

**USING THE BALANCED SCORECARD TO MANAGE CUSTOMER RELATIONS IN  
THE EMFULENI LOCAL MUNICIPALITY**

by

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## **DECLARATION**

I DECLARE THAT THE MINI-DISSERTATION TITLED “**USING THE BALANCED SCORECARD TO MANAGE CUSTOMER RELATIONS IN THE EMFULENI LOCAL MUNICIPALITY**” IS MY OWN WORK AND THAT ALL SOURCES THAT I HAVE QUOTED HAVE BEEN INDICATED AND ACKNOWLEDGED BY MEANS OF COMPLETE REFERENCE.

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**MZIWAKHE CHRISTOPHER SYDNEY GQIBA**

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**DATE**

## **DEDICATION**

I dedicate this work to my entire family for their love and support during my studies, particularly my wife, Margaret Dipuo Gqiba, for her continued support and inspiration during my academic life. My parents Mr. Ishmael Bonakele and Mrs Sophie Selloane Gqiba who raised and educated me, and my daughter and son Tshepang Axolile Joy and Katleho Malcolm Amahle Gqiba respectively for their intrinsic motivation for me to succeed during my studies. I also dedicate this piece of paper to all South Africans who are directly and indirectly affected by service delivery protests through noncompliance by their municipalities to the use of Balanced Scorecard and Customer Relationship Management.

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## **ABSTRACT**

This study concentrates on the field of customer relationship management (CRM) for enhancing customer satisfaction in local government affairs. The motivation behind this study results from the service delivery protests which brought tension and lack of trust among community members with regard to public services. These protests are unmanageable and disrupt the principles of a democratic government and for restoring citizen participation in local governance. The role of a customer in the public sector has received much attention in the democratic state of South Africa as it is practiced in the private sector, where “the customer is the king” when pursuing organisational goals.

This study aimed to analyse the link between the balanced scorecard (BSC) and the CRM in the municipal context. This study also emphasised the identification of the systems applied for managing customer relationships in the Emfuleni Local Municipality (ELM). The objectives were realised by means of literature reviews and interviews through participant observations. Two questionnaires were designed, which included Likert scaling, open-ended and closed-ended questions. The sample of this study comprised community members and the ELM. The Customer Care Manager represented the municipality.

It was realised that the BSC has a dual advantage as it benefits the customer and the municipality. The study found that the BSC is crucial for ensuring that customer needs are incorporated into organisational goals. Motivations for citizen-centric approach stem from a variety of needs, such as the provision of more efficient customer service. Municipalities have also developed a streamlined approach to service delivery that results in cost savings. The BSC increases the ability to track service department performance and improve accountability. It also improves citizen access to municipal services and information during emergencies.

In addition to the role of the balance scorecard, the CRM focuses on developing a comprehensive perspective on the customer’s or institution’s needs. CRM focuses on achieving the value of its customers. Through CRM, the community also has an opportunity to express their concerns through a centralised system. The ELM developed and established the forums in order to improve business efficiency and performance. The municipality has also developed a Revenue Improvement Customer Centricity Programme. This is to ensure that the CRM processes are not compromised and for continuous community engagement. The model is discussed in Chapter 4 of this study.

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# **CHAPTER 1**

## **ORIENTATION AND BACKGROUND TO THE STUDY**

### **1.1 INTRODUCTION**

This chapter provides the orientation and background to the study. The chapter also describes the problems associated with the title formulated. It presents the examples obtained from the literature review. The research design is discussed and the intended research sample is illustrated.

### **1.2 ORIENTATION AND BACKGROUND**

This study focuses on the field of customer relationship management (CRM) for enhancing customer satisfaction in local government affairs. The researcher's interest in studying the selected topic is derived from the emphasis made by the Constitution on public participation in local affairs. It is very important to make the purpose and the motivation clear on how to create, maintain and expand customer relationships. The motivation behind this study results from the service delivery protests which brought tension and lack of trust among community members with regard to public services. These protests are unmanageable and disrupt the principles of a democratic government and for restoring citizen participation in local governance. The role of a customer in the public sector has received much attention in the democratic state of South Africa as it is practiced in the private sector where "the customer is the king".

Local government provides a very diverse range of services to satisfy their basic needs, namely: human settlements, water, sanitation, refuse removal and electricity (Van Der Waldt and Venter *et al.*, 2007:7). Community members often pay a certain rate for the services rendered to them by a particular municipality. These services have a direct and immediate effect on the quality of life of the people in a particular community. The supply of these services is realised by efficiency, effectiveness, and accountability as laid down by Section 7 of the Constitution of South Africa, 1996 (hereafter the Constitution). In supporting the Constitution, Chapter six (6) of the Municipal System Act 32 of 2000 (hereafter the Municipal Systems Act) provides the basis for the establishment of performance

management systems to plan and measure local government performance. A municipality may use a variety of performance measurement system which includes (Johnson, 2008:2) the following:

- Balanced scorecard;
- Activity-based costing and management;
- Economic Value Added;
- Quality Management;
- Customer Value Analysis; and
- Performance Prism.

The measurement of service delivery results in local government seeking to establish a centralized customer service system that represents a citizen-centric approach. Motivations for the citizen-centric approach stem from a variety of needs, such as the need to Cohen, (2008:25):

- Provide more efficient customer service;
- Develop a streamlined approach to service delivery that results in cost savings;
- Increase the ability to track service department performance and improve accountability; and
- Improve citizen access to municipal services and information during emergencies.

Customer relationships management (CRM) has become increasingly structured and measured (Balance Scorecard Institute (BSCI), 2002) in order for institutions to realise their mission objectives (Deloitte, 2010:2). CRM has a dual advantage as it benefits both the customer and the municipality. CRM focuses on developing a comprehensive perspective on the customer or institution's needs (Deloitte, 2010:2). CRM focuses on increasing the value of its customers (Johnson, 2008:11) in the institution. Through CRM, the community also has an opportunity to express their concerns through a centralised system (Moulder, 2008:10). CRM also looks at matching the institutional requirements to provide services which will be responsive to the demands of the community (Deloitte, 2010:2). CRM allows local government an opportunity to use the centralized information to identify problems

relating to a specific neighbourhood and provide direction for resolving such matters (Moulder, 2008:10).

The provision of services is influenced by increasing demand for accountability, improved service delivery, and cost management as expressed in Section 152 of the Constitution. Section 195(1) of the Constitution encourages municipalities to be responsive to community needs and to promote citizen participation in local government affairs. Local governments across the country want to respond efficiently and effectively when their citizens need assistance (Fleming, 2008:1). Section 195(1) of the Constitution compels municipalities to establish service delivery mechanisms such as ward committee system, the media, imbizos and open council meetings to maintain a healthy democracy (Van der Waldt & Venter *et al.*, 2007:19). Section B of the White Paper on Local Government (1998) states that the powers and functions of the local government should be exercised in a sustainable manner. A culture of municipal governance is important for enhancing service delivery and sustainable development. Section 16(1)(a)(i) of the Municipal Systems Act 2000 emphasises that municipalities must “encourage and create the conditions for the local community to participate in the municipal activities”. Community members may participate in local government affairs such as the preparation, implementation and review of a municipal Integrated Development Plan (IDP), budget and development projects.

As far as local government seeks to enforce community participation and value their customers, processes are required to begin exploring more robust ways of measuring customer and business activities directly related to customers (Johnson, 2008:11). The balanced scorecard (BSC) is a multi-criteria strategic performance measurement that provides a clear prescription for institutions to measure its performance (Kaplan & Norton, 1999:135). The BSC relies primarily on effectiveness measures to support three objectives: namely, to “*develop collaborative solutions; enhance customer service, and improve technology efficiencies*” (Rivenbark & Peterson, 2008:32). The implementation of the BSC system is crucial to the successful realization of the strategic plan and vision (Rohm, 2001). As a measurement tool, the BSC maps the organisation's strategic objectives into four perspectives. The first perspective focuses on financial aspects (Kaplan & Norton, 1996).

The second is the internal business process perspective (Kaplan & Norton, 1996). The third perspective focuses on the customer (Kaplan & Norton, 1996). The fourth is a learning and growth perspective (Kaplan & Norton, 1996). These four perspectives are designed to promote organisational culture. They also emphasise strategic development for maximising the efficiency and effectiveness of service delivery (Rivenbark & Peterson, 2008:31).

The BSC is aimed at “translating institutional objectives” enabling institutions to “shift from being narrow and to establish priorities in their planning rather than simply reporting results to citizens” (Kaplan & Norton, 1999:135). The BSC may also enable municipalities to meet customer and stakeholder needs and improve the financial standing of an institution. Furthermore, Rossouw, Le Roux and Groenewald (2007:204) indicate that the BSC must have long-term objectives that link to institutional processes in order to deliver long term services. The use of a balanced scorecard (BSC) for managing customer relationships in the Emfuleni Local Municipality (ELM) is addressed in this study.

The ELM strives to accelerate service delivery and socio-economic growth and development for its communities. The municipality does this by means of continuous improvement in the quality and quantity of service delivery, creating a safe and healthy environment, and practising Batho-Pele principles (ELM, 2008:26). The creation of customer-centred public service delivery is characterized by “equality, quality, timeousness and a strong code of ethics” (Van Der Waldt, 2004:145). Van Der Waldt (2004:145) further indicates that CRM is carried out by means of “institutions, policy framework, processes, systems, technology and should be integrated throughout its implementation”.

#### *Institution and policy framework*

The ELM, like other municipalities, is guided by the Constitution for upholding ethics and accountability on service delivery. The Municipal Systems Act requires municipalities to determine the type of internal business processes, systems and procedures that municipal service delivery mandates. Such procedures include the customer complaint system for managing customer dissatisfaction and customer inquiries regarding service delivery issues.

Municipalities also developed a customer care policy to guide the customer care cycle and established a department that deals with customer inquiries. Furthermore, the ELM has developed a “Municipal Basic Service Delivery” and “Good Governance and Public Participation” strategy for upholding the citizen-centred approach (ELM, 2008:84).

### *Processes and systems*

Government reform initiatives at all spheres of government are placing more emphasis on accountability and results in order to meet citizen expectations for public services and products. The new Ministry of Monitoring and Performance in the Presidency was established to help municipalities to fast track service delivery (participant observation). The design and implementation processes for the CRM system are as unique as the communities in which they are located (Fleming, 2008:1). The performance management system in local government is complemented by the Local Government Turnaround Strategy (LGTAS), which was approved in December 2009 by the South African National Government. The ELM developed and approved its turnaround strategy. The turnaround strategy is aimed at speedy service delivery and, as an intervention measure, geared towards ensuring that the ELM meets the basic needs of the community and to build a clean, responsive and accountable government. The turnaround strategy also helps to improve support and oversight in local affairs (Mshudulu, 2011). Municipal service delivery is linked to the IDP, which integrates community into planning service delivery needs. The community is involved throughout the development lifespan of the IDP process plan (ELM, 2008:85).

The ELM has also established its public participation and forums. In 2008, the ELM held 53 public participation meetings in the various wards and one People’s Assembly hosted in the financial year under review. The ELM also makes use of petitions as a form of managing customer relationships. The ELM (2008:124) indicates that the municipality embarked on a major drive to encourage residents not to strike or engage in protests but rather to submit their petitions to the office of the Speaker. In the 2007 the ELM received 19 petitions, whereas in 2008 the ELM received 21 petitions (ELM, 2008:128). The increase in submitted petitions in 2008 showed that there is an increasing demand for

service delivery amongst the community. These rising figures indicate dissatisfaction, which substantiates the increasing trend of service delivery and disruption of government services in the respective municipalities.

The concerns raised by residents of the ELM include issues such as: the billing system, informal taxi ranks, bad roads/illegal dumping, street lights, assessment rates, removal of trees, infrastructure, and title deeds. The community members of the ELM also complained about the lack of accountability and responsibility amongst the councillors (ELM, 2008:128).

### *Technology*

Municipalities around the world communicate with their citizens with regard to service delivery concerns. Communication is now made possible by means of e-governance which strives for efficient and effective service delivery. E-governance tools include accessories such as telephones with fax lines, email facilities to contact the municipality, make requests, and submit the complaints. (Fleming, 2008:3). The ELM established a website to accommodate online requests and hopes that, over time, more residents will use that method of submitting requests. Through the website the citizens may access information such as job opportunities, policy framework, news pertaining to the municipality and for academic research. The ELM website also has a list of documents, tender application information, municipal courts and tourism. The public can also access vacancies, media room, Emfuleni news, government news, Property rates, gallery, investment opportunities, Integrated Development Plan, calender/events, Useful links, emergency contact numbers, list of clinics, schools and libraries.

The CRM system provides crucial community feedback on the information that citizens most need and want from their local government (Fleming, 2008:1). A local government can take advantage of a CRM system to improve customer service, however its development and implementation is complicated. In the following sections the researcher outlines the problems associated with CRM.

### 1.3 PROBLEM STATEMENT

The ELM is one of three (others being Lesedi Local Municipalities (LLM) and Midvaal Local Municipality (MLM)) local municipalities comprising the Sedibeng District Municipality (SDM) (ELM, 2008:18). The ELM is largely urbanized with high population concentration and density compared to other municipalities making up the SDM (ELM, 2008:18). The population of ELM is 658 425 (82.86%) compared to LLM which has a population of 71 531 (9.00%) (Sedibeng District Municipality, 2011). The MLM has a population of 64 641 (8.13%) (Sedibeng District Municipality, 2011). The ELM contains approximately six (6) large peri-urban townships. These are Evaton, Sebokeng, Sharpeville, Boipatong, Bophelong and Tshepiso (ELM, 2008:18). There are approximately ten (10) small suburban settlements within six kilometres of the townships mentioned, which are Bonanne, Steelpark, Duncanville, Unitas Park, Sonland Park, Waldrift, Rust-ter-Vaal, Roshnee and Debonair Park (ELM, 2008:18). In this study, the sample locations include the Boipatong, Bophelong and Sharpeville townships (ELM, 2008:19). The following section will discuss the problems associated with the local government CRM.

#### *Technology and access to technology*

Other related customer service technologies, such as online systems, also offer new potential for local governments to provide improved customer service. Integrating the new technology with existing departmental work-order systems can be troublesome (Fleming, 2008:1). Some municipalities are still using manual processes for responding to customer requests (Deloitte, 2010:3). Some municipalities still use telephones to receive customer complaints, although some even walk to the municipality to make requests and complaints (Fleming, 2008:3).

#### *Performance measurement and service delivery*

Kloot and Martin (2000) argue that public sector performance does not offer strong linkage between strategic objectives and performance measurement. Many organisations have difficulty in establishing mechanisms that translate strategic vision into concrete goals and actions (Kloot & Martin, 2000). Traditional performance measurement focuses on external accounting data. Mofokeng (2010:2) also indicates that the ELM, between the financial

years of 2007-2010, had the public outcries that related to service delivery and unemployment. The respective outcries had led to the disruption of service delivery in the municipality and the obstruction of road access to the community. These were presented in the form of protests.

The concerns included poor service delivery, access to vacant stands (land) and the slow progress of erecting houses (Mofokeng, 2010:2). Furthermore, issues about the lack of commitment by personnel, irregular tender processes, lack of training, and poor customer care were identified (Mofokeng, 2010:2).

#### *Turnaround times on service delivery*

Municipalities across the country want to respond efficiently and effectively when their citizens need assistance (Fleming, 2008:1). Citizens have frequently complained about the length of time it takes for the city to address complaints (Fleming, 2008:3). Municipalities strive to be responsive and often emphasise on timely feedback (SangoTech, 2011). However, there are delays in such responses and community frustrations have led to acts of violence and unacceptable behaviours. The actions of frustrated citizens have led to unfortunate loss of lives and destruction of both private and public property (SangoTech, 2011). The unfortunate loss of lives refers to community members, councillors and public sector officials who died during the service delivery protest. As a community member in the ELM, the researcher has witnessed these episodes of service delivery protests. For example, in Palm Springs, one ward councillor's house was burned, in the Free State province Andries Tatane also lost his life due to dissatisfaction with service delivery (participant observation).

#### *Petitions management*

The ELM received 40 petitions during 2007 and 2008. The Annual Report for the ELM listed the complaints brought forward by community members but it does not specify whether such problems were resolved or not. The column for the responses for the received petitions in 2007 was empty. The petition matters received in 2008 recorded that 12 issues were referred to the respective departments of the ELM, 4 issues were

unresolved, and 4 petitions were resolved, whereas 1 petition was referred to the ANC (ELM, 2008:129). The template for the received petitions does not protect the petitioner's details.

### *Code of Ethics*

A strong code of ethics remains a priority for the government of today (Van der Waldt, 2004: 145). The public increasingly expects its services to demonstrate its worthiness and moral values in order to justify the efficient use of public funds (Fleming, 2008:1). Burger (2009) points out that "community members often raise concerns with the allegations of rampant corruption and nepotism within local structures". The ELM (2008:15), in its Annual Report of 2007/2008, reported that there is "poor customer service ethos" (non-institutionalization of Batho Pele principles). The Executive Mayor of SDM, Councillor Mahole Mofokeng (2010), indicates that local government is perceived to be inconsistent, disorganized and riddled with corruption and maladministration.

### *Quality*

The ELM provides municipal services directly to its community (ELM, 2008:35). Over the years the municipalities have been soundly criticized for poor services (Abdullah & Kalianan, 2008:87). On a daily basis complaints through media release or personal comments are raised regarding the ineffectiveness, unresponsiveness and unfriendly service delivery by municipalities. There is confusion in terms of service delivery inquiries, whereby communities do not know where to address such issues. The service delivery protests clearly show that citizens are dissatisfied. The channels of communication are unknown to the community because they always want to talk to the mayor when they have complaints (participant observation).

### *Public participation*

Van der Waldt and Venter *et al*, (2007:12) indicates that the structures of governments and policy-making systems need to be adjusted. This will allow the government to function effectively in a global policy environment. However, the role of citizens in local affairs is still lacking. The ELM (2008:86) reported that inputs from youth, women and people with

disabilities have been limited in the IDP process plans. The municipality is working very hard to establish mechanisms to empower the community members in order to effectively participate in local affairs.

The satisfaction of customers calls for strategies that will make service delivery an efficient and effective institutional operation (Rivenbark & Peterson, 2008:32). Based on the abovementioned issues the literature reviewed demonstrates that the CRM unit fail to meet their stated objectives (Fleming, 2008:1). Furthermore, the implementation of CRM is hampered by barriers such as inadequate management sponsorship and organisational resistance to change (Rivenbark & Peterson, 2008:31). Lack of employee skills and difficulty in measuring service effectiveness are also reported (Rivenbark & Peterson, 2008:31). Measuring and valuing customer relationships is critical to implementing the CRM strategy and a BSC may serve to make service delivery as efficient and effective as possible. The intended outcomes require robust mechanisms to enforce accountability and efficiency. The study also explores the implementation of the CRM system in the ELM through the use of the BSC.

This study intends to discover the relationship between the BSC and the CRM in the ELM in terms of connecting to its residents and how residents communicate with their local government. This study examines the municipality to verify if there is readiness in the ELM to address local concerns. The use of the BSC as a performance tool will be analysed to verify whether it can be used to enable the ELM to improve organisational CRM performance. Performance measurement may be even or unpredictable, therefore this study also examines the challenges and opportunities of CRM in the ELM. The criteria to develop meaningful performance measures will be examined.

#### **1.4 HYPOTHESIS**

The hypothesis for this study is formulated as follows:

Successful development and support of customer relationship management systems through the use of the balanced scorecard can help to monitor municipal performance and manage the execution of the CRM strategy in the ELM.

## **1.5 RESEARCH QUESTIONS**

Arising from the problem statement, this study will attempt to find answers for the following questions:

- What does the balanced scorecard and customer relationship management entail in the municipal context?
- What systems are in place for measuring customer relationship management in the ELM?
- What are the key benefits of using balanced scorecards in managing customer relationships in the ELM?
- What recommendations can be offered for improving local government-customer relationship in the ELM?

## **1.6 RESEACH OBJECTIVES**

Through the information detailed from the problem statement and research questions outlined above, the objectives of the research study are as follows:

- Describe the concepts balance scorecard and customer relationship management in the municipal context;
- Identify the systems that are in place for managing customer relationships in the ELM;
- Understand the key benefits of using balanced scorecards in managing customer relationships in the ELM; and
- Offer recommendations that may assist the ELM in improving their local government-customer relationship.

The next section discusses the research design for this study.

## **1.7 RESEARCH METHODOLOGY**

This study forms part of the evaluation processes maintained in the field of public administration. The outlook of the study will be descriptive in nature in a sense that it will

solicit the views, thoughts and the perceptions of the municipal officials and the general public related to the CRM and BSC in the ELM. The study will use qualitative and quantitative techniques. Qualitative techniques will enable the researcher to observe and obtain first-hand knowledge of the research setting (Neuman, 2006:152) in the ELM. Quantitative techniques will also allow the researcher of this study to analyse data and to present the results by means of statistical data using figures, tables and graphs. In this study the outlined objectives will be addressed through a literature review and empirical surveys.

The following sections outline the framework for this study. The study will also make use of case studies to examine the management of customer relationships, whereby the use of old reports on service delivery protests will be observed in the ELM.

### **1.7.1 LITERATURE REVIEW**

A literature review can be just a simple summary of the sources, but it usually has an organisational pattern and combines both summary and synthesis. A summary is a recap of the important information gained from sources, but a synthesis is a re-organisation, or a reshuffling of that information. A literature review is important because it allows the researcher to interpret recorded information and in order to produce new research findings.

For improved service delivery initiatives, this study will consult books, journal articles, newspaper articles, legislative framework, reports, database of theses and internet sources to understand the context of the CRM and BSC. Journal articles will be sourced from the Journal of Public Administration, local government journals and from the Institute of Performance Management in Africa.

### **1.7.2 Empirical research**

This study will use the interviews and questionnaires to attain the objectives of the study. The use of sampling is also used to provide the limitations of this study. The sections below briefly outline how these methods will be used in this study.

### 1.7.3 Interviews and questionnaires

To achieve the objectives mentioned above, this study will use interviews and questionnaires to explore the implementation of the CRM and how they are being used to build the local government-citizen relationship in the ELM. The interview process will be conducted by means of face-to-face interviews and telephone interviews. The author will develop semi-structured interviews to suit the intended participants. The interview will enable the researcher to obtain accurate information from the participants selected for this study (Neuman, 2006:304).

The interviews will be supplemented by two sets of questionnaires directed to the selected sample groups of this study, namely, the municipality employees and the residents of the ELM in its three local municipalities. A questionnaire is a research instrument designed to gather information from respondents through reading questions and respond to them. The questionnaires will include closed and open-ended questions. Closed ended questions will enable the respondents to answer the questions posed to them in an easier and quicker manner. Open-ended questions will enable the respondents to provide their insight and to clarify their responses. The closed ended questions will rate responses using a Likert scale, which will enable the researcher to use the time in moderation and to analyse the results accurately.

### 1.7.4 Sample

The participants of this study will be drawn from the locations of the ELM. The sample for this study will be selected within the 43 wards in the ELM. Enhanced service delivery forms part of the national priorities to be implemented through the intergovernmental relations mandates (South Africa: Co-operative Governance & Traditional Affairs, 2012:4). The interviews conducted for this study aimed to ascertain the state of the ELM in implementing the CRM in relation to the application of the BSC. The following are the categories identified for this study:

- *Municipal Manager (ELM)*: The Municipal Manager is responsible for ensuring performance management and public participation. The interviews will gather data

from the Municipal Manager on their model of performance management and their measures to enhance delivery of services to citizens.

- *Customer service personnel*: Customer service personnel are responsible to ensure that the service product, service delivery and service environment are adequately planned in the local government arena. The interviews will inquire about the models, challenges and opportunities for implementing the CRM in the ELM.
- *Community members* (n=50). Citizens also play an important role in identifying their own development priorities (SA: COGTA, 2012:6). Quality customer service involves not only taking a call for service, but providing feedback to the customer about the status of the request (Moulder, 2008:13). Therefore, the interviews will ascertain the perceptions of the community members in terms of their satisfaction regarding CRM implementation. The community members will be drawn from the 20 townships of the ELM. The study will select the sample based on the following categories, namely, gender, youth, the elderly, economically active people, and the unemployed. This study will also consider racial representation since the ELM is a diversified municipality. The community sample will be drawn from the streets of the ELM in public areas.

### **1.7.5 Research Ethics**

Since this study focuses on institutional administrative processes of the ELM, the study adheres to the principles of research ethics. Researchers depend on primary and secondary sources to achieve the research goals. The researcher of this study requested permission (by means of a letter) to conduct interviews and to gain access to municipal reports in the ELM. This study ensures that the risks, bias, communication barriers and non-cooperative participants associated with social research are avoided (Marshall, 1997:99). This study involved community members who may be vulnerable, so the researcher will respect and treat the community participants with dignity and courtesy. The questionnaires were developed in English. However, during the interviews the author communicated with the participants in their own language. The researcher was able to translate from English to Sesotho and the Nguni languages. The translations were applied in order to accommodate the participants who do not understand the questions that were

asked. A letter of consent was requested from the municipality to confirm the approval for conducting the research in the ELM. The questionnaire designed for community members included a section which illustrated that the participants were willing to participate in the study.

The participants were issued with a copy that proves their voluntary participation in the study. The researcher did not force the community members to participate in this study. The names of the participants were not revealed in the report of the study. However the responses were based on a collective reporting, by using words like “participants’ or “respondents”. The consent forms were completed in a unique coding system to protect the participants’ names. This concern is especially important when this study refers to community satisfaction and their perceptions of government services.

## **1.8 CHAPTER OUTLINE**

This study is organised as follows:

Chapter 1: Orientation and background.

Chapter 2: Theoretical framework for local government balanced scorecard and customer relationship management.

Chapter 3: Managing customer relationships through balanced scorecard in the Emfuleni Local Municipality.

Chapter 4: Research methodology and empirical survey results.

Chapter 5: Conclusion, findings and recommendations.

## CHAPTER 2

### THEORETICAL OVERVIEW OF LINKING PLANNING TO BALANCED SCORECARD

#### 2.1 INTRODUCTION

This chapter analyses the role of a balanced scorecard in improving CRM. The gathered information is obtained from different authorial background, journal articles and best performing organisations both in private and public institutions. The identified theories are mostly relevant for the purpose of contributing factors that influence customer relations. The rationale behind theoretical background is used for establishing and analyzing the facts and dynamics that are most applicable mechanisms to enhance the performance of the municipality. This chapter begins with the outline of performance management. The relationship between the BSC and CRM is dealt with in this chapter with more emphasis on the definition of their conceptual ideas. The framework of the BSC is discussed in this chapter.

#### 2.2 BACKGROUND OF PERFORMANCE MANAGEMENT

The Constitution of the Republic of South Africa (1996) expects the public sector to establish a performance management system (PMS). The PMS is used to measure organisational goals (Johnson, 2012:1). Institutions are also required to base the PMS on a policy that is approved by the municipal council. The PMS policy serves as a guide to measure the organisational goals (Johnson, 2012:1). The plan forms part of the strategy that allows the institution to select the periods in which the activities will be measured.

Giannoccaro *et al.*, (2007) emphasises that the performance measurement system applies an integrated set of measures to assess the performance of an organisation as a whole. In this regard, the PMS must also have a structure that will guide the process based on the PMS plan. The PMS also specify the roles and the responsibilities for the people who will undertake the PMS process. The PMS can also be used for controlling the institutional activities. The performance goals seek to identify the following (Pearce and Robinson *in* Rossouw, 2007:84-85):

- Profitability;

- Productivity;
- Competitive position;
- Employee development and employee relations;
- Technological leadership; and
- Public responsibility.

The PMS is characterised by the following tools for measuring and controlling the organisational activities (Johnson, 2012:2):

- The balanced scorecard;
- Activity-based costing and management;
- Economic value added (EVA);
- Quality management;
- Customer value analysis/customer relationship management; and
- Performance prism.

The listed tools are briefly discussed below.

### **2.2.1 The balanced scorecard**

Institutions operate on specified vision and mission statement for delivering the services to the community. The BSC is used as a tool that translates the organisation's mission and strategy into a comprehensive set of performance measures (Kay & Associates, 2003:4). It seeks to define the measuring framework for the institution. The institutions enter into an agreement for delivering the services and, therefore, the BSCs application allows the managers to highlight the priority areas in order to attain the institutional commitments” (Olve, Roy & Wetter, 1997:4).

Bourne and Bourne (2007:2) stipulate that the BSC is about “measuring the activities, processes and outputs” that are most important for the success of the organisation.

In terms of the goals identified the BSC enables the organisations to introduce new governance and renew the processes to focus on strategic objectives (Isoraité, 2008:26). The new governance and renew the processes introduced allows the institution to clarify

the vision and strategy so that it could be translated into meaningful action (Arveson, 2003:4).

The BSC is seen as a model that shares a comprehensive vision (of the organisation's strategic goals) (Andersen, Lawrie & Shulver, 2000:2). As a multifaceted measuring tool it helps the institutions to determine the progress of the institutional activity. This also helps management to identify the key priority areas of performance whilst working towards solving the affected processes. The BSC represent the tools for managers as they are able to use the communication channels effectively (Niven, 2002:12). Throughout the application of the BSC the institutions are able to provide feedback (Isoraité, 2008:27) to various departments because the implementation of the strategic goals is integrated. The information is also transmitted to the employees and the external stakeholders regarding the outcomes and the performance of the services rendered

The BSC consists of several dimensional measures of performance managers may separate the allocation of each role differently when evaluating performance.

### **2.2.2 Activity-Based Costing and Management**

The activity-based costing and management is an accounting and cost management attempt to address the deficiencies that may delay the process of service delivery (Azadvar *et al.*, 2012:1391). It focuses on minimising institutional finances. It helps to identify the loopholes in the production process activities and thereafter estimate the cost of each activity distinctively. Institutions operate in a scarce resourced environment, therefore activity-based costing and management helps to obtain more reliable production costs, improve processes and develop market strategies (Gupta & Galloway, 2003:132).

### **2.2.3 Economic Value Added**

Economic value added (EVA) seeks to set goals, evaluate performance and enhances communication. It allows the interaction between beneficiaries and the donors or investors. Development projects help to improve the lives of the vulnerable. Therefore, this approach helps to keep the investors motivated at all times. EVA, as an indicator, measures

proposed profit adjustment by the capital cost on the market introduced (Alexei, 2012:34). It focuses on the short-term productivity improvements and the long-term goals. It is claimed that the implementation of EVA helps the managers to obtain relevant information and creates shareholder wealth in any publicly owned institution (Van der Poll *et al.*, 2011:125).

#### **2.2.4 Quality Management**

Quality management focuses on the senior management roles when dealing with the future plans for implementing the projects. It seeks to improve on quality by using all available human resources and capital available in the institution (Escanciano & Iglesias-Rodriguez, 2011:168). It is essential to maintain customer needs. Quality frameworks and the BSC clearly emphasise the (Escanciano & Iglesias-Rodriguez, 2011:168):

- Explicit casual links through strategic objectives;
- Rely on benchmarking programmes and set strategic priorities for advancement; and
- Integrating budget, resource allocation, reporting and accounting on an on-going process.

#### **2.2.5 Customer Value Analysis**

Customer value analysis (CVA) can be articulated as the “voice of the customer” through customer value management. It involves the managerial decision-making. CVA involves structural analysis and uses quality and price to assess the relatively important perceptions of the customers (Desarbo, Jedidi & Sinha, 2001:845). Satisfied customers purchase services at a high rate when they are satisfied than when they are dissatisfied (Ho, Park & Zhou, 2005:1). This can be related to the public sector whereby dissatisfied customers can decide to withdraw the payment of the services rendered to them. Customer Value Analysis is illustrated into three levels which focus on the following (Johnson, 2012:11-12):

- Value equity;
- Brand equity; and
- Retention equity.

These three disciplines are utilised in different situations whereby the brand management, customer value analysis and customer loyalty analysis are measured according to their approaches.

### **2.2.6 Performance Prism**

The performance Prism is a thinking aid which seeks to integrate the five related perspectives. It provides a structure that allows executives to think through the framework of the customer environment. This focuses on finding answers to the following five fundamental questions (Neely, Adams & Kennerley, 2002:4) stated below:

- Who are the stakeholders and what do they want & need?
- What do we want and need from our stakeholders?
- What strategies do we need to put in place to satisfy these sets of wants and needs?
- What processes do we need to put in place to satisfy these sets of wants and needs?
- What capabilities of people, practices, technology and infrastructure do we need to put in place to allow us to operate our processes more effectively and efficiently?

### **2.3 THE ORIGIN OF BALANCED SCORECARD**

The original idea behind the BSC simply acknowledges the work of Robert S. Kaplan and David P. Norton. Many institutions adopted the BSC for achieving highly measurable results (Niven, 2002:11). Institutions used to measure the financial matters and were less concerned with non-financial issues. This caused a lot of overlaps in the institution because the activities were not linked to each other. Then after, the two discovered the BSC and the perspectives that could be linked to execution of the services. The financial and non-financial measures were combined into a single template. The aim of the BSC was to provide authorities with excessive and relevant information about all the activities they are effectively managing. It is from then that the organisations learned to develop and modify the BSC framework. To date, many organisations are able to provide value for the required steps that the BSC seeks to fulfil for advancing their mission and vision. In addition,

experience and clarification of best practices have helped to translate the vision and strategy into specific objectives, measures, targets and initiatives (Schoonover, 2004:1).

The scorecard tells a story of the organisational strategy by focusing on the long-term objectives and to the short-term objectives. The story told is linked to all the activities undertaken in the institution towards economic performance (Kaplan & Norton, 1996:47).

The approach may have its opportunities and constraints. However, the institutions are able to understand their mission, vision and value statements. The BSC developments allowed the institutions to analyse the internal and external trends associated with the institution (Kaplan, Norton & Barrows, 2008:7). The approach enabled the institutions to decide on the selection of relevant information for decision making and for implementing strategic plans (Kaplan & Norton, 1992).

#### **2.4 THE COMPONENTS OF A BALANCED SCORECARD**

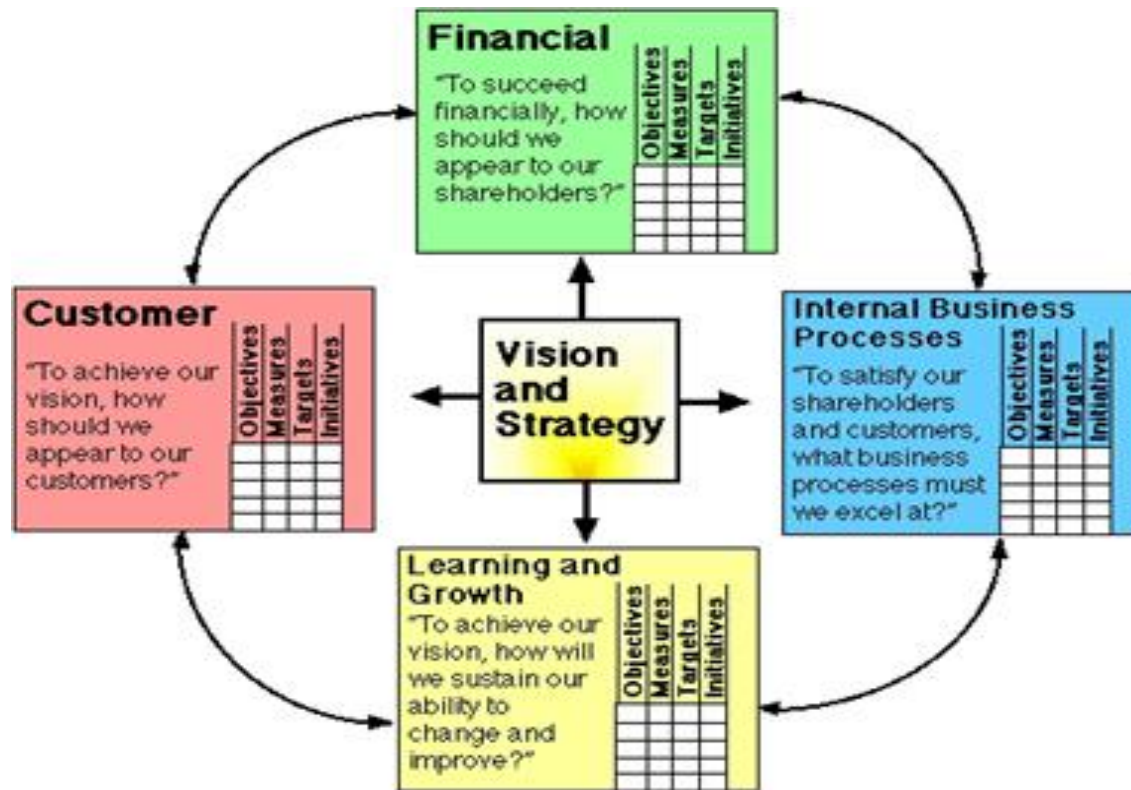
The implementation of the BSC is a ground-breaking approach to create the overall strategic awareness within the organisation (Anand, Sahay & Sasha, 2005:15). The BSC allows the employees a better understanding of the organisation's strategy. It enables the employees to be able to lead the activities towards a linked performance measure. It also guides the decisions and actions (Anand, Sahay & Sasha, 2005:15).

The balanced scorecard is a format for describing general activities of an organisation through a number of performance measures which consist of the four perspectives. The four perspectives include the financial, customer, internal business process and the learning and growth perspectives. The BSC allows the managers to set specific goals and performance measures for each of the four areas in terms of their long-term strategic focus (Hellriegel *et al.*, 2008:417).

Figure 2.1 summarises the crucial elements of the balanced scorecard in which the financial perspectives are of long-term value to expand shareholder value. The learning and growth perspective focuses on the enhancement of employees through knowledge

acquisition so that they are aware of the organisation's goals and objectives. The fundamental goal and objective is to measure the needs and wants of customers by simply taking into consideration operations management. This is achieved by making sure that all employees contribute sensitively to the attainment of end results of customer satisfaction and profitability.

**Figure 2.1 The BSC framework**



Source: Robert S. Kaplan and David P. Norton, 1996:76; Don Hellriegel *et al.*, (2008:418)

The customer relationship management and measurement processes require an organisation to be innovative (Flanagan & Finger, 2003:555). It takes into consideration the social aspect of giving quality to customers at the price variation that suit the brand. The use of BSC in private and public institutions has gone through several significant stages of development (Flanagan & Finger, 2003:555). These institutions should clearly set out and outline roles and responsibilities of those involved, time lines for the introduction of various components, and procedures for periodical assessments, reviews and evaluations (Flanagan & Finger, 2003:555).

The balanced scorecard aims to provide managers with richer and more relevant information about the organisation (Cobbold & Lawrie, 2002:1). Kaplan and Norton's original ideas about the balanced scorecard simply suggest that the strategic goals can be achieved through the monitoring process. The BSC clearly demonstrates a visual picture of the four main perspectives (as developed by Kaplan & Norton): financial, customer, internal business process, and learning and growth. The BSC is used as a means of relaying message to overall employees in a way of informing them with the organisational developments. Kaplan and Norton (1996:25) emphasise that the scorecard provides a framework within which to communicate mission and strategy. It uses measurement to inform employees about the drivers of current and future success. It is, therefore, imperative to merge them as a single strategic theme that should be part of a link of cause and effect relationship.

**Table 2.1 Functions of the four perspectives of the BSC**

| <b>Financial perspective</b> | <b>Customer perspective</b>                  | <b>Internal process perspective</b> | <b>Innovation and learning perspective</b> |
|------------------------------|--|-------------------------------------|--|
| Cash flow                    | Delivery Performance to Customer: by date    | Number of Activities                | Investment Rate                            |
| ROI                          | Quality Performance to Customer - by Quality | Opportunity Success Rate            | Illness rate                               |
| Financial Result             | Customer satisfaction rate                   | Accident Ratios                     | Internal Promotions                        |
| Return on capital employed   | Customer Loyalty                             | Overall Equipment Effectiveness     | Employee Turnover                          |
| Return on equity             | Customer retention                           |                                     | Gender Ratios                              |

Source: Ba-Abaad (2009:41)

### **2.4.1 Financial Perspective**

The values and objectives of every institution are to deliver maximum value to satisfy the customer's expectations. The financial perspective focuses on the value of governance stakeholders such as the suppliers, non-profits and the community (Pangarkar & Kirkwood, 2009:51). Financial returns are realised through customer satisfaction, quality and on-time delivery of services (Niven, 2002:17).

The financial perspective deals with the long term objectives of the organisation. Institutions use the financial measures such as activity-based costing management, economic value added (EVA), quality management, return on investment (ROI), earning per share (EPS), return on equity (ROE) and growth on common equity (Kaplan & Norton, 1996:26). It is suggested that there is no standard set of financial measures applicable across different contextual organisational frameworks and environments. Alternative financial objectives can be rapid sales growth or the generation of cash flow (Kaplan & Norton, 1996:26).

### **2.4.2 Customer Perspective**

Each organisation must know: How should it appear to its customers in order to achieve its vision? How do the customers view the organisation? This perspective has the fundamental relationship between an organisation and its customers. The customer perspective requires an organisation to know how it should create value for its customers if it is to succeed (Pandey, 2005:56). Kaplan and Norton (1992:73) initiated the four categories, namely:

- Time;
- Quality;
- Performance; and
- Customer service measures and their costs.

These were aimed to improve the customer base of the institutions. This can be realised by articulating the customers concerns and by translating them into measurable objectives.

A poor performance measure in terms of customer satisfaction is a leading indicator of the future decline in spite of a good current financial performance (Pandey, 2005:56). Customer focus and satisfaction has an increased customer acquisition, retention and development importance in any business. Customers play a very important role in business and they could use the power vested in them to influence priorities of local government.

### **2.4.3 Internal Business Process Perspective**

The internal business process perspective focuses on the systems and the processes that are used by the organisations to develop their objectives. The objectives in the internal business process perspective describe how the strategy will be accomplished (Kaplan & Norton, 2004:43). Internal business process perspective deals with the innovation approaches. In other words, the development of products and sales within an organisation must be effective and efficient to deliver the products and enhance service delivery.

The linkage ensures that employees at lower levels in the organisation have a clear set of targets for actions, decisions and improvement activities (Kaplan & Norton, 1992:75). These objectives must be carefully designed to enable the process to run smoothly.

### **2.4.4 Learning and Growth Perspective**

This element assesses the employee capability. It also looks at the quality of the information systems and its effects towards the support of the employees (Zairi & Jarrar, 2010:4). It always depends on individual organisation's to measure the level of intangible assets whether they are aligned with their strategy. These are (Cribb, 2005:2):

- Human capital: The skills, talent and know-how of the organisation's employees or strategic competences;
- Information capital: The information systems, networks and technology infrastructure of the organisation or strategic technologies; and
- Organisational capital: The ability of the organisation to mobilize and sustain the process of change required to execute the strategy. This concentrates on the organisation's culture, its leadership, how aligned its people are with its strategic goals and employee's ability to share knowledge to create the climate for action.

Every organisation must have a collective goal of enhancing the development of their employees in order for them to understand their contribution to the strategy. This can be attained by listening to the side of employee suggestions that the management should decide on their implementation. The employee capacitating and training creates a suitable environment that leads to satisfaction, retention and acquisition of skilled employees within the organisation. The emphasis of learning and growth constitutes the essential foundation for success and allows employees to readily get help when encountering problems.

Sartorius, Trollip and Eitzen (2009:52) indicate that learning and innovation influence the efficiency of business process. It also promotes customer satisfaction. Satisfied customers enable the institutions to increase the profit margin. The BSC emphasises strong linkages to strategy (Kaplan & Norton, 1996a, 1996b, 2001) which evolved from a performance measurement tool to a strategy implementation framework. In addition, a balanced scorecard is a process and framework that facilitates strategy development and strategic management. It provides performance metrics to measure success against the strategy. This forces managers to consider all the important operational measures together. The BSC allows them to assess the improvements achieved.

## **2.5 THE CAUSE-AND-EFFECT RELATIONSHIP OF THE BALANCED SCORECARD**

The BSC is determined by competitive advantages that focus on factors such as intellectual capital, knowledge creation or excellent customer orientation (Figge *et al.*, 2002:270). The following pointers are offered for attaining the organisational objectives (Arveson, 2003:10):

- Knowledge and skills of employees is the foundation for all innovation and improvements;
- Skilled, empowered employees will improve the way they work;
- Improved work processes will lead to increased customer satisfaction; and
- Increased customer satisfaction will lead to better financial results.

The BSC supports the alignment and management of all activities according to their strategic relevance. By formulating, defining the goals and measures based on top-down

strategies from the financial perspective through other perspectives. The cause-and-effect chain has the fundamental role to the balanced scorecard.

If causes-and-effect relationships are not adequately reflected in the BSC, it will not translate and communicate the organisation's vision and strategy (Martinsons, Davison & Tse, 1998:83). Consequently, it is important for the managers to know the causal relationship among events. Such knowledge determines the assessment of the effects and consequences of an action (Norreklit, 2000:71).

Ghosh and Mukherjee (2006:63) state that if any area is either overemphasised or underemphasised, the performance evaluation will become unbalanced. In this way, the aim of the concept is to establish a set of measures that can control its activities and balance various measures to effectively track performance. Once the identification and alignment are captured the institutions will have to define the indicators, targets and measures in order to control the process to be implemented. This steers the corporate performance towards the achieving strong corporate contributions to sustainability (Figge, Hann, Schaltegger & Wagner 2002:281).

## **2.6 ADVANTAGES OF USING THE BSC**

The BSC is used by several organisations throughout the world because of its value. The following are the advantages of the BSC (Sinha, 2006:79-80):

- Translates the vision and strategies into action;
- Defines the strategic linkages to integrate performance across organisations;
- Communicates the objectives and measures to a business unit;
- Aligns the strategic initiatives in order to attain the long-term goals;
- Aligns everyone within an organisation so that all employees understand how they support the strategy;
- Provide a basis for compensation for performance; &
- The scorecard provides feedback to the senior management if the strategy is working.

## 2.7 THE BENEFITS OF THE BALANCED SCORECARD

The concept and the basic idea behind the BSC focused much on the traditional financial measures alone. In this changed business paradigm, the BSC throws an insight into an organisation's performance by integrating financial measures with the four key performance indicators (perspectives). Such integration enables organisations to track the short-term financial and operational results while monitoring progress for future growth, development and success. Figure 2.2 illustrates the benefits the BSC.

**Figure 2.2 benefits of the balanced scorecard**



Source: Marr (2012)

Developing organisational strategy through the BSC also minimises participants' subjectivity as they take part in the strategy-setting process. This enhances the managers' ability to assess all programs for strategic impact without bias (Ronchetti, 2006:28). This approach also helps them to instil independence for safeguarding the measures planned. The BSC raises visibility on what is going on and identifies what most needs to be changed

in order to help the organisation to identify best practice and opportunities for innovation, feedback and accountability.

Mooraj, Oyon and Hosttetler (1999:484) emphasise that the BSC improves productivity and concentrates on areas which could add value to the business. Currently, few public institutions engage themselves fully with the implementation of the BSC in terms of assisting the organisation in the following ways.

## **2.8 IMPLEMENTING A BALANCED SCORECARD**

The balanced scorecard follows all the important components of an organisation's strategy from continuous improvements and partnerships to teamwork on a global scale. That allows organisations to excel (Kaplan & Norton, 1992:172). The BSC allows senior managers to fundamentally consider the performance measures from four important perspectives. The approach has altered drastically to the point where performance measures needs to be consistent with the initiatives in many organisations. By merely combining the four perspectives, the balanced scorecard helps the management to clearly understand the correlation between interrelationships.

The significant advantage of utilising the balanced scorecard method is perceived by linking all four aspects of the organisations performance which clearly signifies that there is balance within the organisation. By using the BSC approach the immediate future is not the matter of concern unlike focusing on long-term goals and objectives. In the final stage of the BSC utilisation, an organisation must be sure that the strategic actions and decisions implemented match the needs of their desired outcome. The BSC application purpose helps managers to agree and articulate the strategic destination, road mapping their organisation and monitor the required activities for success. The successfully implemented BSC must clarify the reasons for existence and future projections must be part of a bigger strategy for organisational growth and well developed accounting methods. The balanced scorecard helps everyone in an organisation understand and work towards a shared vision. Table 2.2 presents the nine steps for implementing a successful BSC.

**Table 2.2 The nine steps for implementing a successful BSC**

| STEP(S) | NINE STEPS TO SUCCESS  |
|---------|--|
| Step 1  | An assessment of the organisation's mission and vision, challenges and values  |
| Step 2  | Development of the elements of the organisation's strategy   |
| Step 3  | The strategic elements developed in Steps one and two are decomposed into strategic objectives   |
| Step 4  | The cause and effect linkages between the enterprise-wide strategic objectives are formalised in an enterprise-wide strategy map.  |
| Step 5  | Performance measures are developed for each of the enterprise-wide strategic objectives.   |
| Step 6  | Strategic initiatives are developed that support the strategic objectives.   |
| Step 7  | <ul style="list-style-type: none"> <li>• The implementation process begins by applying performance measurement</li> <li>• Software to get the right performance information to the right people at the right time.</li> </ul>  |
| Step 8  | <ul style="list-style-type: none"> <li>• The enterprise-level scorecard is cascaded down into business and support</li> <li>• Unit scorecards, meaning the organisational level scorecard (the first tier) is translated</li> <li>• Into business unit or support unit scorecards (the second tier) and then later to team and</li> <li>• Individual scorecards (the third tier).</li> </ul> |
| Step 9  | An evaluation of the completed scorecard is done   |

Source: Sharma (2009:12-13)

## 2.9 CUSTOMER RELATIONS MANAGEMENT

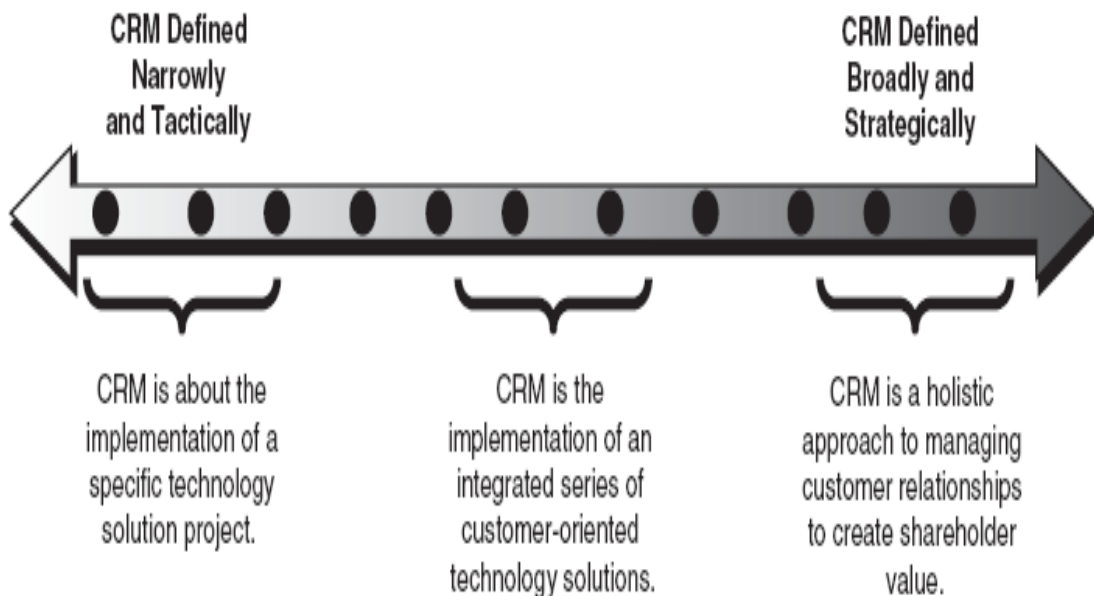
Customer relations management (CRM) refers to the institutional approach used for understanding and influencing customer behaviour (Dhman, 2011:15). This is done through meaningful communications in order to improve customer satisfaction, customer acquisition, customer retention and decrease customer loss (Dhman, 2011:15). The CRM

has the power of containing the organisational performance to improve in crucial aspects of customer acquisition, retention and development. The CRM focuses on (Prejmerean & Dima, 2006:40):

- Customer knowledge;
- Customer acquisition;
- Customer retention; and
- Customer development.

CRM helps the organisation to value its customers by providing equal quality of service available through various channels of information sharing and resolving matters of concern. Figure 2.3 illustrates the CRM continuum.

**Figure 2.3 The CRM continuum,**



Source: Dhman (2011:12)

### 2.9.1 Customer acquisition

Customer acquisition is the central foundation in building a customer base. It concentrates on the organisation's current offering, future profitability and contribution to overall business risk (Clow & Baack, 2012:99). It is clear that without a well-developed, focused and

successful customer acquisition strategy, customer retention and development would be irrelevant (Clow & Baack, 2012:99). Customer acquisition provides a key response to the challenges of competition, especially in the maturity stage of the product life cycle. It is any given time that organisations fears the demands of keeping current customer's needs and wants balanced. It is given that most organisations utilize new approaches and policies to acquire new customers. There are three (3) basic forms of customer acquisition which aims to (Clow & Baack, 2012:99):

- Develop existing or new customers;
- Develop existing or new products; and
- Brand programs.

The customer's acquisition process is typically concerned with the following issues that aims to (Dhman, 2011:20):

- Acquire customers at a lower cost;
- Acquire more customers;
- Acquire more attractive customers; and
- Acquire customers utilising new channels.

### **2.9.2 Customer retention**

By merely understanding customers better, the CRM can be utilised to select high value customers for improved customer service (Appiah-kubi & Doku, 2010:39). CRM improves customer retention and loyalty so that customers stay longer. The CRM also increases the customer's long term relations to the business (Appiah-kubi & Doku, 2010:39). Customer Retention is seen as a desirable way for maintaining and increasing market share (Kaplan & Norton, 1996:60).

Customer retention involves the integration of marketing, sales, customer service and the supply chain functions of the organisation to achieve greater efficiency and effectiveness in delivering customer value (Parvatiyar & Seth, 2001:5). It focuses on customer business development and building high profiled customer relationships with all stakeholders.

It is concerned with creating improved shareholder value through the development of appropriate relationships with the key customers and customer segments (Payne & Frow, 2005:168). This allows the institutions to be clearer in the identification of customer requirements to help the organisation to retain their customers for a longer period of time. Every customer has a different mindset and needs to fulfil. It is the duty of the organisation to be able to understand the mindset in order to deliver alternative solutions regarding the expectancy of positive results.

### **2.9.3 Sustained satisfaction**

This refers to the ability of an institution to produce products and services that satisfy their customers' needs and wants in a positive way (Dhman, 2011:15). Satisfied customers are considered as those who do not complain. These innovations arose because designers looked for better and different solutions that would make it life easier for their customers (Dhman, 2011:15). In business relationships a quality service does not simply satisfy the customer, but it enables the customer to grow successfully by utilizing your services effectively and efficiently. Some customers are frequent brand switchers or portfolio shoppers and others are simply interested in fulfilling their needs and wants, rather than product and service continuation (Dhman, 2011:15).

## **2.10 CONCLUSION**

This chapter outlined the relationship between the BSC and CRM regarding their fundamental perspectives on performance measures. Both of these phenomena were discussed with specific emphasis on their roles in the delivery of effective and efficient services to the communities around the ELM. This chapter alluded to the fact that there should be thorough planning which mainly focuses on achieving long term goals and objectives through strategic planning of mission and vision. CRM has been left unnoticed in the public sector domain and it has different customer development aspects that can be implemented to improve the delivery of services rendered by the municipality. Several successful municipalities around the country have followed the implementation of BSC to improve customer relationship measurement. For example, the ELM, Mogale City and the City of Johannesburg have improved their relationship with the community. However, the

process is still in its infant stage. These municipalities have established their dedicated CRM department to effectively and efficiently serve their communities with the inherent principles of Batho-Pele. The next chapter will put more emphasis on measuring customer relationship management in the Emfuleni Local Municipality.

## **CHAPTER 3**

### **MANAGING CUSTOMER RELATIONSHIP MANAGEMENT IN THE SEDIBENG DISTRICT MUNICIPALITY EMFULENI LOCAL MUNICIPALITY**

#### **3.1 INTRODUCTION**

From 2008-2010 the South African government witnessed an increase in episodes of service delivery protest. Such protests are likely to be triggered by customer dissatisfaction with municipal services. In most cases these protests spread to the whole country such as in the ELM.

Through media, it becomes evident that the community take every opportunity to ensure that their complaints are acknowledged. The IDP meetings have lost their meaning especially when the community uses it as a platform for protesting instead of planning for their development. The common issues raised mostly pertains to bad road conditions, lack of high mast lights, illegal dumping, high rates of unemployment and crime, lack of housing infrastructure and incomplete developmental projects in the respective locations.

The use of private sector consultants and contractors (labour brokers) has increased tremendously in public institutions. The private sector is sometimes used as a platform for rendering alternative services especially in the provision of professional expertise. Such expertise may include the customer surveys and the use of advanced technology used by the private sector for performance measurement and quality control. The deduction of this acquired expertise could profitably increase the levels required in the municipality. This process enables the municipality to be in the position to pay debts and minimise the costs for services rendered.

The employees are expected to be responsive to the needs of the public as this improves their utilisation of the BSC to enhance sound customer relationship management. This chapter focuses on the introduction of a better understanding for the management of customer relationship in a municipal arena.

### **3.2 THE APPLICATION OF CRM**

The way that public sector institutions utilise the CRM products and services is very different from how they are used in private institutions in the business world. The implementation and operations of CRM in the private sector always concentrates on increasing sales, customer retention and profits (participant observation) whilst the public sector is accountable for developing the community lives. The holistic purpose of private institutions is to generate income while public sector institutions do not sell many products and services, and they do not expect CRM to increase their revenue. In public sector institutions, the CRM is primarily concerned with the effective and efficient delivery of services to citizens.

The CRM systems that are usually deployed in public sector institutions typically offer multiple channels of communication. This helps the institution engage with their customers via emails, post, internet, telephone, facsimile or in-person (face to face). Through a proper implementation of every means of contact available, equal quality of service should have been established. This improves the required standard of information delivery by issuing resolutions to problems encountered by customers through various communication channels.

### **3.3 OVERVIEW OF THE STUDY**

The ELM is a category B municipality. In terms of the Municipal Structures Act No.117 of 1998, a category B municipality consist of a collective executive system combined with a ward participatory system. The ELM (previously KgotloTharoya Leko) is the biggest local municipality in the SDM situated in Vanderbiljpark, southern most area of the Gauteng Province. The overall total land area covers a maximum of 987.45km<sup>2</sup> (ELM, 2008:18).

**Map 3.1: Southern part of Gauteng Province & routes that leads to Emfuleni Local Municipality in Vanderbijlpark**



Source: Maps.Google.com

ELM comprises two main city/town centres, namely Vereeniging and Vanderbijlpark, which are strategically located within the two well-maintained national routes linking Johannesburg to two main cities (Durban and Bloemfontein). The ELM also contains approximately six large peri-urban townships of Evaton, Sebokeng, Sharpeville, Boipatong, Bophelong and Tshepiso (ELM Communications, 2010:1). There are other small suburban residential settlements that the ELM has invested in with their development and spatial plan. These settlements include Arcon Park, Bonanne, Steel Park, Duncanville, Unitas Park, Debonairpark, Sonlandpark, Waldrift, Rust-ter-Vaal and Roshnee (Communications, 2010:1).

### **3.4 ELM CORE STRATEGIES FOR THE YEAR 2010/11 IDP**

The Municipal Structures Act 117 of 1998(19)(1) delineates that a municipal council must strive within its capacity to achieve its objectives. The council must annually review the organisational and delivery mechanisms for meeting the needs of the community. The ELM made provision to incorporate its key performance indicators and performance targets into the IDP for several years. Nevertheless, the 2010/11 IDP of the ELM also identified and articulated the following core strategies that appeared in the previous year's IDP document (ELM, 2012:16-17):-

- Provision of basic services;
- Achievement of sustainable financial viability;
- Ensure good governance and institutional capacity;
- Deepening of democracy;
- Creation of a culture of effective communication;
- Ensure social and economic development;
- Promotion of safe, secure and healthy environment;
- Promotion of optimal spatial development; and
- Implementation of the turn-around strategy.

### **3.5 MUNICIPAL SERVICES**

The core strategies provide the framework for the reporting of ELM performance highlights for 2010/11. The quality of service is what a municipality must provide, through the careful management of their strategies and systems. They must often exceed the needs and expectations of their current and new external and internal customers (Albrecht, 1994:32). Table 3.1 provides the typical services provided by the municipality. The services are presented according to categories.

**Table 3.1 Municipal services**

| <b>INFRASTRUCTURAL DEVELOPMENT</b>                 | <b>ROAD INFRASTRUCTURE</b>           | <b>HOUSING</b>             | <b>FINANCE SERVICES</b>               |
|--|--------------------------------------|----------------------------|---------------------------------------|
| <b>Water supply service</b>                        | Streets                              | House                      | Municipal pay point                   |
| <b>Sanitation service</b>                          | Roads                                | Flat                       | Third Party (Retail/ shops) pay point |
| <b>Electricity supply</b>                          | Sidewalks                            | Hostel                     | Electronic payment (EFT)              |
|  | Pavements                            | Low Cost Housing           |                                       |
|  | Storm-water                          | (RDP)                      |                                       |
| <b>COMMUNITY PROTECTION SERVICES AND CORPORATE</b> |                                      |                            | <b>Access to media</b>                |
| <b>Refuse Removal</b>                              | <b>Community Protection Services</b> | <b>Corporate Services</b>  | Telkom landline                       |
|  | Municipal parks and playgrounds      | Community hall(s)          | Cell-phone                            |
|  | Municipal sports fields and Stadiums | Libraries                  | Radio                                 |
|  | Community services                   | Local Economic Development | Television                            |
|  | Fire department                      |                            | Municipal newsletter                  |
|  | Traffic (license office) services    |                            | Local newspaper                       |
|  | Police station                       |                            | National newspaper                    |
|  | Environmental protection             |                            |                                       |
| Protection of historical heritage                  |                                      |                            |                                       |

### **3.6 CRM DEPARTMENTAL FRAMEWORK OF ELM**

The CRM departmental framework is designed so that customers can easily access and find useful information on municipal services. Chapter 10 of The Constitution, Section 195 state the democratic values and principles governing public administration include the following principles:

- A high standard of professional ethics must be promoted and maintained;
- Efficient, economic and effective use of resources must be promoted;
- Public administration must be development-oriented;
- Services must be provided impartially, fairly, equitably and without bias;
- Public administration must be accountable;
- People's needs must be responded to, and the public must be encouraged to participate in policy-making;
- Transparency must be fostered by providing the public with timely, accessible and accurate information;
- Good human – resource management and career development practices to maximise human potential, must also be cultivated; and
- Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad presentation.

The Municipal Systems Act stipulates the guidelines in existence in the municipalities to guide the institution on how to govern and manage institutions. However, there are principles that can be identified on the ELM website under “contact us” (ELM, 2013). The opening page shows the address, phone number and facsimile number that directly link to the switchboard. It is essential for those that work at the switchboard to be well informed about development within the municipality. Chapter 2 of the Municipal Systems Act No.32; 2000 outlines the following duties for the municipal administration in order to build a sustainable relationship within their local communities. The respective duties expect the municipal administration to be responsive to the needs of the local community (Chapter 2 of Municipal Systems Act No.32; 2000:22:

- Establish clear channels of communication with the local community;
- Inform local community about the services which they are entitled to receive; and
- Inform local community how the municipal is managed, what it spends its money on, and who is in charge).

CRM is built around local communities as customers to manage beneficial relationships through acquiring information on different aspects of customers (Al-Khourri 2012:36). Underneath the contact details there is a web address (<http://www.emfuleni.gov.za>) that informs the general public of the latest news in and around ELM. The same webpage provides route directions to ELM main institutional offices from Pretoria, Johannesburg and the eastern bypass from Cape Town. The home page of ELM also keeps the local community abreast with local news. Nevertheless, a fully committed institutional staff and management are essential for an effective and efficient CRM implementation to best serve local customers by satisfying their needs and wants.

### **3.7 LOCAL GOVERNMENT MANDATE AND CRM**

CRM may be viewed as an inherent function of ELM according to their general powers of managing their territorial jurisdictions. According to the Municipal Systems Act 32 of 2000, the primary mandate of ELM is to exercise its legislative authority by developing and adopting policies, plans, strategies and programmes, including setting targets for delivery. This legal document has a great significant impact on roles and responsibilities of ELM management.

As outlined in the Customer Relationship Management Charter, the CRM covers almost all local government powers and responsibilities including planning, protection, legislation, regulation, revenue generation, enforcement and inter-governmental relations. CRM is a basic service of local government, which requires ELM to regularly allocate budgets for staff, maintenance and operations in support of local CRM programs. All these basic services cannot be delivered without the support and co-operation between ELM, local communities, private sector and other spheres of government. The CRM needs to be

accepted as a basic service due to long-term, sustainable, measured results and good positive results.

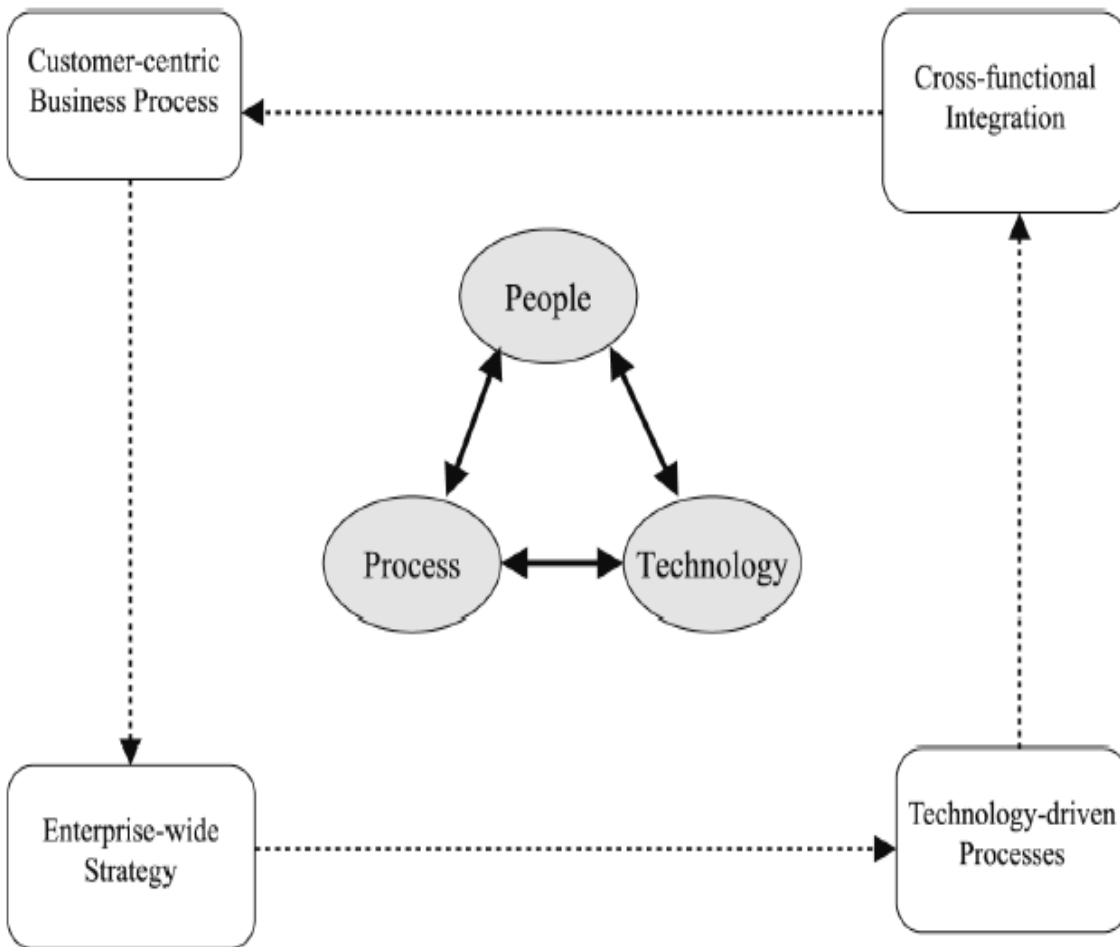
### **3.8 ORGANISATIONAL STRUCTURE OF CRM IN ELM**

CRM is an organisational structure designed for interaction and connecting to customer (citizens) from the outside to the inside and vice versa by creating a double-sided value through this process (Tohidi & Jabbari, 2012:578). CRM is not only about smiling, positivity and being welcoming at the front desk and giving urgent responsive feedback in the back office. CRM also depends on getting balanced performance measures into the right direction.

There is a strategic type of CRM that deals with the creation of customer-centric business culture by which a greater recognition value over competitors is also created through decisive improvements on organisation's resources (Rababah, Mohd & Ibrahim; 2012:23). The CRM processes in an organisation aims to an extensive formal assessment of various perspectives in order to increase and enhance the understanding of CRM. The strategic CRM refers to the implementation and tactical management of customer interactions, appropriate use of technology and a relationship with all relevant stakeholders.

To manage well-structured customer relations, the institutions are required to feed three CRM "giants" at the same time. These are corporate (operational) CRM, political (relational) CRM and function-specific (analytical) CRM (Nicol, 2006:11). All these components depend on information technology support and software development. So, it appears that CRM is perceived as a combination of "strategy" and "IT" that seeks human processes and technology to further understand and manage customers.

**Figure 3.1 Components of the CRM**



Source: Dhman (2011:26)

### **3.8.1 Operational CRM**

Operational CRM basically supports the actual contact with customers. It is organised and carried out by office employees and general automation of business processes, which includes the sales of products, services and marketing (Heczko & Stoklasa, 2013:84). All interaction and communication with the customer is captured and stored in the database for future reference so that it is easily accessible to workers at the ELM. The business process and technologies assist with the effective and efficient day-to-day customer operation within the organisation.

### **3.8.2 Analytical CRM**

Analytical CRM deals with predicting customer behavioural patterns that concerns customer's data analysis to improve business decisions. Analytical CRM help the organisation to predetermine better ways to help their customers. Its analysis builds on operational CRM and establishes information on customer segments, behaviour and value utilising statistical approaches (Mishra & Mishra, 2009:86). Operational CRM benefits management for monitoring and evaluation purposes. The customer data is integrated within consolidated centralised data warehouse systems with various principles (e.g., products, sales, profits and revenue). The municipality may utilise data mining tool analyses to compare the services purchased right away and what services were purchased eventually.

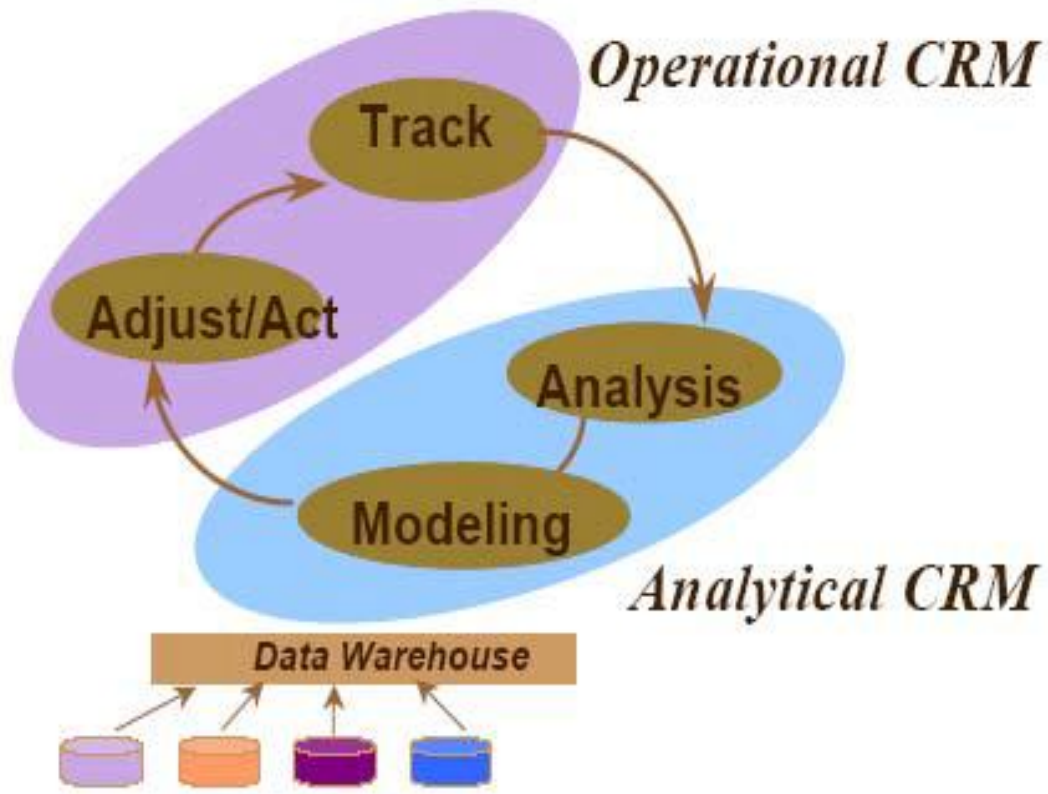
### **3.8.3 Collaborative CRM**

Collaborative CRM captures all information gathered along the distributive channels. It combines all departmental knowledge into a unified workable business design of sharing information about customers. Collaborative CRM manages customer integration using various coordinated, mixed sets of interacting channels. Institutions use email, telephone, facsimile, website pages (online shops) and call centres.

The institutions are required to guard against rivalry between department and employees which undermines any effort to achieve CRM. The goal of collaborative CRM within the institution is to maximise the sharing of relevant information acquired by all departments with the aim of increasing service standards provided to customers (Heczko & Stoklasa, 2013:84).

CRM is therefore interpreted and understood as a customer-oriented management principle. Sebestyenova (2007) in Mishra & Mishra (2009:86) refers to automation as using technologies including computer processing to make decisions and implement programmed decision processes. CRM system implementation is generally used in functional locations such as customer support and services, product sales. Figure 3.3 illustrates the CRM model.

Figure 3.2 CRM model



Source: Dhman (2011:19)

### 3.9 BENEFITS OF SERVICE AUTOMATION

Service automation has a crucial role to play in allowing institutions to deliver excellent and reputable customer service. The services required can be completed quickly for customer satisfaction through enhanced service effectiveness and efficiency to ensure that requests are handled from the moment of customer contact. Then the customer service agent will be able to respond on an up-to-date basis in order to resolve current issues.

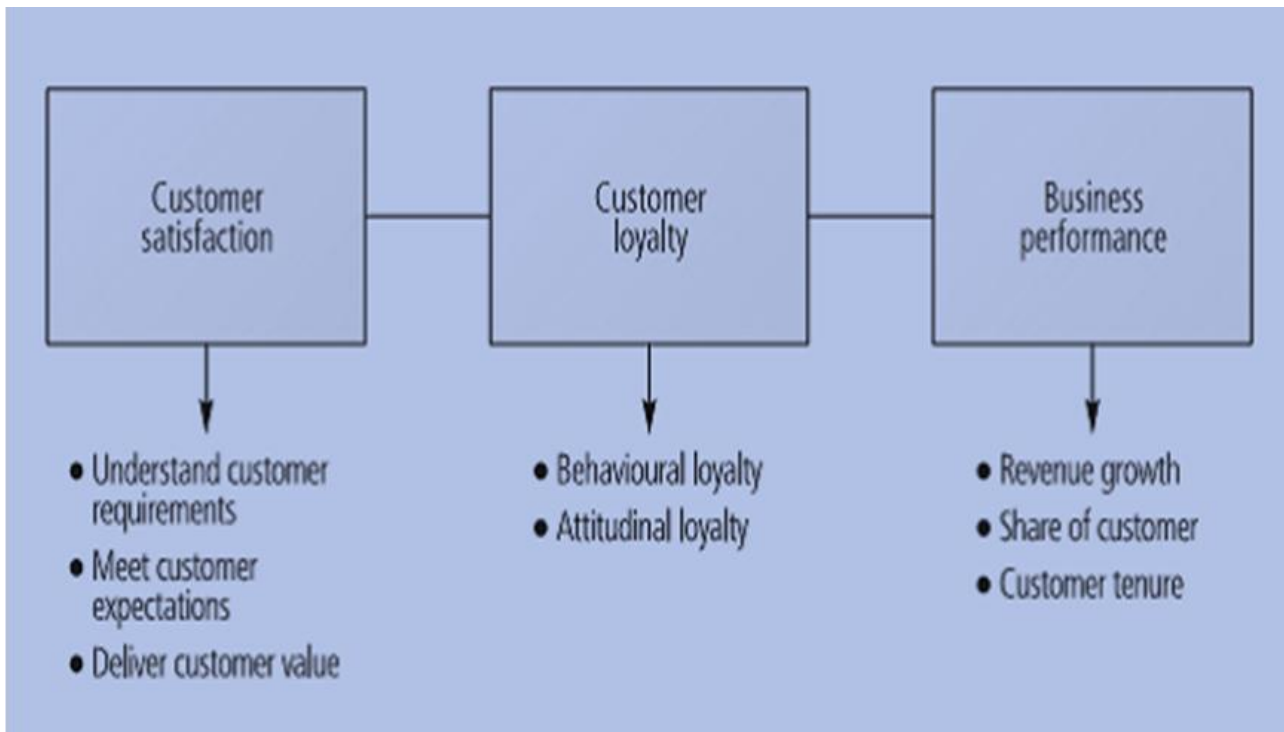
Call centre management systems ensure the optimal number of agents with greater services are always scheduled and utilised productively. The workload must always be equitably and optimally distributed. All agents must have full access to the customer's

history data and service request. Agents need to ensure that the service delivery request is suitable for customer status or agreed service levels.

### 3.10 MANAGEMENT STRATEGIES TO IMPROVE CRM

Management is a process whereby people in leading positions utilise human and other institutional resources to undertake the responsibility. These are provided to fulfil a specific need and achieve the prescribed goals of the business (Kroon, 1995:7). The institution cannot, however, achieve its objectives on its own. Basic resources that the institution has at its disposal must be deployed in order to achieve its objectives and goals. Managers are there to actively guide the institution to the right direction until the set of goals have been achieved. Without the principles of management an institution is lifeless. Figure 3.4 illustrates customer satisfaction, loyalty and business performance.

**Figure 3.3: Customer satisfaction, loyalty and business performance**



Source: Dhman (2011:19)

The management of customer care involves the process of planning, organising, leading and controlling the resources of the institution. It aims to achieve the stated institutional

goals and objectives as productively as possible (Smit & de Cronje, 2002:11). A brief description of each of these fundamental management functions will further explain the concept and nature of management processes.

- *Planning*

Planning starts with the management function to determine the organisation's mission and vision in setting goals and objectives. This involves establishing ways of finding resources and strategies needed to determine the future positioning of the institution to reach that position (Smit & de Cronje, 2002:11).

- *Organising*

Organising is the next step in the management process. It must be viewed once the goals, objectives and plans have been determined. In this process, management has to allocate the organisation's human activities and other resources together for the relevant departments to execute. The duties, roles and responsibilities have to be clarified so that the policies and procedures can be established to achieve the set of goals and objectives. The success of every institution rests upon directing different resources towards the attainment of a common goal (Smit & de Cronje, 2002:11).

- *Leading*

Leading aims to motivate and supervise the human resources of the institution in such a way that their activities are aligned with the set formulated goals, objectives and plans. Managers are responsible and accountable for delivering the services. They cooperate with every individual to finally achieve the goals, objectives and plans of the institution (Smit & de Cronje, 2002:11).

- *Controlling*

Controlling is the fourth management process which gives the managers the authority to constantly make sure that the institution's progression is on the right course in order to attain its set of goals, objectives and plans. Control also enables institutional management

to identify, amend the plans and take into consideration the contextual factors which might compel them to revisit their set goals, objectives and plans (Smit & de Cronje, 2002:11).

### **3.10.1 Achieving Higher Customer Satisfaction**

Achieving higher customer satisfaction is realised by building long term loyalty with the current customers through increasing profit margin. The purpose of measuring organisational-level productivity aims to evaluate the efficiency with which inputs are transformed into (services) outputs (Anderson, Fornell & Rust, 1997:131). This occurs when customers feel that the goods and services that they buy have been specially produced for them. The high level of customer satisfaction include after sales service such as maintenance and update.

To achieve the highest level of customer satisfaction, an organisation always needs to invest on possible strategies. Securing high levels of customer satisfaction is very crucial in any business. Satisfied customers are most likely to be faithful and come back to make repeated orders and make use of the services offered by a particular business.

### **3.10.2 Customer Care Service Charter**

A customer care service charter can be broadly defined as a published statement containing a list of customer entitlements, details regarding a licensee's services and information relevant to the relationship (Economic Regulation Authority, 2006:2). This customer care service charter guides the customer with regard to the CRM process and how they should expect to be treated when they visit the municipality.

The benefits derived from the charter usually commensurate with the effort invested for development of the holistic institution. The principle document establishes the terms and conditions of the relationship with the general public as customers. The charter binds the municipality, all politicians and all employees associated with the institution. Through this charter all stakeholders will achieve higher levels of employee satisfaction. This can be realised by providing good training, motivation, two-way communication and the necessary tools for endorsing and rewarding excellent performance.

### **3.10.3 Improving business efficiency and performance**

The business network plays a crucial role in improving business efficiency by ensuring customers, employees and suppliers get secure and precise information to improve business decision making processes and service delivery. Improving business efficiency is realised by means of providing reliable, responsive, competent, accessible, courteous, multi-optional, confidential and secured services (Greater Sekhukhune District Municipality, 2009:5). In South Africa, public institutions are guided by Batho-Pele principles in considering the value of a customer. Batho-Pele is an initiative to get civil servants to be service orientated, to strive for excellence in service delivery and to commit to continuous service delivery improvement (Greater Sekhukhune District Municipality, 2009:5). The principles are presented as follows (Greater Sekhukhune District Municipality, 2009:5):

- Consultation;
- Setting service standards;
- Easy access;
- Ensuring courtesy and ethics;
- Providing information;
- Openness and transparency;
- Redress/ Dealing with complaints; and
- Best value for money.

ELM also subscribes to Batho-Pele principles which directly contribute to the building and support of local government in a coordinated manner in serving their local citizens. The success of municipal programmes and policies depends on institutions commitment to serve the people and to find ways to improve service delivery.

#### **3.10.3.1 Public Participation**

One of the strengths of the municipality is the area of communication and public participation mechanisms. Municipalities can conduct customer satisfaction surveys to engage with the population in the decision making process. The following forums and

mechanisms are used to improve the business efficiency and performance (Greater Sekhukhune District Municipality. 2009:12):

- Community feedback meetings (business labour and civil society);
- Media liaison (electronic and print media);
- Promotional materials (t-shirts, caps, posters, banners);
- Ward committees/community development workers (CDWs);
- Youth development;
- Women empowerment;
- Traditional leadership; and
- IGR and International Relations.

#### **3.10.4 Increasing Revenue by Rendering an Efficient, Effective and Economical service**

Meeting the needs of customers contributes to economic growth and development of the municipality (Carmel, 2002:11). To protect municipal service users who are paying for the services, the basic services must be enhanced to suit the quality of life of citizens. Many municipalities face a severe lack of funds in order to carry out their constitutional mandates (Khumalo, Ntlokonkulu & Rapoo, 2003:2). Policy makers are becoming increasingly economical and developmental in turning municipalities into effective and efficient service-oriented institution. A municipality is required to establish and organise its administration. This would enable the municipality to perform its functions through operationally effective and appropriate administrative units and mechanisms.

The municipality is compelled to improve overall revenue management within the institution. The primary responsibility of a municipality is to deliver services to its community. Section 75(A) of the Municipal Systems Act allows municipalities to levy and recover fees, charges or tariffs in respect of municipal service delivery functions. They also need to recover the collection charges and interest on outstanding amounts (Municipal Finance Management Act, 2003:4). Municipalities must have access to adequate sources of revenue to enable it to categorise its systems and applications to be efficient and

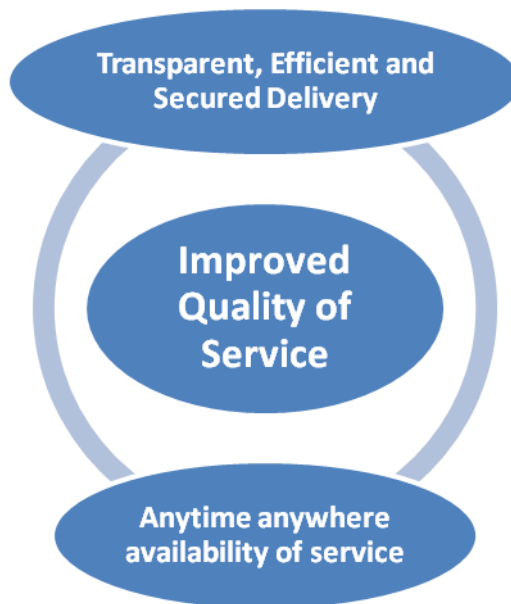
effective for services to be rendered in the most economical way. CRM drives substantial productivity and service level improvements for local governments.

### **3.10.5 The three primary objectives of citizen centric solutions**

The principles of accountability and responsiveness are two key guiding instruments of norms and values of public institutions that should be prompted by e-government web application systems. The publication of different reports and budgetary documents on the municipal websites have been practiced at ELM for dissemination of comprehensive annual financial reports. The changes may reduce cynicism towards government and restore faith in the municipal institutions and elected officials (Bayev, 2003:30).

E-Governance portals integrate with various municipal departments in such a way that it provides access to the customers through services that can be made available anytime anywhere. This minimises the time that each individual customer is supposed to wait at the municipal counter. It also helps in utilising the services outside the operational working hours. Figure 3.4 illustrates the three primary objectives of citizen centric solutions.

**Figure 3.4 The three primary objectives of citizen centric solutions**



Source: Chakravarti and Venugopal (2008:4)

The portal also allows the citizen and business to perform the transaction in a secure manner (Chakravarti & Venugopal, 2008:4). The e-governance portal improves the quality of services provided by the municipal departments in the prescribed manner. Transparent, efficient and secured delivery of services allows e-governance to trace the required standard of service requested by a customer and consolidate all the required information to provide the services needed.

### **3.10.6 The effective dissemination of information**

The municipality is required to take reasonable steps to ensure the users of services are informed of the costs involved in the service provision. This includes the reason for the payment of service fees, and the manner in which monies raised from the services are utilised (Umjindi Municipality Customer Care Policy, 2012:7). The interchange of information among the municipal representatives and customers leads to the more effective and efficient use of municipal information systems.

The effective dissemination of information through the application of audit surveys, employee feedback systems and customer feedback systems. The ELM can improve their information sharing through the better use of the conducted audit survey programmes. Municipalities use the application of audit surveys, employee feedback systems and customer feedback systems as part of the dissemination of information.

### **3.10.7 Installing a customer orientated culture**

Creating and installing a culture of customer service is important. Employees are encouraged to serve above and beyond in order to satisfy customers (Centre for the Study of Social Policy, 2007:11). It is a general norm that high performing institutions' objectives creates a favourable environment where every employee focuses on customer satisfaction. This requires a huge paradigm shift away from what is suitable for the institution to what is needed by the customers. Most public and private institutions fail because their strategy of relying on a single program, such as customer satisfaction and staff orientation sessions as a method of performance base compensation for the service users.

Instead a successful orientated culture requires multi-dimensional programmes such as (Centre for the Study of Social Policy, 2007:11):

- Management consultants;
- Customer satisfaction measurements;
- Employee feedback;
- Motivational programs;
- Training and on-going reinforcement.

Customer service and responsiveness must be firmly practiced and promoted throughout the institution.

### **3.10.8 Developing a customer care policy**

The ELM developed its customer care policy. The vision of customer care in the ELM serves as follows:

**Table 3.2 Vision and Mission statement**

|                |   |
|----------------|---|
| Vision         | A developmental city that continuously improves the quality of life of its community                    |
| Mission Values | Providing responsive, effective, efficient, and sustainable municipal services in a accountable manner. |
| Motto          | “Vaal River City, the Cradle of Human Rights”(Emfuleni Local Municipality, 2013:1)                      |

Source: Emfuleni Local Municipality (2013:1)

### **3.10.9 Developing a uniform complaints procedure**

A successful CRM initiative requires the integration of people, processes and co-operation of all stakeholders in order to achieve a common goal. The survey findings of customer satisfaction must always be published in the annual CRM booklet. The municipality must establish a uniform complaints procedure for identifying recurring complaints and proactively seek solutions for effective customer care (Umjindi Local Municipality, 2008:5&6).

To provide a framework for a structured uniform municipal system within the ELM, issues must be dealt with in a professional and confidential manner. Then the municipality will be able to manage complaints fairly and uniformly according to the set standard. The lack of uniformity in the development of a complaints procedure can cause uncertainty and inefficiencies, both on the side of customers and the municipality. It is advisable for ELM to ensure that they achieve uniform standards of CRM across municipal departments.

#### **3.10.10 Producing a customer care guide**

The service delivery review process places more emphasis on setting clear goals and priorities with a reduced cost of delivery while maintain or improving services and service levels. The customer care guide assists the municipality in providing a reliable, responsive, competent, accessible, courteous, multi-optional, affordable quality of service and to treat customers with understanding at all times, even under problematic circumstances.

#### **3.11 CONCLUSION**

This production of the customer care guide will increase the demand from the customers and facilitate a better life for all by making services more accessible, effective, and efficient. It allows customers to interact with various municipality departments without a waste of time and when there are complaints. The guide has a list of contact details of the person name and phone number responsible for a particular department. This is the only way the municipality can best serve their customers without delays.

## **CHAPTER 4**

### **RESEARCH FINDINGS AND INTERPRETATION OF RESULTS**

#### **4.1 INTRODUCTION**

The previous chapters of the study gave attention to the theoretical background of the concepts balanced scorecard and customer relationship management. The preceding chapters also described that there is indeed a service delivery problem with regard to service delivery protests in many South African municipalities, especially barricading roads in ELM. This chapter will provide a more detailed experience from all stakeholders' on the problem of handling customer services at ELM. The main purpose of this chapter is to present a report on the views and opinions of the research participants relating to CRM in the ELM.

All the stakeholders who have been selected were selected for the purpose of this study. They are divided into two (2) categories of residents as customers and the ELM institution. The public value approach is very significant whereby identified group of residents were asked questions in a form of interviews. The intention was to find amicable reasons on service delivery experiences regarding roads, houses, line of communication between the citizens and the ELM.

#### **4.2 RESEARCH METHODOLOGY**

The methodology strategy which has been utilised to collect data for the purpose of this study is questionnaires that were administered to identify respondent's personal views. A questionnaire is a formalised set of questions for obtaining information from respondents. The overriding objective is to translate the researchers' needs into a set of specific questions that respondents are willing to answer (Malhorta, 2004:176).

The respondents were requested to complete the questionnaire. The questions were presented in a Likert-scale format. Unstructured interviews were also facilitated. The researcher has great enthusiasm for the field of CRM, therefore, personal observations were also utilised in the collection of data valuable and useful for the purpose of this study.

### 4.3 POPULATION AND SAMPLE

The population is all community members who belong to a certain group that are identified to respond to the set of questions. A sample is a sub-set of the population that is usually chosen for the interviews conducted (Burgess, 2001:30). The respondents' demographic profiles will be analysed as this necessitates the representation of all stakeholders involved in the research. Their profiles will be kept as confidential as possible since they will help to solicit data collected during the data gathering process. The population size of the research is very important. For the purpose of this study the researcher wanted to understand the opinions of the group as it relates to the CRM. The research questionnaires were conducted from August 2013 to October 2013. The sample size is presented in Table 4.1.

**Table 4.1: Sample size in ELM**

| SUBJECTS/ELEMENTS                | AREA                                      | SAMPLE SIZE | SAMPLE |
|----------------------------------|---|-------------|--------|
| Service users<br>(community)     | Bophelong                                 | 12          | 50     |
|                                  | Boipatong                                 | 6           |        |
|                                  | Vanderbijlpark                            | 9           |        |
|                                  | Sebokeng                                  | 8           |        |
|                                  | Evaton                                    | 7           |        |
|                                  | Sharpville                                | 8           |        |
| Municipality<br>CRM unit Manager | Head:<br>Customer<br>Relationship<br>Unit | 1           | 1      |

Source: Interview sample

The CRM head in ELM represented the Municipality, including the local communities in the area surrounding ELM. The 50 local participants were selected respective local communities. The respondents that were given questionnaires totalled 51, including community members mostly affected by non-delivery of services such as houses near

dumping areas and irregular speed bumps. The population was randomly sourced from the ELM. The primary sample of this study comprised of the local citizens as customers of the ELM and the CRM manager who heads the customer relations management. Every respondent is required to state their place of residence in order to verify whether it falls under the jurisdiction of ELM. The participants were requested to be honest regarding the level of services rendered to them in order to capture the true reflection data gathering process that is relevant for the purpose of the study.

#### **4.4 RESEARCH RESULTS AND FINDINGS**

The research study was self-administered by the researcher. The purpose of the study was to measure customer relationship management in the ELM. The existence of CRM is now seen as the cornerstone of satisfying the needs and wants of the general public. Most community members do not consider the importance of the CRM. Lack of informing the government about community dissatisfaction limits the role of the municipality to plan and develop new strategies for improving customer care. The research results are based on two reports. The first report is based on the data collected from the community participants. The second report is based on the data obtained from the institutional questionnaire on their drive for improving customer care in the ELM.

#### **4.5 COMMUNITY QUESTIONNAIRES**

The following sections presents the results of the interviews conducted with the selected participants. Table 4.2 present the characteristics of the respondents that were consulted in the respective locations in the ELM.

##### **4.5.1 Characteristics of respondents**

Thirty six out of fifty respondents were females and most of them were working (middle class) who reside in areas around the ELM. During the administration of the questionnaires it was found that most of the female-headed families are the ones who become frustrated when their refuse was not collected. These families indicated that they ultimately got stuck with waste in their yards, which they had to dump on street corners. This contributes to an unhealthy environment.

**Table 4.2: Characteristics of respondents**

| VALUE LABEL           | FREQUENCY (v) | PERCENTAGE (%) |
|-----------------------|---------------|----------------|
| <b>GENDER</b>         |               |                |
| Male                  | 14            | 28%            |
| Female                | 36            | 72%            |
| <b>AGE GROUP</b>      |               |                |
| ≤20                   | 5             | 10%            |
| 21 - 25               | 10            | 20%            |
| 26 - 35               | 26            | 52%            |
| 36 - 45               | 6             | 12%            |
| 46±                   | 3             | 6%             |
| <b>CATEGORY</b>       |               |                |
| Youth                 | 41            | 82%            |
| Elderly               | 9             | 18%            |
| Disabled              | 2             | 4%             |
| Unemployed            | 11            | 22%            |
| Employed              | 39            | 78%            |
| <b>RACE</b>           |               |                |
| African               | 43            | 86%            |
| White                 | 5             | 10%            |
| Asia                  | 2             | 4%             |
| Coloured              | 1             | 2%             |
| <b>MARITAL STATUS</b> |               |                |
| Single                | 29            | 58%            |
| Married               | 21            | 42%            |
| Divorced              | 13            | 26%            |
| Widow                 | 11            | 22%            |
| Widower               | 2             | 4%             |

## Residential Data

The living patterns of the participants are represented in Table 4.3:

**Table 4.3: Type of residence**

| VALUE LABEL              | FREQUENCY (v) | PERCENTAGE (%) |
|--------------------------|---------------|----------------|
| House (formal housing)   | 22            | 44%            |
| Flat (formal housing)    | 8             | 16%            |
| Hostel (formal building) | 1             | 2%             |
| Low cost house (RDP)     | 18            | 36%            |
| Shack (Informal housing) | 1             | 2%             |
| TOTAL                    | 50            | 100%           |

All the participants reside in both the low income and the middle income households of the ELM. Most of the households earn a living. Some of the households are those that are directly affected by illegal dumping. Of the respondents, 60% lived in formal houses which are occupied by a family of four members. Some live with extended families. 36% of the respondents were of the opinion that their RDP housing was too small for four 4 members. Of the respondents, 2% were of the opinion that their hostel housing was not suitable for their families. The hostels are old and the conditions are unhygienic. 2% of the respondents complained about sanitation.

### 4.5.2 Identity Document

The respondents were asked to indicate whether they do have an identity document (ID).

**Table 4.4: Identity Document**

| VALUE LABEL     | FREQUENCY (v) | PERCENTAGE (%) |
|-----------------|---------------|----------------|
| Access to ID    | 50            | 100%           |
| No access to ID | 0             | 0%             |

Most of the respondents were South African citizens. In every country it is important for a citizen to have an ID. An ID enables the citizen to participate in the election process by

registering their names on the voters roll and for voting. Most of the services that are rendered in the public service also require residents to mention their ID number. The citizens may also use their IDs to enter into legally binding contracts, such as a bank loan, opening a retail clothing or furniture account, or vehicle loans. In some cases an ID can be used to apply for job opportunities either in the public or the private sector. Furthermore the ID is used for community surveys (CENSUS) which analyses the needs assessment of the country in order to create a development plan for the country. The last community surveys were held in 2001, 2005 and 2011.

### 4.5.3 Educational background

The respondents were asked to describe their level highest educational qualification

**Table 4.5 Highest level of qualifications**

| VALUE LABEL           | FREQUENCY (v) | PERCENTAGE (%) |
|-----------------------|---------------|----------------|
| Never school attended | 0             | 0%             |
| Primary               | 4             | 8%             |
| Grade 8 – 11          | 13            | 26%            |
| Matric/Grade 12       | 7             | 14%            |
| Certificate           | 6             | 12%            |
| Diploma               | 5             | 10%            |
| Degree                | 9             | 18%            |
| Post graduate         | 6             | 12%            |
| TOTAL                 | 50            | 100%           |

The respondents value education. The most fascinating point is that most of the respondents improved their academic qualifications. The lowest is currently studying a secretarial course. Few did not complete their high school education. The study revealed that some of the respondents had professional qualifications such as training in education, nursing, financial management and artisans.

#### 4.5.4 Household

The respondents were asked to indicate the duration (number of years) of their stay in their current household.

**Table 4.6: Number of years in the household**

| VALUE LABEL | FREQUENCY (v) | PERCENTAGE (%) |
|-------------|---------------|----------------|
| ±1 yr       | 0             | 0%             |
| ±2yrs       | 3             | 6%             |
| ±5 yrs      | 9             | 18%            |
| ±8 yrs      | 17            | 34%            |
| ±15 yrs     | 21            | 42%            |
| TOTAL       | 50            | 100%           |

Most of the respondents stayed for long periods in their households. Of the respondents 76% lived for more than eight years in their current residence. The long duration shows that communities are suitably settled in their areas.

#### 4.5.5 Infrastructure development services

##### 4.5.5.1 Water supply service

The respondents were asked to indicate the type of water supply they have access to. Since water is a basic service, most (98%) of the respondents had access to water services. 2% lives in the informal housing by renting an outside room on someone's property.

All of the respondents have water supply connected in their households and the water infrastructure is always monitored and maintained by Metsi-A-Lekoa, a subsidiary of ELM. All the respondents have an excellent water supply with only four receiving satisfactory services in their households. 23 respondents were of the opinion that the ELM should give their citizens free access to water.

**Table 4.7: Type of water connection**

| VALUE LABEL          | FREQUENCY (v) | PERCENTAGE (%) |
|----------------------|---------------|----------------|
| House connection     | 49            | 98%            |
| Yard tap             | 0             | 0%             |
| Bore hole            | 0             | 0%             |
| Communal supply 200m | 0             | 0%             |
| No supply            | 1             | 2%             |
| TOTAL                | 50            | 100%           |

**4.5.5.2 Sanitation service**

The respondents were made to select the type of sewage (sanitation) used in their households

**Table 4.8: Type of sanitation**

| VALUE LABEL                              | FREQUENCY (v) | PERCENTAGE (%) |
|--|---------------|----------------|
| Flushing toilet                          | 48            | 96%            |
| Own sandpit toilet                       | 1             | 2%             |
| Ventilated Improved Pit<br>Latrine (VIP) | 0             | 0%             |
| Sandpit latrine                          | 0             | 0%             |
| No toilet                                | 1             | 2%             |
| TOTAL                                    | 50            | 100%           |

Of the respondents, 96% have flushing toilets in their households, which shows that the municipality is working tirelessly to serve the needs of the community. The 4% of the respondents had no access to sanitation since these respondents resided in informal settlements.

**4.5.5.3 Electricity supply**

The respondents were asked to indicate what kind of electricity supply they use in their households.

**Table 4.9: Types of electricity**

| VALUE LABEL | FREQUENCY (v) | PERCENTAGE (%) |
|-------------|---------------|----------------|
| Municipal   | 38            | 76%            |
| Eskom       | 12            | 24%            |
| TOTAL       | 50            | 100%           |

The municipality provides local communities with sufficient electricity. The pre-paid system is used by all citizens. They also indicated that they have access to purchase the prepaid electricity from the local shops, spaza shops and from their cell phones. 76% of the respondents use the municipal supply and 24% have access to Eskom and they can purchase the electricity from the petrol stations.

#### **4.5.6 Residential streets, roads, sidewalks and pavements**

##### **4.5.6.1 Tarred streets**

The respondents were asked to indicate whether they had tarred roads in their locations. 46% of the respondents reside in sub-urban areas where most of streets are tarred whilst 54% reside in the townships that do not have tarred streets.

**Table 4.10: Tarred streets**

| VALU LABEL         | FREQUENCY (v) | PERCENTAGE (%) |
|--------------------|---------------|----------------|
| Tarred streets     | 23            | 46%            |
| Not tarred streets | 27            | 54%            |
| TOTAL              | 50            | 100%           |

##### **4.5.6.2 Conditions of streets, roads, sidewalks and pavements**

The respondents were asked to indicate their opinion regarding the condition of streets, roads, sidewalks and pavements.

The respondents showed their disappointment in their untarred, streets, except with those that are regarded as main streets. About 46% of all respondents indicated that their streets

are inadequate. The state of roads was also not satisfactory due to. It is about 100% adequate conditions of the sidewalks and pavements. 54% of the respondents raised the issue of untarred streets, as well as tarred main streets with sidewalks of 1,5 meters.

**Table 4.11: Streets, roads, sidewalks and pavements**

| VALUE LABLE | FREQUENCY (v) | PERCENTAGE (%) |
|-------------|---------------|----------------|
| Streets     | 23 - 27       | 46% -54%       |
| Roads       | 48 - 2        | 96%- 4%        |
| Sidewalks   | 32 - 18       | 64% - 36%      |
| Pavements   | 17 - 33       | 34% - 66%      |

Most of the respondents suggested that the ELM must prioritise the road infrastructure projects in the IDP for fixing the potholes. 40% of the respondents were of the opinion that residents should start to be responsible in their use of community roads and proposed the extension of sidewalks so that pedestrians do not walk on tarred roads, which could cause accidents. The researcher has observed that the road infrastructure and accessible pavements are insufficient for the community.

#### **4.5.7Community Protection Services and Corporate Services**

##### **4.5.7.1 Refuse removal**

The respondents were asked to indicate whether the refuse is collected by the municipality and the frequency of collection.

It is the duty of the municipality to collect waste from the communities in order to control pollution of the environment. Refuse removal is a basic need in our society and therefore residents are charged a monthly fee. 90% of the respondents were satisfied with the refuse removal services rendered to them, whilst 5% of the respondents were not happy about the service.

**Table 4.12: Refuse removal**

| VALUE LABEL        | FREQUENCY (v) | PERCENTAGE (%) |
|--------------------|---------------|----------------|
| Collect refuse     | 45            | 90%            |
| Not collect refuse | 5             | 10%            |
| TOTAL              | 50            | 100%           |

The municipality has a fixed schedule for rendering this particular service. However, some days the refuse is not collected due to the service delivery days falling on a holiday. Sometimes the refuse is not collected because of municipal strikes and the maintenance of the vehicles.

#### 4.5.7.2 Disposal of refuse

The respondents were asked to specifically indicate the way they dispose their waste

**Table 4.13: Disposing waste removal**

| VALUE LABEL  | FREQUENCY (v) | PERCENTAGE % |
|--------------|---------------|--------------|
| 240 L bin    | 5             | 10%          |
| Black bags   | 23            | 46%          |
| Communal bin | 0             | 0%           |
| Illegal dump | 19            | 38%          |
| Burn         | 3             | 6%           |
| TOTAL        | 50            | 100%         |

In the ELM, there is a scheduled programme for waste collection. The majority of respondents highlighted that the municipality did not give them the 240L bin and they cannot afford to buy black refuse bags. 46% of the respondents indicated that they purchase the black refuse bags themselves. Whereas some households use the 240L bins to dispose refuse. 38% of the participants indicated that they dump their waste illegally because they did not have refuse bags and sometimes the waste collection service is inadequate.

### 4.5.7.3 Waste collection

The respondents were asked to indicate how regularly their waste is collected. 100% agree that waste is regularly collected. All respondents mentioned that when the waste is not collected they do not know what to do with their waste as they do not have refuse storage bins. Also, some live in open yards, where dogs could tear open the refuse bags in search of food

**Table 4.14: Waste collection frequency**

| VALUE LABEL   | FREQUENCY (v) | PERCENTAGE (%) |
|---------------|---------------|----------------|
| Daily         | 0             | 0%             |
| Weekly        | 50            | 100%           |
| Monthly       | 0             | 0%             |
| Twice a month | 0             | 0%             |
| Not collected | 0             | 0%             |

Some even complained about rodents which are attracted by the refuse which is stored in their residence. Furthermore, when waste is not collected on the specified day then provision must be made for the next day.

### 4.5.7.4 Access and usage of community protection services and corporate services

The respondents were asked about their involvement with and participation in community protection services and corporate services. The respondents were required to have multiple responses based on the variety of community protection services rendered by the municipality.

In terms of municipal parks and playgrounds the respondents (74%) were very excited about the manner in which the municipality renders these services \. Although, 26% of respondents cited negative sentiments about services that were not accessible in their area. With regard to municipal sports fields and stadiums, the respondents (84%) were satisfied as they had access to various sporting fields. However, it was indicated that some of the sports fields and stadiums are not maintained on a regular basis.

**Table 4.15: Access and usage of community protection**

| VALUE LABEL                          | FREQUENCY (v) | PERCENTAGE (%) |
|--------------------------------------|---------------|----------------|
| Municipal parks and playgrounds      | 37            | 74%            |
| Municipal sports fields and stadiums | 42            | 84%            |
| Community services                   | 47            | 94%            |
| Fire department                      | 39            | 78%            |
| Traffic (license office) services    | 50            | 100%           |
| Police department                    | 50            | 100%           |
| Environmental protection             | 28            | 56%            |
| Protection of historical heritage    | 34            | 68%            |

It was also indicated that the lack of maintenance in the respective sporting fields results in vandalism, theft and crime related activities. 94% of the respondents were happy with the availability of services within the municipality and 6% did not know about the existence of this particular department. 78% of the respondents were satisfied about the response of the fire response team. However, it was indicated that emergency services are delayed on some days.

The respondents wanted the fire department to teach the community how they can best secure their property when exposed to fire. In traffic and police departments the respondents (100%) were highly- satisfied because the municipal traffic officials are always visible and accessible to the community.

With regard to environmental protection services, the respondents (56%) were of the opinion that the municipality must at least cut tall grass to enforce environmental safety for the communities. 44% of the respondents cited that the municipality must plant more trees in order to beautify and protect the environment. 34% of the respondents were interested in the establishment of heritage sites to strengthen the culture of Ubuntu and the rainbow nation. Heritage sites are also associated with the legacy of the 2010 FIFA World Cup that was hosted in South Africa. The municipalities gathered communities in fan-parks and mini parks to watch the scheduled games. Such events allowed the community to interact as

they watched the matches and supported their favourite soccer teams. The researcher of this study also supports the establishment of the heritage sites for enhancing sustainable livelihoods.

#### **4.5.7.5 Access and usage of community hall, libraries, LED & IDP**

100% of the respondents were pleased with the way the community hall and the library respectively are managed. Other respondents were of the opinion that community libraries need to be advanced so that community members do not need to travel to other areas to make use of these services. The local economic development (LED) perspective has to be made accessible to all. Only 26% of the respondents were aware of LED programmes Local Economic Development programmes implemented in the municipality. Out of 24% of the respondents who are aware, only 5% are the ones directly benefiting from LED.

**Table 4.16: Access and usage of community hall, libraries, LED and IDP**

| <b>VALUE LABEL</b>              | <b>FREQUENCY (v)</b> | <b>PERCENTAGE (%)</b> |
|---------------------------------|----------------------|-----------------------|
| Community hall(s)               | 50                   | 100%                  |
| Libraries                       | 50                   | 100%                  |
| Local Economic Development      | 13                   | 26%                   |
| Integrated Development Planning | 45                   | 90%                   |

About 90% of the respondents were aware of and took part in the development programme for their areas. The IDP is crucial in developing and improving the lives of ordinary local citizens. In Bophelong, 15% of the respondents complained about the newly built taxi rank, which is not operational due to socio-political issues in the IDP processes.

#### **4.5.7.6 Finance services**

The respondents were asked the way in which they prefer to pay for municipal services. The municipality needs to make the pay point systems accessible to the community. Of the respondents, 34% preferred to pay at the municipality pay point. 56% of the respondents

preferred to pay in the shops. The municipality needs to increase their pay points by being accessible in malls so that the community can pay as easily as possible. Only 10% of respondents preferred the electronic payment method.

**Table 4.17: Preferred payment system**

| VALUE LABEL                           | FREQUENCY (v) | PERCENTAGE (%) |
|---------------------------------------|---------------|----------------|
| Municipal pay point                   | 17            | 34%            |
| Third Party (Retail/ shops) pay point | 28            | 56%            |
| Electronic payment (EFT)              | 5             | 10%            |
| TOTAL                                 | 50            | 100%           |

#### 4.5.8 PUBLIC PARTICIPATION AND COMMUNICATION WITH THE MUNICIPALITY

##### 4.5.8.1 Access to media

The respondents were asked how they communicate with the municipality.

The specified percentage of the population has access to these sources of media. Table 4.18 shows the majority of respondents had access to media. The respondents suggested that the municipality must try to keep the balance of sourcing information to the community.

**Table 4.18: Access to the following sources of media**

| VALUE LABEL             | FREQUENCY (v) | PERCENTAGE (%) |
|-------------------------|---------------|----------------|
| Telkom landline         | 17            | 34%            |
| Cellphone               | 42            | 84%            |
| Radio                   | 36            | 72%            |
| Television              | 40            | 80%            |
| Municipal newsletter    | 18            | 36%            |
| Local newspaper         | 31            | 62%            |
| National newspaper      | 5             | 10%            |
| Municipal notice boards | 9             | 18%            |
| Internet                | 35            | 70%            |

The respondents who are still using the Telkom landline were about 34%, with cellphone users constituting 84% of respondents. The cellphone seems to be the preferred means of communication because of its flexibility. Lately, municipal correspondence is communicated by means of the short message system (SMS). The SMS can be used as a quick method for transmitting municipal bills, like traffic fines and other rates. Most of the respondents listen to radio (about 72%) and watch television (80%). 36% of the respondents receive municipal newsletters after some time and those who have access to local newspaper are about 62%.

Some respondents (10%) indicated that they preferred reading national newspapers such as The Star, Sowetan, City Press and Sunday Times. Municipal notice boards are also used to inform the community about municipal activities. Most of the respondents (70%) indicated that they have access to internet which they access through their cellphones, in the workplace and from an internet cafe.

#### 4.5.8.2 Service interruptions

The research respondents were asked to specify their service interruptions and complaints in their households during the last 2 years.

**Table 4.19: Service interruptions of water, sanitation and electricity supply**

| VALUE LABEL        | FREQUENCY (v) | PERCENTAGE (%) |
|--------------------|---------------|----------------|
| Water              | 29 - 21       | 58% - 42%      |
| Sanitation         | 2 - 48        | 4% - 96%       |
| Electricity supply | 37 - 13       | 74% - 26%      |

The community is very sensitive about the issue of water and electricity since these basic services are essential. 42% of the respondents stated that they are not made aware of service interruptions. 58% of the respondents were happy and their only concern was that the interruption of water must not take more than a week. 4% of the respondents reported that blocked sewage and the problem were fixed on the very same day.

74% respondents complained about load shedding in their areas. Seven respondents were of the opinion that the ELM, together with ESKOM, are supposed to raise the electricity voltage in substations to boost electricity supply around the ELM. Four respondents were of the opinion that citizens must always switch off electrical components that are not used in the afternoon and during the night.

#### 4.5.8.3 Service interruptions of residential streets, roads, sidewalks and pavements

The research respondents were asked to specify their service interruptions and complaints in their area during the last 2 years.

The high percentage of service interruptions shows the community needs progress in their respective areas. 86% of the respondents wanted developments. 92% were of the opinion that the interruptions were viewed to be positive, the municipality must start to prioritise the extension of the pavements. The respondents were very happy that the municipality is responsive to the issue relating to storm water drainage. 78% of respondents expressed their satisfaction regarding this matter. Very few respondents were not happy about the arrangement of their houses, particularly in the low cost house (RDP).

**Table 4.20: Service interruptions of residential streets, roads, sidewalks and pavements**

| VALUE LABEL                   | FREQUENCY (v) | PERCENTAGE (%) |
|-------------------------------|---------------|----------------|
| Streets                       | 43            | 86%            |
| Roads                         | 35            | 70%            |
| Sidewalks                     | 46            | 92%            |
| Pavements                     | 47            | 94%            |
| Storm-water (Drainage system) | 39            | 78%            |
| Housing                       | 48            | 96%            |
| Land Use Application          | 37            | 74%            |

#### 4.5.8.4 Service interruptions of Community Protection Services

The research respondents were asked to specify their service interruptions and complaints of community protection services in their area during the last 2 years.

**Table 4.21: Service interruptions of community protection services**

| VALUE LABEL                          | FREQUENCY (v) | PERCENTAGE (%) |
|--------------------------------------|---------------|----------------|
| Refuse removal                       | 32            | 64%            |
| Municipal parks and playgrounds      | 21            | 42%            |
| Municipal sports fields and stadiums | 18            | 36%            |
| Community services                   | 37            | 74%            |
| Fire department                      | 35            | 70%            |
| Traffic services                     | 39            | 78%            |
| Civic protection                     | 43            | 86%            |
| Environmental protection             | 17            | 34%            |
| Historical heritage protection       | 25            | 50%            |
| Corporate services                   | 36            | 72%            |
| Community hall(s)                    | 33            | 66%            |
| Libraries                            | 38            | 76%            |
| Local Economic Development           | 14            | 28%            |

#### 4.5.8.5 Service interruptions of Finance Services

The research respondents were asked to specify their service interruptions and complaints around the issue of finance within the last 2 years.

**Table 4.22: Service interruptions of Finance Services**

| VALUE LABEL  | FREQUENCY (v) | PERCENTAGE (%) |
|--|---------------|----------------|
| Municipal pay point trading services                   | 12            | 24%            |
| Third Party (Retail/ shops) pay point trading services | 38            | 76%            |
| TOTAL  | 50            | 100%           |

24% of the respondents raised concerns about the unstable level of service interruptions at municipal pay points. They complained systems being off-line which caused long queues and delays. 76% of the respondents were satisfied that they could pay at various third party pay points with pay-easy and never complained about standing in queues for hours at pay points without the internet services.

#### 4.5.9 Communication with the municipality

##### 4.5.9.1 Communication in case of service interruptions

The respondents were asked to indicate the communication channels that they utilize in cases of service interruptions

**Table 4.23: Communication in case of service interruptions**

| VALUE LABEL                                       | FREQUENCY (v) | PERCENTAGE (%) |
|---|---------------|----------------|
| Personal contact                                  | 9             | 18%            |
| Telephone contact                                 | 27            | 54%            |
| Visit their office in town                        | 12            | 24%            |
| Visit the municipal service centre near your home | 2             | 4%             |
| TOTAL   | 50            | 100%           |

42% of the respondents preferred to raise their concerns through face-to-face communication with the municipal office. Some of the respondents (54%) had the municipal numbers and emergency numbers when they need the assistance in this regard. 4% of the respondents required assistance in the centres which are situated near their homes because they do not want to spend money on travelling unnecessarily when they could also be helped in a convenient manner at municipal satellite offices.

##### 4.5.10: Attendance of municipal events

The respondents were asked to indicate whether they attend the municipal events

#### 4.24: Indication of attending municipal events

| VALUE LABEL            | FREQUENCY (v) | PERCENTAGE (%) |
|------------------------|---------------|----------------|
| Ward meeting           | 24            | 48%            |
| Imbizo                 | 11            | 22%            |
| IDP and Budget session | 15            | 30%            |
| TOTAL                  | 50            | 100%           |

48% of the respondents are playing active roles in their respective wards so that they are part of the decision making processes. The respondents who attended the imbizo were 22%. The IDP and budget processes are crucial to the benefit of the community, hence 30% of the respondents attend these kind of sessions.

#### 4.6 CUSTOMER CARE: INSTITUTIONAL QUESTIONNAIRE

The research results from Emfuleni Local Municipality are presented in the following section.

##### 4.6.1 Customer Care Management System

The ELM was asked to indicate whether they have developed the Customer Relationship Management system for the effective and efficient delivery of services to its community. The ELM indicated that they do not have this system up and running to serve all the departmental needs of the ELM. Most of the municipal units have their own strategies for dealing with customer care. The ELM has the CRM unit that is currently in operation and focuses only on corporate business issues. The structure is illustrated in Figure 4.3.

The ELM highlighted that the CRM is earmarked for future operations. The ELM customer relations unit developed a system that would centralise the CRM in the whole municipality. This means that everything would be linked to customer needs. There is a CRM central unit that is responsible for all customer queries.

The ELM was asked whether the municipality\_has the mechanism(s) which enable the users of services to give feedback about the services rendered to them. The response offered by the ELM was that there are no mechanisms for response in the form of a

feedback system. It was further highlighted that the process of updating customer data was being reviewed. The Municipality also make use of SMSs and e-mails to interact with the community.

The ELM was asked how to ensure that users of services are informed of the costs involved in service provision. The ELMs response indicated that all the users of services receive their municipality rates/ services and sundries account statement on monthly basis. The information on the statement always guides them about the costs of the money to be paid for the respective month.

The ELM was asked whether the municipality provide reasons for the payment of the service fees and inform the users of services about the municipal source of income. The response offered by the ELM indicated that the users of the services are provided with all the relevant information with regard to the financial aspects. On monthly basis the statement issued to the customers indicate the amount that is paid by the household. That includes:

- Water consumption;
- Free basic water;
- Refuse removal; and
- Assessment rates.

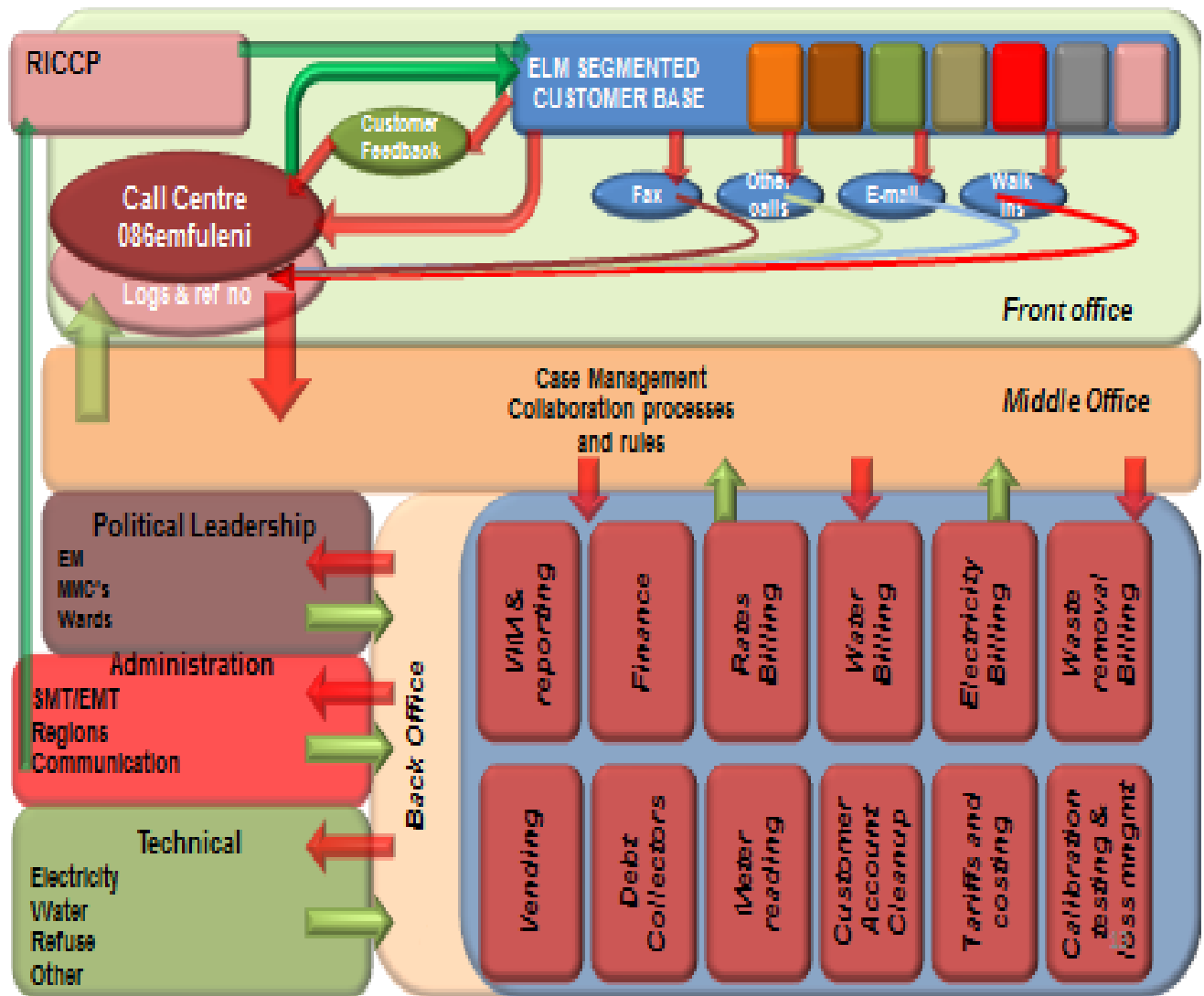
All financial transaction information is made available to the community as municipalities are compelled to apply such actions. The ELM indicated that the Municipal Finance Management Act and Municipal Systems Act guides the municipalities on how to manage the money by households for the provision of services.

**Figure 4.13: Emfuleni Local Municipality Revenue Improvement Customer Centricity Programme**



Revenue Improvement Customer Centricity Programme

*The approach - the high level operating model*



Source: Interview information issued during the interviews with the Emfuleni Local Municipality Customer Care Unit

The ELM was asked how the municipality informs users of services on the municipal utilisation of the income generated from the services provided to them. The ELM response offered was that such information is provided to the users of services. The municipality provides the users of services with information through the municipal website ([www.emfuleni.com](http://www.emfuleni.com)). There would be a Medium Term Budget allocation during November on how funds will be distributed. The municipality would then communicate this to service users. For the users to be informed this is communicated through various sources of media, like community radio stations, flyers, notice boards and imbizos.

#### **4.6.2 Customer enquiries, verification of meter systems**

The ELM was asked on whether the municipality has the mechanism to inform the individual users about the consumption of services provided to them. The ELM indicated that ward meetings are held regularly, State of the Municipality Addresses are given, and the IDP and budget meetings that inform the public about the services rendered by the municipality are held regularly. All municipal activities must be informed by the IDP in which the BSC also serve to translate the municipal objectives.

The ELM was asked whether the municipality receive queries from the users of services about inaccurate accounts. The ELM response offered was that they do receive queries that are related to inaccurate metered accounts. Such cases often result in non-payment for services which ultimately lead to the suspension of electricity services. Customers are always advised to verify the meter readings that the municipality charged with in their accounts with the meter readings in their households.

The ELM was asked what mechanisms are in place to respond to the inquiries/complaints presented by users of services. The response by the ELM indicated that there are mechanisms that are applied to respond to the inquiry made by the public. There are officials who respond to the respective households in order to diagnose the problem indicated. If it is a false meter reading it will then send a person to the complainant household to check and verify the meter system so that the municipality can resolve the issue. The ELM customer care unit developed a Geographic Positional System (GPS) that will assist with the inquiries presented.

#### **4.6.3 Response and corrective action**

The ELM was asked the length of time it takes to respond to the inquiries/complaints presented by the users of services. The ELM response offered was that it always depends on the type of queries the customers bring to the ELM customer care service unit. They are given time frames in terms of response time but one finds others taking longer than expected. The ELM was asked which mechanisms are used to monitor the response time and efficiency in complying with the inquiries/complaints presented by the users of services. The ELM response offered was that there are follow-up processes conducted to stabilise the conditions and analyse the cause of a problem.

#### **4.6.4 Payment and services**

The ELM was asked whether the municipality has accessible pay points to allow the users of services to settle their accounts. The ELM responded that there are limited pay-points at the municipality. Countrywide, municipalities are required to develop the revenue collection strategy for managing all the money that is due to the municipality. With that is an agreement between the municipalities and the retail shops for the collection of such funds. Customers are able to pay at third party pay points in their respective shopping complexes. The Customer Care Unit has now emphasised that they have to put stalls in Malls and Plazas around the area of Emfuleni Local Municipality because the majority of community members are now doing business in these areas.

The ELM was asked whether the municipality allow the users to make pre-payments for the services provided to them. The ELM responded that the municipality allows for pre-payment. The pre-payment is kept in the users account so that each month there would be credit balance in the users account until the money is exhausted in the municipal customers account.

#### **4.7 CONCLUSION**

The research results of the study revealed that the majority of citizens do receive services from the municipality. Non-payment and uninterrupted free basic services was observed mostly in ELM townships. It is very difficult for the ELM to manage customer relationship

management without the support system to deliver a quality service to local citizens. It was found that the corporate service in the ELM is directly responsible for customer concerns, and yet there was no draft customer care guide. The major cause identified by the researcher was that customer related matters are only addressed by senior personnel. Almost 90% of the respondents were fully aware of the basic principles of customer relations management and what are their constitutional rights based on CRM. The respondents overemphasised the fact that major decisions regarding delivery of services that affects their daily lives were taken without their endorsement.

## **CHAPTER 5**

### **CONCLUSION, FINDINGS AND RECOMMENDATIONS**

#### **5.1 INTRODUCTION**

The enhancement of the CRM is regarded as one of the major challenges encountered by many South African local government institutions including the Emfuleni Local Municipality. Municipalities are directly involved with and responsible for service delivery to local communities in their area of jurisdiction. The municipalities are always at the forefront of service delivery protests. Each and every municipality is now focused on finding ways and means to fulfil the obligation that is meant for the institution. It is expected that the delivery of services to the constituent communities must at all times be aligned with a broader policy framework of Batho-Pele principles. Community involvement plays a vital role in the Integrated Development Plan and Local Economic Development process. Such participation allows the community to raise their grievances and to be able to make inclusive decisions.

In the previous chapters of this study, it was found that CRM is not just a required tool to help the municipality to render quality service to the community, but a requirement for achieving service delivery standard that has to be always maintained. This chapter will attempt to propose measures of customer relationship management that the municipality can include in its development framework. This statement was noted and supported in chapter three as it covered the framework of CRM. Proper compliance of the ELM to subscribe to the principles of customer relationship management could promote accountability and continuous public participation. This chapter also provides a general overview of the whole research process which was conducted by the researcher in previous chapters. Research findings are based on the respondents' views. The recommendations are stated based on how the municipality can influence and encourage the citizens' active participation in customer relationship management.

## **5.2 RECOGNITION OF THE OBJECTIVES OF THE RESEARCH**

The objective of this study was to establish relationships that exist between the balanced scorecard, customer relationship management and performance management at the Emfuleni Local Municipality.

### **5.2.1 The achievement of the prescribed objectives of the research**

The following stated objectives were detailed and stipulated in chapter one of the study:

- Describe the concepts balanced scorecard, customer relationship management;
- Identify systems that are in place for measuring customer relationship management in the ELM;
- Understand the key benefits of using balanced scorecards in managing customer relationships in the ELM; and
- Offer recommendations that may assist the ELM in improving their local government-customer relationship.

The abovementioned objectives were achieved in the following discussion:

Chapter one provided the background of the study, the problems associated with CRM and the research design.

Chapter two gave the theoretical background and establishment for the research and the implications of the balanced scorecard. The general activities of an organisation were described through a number of performance measures for each of the four perspectives of the balanced scorecard. These perspectives are financial, customer, internal process, and learning and growth. The focus was mostly on the customer and the cause-and-effect relationship, which improves overall performance within the municipality.

Chapter three discussed the framework for CRM. In this chapter, the clarification of how CRM should be structured, defined and the integration of customer data was be discussed. The literature conducted in chapter three was used to demonstrate the role of CRM in institutions to address customer care. Chapter four outlined the research methods and

presented the data obtained from the interviews conducted. Respondent views and experiences were outlined regarding delivery of services to the community. Through chapter four, all affected community members were able to identify and rate the performance measures in the ELM.

### **5.3 FINDINGS**

The BSC arose with the need to improve the planning, implementing, controlling and executing the performance measurement functions of management accounting practice. The aim of the BSC is to direct, help manage and change in support of the longer-term strategy in order to manage performance effectively and efficiently (Sinha, 2006:73). A balanced scorecard is a systematic way for illustrating the overall activities of an organisation throughout a number of performance measures for each of the four perspectives.

The BSC also maintains the balance between the external performance measures and internal performance measures. The BSC also measures the organisations' past performance. Future performance measures are incorporated for the final objectives of the current performance measures. As a result, management attention should focus on a broad set of performance measures. Such measures aid the organisation to ensure high-quality, short-term results. It also guides the organisation's business aspects to achieve their strategic goals and objectives.

A BSC helps to view the organisational dimensions through a monitoring and evaluation system. Institutions need a disciplined framework to build the scorecard system that can help an organisation to rally behind a shared vision of success (Rohm, 2008:1). The measures are designed to pull the people towards the overall vision (Kaplan & Norton, 1992:180). The balanced scorecard further provides a comprehensive framework for the organisation policy-setting, decision-making and other activities that prompt consideration on how actions in one dimension of performance affect other dimensions.

The BSC calls for strategies that will make service delivery as efficient and effective as possible. The BSC enhances the likelihood for organisational success. The BSC provides better information on service performance and resource allocation. The BSC strengthens citizen involvement and access to services in an efficient and effective manner. It enhances customer relations management and encourages broad-based communication programs that can be shared amongst all employees. The BSC ensures high-quality customer service and encourages practical discussion that allows well-informed decisions making. The BSC describes how an organisation intends to create value for customers and links vision and strategy to employee's everyday actions into the overall success of the organisation.

The balanced scorecard is now used as a benchmark against which all new projects and businesses are evaluated. There must be a well-planned strategy in order to achieve the envisioned future as the environment in which the organisation operates is continuously changing. There is a need for the organisation to continuously monitor strategic performance results and check whether the organisation has met its objectives. Whilst the process of monitoring and evaluating of performance takes place, the analysis of the results obtained will also be reviewed with regard to the four perspectives of the balanced scorecard.

#### **5.4 RECOMMENDATIONS**

The section below presents the recommendations suggested by the researcher of this study:

- Encourage public education about municipal governance. To teach the public about the process of customer care. There is an increase in service delivery protests and this delays service delivery and municipal governance. This means that appropriate control of service delivery mechanisms must be established for the municipality to know exactly where there is an urgent need to focus on regarding CRM.
- Every household needs to receive an accurate bill that is delivered on time. The bill should be easy to read as well as clear and concise. This means that meter readings should always correspond with what local customers are charged.

- ELM customer relationship management must be available on a continuous basis, especially on holidays, e.g., during December.
- The municipal council must always ensure active participation by local citizens in the decision making processes through their ward councillor.
- The enhancement of customer satisfaction surveys is also suggested to facilitate a positive environment among the community members.

## **5.5 CONCLUSION**

This study discovered much on the principles of customer care. It indicates that the BSC is effective in the management of customer care in the municipal environment. This study has shown much improvement for developing the role of the customer as the service user of the municipal resources. CRM was also seen as an important tool for enhancing service delivery in the municipality. In the study it was found that the ELM has a customer care strategy and unit established. It was also interesting to find that the community is very happy with the service rendered to them. However, public policy does not favour all the citizens.

Furthermore, the study results show that there is always a room for development and for the ELM to be innovative. Furthermore, there are increased demands made by community members. In this regard, the municipalities are required to develop measures to engage in robust debates with the community. The responses from the participants in the study enabled the researcher to gather all relevant information. Therefore, the researcher can confidently conclude that this research will contribute immensely to researcher in the field of balanced scorecards, customer relationship management and performance measurement in local government.

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## APPENDIX 1: QQIBA COMMUNITY QUESTIONNAIRE

### COMMUNITY QUESTIONNAIRE

#### Section A

#### 1. DEMOGRAPHIC DATA

Location: \_\_\_\_\_

|     |                                   |         |         |          |            |       |
|-----|-----------------------------------|---------|---------|----------|------------|-------|
| 1.1 | Gender                            | Male    |         |          | Female     |       |
|     |                                   | 1       |         |          | 2          |       |
| 1.2 | Age group                         | ≤21     | 21-25   | 26-35    | 35-39      | 60+   |
|     |                                   | 1       | 2       | 3        | 4          | 5     |
| 1.3 | Respondents Category              | Youth   | Elderly | Disabled | Unemployed | Other |
|     |                                   | 1       | 2       | 3        | 4          | 5     |
| 1.4 | Do you have an Identity Document? |         |         |          | Yes        | No    |
|     |                                   |         |         |          |            |       |
| 1.5 | What is your race?                | African | White   | Asian    | Coloured   | Other |
|     |                                   | 2       | 3       | 4        | 5          | 6     |

#### EDUCATION BACKGROUND

1.6 What is the highest level of education you have completed?

|                       |         |                                |                  |             |         |        |               |
|-----------------------|---------|--------------------------------|------------------|-------------|---------|--------|---------------|
| Never Attended School | Primary | Junior Certificate/ Grade 8-11 | Matric/ Grade 12 | Certificate | Diploma | Degree | Post graduate |
| 1                     | 2       | 3                              | 4                | 5           | 6       | 7      | 8             |

1.7 What is your current marital status?

|     |                                      |        |         |          |       |               |
|-----|--------------------------------------|--------|---------|----------|-------|---------------|
| 1.7 | What is your current marital status? | Single | Married | Divorced | Widow | Never Married |
|     |                                      | 1      | 2       | 3        | 4     | 5             |

#### Employment

|     |                                 |          |               |              |
|-----|---------------------------------|----------|---------------|--------------|
| 1.8 | What is your employment status? | Employed | Self-Employed | Not Employed |
|     |                                 | 1        | 2             | 3            |

#### SECTION B

#### 2. INFRASTRUCTURAL DEVELOPMENT SERVICES

## 2.1 WATER SUPPLY SERVICE

| 2.1.1 What kind of water connection do you have access to |     |    | 2.1.2 How satisfied are you with the water services provided by the municipality? |              |                        |                             |
|---|-----|----|---|--------------|------------------------|-----------------------------|
| Water Supply Service                                      | Yes | No | Excellent   | Satisfactory | Totally Unsatisfactory | Not Completely Satisfactory |
| House connection  |     |    |   |              |                        |                             |
| Yard tap  |     |    |   |              |                        |                             |
| Borehole  |     |    |   |              |                        |                             |
| Communal supply 200m                                      |     |    |   |              |                        |                             |
| No supply   |     |    |   |              |                        |                             |

## 2.2 SANITATION SERVICE

| 2.2.1 What kind of toilet (sanitation) service does your household have access to |     |    | 2.2.2 Satisfaction with toilet infrastructure |              |                        |                             |
|---|-----|----|---|--------------|------------------------|-----------------------------|
| Types of Sewerage/ Sanitation Service   | Yes | No | Excellent                                     | Satisfactory | Totally Unsatisfactory | Not Completely Satisfactory |
| Flushing toilet   |     |    |   |              |                        |                             |
| Own sandpit/toilet  |     |    |   |              |                        |                             |
| Ventilated Improved pit latrine (VIP)   |     |    |   |              |                        |                             |
| Sandpit latrine   |     |    |   |              |                        |                             |
| No toilet   |     |    |   |              |                        |                             |

## 2.3 ELECTRICITY SUPPLY

| 2.3.1 Who supplies your electricity? |     |    | 2.3.2 Satisfaction with electricity supply |              |                        |                             |
|--------------------------------------|-----|----|--|--------------|------------------------|-----------------------------|
| Types of electricity supply          | Yes | No | Excellent                                  | Satisfactory | Totally Unsatisfactory | Not Completely Satisfactory |
| Municipal                            |     |    |  |              |                        |                             |
| Eskom                                |     |    |  |              |                        |                             |

## 3. RESIDENTIAL STREETS, ROADS, SIDEWALKS AND PAVEMENTS

| 3.1 | Are the streets tarred in your area? | Yes | No |
|-----|--------------------------------------|-----|----|
|     |                                      | 1   | 2  |

### 3.2 Condition of STREETS, ROADS, SIDEWALKS AND PAVEMENTS

| How is the condition of the following? | Adequate conditions | Adequate conditions, roads deteriorate before repairs | Inadequate conditions | Totally Inadequate |
|--|---------------------|---|-----------------------|--------------------|
| Streets                                |                     |   |                       |                    |
| Roads                                  |                     |   |                       |                    |
| Sidewalks                              |                     |   |                       |                    |
| Pavements                              |                     |   |                       |                    |
| Storm-water                            |                     |   |                       |                    |

### 4. HOUSING

| 4.1 | What kind of house do you stay in? | House | Flat | Hostel | Low Cost Housing (RDP) | Informal Resident/ Shack |
|-----|------------------------------------|-------|------|--------|------------------------|--------------------------|
|     |                                    | 1     | 2    | 3      | 4                      | 5                        |

| 4.2 | How many people, including yourself, are there in your household? | 1 | 2-3 | 4-5 | 6-7 | 8+ |
|-----|---|---|-----|-----|-----|----|
|     |   | 1 | 2   | 3   | 4   | 5  |

| 4.3 | How long did you live in your current home? | 1-4 | 5-10 | 11-20 | 21-35 | 35 and more |
|-----|---|-----|------|-------|-------|-------------|
|     |   | 1   | 2    | 3     | 4     | 5           |

### 5. COMMUNITY PROTECTION SERVICES AND CORPORATE SERVICES

#### 5.1 Refuse removal

| 5.1.1 | Does the municipality / contracted operator collect refuse in your area? | Yes | No |
|-------|--|-----|----|
|       |  | 1   | 2  |

| 5.1.2 | What do you use to dispose your domestic (residential) waste? | 240L bin | Black bags | Communal bin | Illegally dump | burn |
|-------|---|----------|------------|--------------|----------------|------|
|       |   | 1        | 2          | 3            | 4              | 5    |

| 5.1.3 | When is the waste collected? | Daily | Weekly | Monthly | Twice a month | Not collected |
|-------|------------------------------|-------|--------|---------|---------------|---------------|
|       |                              | 1     | 2      | 3       | 4             | 5             |

#### 5.2 Access and usage of community protection services and corporate services

| 5.2.1 Do you use the following services? |     |    |  | 5.2.2 Satisfaction community protection services |              |                        |                |
|--|-----|----|--|--|--------------|------------------------|----------------|
| Access and usage                         | Yes | No |  | Excellent  | Satisfactory | Totally Unsatisfactory | Not Completely |
|  |     |    |  |  |              |                        |                |

|                                      |  |  |  |  |  | Satisfactory |
|--------------------------------------|--|--|--|--|--|--------------|
| <b>Community Protection Services</b> |  |  |  |  |  |              |
| Municipal parks and playgrounds      |  |  |  |  |  |              |
| Municipal sports fields and Stadiums |  |  |  |  |  |              |
| Community services                   |  |  |  |  |  |              |
| Fire department                      |  |  |  |  |  |              |
| Traffic (license office) services    |  |  |  |  |  |              |
| Police station                       |  |  |  |  |  |              |
| Environmental protection             |  |  |  |  |  |              |
| Protection of historical heritage    |  |  |  |  |  |              |
| <b>Corporate Services</b>            |  |  |  |  |  |              |
| Community hall(s)                    |  |  |  |  |  |              |
| Libraries                            |  |  |  |  |  |              |
| Local Economic Development           |  |  |  |  |  |              |

## 6. FINANCE SERVICES

| 6.1 | How do you pay for the services rendered to your household? | Municipal pay point | Third Party (Retail/shops) pay point | Electronic payment (EFT) | Other |
|-----|---|---------------------|--------------------------------------|--------------------------|-------|
|     |   | 1                   | 2                                    | 3                        | 4     |

| 5.1.1 | Is the preferred pay point accessible? | Yes | No |
|-------|--|-----|----|
|       |  | 1   | 2  |

## 7. PUBLIC PARTICIPATION AND COMMUNICATION WITH THE MUNICIPALITY

### 7.1 Access to media

| Do you have access to the following resources |     |    |           | Satisfaction with modes of communications |                        |                             |  |
|---|-----|----|-----------|---|------------------------|-----------------------------|--|
| Access to media                               | Yes | No | Excellent | Satisfactory                              | Totally Unsatisfactory | Not Completely Satisfactory |  |
| Telkom landline                               |     |    |           |   |                        |                             |  |
| Cellphone                                     |     |    |           |   |                        |                             |  |
| Radio   |     |    |           |   |                        |                             |  |
| Television                                    |     |    |           |   |                        |                             |  |
| Municipal newsletter                          |     |    |           |   |                        |                             |  |
| Local newspaper                               |     |    |           |   |                        |                             |  |
| National newspaper                            |     |    |           |   |                        |                             |  |
| Municipal notice boards                       |     |    |           |   |                        |                             |  |

### 7.2 Service interruptions

| 7.2.1 Have you had a service interruptions and complaint in the last 2 years regarding the services provided to your household? |     |    |                | 7.2.2 Did you report the complaint |    | 7.2.3 Are you aware of the emergency number(s) for reporting service interruptions |    |
|---|-----|----|----------------|------------------------------------|----|--|----|
| Service interruptions   | Yes | No | Not applicable | Yes                                | No | Yes  | No |
| Water   |     |    |                |                                    |    |  |    |
| Sanitation  |     |    |                |                                    |    |  |    |
| Electricity supply  |     |    |                |                                    |    |  |    |
| <b>Residential Streets, Roads, Sidewalks and Pavements</b>  |     |    |                |                                    |    |  |    |
| Streets   |     |    |                |                                    |    |  |    |
| Roads   |     |    |                |                                    |    |  |    |
| Sidewalks   |     |    |                |                                    |    |  |    |
| Pavements   |     |    |                |                                    |    |  |    |
| Storm-water (drainage system)   |     |    |                |                                    |    |  |    |
| Housing   |     |    |                |                                    |    |  |    |
| Building Plans and Land Use applications  |     |    |                |                                    |    |  |    |

| <b>Community protection services</b>                  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|
| Refuse removal  |  |  |  |  |  |  |  |
| Municipal parks and playgrounds                       |  |  |  |  |  |  |  |
| Municipal sports fields and Stadiums                  |  |  |  |  |  |  |  |
| Community services                                    |  |  |  |  |  |  |  |
| Fire department                                       |  |  |  |  |  |  |  |
| Traffic services                                      |  |  |  |  |  |  |  |
| Civic protection                                      |  |  |  |  |  |  |  |
| Environmental protection                              |  |  |  |  |  |  |  |
| Protection of historical heritage                     |  |  |  |  |  |  |  |
| Corporate services                                    |  |  |  |  |  |  |  |
| Community hall(s)                                     |  |  |  |  |  |  |  |
| Libraries   |  |  |  |  |  |  |  |
| Local Economic Development                            |  |  |  |  |  |  |  |
| <b>Finance Services</b>                               |  |  |  |  |  |  |  |
| Municipal pay point trading services                  |  |  |  |  |  |  |  |
| Third Party (Retail/shops) pay point trading services |  |  |  |  |  |  |  |

### 7.3 Communication with the municipality

| In case of service interruptions, how do you communicate with the municipality | Yes | No | Never used/communicated with the municipality |
|--|-----|----|---|
| Personal contact   |     |    |   |
| Telephone contact  |     |    |   |
| Visit their offices in town  |     |    |   |
| Visit a municipal service centre near your home                                |     |    |   |
| Personal contact   |     |    |   |
| Telephone contact  |     |    |   |
| Visit their offices in town  |     |    |   |
| Visit a municipal service centre near your home                                |     |    |   |

### 7.4 Access to Media

| Do you attended municipal events | Yes | No |
|----------------------------------|-----|----|
| Ward meeting                     |     |    |
| Imbizo                           |     |    |
| IDP and budget session           |     |    |

**8. COMMENTS RECEIVED**

**Do you have any suggestions on how to improve the relationship between yourself (community) and the municipality?**

.....

***THANK YOU FOR MAKING TIME TO PARTICIPATE IN THIS RESEARCH STUDY, IT IS HIGHLY APPRECIATED.***

## **APPENDIX 2**

## **MUNICIPAL QUESTIONNAIRE**

### **Question 1**

- 1.1 Does the municipality have a customer care management system?
- 1.2 Does the municipality have a mechanism(s) which enable the users of services to give feedback about the services rendered to them?

### **Question 2**

#### **Information**

- 2.1 How does the municipality ensure that users of services are informed of the costs involved in service provision?
- 2.2 Does the municipality provide reasons for the payment of service fees?
- 2.3 Does the municipality inform the users of services about the municipal sources of income?
- 2.4 Are the users of services informed about how the municipality utilise the income generated from the services provided to them?

### **Question 3**

#### **Customer inquiries, verification of meter systems**

- 3.1 Does the municipality have mechanism to inform the individual users about the consumption of services provided to them?
- 3.2 Has the municipality received queries from the users of services about for inaccurate accounts (refer to the attachment)?
- 3.3 What mechanisms are in place to respond to the inquiries/ complaints presented by the users of services?

### **Question 4**

#### **Response and corrective action**

- 4.1 How long does it take to respond to the inquiries/ complaints presented by the users of services?
- 4.2 Which mechanisms are used to monitor the response time and efficiency in complying with the inquiries/ complaints presented by the users of services?

### **Question 5**

#### **Payment of services**

- 5.1 Does the municipal area have accessible pay points to allow the users of services to settle their accounts?

5.2 Does the municipality allow the users to make pre-payments for the services provided to them?

| <b>Municipal service delivery</b>       | <b>Yes</b> | <b>No</b> | <b>Not applicable</b> | <b>Requires improvement</b> | <b>Outcome</b> |
|---|------------|-----------|-----------------------|-----------------------------|----------------|
| <b>WATER SUPPLY SERVICE</b>             |            |           |                       |                             |                |
| House connection water supply           |            |           |                       |                             |                |
| Yard Connection                         |            |           |                       |                             |                |
| Communal Water Supply within 200metres  |            |           |                       |                             |                |
| Communal water supply                   |            |           |                       |                             |                |
| <b>SANITATION SERVICE</b>               |            |           |                       |                             |                |
| Flushing toilet service                 |            |           |                       |                             |                |
| VIPs (Concrete)                         |            |           |                       |                             |                |
| Sandpit Latrine (Own)                   |            |           |                       |                             |                |
| <b>HEALTH CARE SERVICE</b>              |            |           |                       |                             |                |
| Availability of health professionals    |            |           |                       |                             |                |
| <b>PROVINCIAL and MUNICIPAL ROADS</b>   |            |           |                       |                             |                |
| Potholes                                |            |           |                       |                             |                |
| <b>DOMESTIC REFUSE REMOVAL</b>          |            |           |                       |                             |                |
| Delayed collection                      |            |           |                       |                             |                |
| Lack of dustbins                        |            |           |                       |                             |                |
| Communal bin service                    |            |           |                       |                             |                |
| Illegal dumping                         |            |           |                       |                             |                |
| <b>COMMUNICATION WITH THE COMMUNITY</b> |            |           |                       |                             |                |
| Municipal newsletter, Newspaper         |            |           |                       |                             |                |
| Ward committees                         |            |           |                       |                             |                |
| Telephonic Communication                |            |           |                       |                             |                |
| Personal Contact                        |            |           |                       |                             |                |
| No communication with the municipality  |            |           |                       |                             |                |
| Suitability of the Newsletter           |            |           |                       |                             |                |
| <b>ELECTRICITY SUPPLY</b>               |            |           |                       |                             |                |
| Electricity supply                      |            |           |                       |                             |                |
| <b>IDP / BUDGET PROCESS</b>             |            |           |                       |                             |                |
| <b>IDP / Budget process</b>             |            |           |                       |                             |                |
| <b>MUNICIPAL PAYPOINTS</b>              |            |           |                       |                             |                |
| Municipal paypoints                     |            |           |                       |                             |                |
| <b>SPORTS FACILITIES</b>                |            |           |                       |                             |                |
| Usage of sports facilities              |            |           |                       |                             |                |
| Satisfaction with sport facilities      |            |           |                       |                             |                |
| <b>COMMUNITY FACILITES</b>              |            |           |                       |                             |                |

|  |  |  |  |  |  |
|--|--|--|--|--|--|
| Usage of facilities                              |  |  |  |  |  |
| Satisfaction with facilities                     |  |  |  |  |  |
| <b>VEHICLE LICENSING SERVICE</b>                 |  |  |  |  |  |
| Bookings, long quee                              |  |  |  |  |  |
| <b>LAW ENFORCEMENT VISIBILITY</b>                |  |  |  |  |  |
| <b>AFTER-HOUR EMERGENCY SERVICES</b>             |  |  |  |  |  |
| Satisfaction with after-hours emergency services |  |  |  |  |  |

***THANK YOU FOR MAKING TIME TO PARTICIPATE IN THIS RESEARCH STUDY***