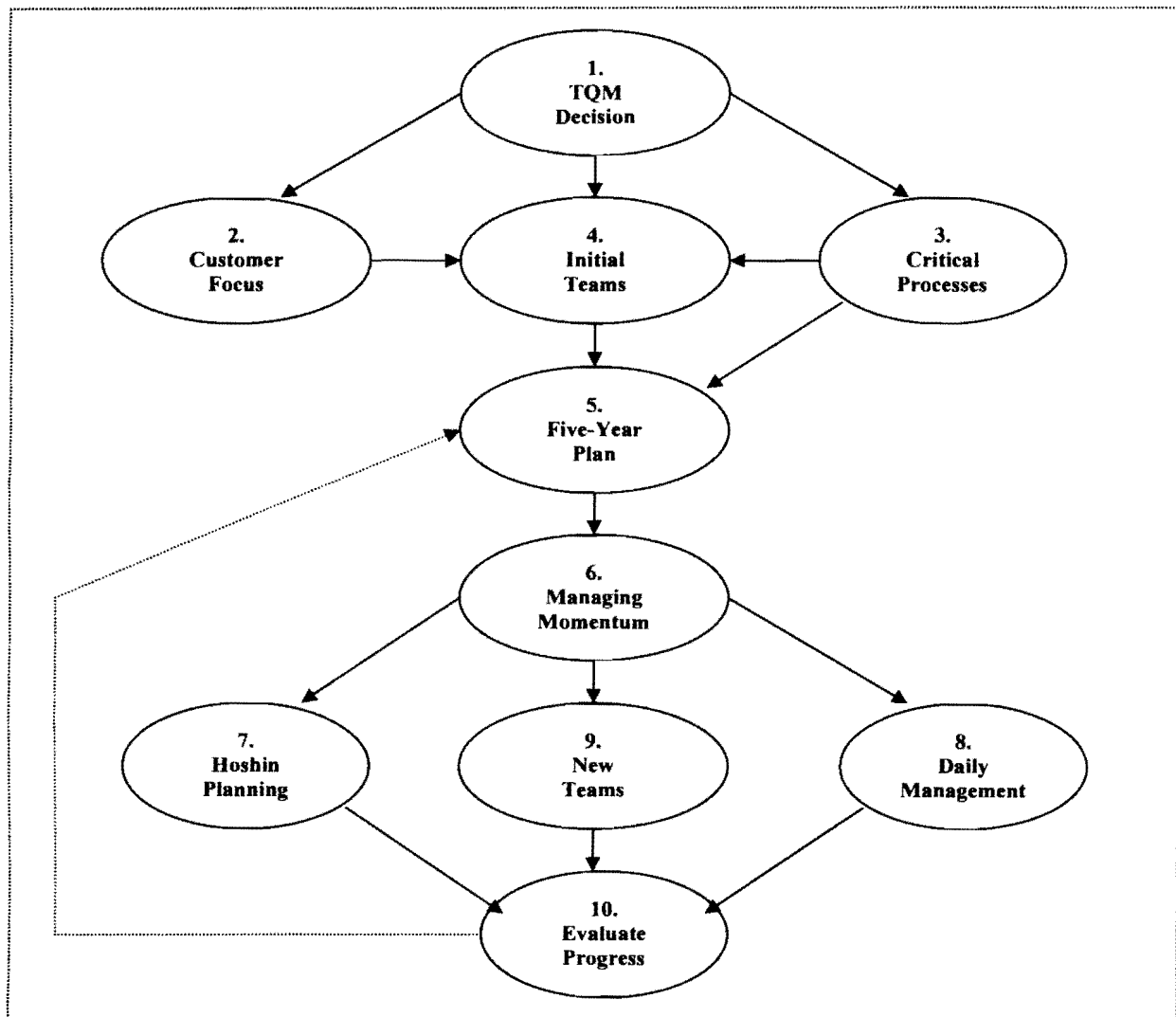
The process approach is based on total quality management as a system as well as an organization wide process and as an integral part of business process management. The process approach has the advantage of ongoing control over the linkage between individual processes within the system of processes and can be conceptualized as: understanding and meeting requirements; the need to consider processes in terms of added value; obtaining results of process performance and effectiveness; and continual improvement of processes based on objective measurement (ISO, 2005). Deming's "Plan-Do-Check-Act (PDCA) methodology can be applied to all processes in the following way:

- Plan: establish the objective and processes necessary to deliver results in accordance with customer requirements and the organizations' policies.
- Do: implement the processes.
- Check: monitor and measure processes and product against policies, objective and requirements for the product and report the results.
- Act: take actions to continually improve process performance (ISO,2005)

TQM is based on the best use of the resources of the total organization, the organizational flexibility and response to change (Managers-net, 2004). According to observation and direct experience with companies that have implemented TQM, a Ten-Element Model for TQM can be constructed. This model also serves as master plan develop, directed and supported at the highest level of the organization. The master plan is not

just focused on products and services but also linked to the processes required to deliver such products and services (GOAL/QPC, 1990:4). Figure 3.2 below illustrates the elements of TQM implementation:

Figure 3.2 Ten Elements of Total Quality Management Implementation Model



Source: GOAL/QPC, 1990:5

Processes require the involvement of people and therefore constitute the most important part of an organization as it forms the catalyst between the inputs and outputs. People are responsible for getting processes in control and people work with other employees and managers to identify process problems and eliminate them. Managers and/or supervisors work on processes through the provisioning of training and tool resources; measure and review process performance (metrics); and improve process performance with the help of those who use the process (Hansen, 2005).

Local government throughout the world is generic in its approach to processes and typical examples of some local government processes include:

- Strategic management processes to determine the local government's role in the socio-economic environment;
- Provision of resources and the capacity to provide the local government services;
- Processes needed to maintain the work environment;
- Preparation, revision and updating of development plans and work programmes;
- Monitoring and assessment of the service provision process;
- Transparent internal and external communication processes; these should include citizen involvement mechanisms that promote dialogue with internal and external interested parties to encourage a shared understanding on local government issues, aspects and performance;
- Processes to address emergency preparedness and response to crises (ISO, 2005).

3.7.1 Business process management application

Business process management can be regarded as the management of process techniques such as process mapping, process improvement; process reengineering and process redesign (Dale, 2003:442).

3.7.1.1 Process Mapping

Process mapping is a prerequisite to obtain an in-depth understanding of a process whether it is in a structured or unstructured format (Dale, 2003:317). Strategic business process mapping refer to process mapping at a strategic level. More often there is a mismatch between strategy and process. The strategy in the municipality is clear, whereas the strategic business processes are not integrated to serve the strategy. Core processes are pursued within a narrow sense and context and are in most instances departmentalized. Sedibeng District Municipality has the following strategic business processes (core processes): IDP, Budget, and Performance Management and SDBIP.

The abovementioned core processes of Sedibeng District Municipality are individual processes, but they are also interrelated in the whole developmental cycle and therefore should be integrated. A phase approach is pursued as part of creating a broader understanding of these processes and to finally achieve an integrated development paradigm. Phase One - Each of these core processes is discussed below with the aim of

providing an in depth understanding both theoretically and the practical application thereof. Phase Two – Integrated development paradigm.

3.7.1.2 Business Process Improvement

As earlier alluded to, the focus is only on the core processes, the management and operational processes will be focused on during the comprehensive implementation of TQM and business process management. The management of business processes will ultimately results in the improvement of processes based on continuous improvement as conditions are not constant. The key to the improvement of quality lies in improving processes. The whole process management/improvement involves: defining the process; measuring process performance (metrics); reviewing process performance; identifying process shortcomings; analyzing process problems making a process change; measuring the effects of the process change; and communicating both ways between supervisor and user. Processes are the problem and not people as commonly perceived (Hansen, 2005).

Business process improvement can be achieved through the redesign and the application of business process reengineering. Business process improvement techniques include flow diagrams, Statistical Process Control (SPC) and other quantitative methods. Sedibeng has to adopt a systematic process approach as part of its internal process improvement focusing on core processes for reliable services to citizens/customers.

3.7.1.3 Core processes in the context of planning and implementation

The four (4) core processes form the cornerstone on which planning and implementation is found in the municipality. This is further elucidated through a phase approach which is found below.

3.7.1.3.1 Phase One: In depth understanding of the application of the core processes

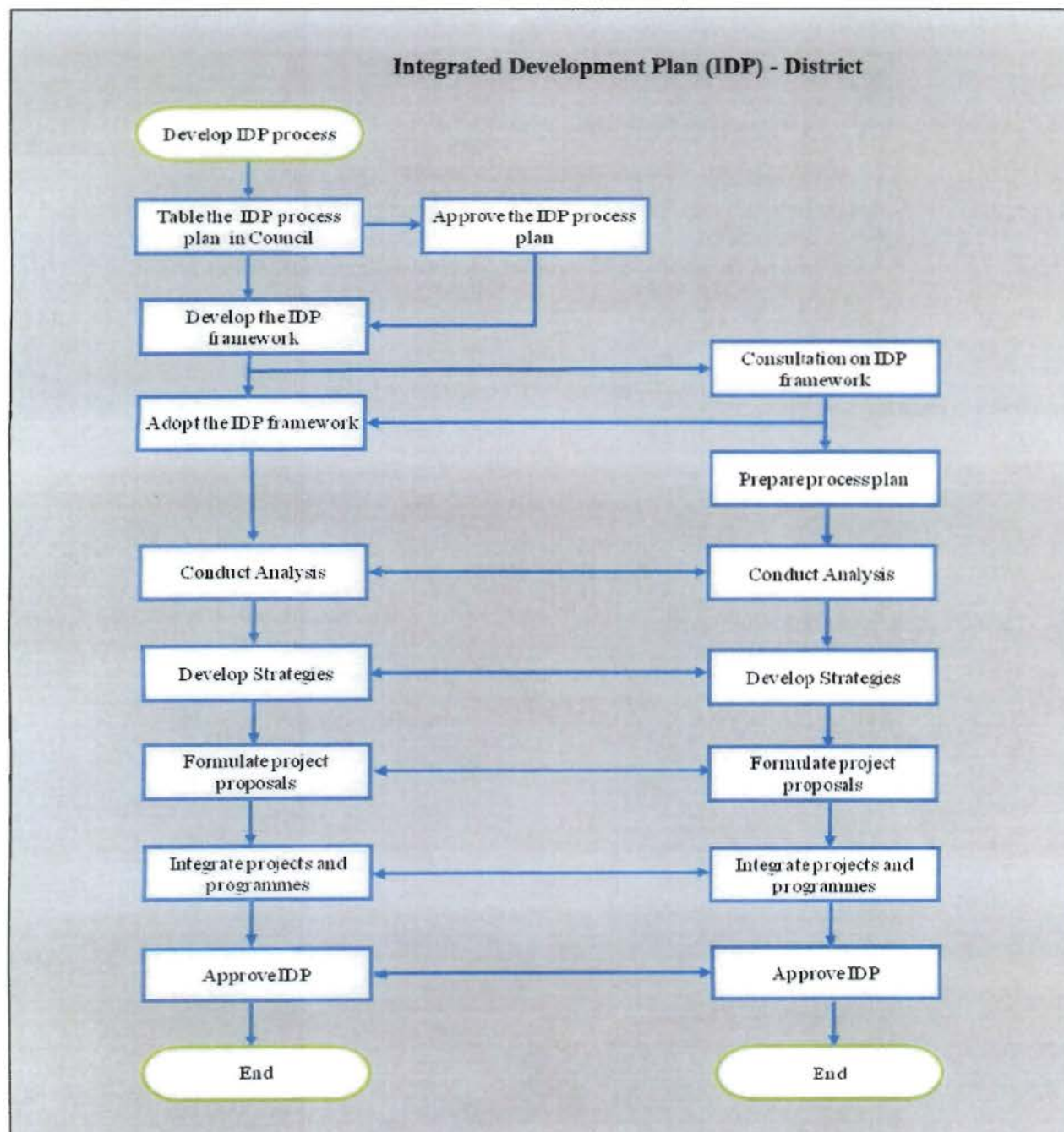
Phase one provides for a more detailed explanation and definition of each of the processes separately including more detailed process flow charts used to define the steps involved in each of these processes.

i. Integrated Development Planning (IDP)

According to the IDP Guide Pack (1990/2000:4), “Integrated Development Planning is a process through which municipalities prepare a strategic development plan, for a five year period. The Integrated Development Plan (IDP) is a product of the integrated development planning process. The IDP is a principal

strategic planning instrument which guides and informs all planning, budgeting, management and decision-making in a municipality”.

Figure 3.3 Integrated Development Plan (IDP) in SDM

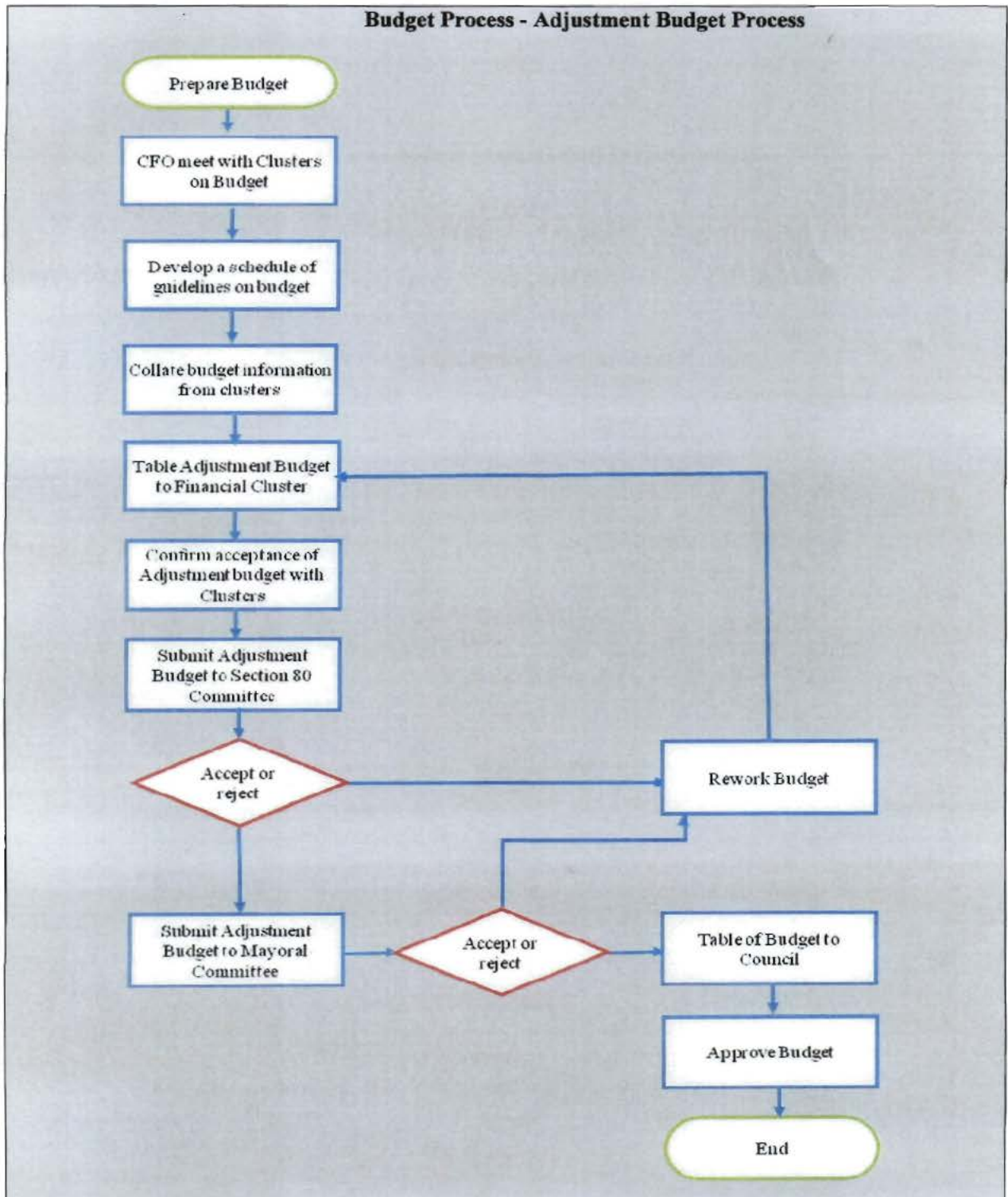


Source: Own information

ii. Budget

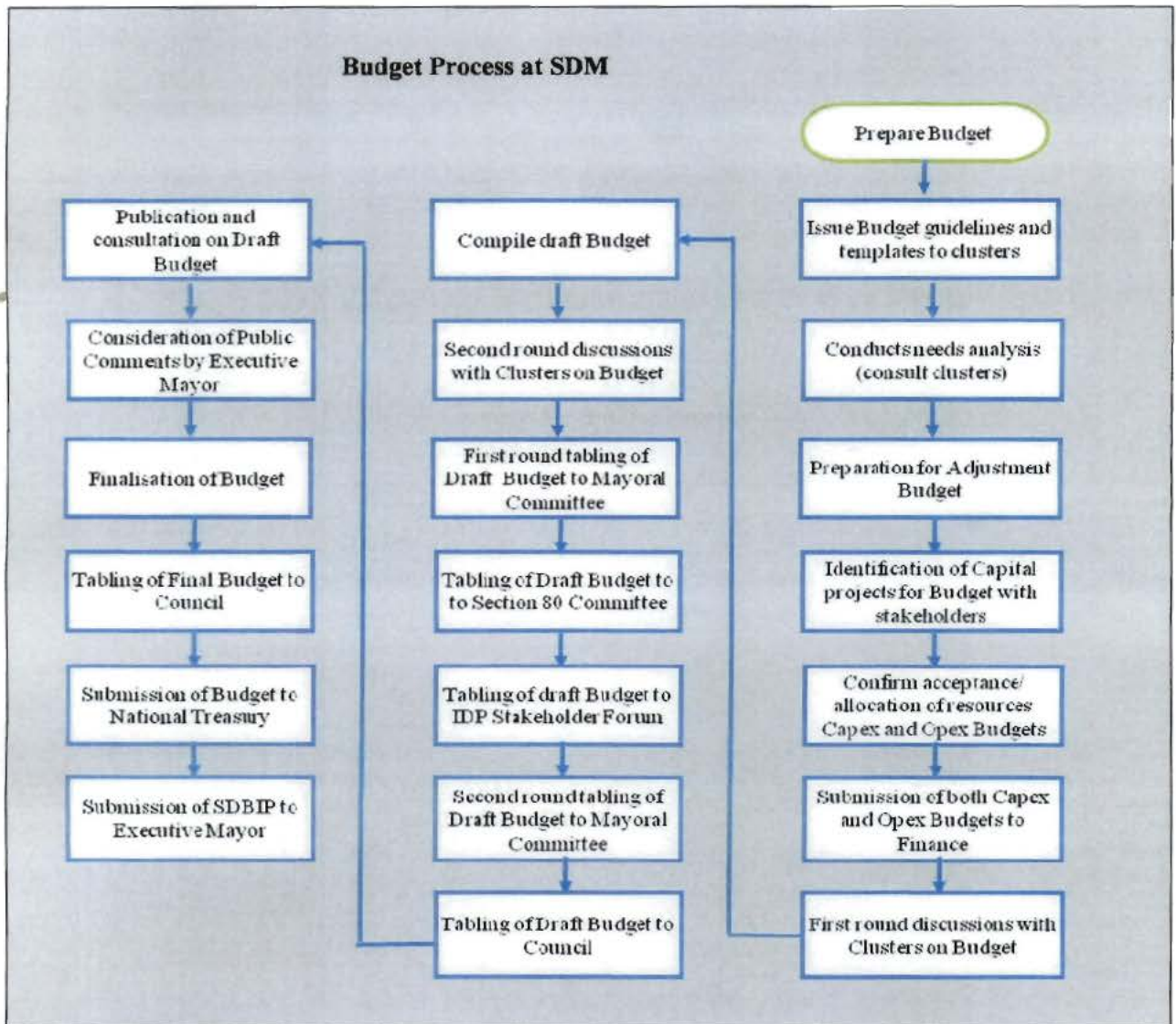
The budget is a financial resource plan that gives effect to the strategic priorities of the municipality and is neither a management plan nor an implementation plan. The budget is a ten month process starting with the adjustment budget which has to be completed by January the subsequent year following by the new budget cycle for the next financial year. The adjustment budget makes provision for any amendments to the current budget either in the form of income estimates that could not be achieved or the unexpected higher achievement of income or expenditures estimates on the other hand. Below are process flow diagrams illustrating the budget process, commencing with the adjustment budget process (Figure 3.4) and the subsequent budget process at SDM span over a one year period.

Figure 3.4 Budget Process (Adjustment Budget)



Source: Own information

Figure 3.5 Budget Process



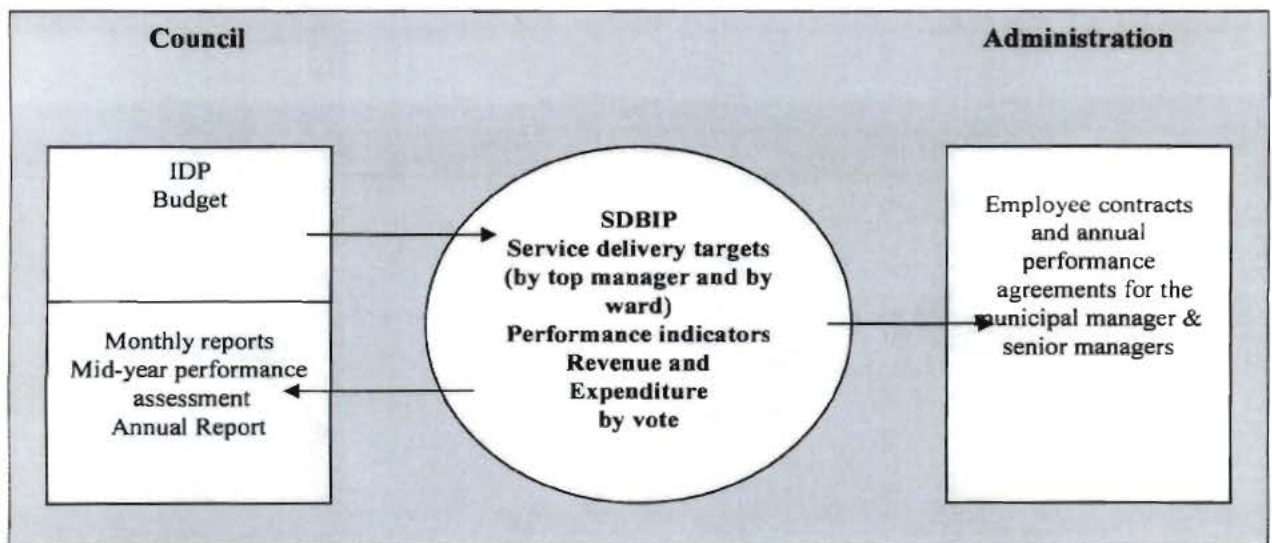
Source: Own information

iii. Service Delivery and Budget Implementation Plan (SDBIP)

The main objective of the SDBIP is to give effect to the Integrated Development Plan (IDP) and budget of the municipality, which is achievable if the IDP and budget are fully aligned with each other, as required by the MFMA. Though the SDBIP is a plan, it is simultaneously a process aimed at interfacing between the Council and the administration. According to *MFMA Circular No. 13* (Municipal Finance Management Act No. 56 of 2003), the SDBIP is a “contract” between the administration, council and community. The SDBIP expresses

the goals and objectives which were set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months. Through the SDBIP performance measurements in service delivery are developed against end of year targets and the implementation of the budget. The SDBIP is the vital link between the council, the mayor and the administration; it promotes accountability in the form of performance monitoring done by the mayor, the municipal manager and the community (National Treasury, 2003:1). Figure 3.6 below; best illustrate the SDBIP as a process – based model.

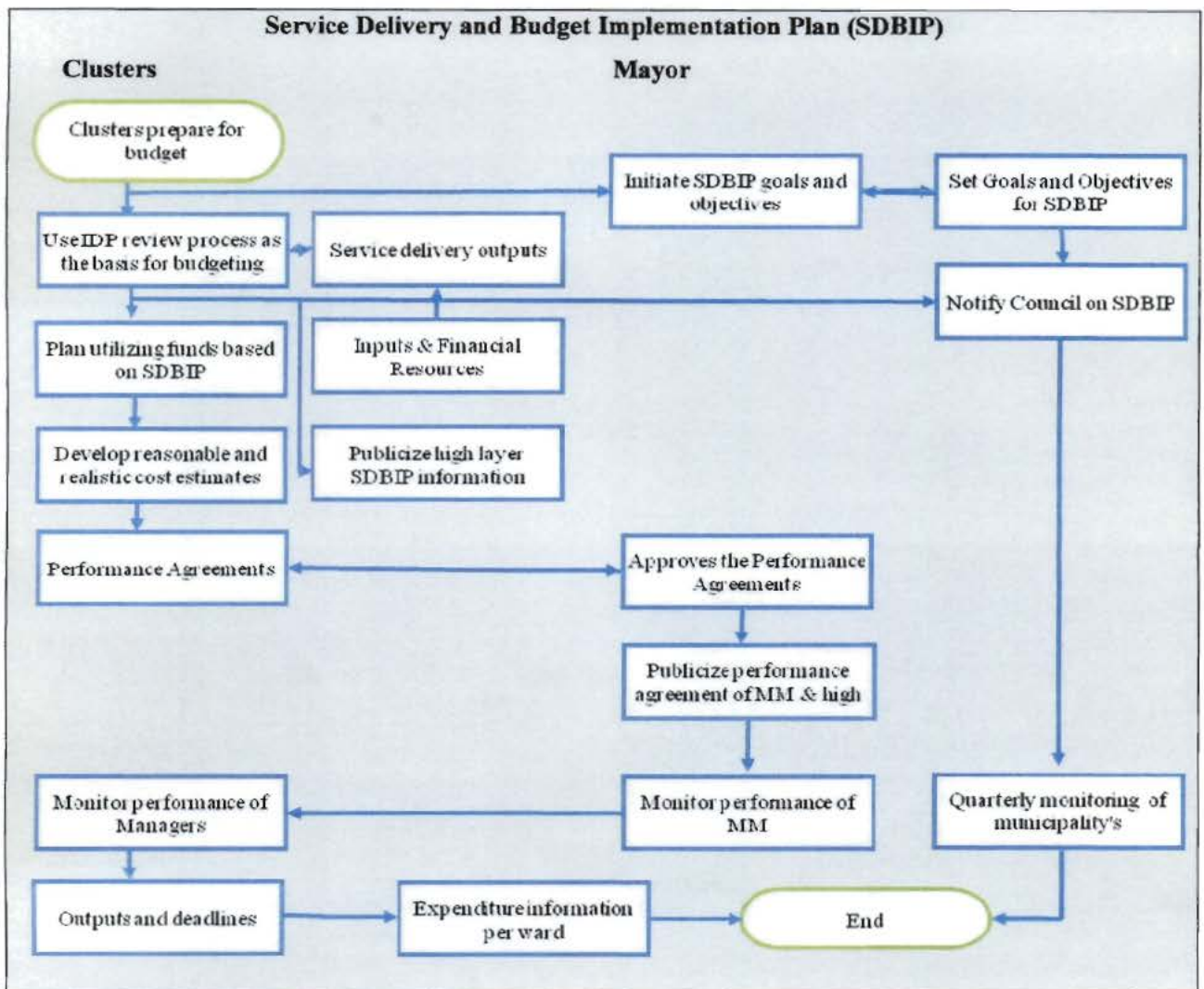
Figure 3.6 SDBIP Contract



Source: National Treasury, 2005:1

The SDBIP is a management and implementation tool. Figure 3.7 below illustrates the Service Delivery and Budget Implementation Plan (SDBIP) process.

Figure 3.7 Service Delivery and Budget Implementation Plan (SDBIP)



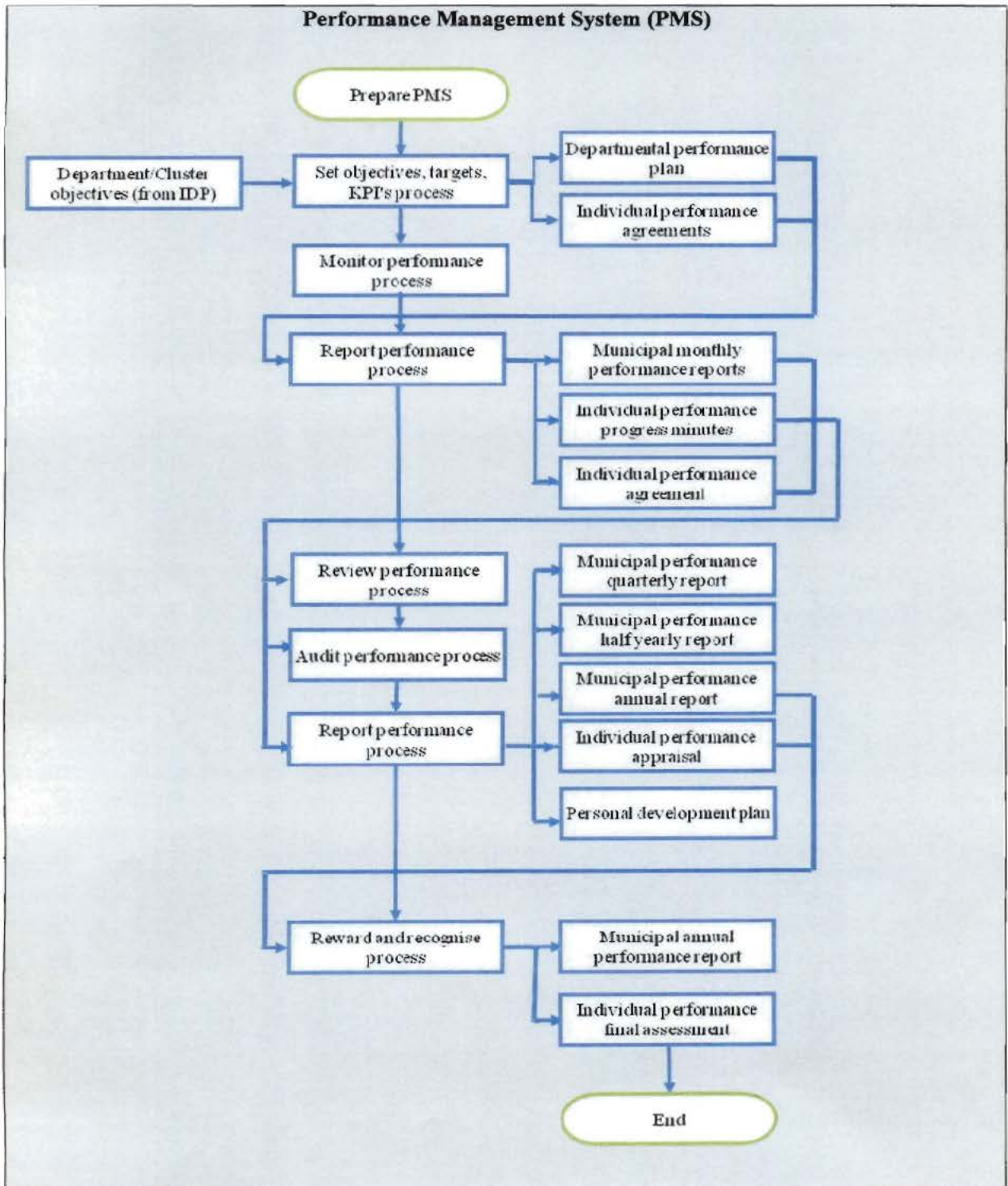
Source: Own information

iv. Performance Management System (PMS)

Local government legislation, in particular Chapter 6 of the Municipal Systems Act, prescribes the implementation of performance management in municipalities. PMS is a mechanism to give full expression to the IDP of the municipality and as such serves as performance accountability. According to Robertson and Gill (ASQ, 2005:9) "Performance measurement is a key component of TQM" (Ball, 1998). According to Sangweni (2003), "Although many writers and consultants use the term performance management as a substitution for the traditional appraisal system, performance management is a broader term than performance

appraisal. It became popular in the 1980s as total quality management (TQM) programmes emphasised using all the management tools, including performance appraisal to ensure achievement of performance goals". Figure 3.8 below illustrates the Performance Management System (PMS) process.

Figure 3.8 Performance Management System (PMS) process



Source: Own information

3.7.1.3.2 Phase Two – Integrated development paradigm:

The new budget reform process requires the budget to be aligned to the IDP and the Growth and Development Strategy (GDS). This alignment is to be two fold namely: through the integrated planning model as well as an integrated implementation model that can be achieved through the Service Delivery Implementation Plan (SDBIP).

i. Integrated Planning Model

Planning based on the core processes of the municipality are not integrated and occurs in an ad hoc manner. Municipalities are required to develop GDS's which are aimed at accelerating growth and development at a local level with specific emphasis on the economic growth and development. The phenomenon in Sedibeng is one where the GDS has become the focal point from a planning perspective, following by the IDP, then the budget and the SDBIP as well as the PMS all as separate planning processes. Momentum on these processes is lost as the subsequent process ensues and therefore results in a disjuncture as processes lack integration.

ii. Integrated Implementation Model

The integrated planning model in the municipality emphasise the four (4) core processes. Though the four (4) core processes form an integral part of the integrated planning model, the Budget, PMS and SDBIP are the implementation tools informed by the IDP.

3.8 CONCLUSION

This chapter mainly focused on the analyses of core processes in Sedibeng District Municipality in relation to TQM. All other business processes in the municipality will be reviewed during the implementation of TQM. Core processes in Sedibeng District Municipality are not integrated though there is alignment of these processes to create some synergies regarding the outcomes; such processes are still planned separately. It is clear from the respective core processes that they are not integrated and therefore complicates alignment. A more in-depth understanding of the current core processes will be developed in the next chapter. The integration of business processes from a planning phase to the implementation phase will be addressed in chapter four as part of the outcome of the empirical research. All the core processes have to be integrated within the IDP process since the IDP is the five year strategic plan of the municipality.

Quality and business process reengineering cannot be separated, though they are two distinct management philosophies, but interrelated and interdependent on each other. It is opportune for Sedibeng to focus on the implementation of TQM as a platform for the introduction of business process management as either way an organizational cultural change from everyone in the organization will be the order of the day. TQM covers the whole spectrum of management with sufficient emphasis on business process management and has all the ingredients for a successful implementation of business process management.

Chapter four requires an empirical research that has to be applied to assess the susceptibility of TQM amongst key role players and stakeholders towards improved service delivery in Sedibeng District Municipality.