

**Skills, Skills Development and Training within the  
Matlosana Municipality in the North West Province**

by

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*Dedication*

*This study is dedicated to my late brother Werner (\*1985 - †2003), who has always been my inspiration and whom I miss everyday.*

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## ***PREFACE***

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## LIST OF ABBREVIATIONS

<b>ASGISA</b>	= (Accelerated and Shared Growth Initiative for South Africa)
<b>CBOs</b>	= (Community-based organisations)
<b>DPLG</b>	= (Department of Provincial and Local Government)
<b>ETDP's</b>	= (Education, Training and Development Practitioners)
<b>ETQAs</b>	= (Education and Training Quality Assurance bodies)
<b>GDS</b>	= (Growth and Development Summit)
<b>GEAR</b>	= (Growth Employment and Redistribution)
<b>IDP</b>	= (Integrated Development Planning)
<b>IMATU</b>	= (Independent Municipal and Allied Trade Union)
<b>JIPSA</b>	= (Joint Initiative for Priority Skills Acquisition)
<b>KPI</b>	= (Key performance indicator)
<b>LED</b>	= (Local Economic Development)
<b>LGSETA</b>	= (Local Government Sector and Education Training Authority)
<b>MLD</b>	= (Municipal Leadership Development)
<b>NGOs</b>	= (Non-governmental organisations)
<b>NMC</b>	= (National Manpower Commission)
<b>NPI</b>	= (National Productivity Institute)
<b>NQF</b>	= (National Qualifications Framework)
<b>NSA</b>	= (National Skills Authority)
<b>NTB</b>	= (National Training Board)
<b>OECD</b>	= (Organisations for Economic Co-operation and Development)
<b>PCC</b>	= (President's Co-ordinating Council)
<b>RDP</b>	= (Reconstruction and Development Programme)
<b>ROI</b>	= (Return on investment)
<b>SALGA</b>	= (South African Local Government Association)
<b>SAMWU</b>	= (South African Mine Workers Union)
<b>SAQA</b>	= (South African Qualifications Authority)
<b>SARS</b>	= (South African Revenue Service)
<b>SDA</b>	= (Skills Development Act)
<b>SDF</b>	= (Skills Development Facilitator)
<b>SDLA</b>	= (Skills Development Levies Act)
<b>SETA</b>	= (Sectoral and Educational Training Authorities)

**T & D** = (Training and Development)  
**WSP** = (Workplace Skills Plan)

## CHAPTER 1

### INTRODUCTION AND PROBLEM STATEMENT

#### 1.1 INTRODUCTION

The need to transform the education and training system in South Africa became clear as far back as the early 1970's – the labour movement and the progressive education movement, acknowledged and exposed shortcomings in the education and training system (South African Local Government Association (SALGA, 2004)). Education and training have been neglected in the past in South Africa and this has inhibited functional flexibility. Undoubtedly, the Skills Development Act, hereafter referred to as (SDA) (97/1998) (South Africa, 1998) and various education and training initiatives will in time, increase the skills of the labour force and thereby enhance productivity. The educational level of the labour force has improved substantially over the last two decades, but there are still a considerable number of illiterate people in South Africa (Barker, 2003).

The prosperity of the South African nation, the creation of jobs for all those who are unemployed and the providing of adequate education to South Africa's younger generation, all depend on the economical situation in South Africa. The economy will have to be unwavering, and grow at a sustainable rate, in order to become established and secure. To achieve this success, South Africa can learn from what many other countries in the world have accomplished and that is; teaching the labour force new and better skills to enable South Africa to become an increasingly productive country. Whilst skills are not the only prerequisite, South Africa cannot make progress without this utility (Suttner, 2001). According to Black, Calitz and Steenekamp, (2003), low skills and illiteracy remain prevalent in South Africa and will continue to increase if not addressed.

Workers in South Africa are continually compared to those of other nations, not only in terms of the products and services they produce, but also in terms of their skills. According to the World Competitiveness Yearbook, (2000), South Africa's position does not look promising. The biggest challenge facing South Africa in the new millennium is that of rebuilding the economy. This process can only be successful if companies raise performance and

productivity standards through the method of enhancement and development of skills. (Grobler, Warnich, Carrel, Elbert, & Hatfield, 2002). According to the World Competitiveness Yearbook 2002, challenges facing South Africa in 2002 were that of improving education, and skills development. South Africa's evaluation improved from the 46<sup>th</sup> position in 2005, to 44<sup>th</sup> position in 2006 according to the World Competitiveness Report, 2006. The 2006 Report reflected that South Africa's overall Government Efficiency improved from the 34<sup>th</sup> ranking in 2004 to a 28<sup>th</sup> positioning in 2006. The Report also confirmed South Africa's improvement from last year's 40<sup>th</sup> position to this year's 38<sup>th</sup> position in overall Business Efficiency.

In the Human Development Index, which combines economic, social and education indicators, South Africa scored poorly, but programmes are in place to build more schools and address deficient skills such as illiteracy. In addition, attention will be focused on the upgrading of colleges and universities and the activities of overall career guidance. Collectively, South Africa's performance in the World Competitiveness Report shows a clear indication that the country is moving in the right direction, and with ASGISA (Accelerated and Shared Growth Initiative for South Africa) firmly in place, South Africa is set to become a serious player in the world economy. ASGISA is the latest training and development strategy adopted by government to improve the educational and training environment in South Africa (Mlambo-Ngcuka, 2006b).

Price, (2004), emphasised that there is no doubt that the World Competitiveness Report is able to pinpoint areas that need attention and resolution, but results also show that the learning curve of the past decade has been positive. Lessons have not been ignored. Government has become acutely aware of its weaknesses and is clearly putting policies in place to remove bottlenecks, improve strategy and address problem areas. As mentioned, ASGISA is focusing on implementing corrective structures and is committed to improving the educational and skills training environment, aided by the intense participation of business channels. Consistent improvement in South Africa's overall rankings in the World Competitiveness Report during the past three years provides a clear indication that the country is moving in the right direction, albeit slowly.

According to Fowler, (2003), the previous colonial and apartheid regimes have bequeathed to South Africa as a country, a legacy of under-development and poverty. One of the areas that this legacy has manifested itself in - is skills development. It is an indisputable fact that the majority of South Africans were denied access to formal education and training opportunities. The result is that many South Africans were excluded from the mainstream of the economy and consigned to eternal suffering and grinding poverty. Those who had to bear the brunt of this legacy are mainly Africans, especially women and people from the rural areas. Grobler, et al., (2002), states that the training and development of previously disadvantaged groups for entry into the job market, as well as their training for progression through managerial ranks, is thus a great challenge facing South Africa. To assist employees in this regard, the government has drafted two Acts, the Skills Development Act (97/1998) and the Skills Development Levies Act (9/1999).

A 2001 study conducted on training in Organisation for Economic Co-operation and Development (OECD) in (15) fifteen countries established that the majority of organisations believe or acknowledge that staff training results in productivity improvements, greater workforce flexibility, savings on material and capital costs, a more motivated workforce, and an improved quality of the final product or service (SALGA, 2004). The skills development legislation is based on the premise that organisations need to be encouraged to implement a good practice approach to education and training in the workplace if the objectives of the legislation are to be achieved.

In spite of the progress, there are still many problems within South Africa's education system. The most frequently mentioned are the shortages of trained and under-qualified personnel who are in teaching positions. The previous education system has failed to provide the skills required to the present educators, to enable them to positively contribute to the economy (Barker, 2003). With the exception of deep recession periods, labour shortages in certain skilled occupations are experienced during defined phases of the economic cycle in South Africa, and this will place a damper on economic growth and development if skills are unable to be readily absorbed into the market. Persons are appointed to certain occupations without being properly trained and are unable to perform the task efficiently (Barker, 2003). Grobler, et al., (2002), indicates that a lack of skills exists in South African organisations. On too



many occasions, organisations place an employee in a position for which he or she is unskilled. This difficult problem for management and for the employee can normally be remedied by training the employee and thereby removing the skill deficiency, or by transferring the employee to a job that requires the skills that the employee possesses. Reddy, (2004), commences that the ushering in of local democracy has indeed been a watershed in the history of local government in South Africa. Local government is at the cutting edge of change, as it will have to improve the quality of life of the local populace. The new democratic local government dispensation, as part of the new developmental paradigm, has to facilitate the process of service delivery at the local level to alleviate poverty and more importantly, improve the quality of life of the local citizenry. However, a major challenge relative to effective local governance is capacity building and skills enhancement, with particular emphasis on institutional and organisational development. South Africa has introduced “world class” legislation and a ‘best practice local governance model’ and swift actions need to be taken to ensure the efficient and effective implementation thereof. Monitoring and developing the required capacity and most importantly, ensuring the financial sustainability of the new system should receive priority attention (Steward, 2005). This will include, inter alia, initiatives to encourage civic education and improve the quality of human resources, thereby ensuring that municipalities function more proficiently and effectively, in order to facilitate service delivery and improve the quality of life of the local citizenry (Reddy, 2004).

Hartshorne, (1993), emphasized that the legacy of apartheid has left South Africa with an education system that is characterised by inequity in provision, demise of a culture of learning and comprehensive teaching in many schools and a resistance to adapting to and understanding transformation. Whilst it does not take a long period to break down a healthy learning environment, it will take a long, hard effort to rebuild it (Hartshorne, 1993). The lack and unfair access to education has led to a labour force who do not possess the necessary training, skills and development acumen. According to Finnemore, (1999), implications for workplaces are that poor investment in education and training has contributed to shortages of skills, low productivity, inability to adapt to new technologies, poor negotiating competencies including the handling of conflict situations and ultimately, a huge lack of competitiveness.

Key measures to address the skills challenge in the educational sphere will focus on the quality of education, adult basic education and training, and further or advanced education and training. Scarce and priority skills include specialised skills and skills required by artisans for use in the industrial sector (Ebersohn, 2006). The central core of ASGISA is dependant upon the Department of Provincial and Local Government (DPLG). It is at local and provincial level that government has direct contact with ordinary citizens, and it is on this level that ASGISA needs to be effective. The DPLG bears the responsibility to ensure a system of local government that is functional. Firstly, through the ASGISA the institutional weaknesses that remain occurring will have to be investigated. Some municipalities simply do not have the institutional capacity to ensure sustainable development. Local Government has been assisting municipalities in implementing Integrated Development Plans (IDP), which will assist them in identifying opportunities for progress and success in their broad spectrum of activities. Furthermore, Local Government will also provide the resources required to actively develop these strategies. Once the correct infrastructure is in place, a town or district becomes far more attractive to investors and this foundation will encourage healthy trade and industry. The municipal elections were held in March 2006 and shortly thereafter the Deputy President, Mlambo-Ngcuka instructed all municipalities to convene local development conventions within the same year. He requested that business enterprise, non-governmental organisations, researchers and other interested parties should all be invited to examine the challenges facing the municipalities and offer workable solutions. He stated that every member of the community could play a participative role in uplifting the community and the surrounding district to which they belong (Boraine, 2006: 14).

## **1.2 PROBLEM STATEMENT**

According to Becker, (2005), Local Government (municipalities) is that body of government which is closest to the community, as they are elected by the citizens to represent them and municipalities are responsible for ensuring that services are delivered to the community. Many municipalities, however, are unable to deliver services to residents. Reasons for poor service delivery may be as a result of a deficiency in their capacity or attributed to a lack of skills. Such municipalities should find solutions to ensure that the services are improved and that they reach the service recipients who depend on these services and especially those in the rural communities, who do not have access to these facilities. It is possible for a municipality

to improve and expand the delivery of services by improving their own capabilities. By improving the numbers of their skilled workforce, municipalities would be able to deliver services effectively and efficiently. Brown, McIntosh, & Xaba, (2004), mentioned that Local Government considers training in this sector as a crucial component. Therefore, the role of the Local Government Services Sector Education and Training Authority (LGSETA) by supporting the municipalities in solving their dilemma is of vital importance. It is imperative that the LGSETA ensures co-ordination of training efforts in the sector and ensures that training is regulated, material is readily available and that standard uniformity should exist among all municipalities to avoid the duplication of the efforts emanating from the task force.

If Local Government is to succeed, sufficient levels of skills in critical areas have to be developed. The recent review of the LGSETA indicates that there is a high demand for skills at various levels within municipalities. A large number of people in the lower end of the career market cannot read and write. They therefore cannot proceed to a higher level of learning and are unable to contribute toward an efficient and proficient workforce. A form of addressing this challenge at middle and managerial levels is the Municipal Leadership Development (MLD) qualification programme, which has been introduced to enlighten councillors and senior Local Government officials. Hereby, councillors and municipal officials are urged to make use of the opportunity presented by this initiative in order to acquire the necessary skills. This knowledge should assist them in developing municipalities that are successful, professional and responsive to the needs of people (Bekink, 2006).

According to Deputy Minister for Provincial and Local Government, Ntombazana Botha, (2006), developmental Local Government in South Africa is not well established and has only been in existence for a few years. However, this sector has demonstrated its relevance to the lives of ordinary South Africans, and has also firmly positioned itself as an indispensable intermediary for the inter-governmental relations system and the developmental system of local affairs. Local Government is where delivery takes place and it acts as a summit of coherence for the entire government's development programmes. An appropriate foundation of skills within Local Government is fundamental. Adequate knowledge is required to positively address and encourage the implementation of skills training. The combined efforts of government and the LGSETA will be required to improve the capacity and the suitable

training of people for local government positions. These role-players will need to focus on a number of essential areas, which include the following:

- Programme and project management.
- Strategic planning and monitoring skills.
- Analytical skills.
- Expertise in giving effect to participatory forms of local governance.
- Financial management.
- Basic knowledge of development economics.

According to Seepe, (2006), government plans to recruit priority skilled people to assist Local Government. The recruitment of individuals who possess technical skills is imperative as government plans to set up its provision of basic services such as water, electricity and sanitation facilities to indigent communities. The move comes after public protest against poor service delivery. The Ministry of Local Government has in the past conceded that the level of service delivery has not matched its expectations. This resulted in the Department launching Project Consolidate to assist 136 municipalities struggling to fulfil and accomplish their objectives. The implementation of Project Consolidate saw the deployment of service delivery facilitators, not only to assist municipalities to build capacity for intervention, but to make an impact on medium and long-term provisions of service delivery to the communities (Becker, 2005).

A large number of employees in municipalities are illiterate and therefore all necessary assistance should be provided to empower them, so that they are able to play a meaningful role in development. The challenges, which Local Government confronts, are immense. The report on Local Government transformation recently presented to the President's Co-ordinating Council (PCC), indicates that many municipalities are still faced with difficulties in developing systems in terms of new legislation, implementing policies and ensuring maximum participation of communities in governance. A common denominator in the current situation is the lack of capacity and skills in municipalities. Therefore, the strategic importance of capacity building and training cannot be over-emphasised (Bekink, 2006).

The ability to provide a standard of service at a reasonable price, within time constraints to the consumers, is the responsibility and combined efforts of individuals, teams and management within an organisation. Organisations need to create a culture that reinforces both effectiveness and efficiency. Effectiveness relates to the ability to satisfy customer needs, while efficiency implies doing it in the most cost-and-time efficient manner. In order to be successful, a company needs to sell an excellent product, have excellent marketing procedures in place and guarantee excellent service. However, the emphasis of successful ventures has shifted to the people element of a company. People initially develop plans, implement them and finally ensure that the company delivers a service in keeping with its promise. The recipients of basic municipal services have the right to receive services that are delivered in an effective and efficient manner as indicated above (Vilakazi, 2006).

One of the core objectives of the new Local Government legal order is to create a system of sustainable municipal service delivery. Without the sustained and effective delivery of municipal services, municipal town settlements and business enterprise will not be able to grow and make a valuable contribution to the local economy. Services, and also service delivery, must be accessible, convenient, and most of all, affordable. Various legal provisions have been included in the new legal order to ensure and facilitate such a system of service delivery to local communities (Bekink, 2006).

The restructuring and transformation process is almost complete and considerable emphasis has been placed on two of the biggest challenges, namely service delivery and poverty alleviation. However, despite the fact that local democracy is deeply entrenched in South African society and furthermore, a very futuristic Local Government policy framework has been introduced, there is no guarantee that the new Local Government system will be financially viable and capable of discharging its democratic and developmental mandate. There are major challenges that have to be addressed, namely promoting job-creation, local economic development, capacity development and civic education which, in the final analysis, will ensure that the concept of developmental local government becomes a reality for the majority of South Africans.

In South Africa, a country of almost 42 million people of diverse cultural and political groups, the need for effective, decentralised, democratic local government, which serves as a vehicle

for national integration, public participation, development and poverty alleviation should be assured to the nation (Vilakazi, 2006). Effective Local Government in terms of the extent and quality of services provided is relative to the various communities. The measurement of effectiveness must be prepared from a baseline. Effectiveness in urban communities could mean just maintaining a bi-weekly refuse removal service, whilst effectiveness in the rural areas could be just providing weekly pick-up points at designated areas. Provision of services in rural areas is mostly measured from a zero baseline. In terms of the developmental mandate of Local Government, rural communities will be the primary recipients of services, infrastructure and other social services that were previously virtually non-existent. The provision of these services and infrastructure must be responsive to the needs of the local citizenry (Reddy, 2004). The Municipal Systems Act (32/2000), states that a municipality must give effect to the Constitution in terms of prioritising basic needs (which may include housing projects) and ensuring that all residents have access to at least a minimum level of basic municipal services. Accessible implies available, affordable and convenient services, provided in an effective, efficient, equitable and optimal manner (Makhaye, 2004).

The Minister of Provincial and Local Government, Mr Mufamadi, has pointed out that the government has produced a balance sheet, which is a source of pride and optimism for the government. In terms of success, the number of social grants increased from 2.6 to 6.8 million in 2003; the number of households with access to clean water increased from 60 per cent in 1996 to 85 per cent in 2001, the number of households that have electricity connections have been extended from 32 per cent in 1996 to 70 per cent in 2001, and the number of households that have access to sanitation increased from 49 per cent in 1994 to 63 per cent in 2001 (Mufamadi, 2004).

Given the historical legacy and resultant developmental challenges, limited resources and capacity, it can be said that the new municipalities have made reasonable progress in discharging their constitutional mandate. However, they have to become much more effective in terms of enhancing service delivery and facilitating good quality local governance. National and Provincial Government together with other participating key role-players and stakeholders will have to play a supportive role in ensuring that the developmental vision of local government will become a reality. The government has set clear targets and deadlines for the provision of basic services and is committed to the development of financial and

human resource capacity at the local level (Reddy, 2004). As Africa, (2006), points out, the task challenging municipalities is enormous, with massive housing backlogs, lack of access to electricity, clean water and adequate sanitation. In addition, Local Government has extended its boundaries from previous urban limits to every corner of the country and many of the municipalities are just starting afresh, without the most basic infrastructure, much less without the necessary skills. In the light of this situation, the successes achieved have been remarkable, but progress is too slow (Ramos, 1999). Project Consolidate aims to resolve the problem. The 136 municipalities identified as requiring assistance will receive capacity in terms of human resources to accelerate the provision of basic services, such as sanitation, water and electricity, and refuse removal. Those municipalities that do not have the expertise to assess requirements to stabilize electricity and water networks will be reinforced with civil, electrical and water works engineers. Simultaneously, training will take place in sectors such as municipal finance, financial management and fiscal discipline. There can be no effective Local Government without the necessary skills and expertise to manage it. Legal support will strengthen those municipalities struggling with the resolution of labour-related disputes, which have held up service delivery and general development (Africa, 2006).

The provision of basic municipal services to the local citizenry has been accorded a high priority level by the government and the non-governmental sector. Recent policy and legislative developments bear ample testimony to this, namely the Constitution of the Republic of South Africa Act (108/1996), the Reconstruction and Development Programme, the White Paper on Local Government and Related Legislation, Municipal Demarcation Act (27/1998), Municipal Structures Act (32/1998) and the Municipal Systems Act (32/2000). The constitution makes provision for municipalities in South Africa to receive an equitable share of income which is raised nationally to provide basic services, namely water, roads, refuse removal and storm water drainage and the provision of houses (Arntz, Bekker & Botes, 2003). A critical step forward, in terms of developing Local Government, is to enhance limited access to the full range of municipal services, namely water supply, sanitation, refuse removal, drainage, flood protection, local roads, public transport, street lighting and traffic management. There is a constitutional obligation for municipalities to provide services in a sustainable manner (Ethekwini City Council, 2004b). Effective service delivery can only be maintained and enhanced through the implementation of a successful education strategy, together with applying skills and by supporting training programmes.

These recommendations will be made to the Matlosana Municipality. Agreeably, one of the most pressing challenges facing this country, is the need to strengthen Local Government (Mbeki, 2006). From the above-mentioned literature, the aim of the study and research, questions will be derived.

As stated, employees in municipalities lack the skills, appropriate training and as a result there is a prevalently high level of non-productive behaviour. It is widely agreed that South Africa is not yet equipped with the skills it requires for economic and employment growth, and this negatively affects the social development. Hence, the Skills Development Act (97/1998) and the Skills Development Levies Act (9/1999) were passed in 1998 and 1999 respectively. The overall aim of the Skills Development Act (97/1998) is to improve the skills of the people of South Africa. South Africa requires an educated and trained workforce to make the country more efficient, productive and competitive. In view of the above, skills development, training and enhancement of effectiveness, particularly at municipal level, is still a cause for concern. It is from the above information that the aim of this study is formulated, which includes the primary and secondary research questions, which will be posed.

### **1.3 AIM OF THE STUDY**

For the purpose of this study, investigating the skills development and the training of workers at the Matlosana Municipality in the North West Province will be reviewed. The aim of this study will be to determine the level of education and skills within the Matlosana Municipality, what the perceived productivity and service delivery currently is and what the impact thereof is on effective service delivery. The Matlosana municipality's main focus is to improve service delivery. Recommendations can be made to educate, train and skill their workforce and consequently to maximise the delivery of effective services.



From the problem statement, the following questions arise:

## **1.4 RESEARCH QUESTIONS**

### **1.4.1 Primary**

1. What are the levels of skills, education and training, perceived productivity and service delivery at the City Council of Matlosana in the North West Province, and what is the satisfaction with services to its recipients?

### **1.4.2 Secondary**

2. What are the levels of skills, education and perceptions of training needs of municipal employees at the City Council of Matlosana in the North West Province?
3. What are the levels of satisfaction and perceptions amongst municipal employees regarding their levels of skills, training and education?
4. What are the levels of perceived productivity and service delivery amongst municipal employees at the City Council of Matlosana in the North West Province?
5. What are the levels of satisfaction with services amongst the recipients thereof from the City Council of Matlosana in the North West Province?
6. What recommendations can be made regarding the levels of skills, education and training needs amongst municipal employees at the City Council of Matlosana in the North West Province?

## **1.5 RESEARCH OBJECTIVES**

Research objectives are divided into primary and secondary objectives.

### **1.5.1 Primary objective**

1. To determine what the levels of skills, education and training and perceived productivity and service delivery is at the City Council of Matlosana in the North West Province, and how the recipients perceive the satisfaction with services.

### **1.5.2 Secondary objectives**

2. To determine what the levels of skills, education and perceptions of training requirements are by municipal employees at the City Council of Matlosana in the North West Province.
3. To determine what the levels of satisfaction and perceptions amongst municipal employees at the City Council of Matlosana in the North West Province is regarding their levels of skills, training and development.
4. To determine what the perceived productivity and delivery service is amongst employees at the City Council of Matlosana in the North West Province.
5. To determine what the levels of satisfaction with services is amongst the recipients thereof at the City Council of Matlosana in the North West Province.
6. To determine what recommendations can be suggested, regarding the improvement of the levels of skills, education and training requirements amongst municipal employees at the City Council of Matlosana in the North West Province.

## **1.6 RESEARCH METHODOLOGY**

The methodology used in this study will be pertinent to the investigation, analyses of data and the aim that this study sets out to achieve. The study will comprise of both a literary and an empirical investigation and it will generally entail obtaining data from participants by employing questionnaires. The units of analysis in this study are the employees of the Matlosana Municipality, who occupy positions at Top, Middle and Low Level Management. Local citizenry, familiarly known as the recipients, of the basic services delivered by the Matlosana Municipality, also constitute a component of this research study.

## **1.7 LITERATURE**

The literature section of this study will consist of both a theoretical study, namely the Human Capital Theory, as will be discussed in the next chapter, Chapter Two, and a related literature study. The related literature study will consist of topics such as Local Government (municipalities), service delivery, the Accelerated and Shared Growth Initiative for South Africa (ASGISA), skills, the Skills Development Act (97/1998), the National Qualifications Framework, education, illiteracy and training. This will be surveyed through literature references, which includes textbooks, newspapers, journals, magazines and legislation.

## **1.8 EMPIRICAL STUDY**

### **1.8.1 Participants**

The participants of this research constitute the Top, Middle and Low Level Management at the Matlosana Municipality in the North West Province. Local Government was identified as the engine of growth and development and therefore it receives the central focus in this study. Therefore, the population specifically identified to participate in this study is ideally representative of the Matlosana Municipality.

### **1.8.2 Measuring instrument**

The measuring instrument used will be a questionnaire, together with informative biographical sections, which includes a segment of the general background information of the respondents. The questionnaires will be handed personally to the Matlosana Municipality and will be straightforward and simple for the respondents to complete. For the purpose of this study, permission has been obtained from the Matlosana Municipal Deputy Manager, Mr. Strydom, to distribute the questionnaires amongst the three different and representative levels, namely the Top, Middle and Low Level Management. The recipients of the service will also be requested to complete the self-constructed questionnaires in order to gauge their perceptions of municipal services with regard to the municipal workers productivity and effectiveness within the City Council. The questionnaires will be presented in an easy and understandable form of English.

### **1.8.3 Data analysis**

The responses from the qualitative data will be analysed by identifying the relevant utility items, as well as physically counting the number of occasions that the item emerges, in order to gauge its importance. Basic descriptive statistics will be employed to describe the quantitative data, in terms of deriving at conclusions, standard deviations and distributions of the constructed questionnaire.

## **1.9 DECLARATION OF MERE CONCEPTS**

As the matter of training will be scrutinised extensively, it will be helpful to establish the definition and parameters of the three terms that are often used interchangeably: Education, learning and training. *Education* is the all-encompassing basis of these terms. It includes elementary, middle and high school education, as well as college and tertiary education. Education prepares an individual for a prosperous life as well as eventual success in any number of careers. Education is the foundation that teaches one the basics of reading, writing and arithmetic, and then systematically goes on to teach an individual how to use their

intellectual ability. *Training* is much more specific than education. Training teaches specific skills that will assist an individual to develop proficiency in a specific job or job category. *Learning* can include both broader education and training that is more specific. Learning most often teaches employees a skill that will travel with them throughout their working life (Hankin, 2004).

### 1.10 LAYOUT OF THE STUDY

The dissertation will be divided into the following chapters:

<b>Chapter one:</b>	Introduction and Problem Statement
<b>Chapter two:</b>	The Human Capital Theory
<b>Chapter three:</b>	Local Government (municipalities), service delivery and the Accelerated and Shared Growth Initiative for South Africa (ASGISA)
<b>Chapter four:</b>	Training, education, illiteracy, and relevant legislation
<b>Chapter five:</b>	Empirical Research and Results
<b>Chapter six:</b>	Conclusion and Summary

### 1.11 CHAPTER SUMMARY

The study commenced with explanations of South Africa's low level of skills, training and illiteracy, and the lack of development. This was discussed against a background of municipalities and the lack of service delivery that is attracting attention. From the literature mentioned, the problem statement was formulated, following the research questions and objectives of the study. This first chapter concludes an empirical study, which includes a literature and empirical study.

Chapter Two begins with general environmental information on human capital. Attention is drawn to the theory itself and this theory will be relevant to the literature mentioned in Chapters One, Three and Four. The theory will justify the significance of government, business channels and the public sector to develop, skill and train South Africa's workforce.

The first section of Chapter Three aims to provide some insight and history on Local Government. As the chapter starts to evolve, attention will be devoted to effective service delivery, as it is one of the main functions of municipalities. The Accelerated and Shared Growth Initiative for South Africa (ASGISA) and its function will conclude Chapter Three.

Training will be discussed in Chapter Four, which suggests improvement and the upgrading of the functions at the City Council of Matlosana in the North West Province. To participate in a new and ever changing environment, municipalities in the North West Province are challenged to produce a more effective and productive workforce, and this can be achieved by training and providing skills to their workforce in the most effective and appropriate manner. Education, illiteracy as well as relevant legislation, such as the Skills Development Act (97/1998) will be discussed.

Chapter Five will report on the survey, which will be conducted on the subject of the level of skills, training, effectiveness and service delivery by the City Council of Matlosana in the North West Province. The chapter will commence by explaining the accuracy of validity and reliability of the research itself. The study will continue by reporting the results received from the respondents in the municipalities.

The results emanating from the empirical study and the literature study will be reconciled and summarised in Chapter Six.

## **CHAPTER TWO**

### **THE HUMAN CAPITAL THEORY**

Chapter one briefly introduced the lack of skills in South Africa and the importance of employing people with the necessary expertise in Local Government and more specifically, the importance of educating, developing and training the employees of the Matlosana Municipality to become more productive, motivated and effective workers.

#### **2.1 INTRODUCTION**

The composition for the next era will be that of an assortment of trials. There will be no preferred models of corporate organisation, no single route to assured success. All forms of organisations will have to focus on developing one particular resource: human capital. There will be more compulsion than ever before on attracting skilled and creative people, and identifying and enhancing those special qualities. The challenge to the world – or rather the present developing world, (for many other countries will make the leap to developed status in the next thirty years) – will be to find methods of attracting, nurturing and retaining human capital (Moore, 2005).

For the purpose of this chapter, much attention will be devoted to the Human Capital Theory. Firstly, this chapter will begin with an introduction to the Human Capital Theory. A review of the concept ‘human capital’ will be discussed and the exponents of the Human Capital Theory will be closely studied. An overview of the Human Capital Theory will be provided to describe the concepts of productiveness and higher earnings. The evolution of interests in human capital will be reviewed. The descriptions which are applicable to the Human Capital Theory will be highlighted and a distinction will be observed between explicit and tacit knowledge. It is highly probable that the human capital movement will advance from tangible to intangible assets. Training and development of human capital, with specific reference to education and on-the-job training (two most important investments in human capital) will be pieced together systematically. This chapter will include the costs incurred for the development of human capital. Finally, the criticism and the conclusion of the Human Capital Theory will be evaluated and summarised in this chapter.

Workers bring different levels of education attainment and skills to the labour market. They also acquire various levels of on-the-job training. An educated, well trained worker will be capable of exhibiting an effort which is motivated by productivity as opposed to a worker who is unproductive as a result of his/her lower education and level of training. Any activity, which increases the quality (productivity) of labour is considered an investment in human capital (Campbell, McConnel, & Brue, 1998). In this chapter, the focus is on investment in education and on-the-job training. An important factor is that expenditures in education and training are a substantial investment in human capital, whereas expenditures on capital equipment can be viewed as investment in physical capital.

## **2.2 THE CONCEPT OF HUMAN CAPITAL AND IT'S EXPONENTS WHICH CONTRIBUTE TO THE HUMAN CAPITAL THEORY**

There is a wide range of resource classifications, which are incorporated in the understanding of intangible resources, and these are: knowledge, invisible assets, absorptive capability, core competencies, strategic assets, or organisational memory. Although Economist John Kenneth Galbraith is credited for being the first person to use the phrase “human capital” in 1969 (Bontis, 1998), the term was a phrase which was used repetitively and was in contemporary use in the early 1990s when it was used by Stewart, (1997), in a cover story in Fortune Magazine. In a very broad definition, Stewart characterises human capital as the sum of knowledge, information, intellectual property and experience held by persons within a company which is put to use to create a productive and competitive edge and which simultaneously, generates wealth and displays the ego of the company (Stewart, 1997).

In any operation, human capital is collectively regarded as the knowledge and knowing capability of a social structure. Nahapiet & Ghoshal, (1998), recognise human and structural capital of organisations as knowledge, skills and capabilities, which provide organisations with resources and action for potential development. In the literature there is consensus that where human capital exists, there is an enhancement of success and company competitiveness which contributes to the sound financial well-being of the company (Brennan & Connell, 2000; Carroll & Tansey, 2000; Roslender & Fincham, 2001).



Human capital has been defined as the capabilities of individuals who are the source of innovation and renewal within companies (Stewart, 1997). Similarly, Lynn, (2000) defines it as “an inventory of the skill sets and knowledge of individuals within an organisation”. Nafziger, (2001), define it as the daily knowledge that employees take home with them when they leave the firm at the end of the day. Structural capital, sometimes referred to as organisational capital, includes intangible assets such as information systems, distribution networks, strategy for work team creation and maintenance, competitive market intelligence, and knowledge of structures, systems and the market (Mouritsen, Larsden, & Bukh, 2001). Human capital investment is any activity, which improves the quality (productivity) of the worker. To complement the definition of human capital, structural capital is the “knowledge that doesn’t go home at night, it belongs to the organisation and can be reproduced and shared” (Stewart, 1997: 108-109).

Mankiw, (2001), states that human capital is the accumulation of investments in people, such as education and on-the-job training. Other facets of capital, which are perhaps less tangible than physical capital, are just as important to the economy’s production. These can be defined as tacit knowledge, or more familiarly referred to as human capital. According to Nafziger, (2001), human capital is the qualification, skills and expertise which contribute to a worker’s productivity.

Since 1994 South Africa’s labour market has undergone transformation and much emphasis has been placed on strategies, which eliminate the labour inequalities of the past. The transformation, although still in the early stages strives to improve general working conditions for all South Africans. The South African labour market is characterised by an oversupply of unskilled workers and a shortage of skilled individuals. This is being addressed by “learnerships” - a form of training comprising of theoretical and practical elements, similar to an apprenticeship. Learnerships will be discussed within the framework of the Skill Development Act (97/1998), and this will be discussed in chapter four. In the long term it is envisaged that the improvements within the education system will have a positive effect on the general activities and the workers within the workplace. Skills development is overseen by the Sector and Education Training Authorities (SETAs), which is a subsidiary centre of the Skills Development Act (97/1998) and its purpose will be explained in detail in chapter four. (Sloman, 2003).

Mehra, (2001), states that knowledge resides as human capital. According to the Human Capital Theory, it is essential to educate, train and develop a country's workforce, and more specifically, to provide these capabilities to the Matlosana Municipality's workforce. According to Barker (2003), training and the acquirement of skills will enable South Africa to become more competitive within the global market. Not only will South African organisations and the economy benefit from this venture, in addition each and every employee will increase their self-actualisation and raise their standard of living. This is what the Human Capital Theory implies, the well-being of employees as individuals and the well-being of South Africa and it's economy. Skills, dexterity and knowledge of the population of South Africa have become the intense input that determines the rate of growth of South Africa's economy and a right to a better standard of living for the entire population.

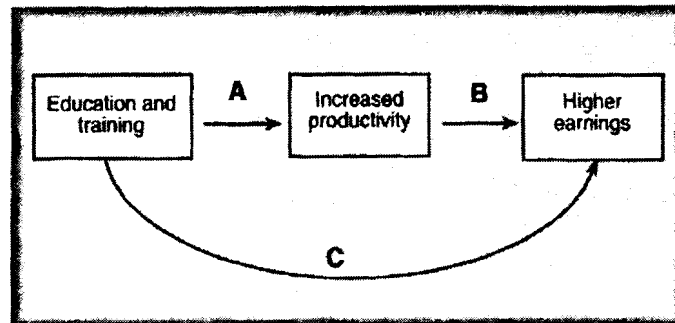
### **2.3 HUMAN CAPITAL THEORY: AN OVERVIEW**

It is useful to begin with an overview of the human capital model and in particular, to attempt to isolate its "core" ideas and implications. The basic premise of this approach is that individuals (and other business sectors) make deliberate, purposeful investments in human capital and that these investments result in both higher productivity and higher labour market earnings. An assumption is that there are no impediments or restrictions that exist to deter the expansion of human capital investments. People decide on a course of action concerning education or on-the-job training on the basis of an expected rate of return, which enables that plan to be executed. Several notable implications follow directly from these assumptions. Firstly, labour market earnings depend directly on the amount of human capital an individual possesses. Secondly, the resulting distribution of earnings arouses the awareness of decisions to support the voluntary, self-interest human capital investment of individuals together with the underlying contingency of the initial ability to follow this direction (Hoffman, 1986).

Most people regard education and training not only as a consumption item, but also as an investment. This means that education and training provide not only immediate benefits such as subjective satisfaction and a position of status, it also provides long-term higher earning monetary rewards. The *basic premise* of the human capital theory is that education and training enhance a person's stock of human capital and therefore increases that person's productive potential. This in turn, leads to higher earnings (Barker, 2003). Thus, there is a progression from education and training to higher levels of productivity, which results in

higher earnings for the worker. This progression illustrates the progress of paths A and B as indicated in the figure below.

**FIGURE 2.1 The progressive nature of education and training of human capital**



(Source: Barker, 2003).

The most advantageous aspect of the Human Capital Theory is that it has been used as a device to motivate and justify massive investment in education (Marshall, King, & Briggs, 1980). The theory also concludes that income inequality in society could be reduced by ensuring an even distribution of human capital, by concentrating on education and training efforts in the poorer and disadvantaged sections of society (Barker, 2003). This can be measured by history and the resultant effect of the apartheid regime, which had a negative impact on the previously disadvantaged communities, whereby the majority of the African people were denied the right to the same education and training opportunities, which were provided to the white population. The top management at the City Council at Matlosana are predominantly African male managers who may still experience a sense of injustice towards their unfair participation of the education and training systems, which prevailed during the years of the apartheid era in South Africa.

To remedy this dysfunction, a solution to this problem can also be approached from a fresh perspective. It is suggested that the Matlosana Municipality should invest more time and funding in the development and training of their employees, which will contribute not only to financial growth of the company, it will also prove to be beneficial to the Municipality in general. By empowering their employees with knowledge and skills, will result in higher

standards of productivity and effectiveness and these are two significant elements, which are required in the delivery of services.

Colander & Gamber, (2002), states that South Africa has moved its focus to acquiring not only the most modern physical capital, its intention of acquiring human capital as a vital supplement is of paramount importance. It is the inclusion of all encompassing skills and knowledge, which enables individuals to produce world-class products and provide excellent service. It is obvious to the most naïve high school student that individuals, who complete schooling and progress to study further education, are afforded better job opportunities. The theory of human capital, which is clearly articulated by Becker, (1975), is similar to the theory of physical capital, however the consequence of the outcome of these two capital resources are unrelated. The reference to people and skills is determined as human capital, whereas equipment, machinery and the tools of trade are referred to as physical capital.

In the theory of investment in physical capital, a manager will decide to purchase a machine when it is evident that additional income which will be generated by the acquisition of this machine. The additional income should exceed the operating and initial purchasing costs of the machine which would ensure a reasonable margin of profit. A standard costing calculation needs to be performed to assess the benefits, which should accrue from the investment. The only risk factor, which is taken into consideration in the standard capital theory, is that the cost of the machine is borne presently, whilst the returns accrue over a period of time in the future. A machine that is purchased today will yield a higher level of productivity in the future, likewise, it is necessary for the company to calculate and compare current costs of investment to future revenues. The additional profit derived from the increase in productivity should be compared to the expense of purchasing the machine and ultimately, whether this action will yield a profitable return on investment (Reddy, 2004). In the theory of human capital, a similar calculation occurs. The individual initially bears the costs of paying for schooling or other training courses in the hope that the education acquired will eventually ensure higher earnings for that person in the future. Should the earnings for the educated person be substantially higher than what the market dictates for unskilled labour, it makes the cost of education a worthwhile expenditure (Lazear, 1998).

The tenet of the Human Capital Theory is based on the principle that individuals can choose to make a substantial investment in education and training within the work place. The knowledge that people possess and which is applied to production factors, will influence the pace at which the rate of the economy will grow. A large human capital basis leads to more productive research and development programmes and greater technological advancement. Up-to-date promotion of technology requires the expertise of a well-educated population (Colander & Gamber, 2002). An important component of human capital refers to the knowledge and training acquired by a person, which increases their capabilities of performing activities of evaluation within the economic climate. Any constitution of stock (whether it is material or non-material) can be qualified as capital on condition that it can give affects to increase the status of income (Fisher, 1906). Based on these findings, human capital theorists consider human capital as an analogy to conventional capital and they utilise the neo-classical capital theory framework for analysis of human capital components.

As people became educated, developed more skills and improved their reading and writing abilities, they became qualified to handle existing and new production techniques (Heller & Tait, 1983; Laanan & Hardy, 2000). The Human Capital Theory proposes that employees should make rational choices regarding investments in their own human capital (Becker, 1975). From the human capital perspective, what is critical to career outcomes/success is the input of an individual's personal investment in his/her own human capital requirement. It is then assumed that the initial investment will lead to increased productivity and employees will receive extrinsic rewards from supervisors. The reward for these persons may be an increase in their remuneration or a promotion to a higher level of responsibility (Davenport, 1999). Human capital generates value through investments by increasing the individuals' knowledge, skills and talents (Roos, Roos, Dragonetti, & Edvinsson, 1997). Higher levels of education reflect greater investments in human capital (Bontis, 1999). An individual who is well educated is more knowledgeable and provides better performance aptitudes. This individual will be presented with additional opportunities to progress towards higher levels of management as opposed to those persons who are poorly educated and who will be unable to compete with their educated associates (Hitt, Bierman, Shimizy, & Kochhar., 2001;). Personal and national success is increasingly correlated with a market, which has the

possession of skills wealth. According to Groenewald, (2004), skilled individuals are a positive attribute to the largest sector of the economy. The shortage of skilled people is ascribed to the negative factor, which places limitations on organisations and on the economy as a whole. It is in the interest of all countries to maximise its human resource quantities and qualities by investing in the skills of its workforce; its human capital resources. Human capital is a fundamental component of a country's overall course of productivity (as illustrated in the figure 2.1). It is therefore acknowledged that economic growth, employment levels and the availability of a skilled workforce are closely related to contributing towards the success of the nation (Bontis, 2001).

Economic growth creates employment, but economic growth is highly dependable on skilled human resources – a country's human capital. The concept encompasses investment in the skills of the labour force, which includes education and vocational training and the development of specific skills (Price, 2004). The Human Capital Theory surmises that individuals calculate the cost of education and training (time, loss of potential income derived from permanent employment should they be studying full time, the payment of fees) and compare these issues to the proposed benefits of an increased amount of income in the future. As such it predicts that the younger generation is more likely to invest in training at an earlier age to ensure relatively greater potential gains at an early stage of their lives, whereas older persons will not be able to take advantage of these missed opportunities. In general, the income of employees with degrees and other higher education qualifications is significantly higher than those people who ceased their education at an early stage (Roslender, 2000).

The essence of the Human Capital Theory is the notion that individuals are willing to invest in their own education, which would enable them to earn a higher income in the future. The theoretical link between investment in education and the level of income is labour productivity. Increasing the educational level of schooling would lead to higher labour productivity. Not only would individuals benefit from investment in education, society in its entirety would also benefit from a continual supply of superior educated workers and citizens (Becker, 1964; Mincer, 1974; Schultz, 1988).

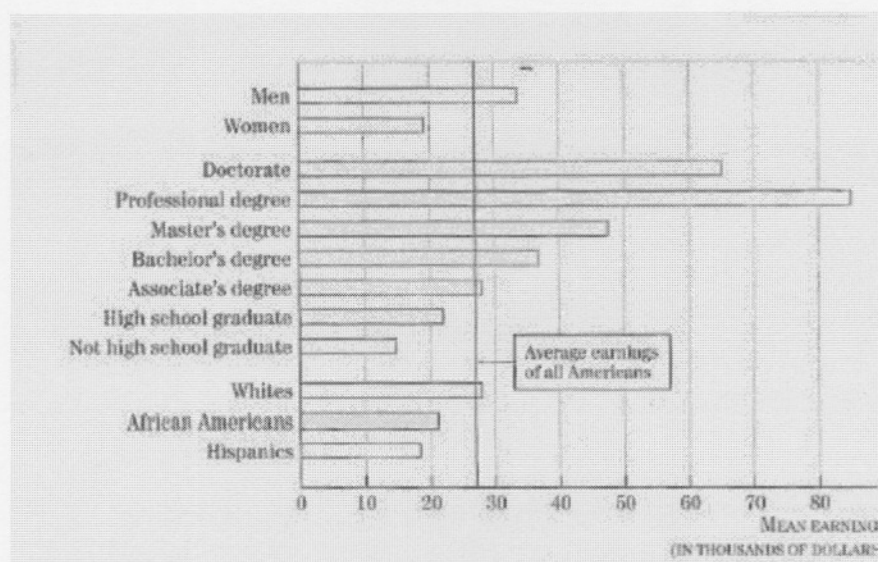
According to the Human Capital Theory, it should be noted for example, that by increasing, improving and maintaining the current training and development strategies within the Matlosana Municipality, this purpose should result in an increase in the employees'

productivity. Not only will the employees benefit from the education and training programmes, this would also ensure a higher level of income for workers, and in consequence, the Klerksdorp community will also receive better service delivery.

## **2.4 THE EVOLUTION OF INTERESTS IN HUMAN CAPITAL**

The recognition that people are a valuable asset to an organisation is not a novel assumption. As early as the 17th century, Economist William Petty proposed that the value of workers should be taken into account by actuaries in their calculation to determine the wealth of a company (Nerdrum & Erikson, 2001). A century later, Adam Smith wrote extensively about the value of workers' knowledge and skills and the influence it had on the production process and the result of the general performance by a company (OECD, 1999).

The level of skills of a worker depends on the amount of education and training the worker has received. In fact, an important decision for many young people who have completed their level of education in schooling is whether they should directly enter the workforce or pursue the opportunity of further education at a tertiary institution. Continuing the analogy, an investment in a college education raises the level of qualification and the merit of human capital – a person's knowledge and skills – in the same way that physical capital is increased by a business firm who invests in a factory site or machinery. The figure below illustrates the monetary payment, which individuals will receive in accordance with their level of education or qualification (Taylor, 2004). Although the figure 2.3 reflects the findings of a study, which was conducted in the USA, it can be assumed that the scenario depicted in figure 2.3 would apply to the levels of education and expected income of individuals in South Africa. When an individual in South Africa has invested in their own human capital acquirement by obtaining a university degree, there will be a correlation between their tertiary education and the expected income earnings (Rand).

**FIGURE 2.2 Higher education and economic success**

(Source: Taylor, 2004).

According to this chart, education is rewarded in terms of earnings. Professional persons with degrees earn the highest rate of income; thereafter the second highest rate of income is earned by workers with doctorate and masters degrees.

As for many other economic phenomena, which have occurred, Smith's view was impressively apparent and extremely advanced for this period in history. His intuition is the basis of the works of human capital theorists. Although neither, Smith nor Alfred Marshall, (1890: 469) during that period ever referred to the present phrase as "human capital" they stated more than a century ago that "The most valuable of all capital is that which is invested in human beings". Irving Fisher's capital theory formed the foundation of the basis of the modern human capital theory as it emerged in the second half of the twentieth century. "A stock of wealth existing at an instant of time is called capital. A flow of services through a period of time is called income" (Fisher, 1906: 52). Although Fisher was subjected to a great deal of criticism amongst capital theorists at that time, his definition of income and capital was an "all-inclusive" package which included the nature of capital goods when considering the materiality, monetary aspects and the durability or repetitive use thereof. He emphasised



that all varieties of stock should be identified as capital when yielding services. He explicitly included humans as a material stock of capital goods.

To appreciate the significance of the Human Capital Theory, consider the phrase itself – human capital - it reveals an amalgamation of ideas. Traditionally, the labour and capital input had been treated as two distinct factors of production. Labour was a homogeneous human input and capital was recognised as a mechanical input (Buchanan & Huczynski, 1997). An abstract distinction, which prevailed, was that capital itself was a “produced means of production”. The essential verification however, is that which is suggested by the phrase “human capital,” which applies to the essence of labour (Sloman, 2003). Many persons have the ability to read, write and think analytically but what distinguishes one person from another is the course or profession that is chosen by some persons, for example a person may have the knowledge of accounting, others calculus or computer programming experience. Other persons may practice carpentry, plumbing or welding. Virtually no person will dispute the fact that a person’s personal growth from infant to adult is subjected to many changes. How did these changes occur? The important point is that they did not occur automatically or without costs incurred. Rather these changes were effected as a result of a great deal of deliberate effort by their parents, their teachers, themselves and many other influences (Phillips, 2005).

The revelation of this theory is that it is not just raw labour, but rather human capital which is classified as a produced means of production embodied in a human being. Investing in human capital takes a great deal of deliberate effort, both from the individual and the company, which is investing its time, effort and funds into the educational development of the individual (Sloman, 2003).

The effort, sacrifices, time and money invested by companies in the development of human capital should be supported by the top management of companies. Commitment to actively participate in the education of employees is necessary to establish the resources for a viable human capital development (Vincent & Ross, 2001). The list below consists of a variety of activities that reflect the degree of commitment, which should be forthcoming from top managers. It contains ten important issues, which should contribute to the success of human capital development. The strategies define the extent of managerial involvement in the

process of human capital development; the support provided to Human Resources Departments; human capital projects and the level of participation in specific programmes and human capital initiatives and solutions to any problems, which may arise. It is recommended that senior management should participate in this exercise, which should exhibit their status of commitment and support to the human capital processes within the organisation. The table below indicates the ten areas, which would require the attention of senior management to ensure their commitment to supporting the human capital development programmes (Phillips, 2005).

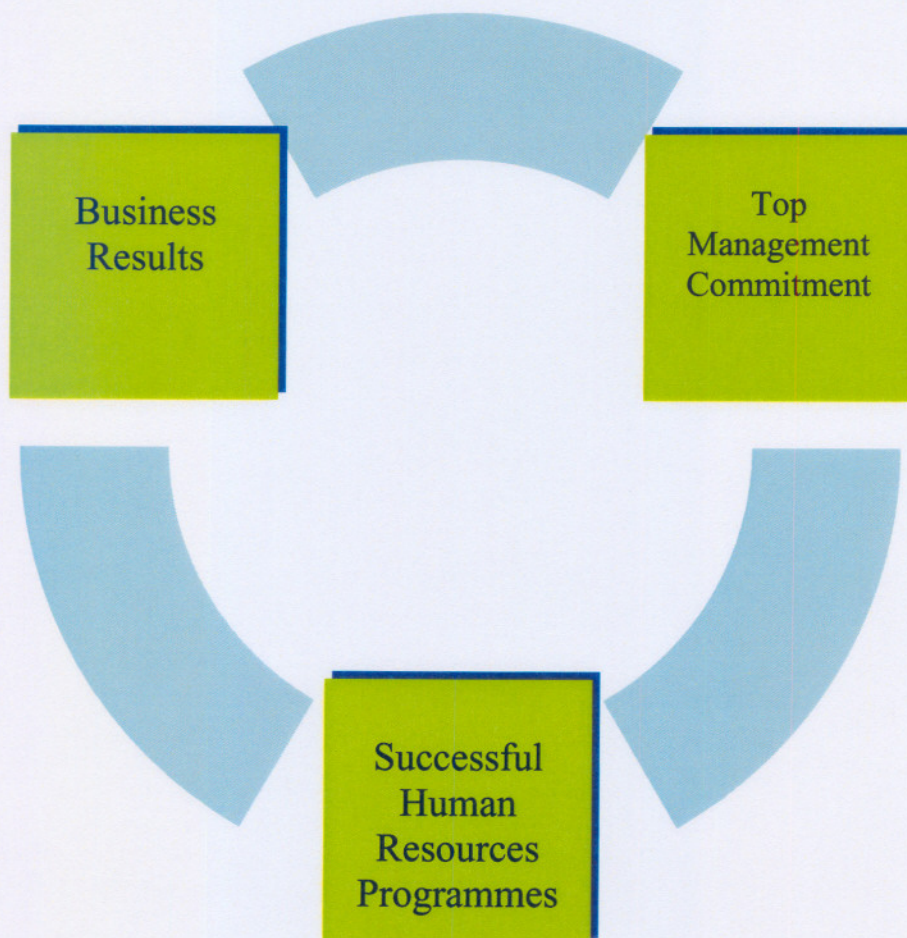
**FIGURE 2.3 Example of executive commitment to human capital development**

<b>The ten commitments which are necessary for managers to support the development of human capital</b>	
For commitment to human capital management, managers should:	
1.	Develop or approve a mission for human capital management.
2.	Allocate the necessary funds for successful human resources programmes.
3.	Encourage employees to participate in human resources programmes.
4.	Become actively involved in human resources programmes and encourage others to do the same.
5.	Support the human resources function on the organisational chart, which should display visibility and a high level of priority.
6.	Position the human resource function on the organisational chart, which should display visibility and a high level of priority.
7.	Require that each human resources programme be evaluated.
8.	Insist that human resources programmes be cost effective with the confirmation of the necessary supporting data.
9.	Set an example by means of self-development, leadership and continuous learning.
10.	Create an atmosphere of clear communication with the human resources manager.

(Source: Phillips, 2005)

The commitment of top management usually increases when human capital development programmes are successful and the desired results are obtained. As the figure below illustrates, this is a process, which maintains a continuous cycle as commitment from management is necessary to build effective human resources projects and programmes. Once the human capital development programmes can be measured with success and it becomes evident that the results which are obtained are positive, the duty of management remains an on-going commitment to support these programmes in a formal manner (Grobler, et al., 2002). The participation of senior management in all spheres of human capital development, which should preferably occur in almost every phase of the human resources process, reflects a strong co-operative management effort to utilise human capital effectively.

**FIGURE 2.4** The results of the commitment cycle



(Source: Phillips, 2005)

The human resources department, which identifies the need for human capital development by means of human resources programmes, for example, on-the-job training, should communicate the requirements of these programmes to top management which should assist them to comprehend and agree, that the improvement of human resources forms an integral component of the structure within an organisation. When top management is presented with the results of a dedicated, skilled, capable and productive workforce, they will usually respond with supportive and enthused commitment (Hankin, 2004)

## **2.5 DESCRIPTIONS, WHICH ARE APPLICABLE TO THE HUMAN CAPITAL THEORY**

Human capital investment is any activity, which improves the quality (productivity) of the worker. An important component of human capital refers to the knowledge and training acquired by a person and which increases their capabilities of performing activities of economic value (Laanan & Hardy, 2000). Training investments take place at three stages of a persons training ability life-span (Ehrenberg & Smith, 1997): in early childhood when children are largely conditioned and influenced by the training decisions of other parties, in adolescence and young adulthood, where the person can decide whether or not to continue beyond compulsory schooling and finally, adults who are already practicing their profession or working and can be afforded an opportunity to participate in training programmes. A greater human capital stock is associated with greater productivity and/or higher salaries (Mincer, 1997). Likewise, training is linked to the longevity of the existence of companies (Bates, 1990), and to a greater extent, to business and economic growth (Goetz & Hu, 1996).

Existing knowledge can be of two fold: explicit (codified or articulated) or tacit (implicit or non-codified) (Cook and Brown, 1999).

Tacit knowledge refers to knowledge, which is not tangible or otherwise codified and it is contained within the minds of individuals (Brusoni, 2001; Fischer, 2001; Van Aken & Weggeman, 2000). For many individuals, having a sense of job security and continuity are

essential conditions for sharing tacit knowledge (Fischer, 2001). According to Fischer (2001), organisational knowledge creation requires a stable workforce, because it is only under these conditions that it is rational for individuals to transfer their knowledge to the organisation. Similarly, Takeuchi and Nonaka in their 1995 book, which is titled, *The Knowledge-Creating Company*, draw a distinction between two sections of knowledge defined as explicit and tacit knowledge. Explicit knowledge is described as formal, systematic and objective and it is generally codified in words or numbers. It can be derived from a number of sources including data, business processes, policies and procedures and external sources such as the gathering of intelligence. The method of transmitting explicit knowledge is principally identified as logistical knowledge, which is recorded as a text in the form of information and is made accessible and transferred to persons through the use of groupware modes.

Tacit knowledge is intangible and experts view human capital as an intangible asset. It is formulated by a composition of insights, judgments, know-how capabilities, mental models, intuitions and beliefs and it is specific to the context of the combination of tacit knowledge. Tacit knowledge operates within an individual's brain and forms the basis of intellect and reasoning which enables individuals to make decisions and take action.

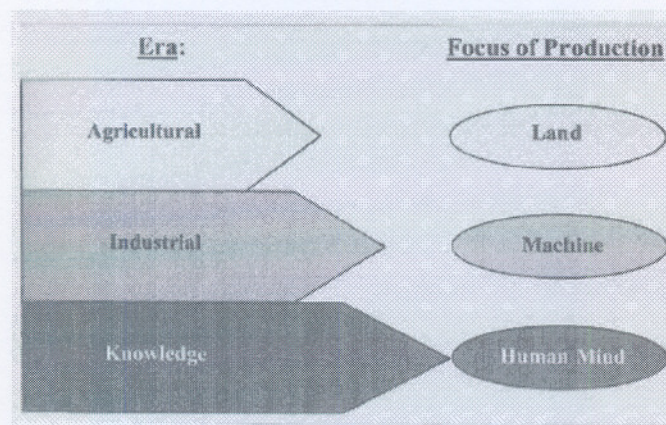
## **2.6 THE HUMAN CAPITAL MOVEMENT (FROM TANGIBLE TO INTANGIBLE)**

Before the attention was drawn towards a knowledge-based economy, the main sources of creating value within the economic environment was the acquiring of tangible assets such as land, factories, machinery and equipment (which is solid, physical structural capital) and which includes the raw materials of production. In the so-called knowledge-based economy, it is increasingly the source of intangible assets which provide for the initial corner-stone of indispensable assets specifically utilised to enhance the creation of a valued and well-informed workforce. It implies that the process of evaluating organisational resources has increasingly focused on the relevance of "fluid" structural capital. This refers to the informal knowledge of structures and systems that could be said to be "possessed" by the organisation, and work groups in particular, including, for example, communities of practice and innovation networks, and task-related skills and competencies configured in a particular division of

labour, thus generating knowledge that enhances the basis of knowledge of the individual workers (Ferrier, 2001).

As a result of major changes within organisations and the economy, there has been a tremendous interest in the acquisition of intangible assets. In the last century, the core centre of the economy's foundation has undergone explicit change. Initially the economy was dependant on the development of agriculture and thereafter it soon focused its attention on the industrial development. However, the main focus has currently shifted to the development of knowledge, as shown in the figure below. This era of creating an awareness of knowledge wealth, will perhaps prove to have the most far-reaching effects and actions on the economic situation. During the period of the agricultural era, the focus was on land and how it should have been utilised to maintain maximum productivity. During the industrial age, which dominated much of the first half of the twentieth century, the focus was on efficiency and the profits which could be generated through the use of machinery. In the knowledge and economy combination, the focus is on the human mind and how knowledge can be utilised to build and sustain a more productive and efficient economy.

**FIGURE 2.5** The shifting economic eras



(Source: Phillips, 2005)

Sloman, (2003), also emphasises the importance of defining the difference between tangible and intangible assets. He reiterates that tangible assets are required for business operations and are noticeable, meticulously quantified and represented as a valued item of entry to a business balance sheet. For business enterprise, the accumulation of intangible assets is the

transition of enjoying a competitive advantage in the comparative knowledge and economy era. Intangible assets are invisible, difficult to quantify and are unable to be tracked through traditional accounting practices. With this distinction, figure 2.6 is provided below, which differentiates the tangible assets from the intangible assets.

**FIGURE 2.6 A comparison of tangible and intangible assets**

<b>TANGIBLE ASSETS REQUIRED FOR BUSINESS OPERATIONS</b>	<b>INTANGIBLE ASSETS (HUMAN CAPITAL) REQUIRED FOR COMPETITIVE ADVANTAGE IN THE KNOWLEDGE ERA</b>
• Readily visible	• Invisible
• Rigorously quantified	• Not tracked through accounting practices
• Forms part of the balance sheet	• The assessment is based on assumptions
• Investment produces recognised returns	• Cannot be purchased or imitated
• Can be easily duplicated	• Cannot be purchased or imitated
• Depreciates with use	• Appreciates with purposeful use
• Has finite application	• Multi-application without reducing value
• Best managed with “scarcity” characteristics	• Best managed with “abundance” characteristics
• Best leverage through control	• Best leverage through alignment
• Can be accumulated	• Dynamic: Short shelf-life when not in use

(Source: Sloman, 2003)

For many organisations – including knowledge-based organisations – their intangible assets are often far greater than their tangible assets. The point which is to be considered: South Africa currently finds it positioning in the era of accumulating knowledge. Knowledge is the

intellectual capacity of persons and it is not derived from machines, financial resources or natural resources (Phillips, 2005).

## **2.7 TRAINING AND DEVELOPMENT OF HUMAN CAPITAL**

There is no doubt that many of the aspects, which are currently arousing great interest in public as well as the private sectors, is related to the role of training workers for future employment, job productivity, competitiveness, economic development and social welfare. In general, there is on-going interest in the progress of training and developing the human capital. Informative debating of this subject continues, articles are published or comments are made regarding the importance of having an appropriate educational and professional training system in order to compete in markets. These markets are increasingly dynamic, demanding, complex, globally competitive and segmented. The flexibility which is currently required by companies is to adapt their proposals to suit the needs of the individual workers. With the changing needs of customers, workers at companies are obliged to adapt their skills capabilities and knowledge in order to meet the new demands (Griliches, 1997).

Although it is widely accepted that human capital is a key factor in the functioning of business and its competitiveness, this is of particular importance in the service sector, a basic service is an experience-based concept. The form, style and manner in which the service is provided have a combined influence on the customer's overall impression of the quality of service which is provided (Heskett, Sasseret, & Schlesinger, 1997). This concept also applies to the Matlosana Municipality for they are according to the Constitution, the providers of basic services.

Despite widespread unemployment amongst the educated population, there are still severe shortages in specific occupations, especially those requiring technical skills (Psacharopoulos, 1989). To improve the disparity between education and the labour market, it is recommended that vocational education and on-the-job training should receive more prominence in the policy of human capital development.

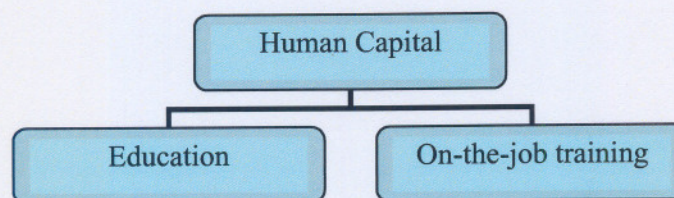
As the number of viable policy options for increasing salary increments appear to be less than average, much attention is given to education and training. It is assumed that individuals who have gained appropriate skills through education and on-the-job training will receive an



increase in their wages or salaries. The logical explanation of this statement is the fact that skilled workers are high in demand in the market but there are minimum quantities of skilled workers which are available to the market (Seibert, Kraimer & Liden, 2001).

In the figure below, the two most important components describe the development of human capital, which is education and on-the-job training. This is illustrated in the figure below.

**FIGURE 2.7 Education and training as the two developmental aspects of human capital**



(Source: Researcher, 2006)

### **2.7.1 Education as an investment in human capital**

As in all forms of capital, education represents an expenditure of monetary resources. However, this expense is directly linked to ensuring the increase of productivity in the future. But, unlike an investment in other forms of capital, an education investment by a company is attached to a specific person and this association is what makes this relationship aptly referred to as human capital. Not surprisingly, workers who own more than average human capital obviously earn more income than those with less human capital affluence. College graduates in the United States, for example, earn about twice as much as those workers who conclude their education level with the qualification of a high school diploma. This disparity has been studied in many countries around the world and the margins of income expand extensively in under-developed countries, where educated workers are a scarce commodity (Mankiw, 2001).

From the perspective of supply and demand, it is apparent that education levels determine the income which the worker will receive. In essence, the difference in wages between highly educated workers and less educated workers may be considered a compensating differential for the cost of becoming educated (Mankiw, 2001).

The notion of education as an investment in economic growth arose in the late 1950s in the United States. Economists such as Abramovitz, Solow and Denison determined that the growth of national production in economically advanced countries could not be adequately explained solely by the growth of the physical capital stock. A considerable portion of the growth remained unaccounted for (Vincent & Ross, 2001). These authors surmised that the growth of the labour force and the increase in the overall quality of performance by the labourers, was as a result of the amount of education that the workers had received. As people became more educated, they developed more skills and improved their reading and writing abilities. There was evidence that they became more productive and that they were better equipped to handle existing and new production techniques (Laanan & Hardy, 2000).

The Human Capital Theory developed this line of thought even further, particularly at the micro level (Blaug, 1972). The Human Capital Theory studied the close association observed in many societies between the number of Human Capital Theory was the notion that individuals were willing to invest in their own education, which would enable them to earn a higher income in the future. The theoretical link between investment in education and the level of income was labour productivity, as defined in the macro-approach to human capital. Education is the most conspicuous example of an investment in human capital. It is apparent that schooling increases people's skills and this education prepares them for the labour market. It is equally clear that schooling is a costly activity, both for individuals and for society as a whole. Initially, the idea of evaluating education (especially college graduation) as an associate of investment in human capital seemed foreign and indeed offensive to many educators as this concept of evaluation was misunderstood (Sloman, 2003). Education, it was argued, was an intellectual pursuit, not an activity to be evaluated in crude economic terms. Admittedly, the consumption aspects of education are important, but the investment aspect is also substantial and this statement will be discussed at the conclusion of this chapter. The provision of education is a major exercise which has to be performed and it entails the use of restricted resources which are teachers, material structures and other forms of capital goods (Hoffman, 1986).

The most important contribution of education is indeed 'learning to learn'. Reading, writing and arithmetic are basic requirements for being able to learn and follow a career path later on in life. At higher educational levels, learning to think analytically and evaluate information independently are important prerequisites for future learning capabilities within the workplace (Campbell, et al., 1998). Evidently, social background and inherited talents also determine one's educational career. However, inherited talent and personal status are not sufficient qualities which guarantee success for an individual in modern societies. It is the schooling system that transcends such factors to values which are useful to society.

Cognitive skills learned at school increases wage remuneration and are directly connected to productivity, irrespective of innate ability.

New production techniques in the industrial and agricultural sector require more knowledge and comprehension of these procedures. The rapid pace of technological development is increasing. Only a well-trained labour force can take advantage of the opportunities of adopting modern technologies from abroad and adapting these to domestic production processes. Educational investment also contributes to the progression of technological capabilities of a country (Groenewald, 2004).

The provision of educational facilities depends largely on government policies and decisions, which will be discussed in Chapter Four. For the purpose of this chapter, the proposal of how the education system should be formalised will not be discussed. What is of relative importance is the positive rewards of education which will be transferred to the society in its entirety and not solely to the individual student and his or her family. Firstly, this section will investigate whether additional schooling is a sound investment and whether it will prove to be beneficial to the society (Reddy, 2004). Should the benefits of a college education be primarily to the advantage of the individual student, then the student (or the student's family) should bear most of the costs. Should the benefits of college education which are conveyed directly by the student to society, then college costs should be substantially subsidised by government. The voluntary social returning to education by the nation (and completion thereof) has also increased the numbers of educated workers who perform at higher levels of productivity.

As indicated above, education and on-the-job training are two of the most important elements of human capital. Education was discussed against a background of knowledge acquisition which leads to higher productivity and eventually, to higher earnings. In the next paragraph, on-the-job training, which is described as the second most important method of knowledge acquirement, will be discussed.

### **2.7.2 On-the-job training as an investment in human capital**

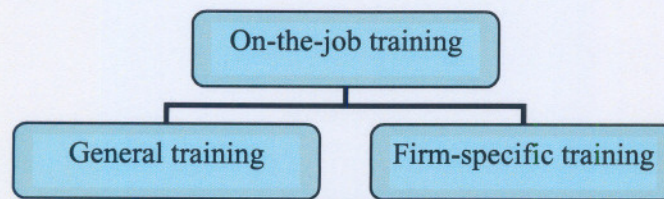
Although formal education may provide standard skills and enhance learning ability, much of the specific skills related to productivity are acquired after graduation. Sometimes training provided by companies is presented in a rather formal mode or, there may be a request to present the training in an informal manner. Training may be provided by co-workers or by foremen and supervisors. Such informal training can continue from day to day, month to month or for many years. As a result, workers become more productive as they grow older, which explains why earnings generally increase with relation to age. The total cost of on-the-job training, including the opportunity cost of the trainee's time which is spent at a training session is very substantial. Jacob Mincer, (1998) estimates that in the U.S.A the investment for males in on-the-job training by co-workers was more than half the investment than that of formal schooling. It is assumed that this practice could also be applicable to the workers in South Africa. His estimates of costing do not include the large but not readily measurable costs of on-the-job training incurred by firms. The particular skills that workers learn within the different working environment are variable in an almost unlimited number of assortments. In each situation there may be special skills that contribute to improving the methodology required for completing the function. The applying of special skills may reduce the time constraints of production which will enable companies to achieve double the capacity of production output (Reynolds, Masters, & Moser, 1999).

The many types of skills that are acquired within the workplace are, for analytical purposes, placed into two broad polar types and are referred to as general training and specific training. At one extreme, general training refers to the creation of skills or characteristics, which are equally usable in all firms and industries. General training enhances the productivity of workers which are required to meet the needs of all general skills which are performed at most business channels. At the other end of the continuum, specific training is training which

can be used only in a particular firm which specialises in a specific field of business. This specialist or exclusive training is therefore only provided by this individual firm. Specific training, in other words, increases the worker's productivity solely to the firm which is providing the exclusive training (Barney, 1991). In practice, most on-the-job training contains elements of both general and specific training and it is therefore difficult to rely on unequivocal examples (Vincent & Ross, 2001). Nevertheless, it is understood that the capacity to concentrate on a task for a reasonable period of time, to attend work regularly and to be punctual, to read, to perform simple mathematical calculations and to follow instructions – all constitute general training. Alternatively, the ability to perform an assembly task procedure which is unique to a firm's product, exemplifies specific training.

The distinction between general and specific training is notable for the following reasons. Firstly, it assists in the assessment of whether the worker, or the employer, is more likely to pay for on-the-job training. Secondly, it is useful in understanding why employers may be particularly adamant to retain certain trained workers (Campbell, et al., 1998).

**FIGURE 2.8** General and specific training as the two descriptions of on-the-job training



(Source: Researcher, 2006).

Human capital investment that takes the form of on-the-job training is the most important section of human capital investment for personnel analysts to comprehend. This is true, not only because the firm provides the training, but also because the selection and timing of the proposed training should be combined with compensation. Two distinctions of on-the-job training currently exist. They are general on-the-job training and firm-specific on-the-job training (Lazear, 1998).

General training refers to training in which employees learn skills that can be used at most workplaces. Employee education which involves the learning of basic skills, would qualify as general training (Finnemore, 1999). The employer who provides general training cannot be guaranteed that he/she will benefit directly from the training provided. Since the general training which was provided to workers will also prove to be of value to other firms, the workers will be able to command a higher wage at other firms, once they have been trained. Should the firm endeavour to recover the costs of training by paying the workers less than their marginal income, the workers are likely to resign and seek employment elsewhere where they are assured that they will receive a higher income. In contrast, many workers prefer to pay for their cost of training, since the “human capital” thus acquired is a personal possession which they own and these skills will afford them many opportunities of employment. Schooling can be regarded as segments of general training, where the firm (the school) provides training as its primary output and charges a tuition fee to cover its costs.

According to Bekink, (2006), firm-specific training is quite different. Specific training refers to training in which employees gain information and skills that are tailored specifically to their own workplace. For example, specific training might involve learning how the specific company’s budget is compiled. Since every firm has its own budget system, this training is of value only to the current employer (Finnemore, 1999).

Sloman, (2003), states that an important form of human capital investment is on-the-job training, which refers to the learning and skills development that takes place within the labour market. An apprenticeship programme in which an untrained worker labours under the direction of a skilled worker is a formal example of this training. In less structured learning situations, labour specialists believe that workers learn on-the-job skills that make them more productive and more valuable to their employers. It may take on the actions of “learning by doing” or “learning from experience”, or it may be “learning by observation” or even learning by the casual transmission of information and skills from trained workers to the untrained workers. Hoffman, (1986), confirms that in any event, surveys of workers skills capabilities found that workers had gained their experience from on-the-job training, which was confirmed as the most common source of training. There is another reason to suspect that the learning process continues on the job Garson, (2000), says it is regularly observed that a person’s earnings tend to increase during the life-span of his or her career. If, as labour

specialists believe, earnings reflect skills, this fact certainly suggests that workers skills continue to develop on the job.

### **2.7.3 Education and on-the-job training as the two important elements of Human Capital Theory**

Human Capital Theory – both in its micro-economic and its macro-economic guise – provides an additional justification for increased efforts in the field of education. The question should be raised why investment in human capital (education and on-the-job training) should lead to higher productivity and economic development. The possible answers to the question are summarised below:

1. *Professional Skills:* Education teaches specific professional skills required for professional practice (for example mechanics, plumbers, attorneys and doctors).
2. *Change in attitudes:* Education and literacy lead to changed attitudes, which indirectly result in higher productivity (Anderson & Bowman, 1976). For example, increased literacy and education changes people's perceptions of the alternatives introduced to them.
3. *The three Rs:* Workers who have mastered the three Rs – reading, writing and arithmetic – are more productive than those who have not acquired these skills. Literate employees are able to read instructions, keep records, make calculations and so forth.
4. *Commercial and Financial Aptitudes:* Education and literacy contribute to the development of commercial and financial activities. These activities require people who can work as accountants and clerks, who can write correspondence, systematically file documentation, or can calculate with a formula of numbers. Literate people are more likely to utilise paper money, hold bank accounts, and use other financial instruments. Literacy is a prerequisite for the development of financial systems and it influences the encouragement of savings transactions (Sandberg, 1982).
5. *Functioning of market mechanisms:* For market mechanisms to function, people have to be able to acquire information. This process enables persons to analyse knowledge which would effect their judgement when taking decisions. Education contributes to

this function. Effectively functioning markets contribute to the efficient allocation of productive resources and thus to an increase in productivity.

6. *Openness to innovation:* Technological development proceeds at a rapid pace. It needs well-educated employees to understand and apply the continuous flow of new production techniques. A more educated population is likely to be more innovative, which speeds up the adoption of new technology (Nelson & Phelps, 1966). This applies also to agriculture where new techniques can lead to dramatic increases in productivity (Schultz, 1988).
7. *Dissemination of new ideas and technology:* In general, literacy has positive effects on the dissemination of new ideas and technologies in a society.
8. *The rate of technological change:* In modern society the rate of technological development itself depends on continued investment in education, research and development (Nelson, 1981). A sufficient supply of scientific and technical personnel is required to adopt existing technologies from abroad and develop new ones. Highly trained engineers and scientists are essential for the development of technology (Nafziger, 1988). Technological sophistication of management is needed to make decisions regarding the allocation of resources for development and the acquisition of technology.
9. *Geographic and occupational mobility:* Education promotes geographic and occupational mobility (Easterlin, 1981; Sandberg, 1982). Some authors consider the loosening of age-old ties to village or ancestral occupation as a prerequisite for modernisation. Geographic and occupational mobility contribute to a more convenient allocation of labour for production purposes.

The idea that workers might learn skills and capabilities at their workplace is by itself not novel. The important insight is that this process of learning has expenditure of costs and yet benefits are derived from the process of training and this can be considered as an investment in human capital (Taylor, 2004). To identify these costs and benefits, it was important to consider the concept of on-the-job training, which was studied in the above paragraphs. In the next section, the accrued costs of human capital development will be discussed.



## **2.8 COSTS INCURRED IN THE DEVELOPMENT OF HUMAN CAPITAL**

This theory states that individuals make rational choices regarding whether or not they want to invest more of their time, effort, and money in education, training, and experience. That is, employees weigh the advantages and disadvantages of these decisions or investments, including the potential costs and rewards of such investments (Wayne, Liden, Kraimer, & Graf, 1999).

There are obviously costs involved in investing in human capital. This cost should be compared to the increased productivity, which in turn leads to increased earnings to determine the “profitability” or rate of return of an investment in education and training. The costs include direct costs (such as tuition and other fees, textbooks, the cost to the employer for providing training) and indirect costs, such as earnings forfeited when undergoing education or training (Barker, 2003). A person of a working age could choose the option to work and thereby increase his or her immediate earnings, or choose to undertake education and training and forfeit the immediate earnings (Ehrenberg & Smith 1985). The benefits of education and training, which are the two most important and valuable methods of development and investment in human capital, would be advantageous for the employee who could expect a larger salary and for the employer who could expect a higher level of productivity.

It should be noted that the costs and benefits should be comparable to the lifetime of the individual, and this is expedited by using certain econometric techniques to calculate the rate of return (“profitability”) on education (Ehrenberg & Smith, 1985).

The rate of return could be a private rate, in which only the benefits and costs to the individual are taken into account, or could be public, when considering the benefits of education and training for economic growth (Barker, 2003). Du Plooy and Fourie, (1991), found that only 8% of the growth in output in the period 1960 – 1985 could be attributed to improvements in the educational level of the workforce. This can be ascribed to the unequal and unfair access to education and development due to the apartheid era. In the latter part of this period (1985 - 1995) the rate increased to 67% (Barker, 2003). A more superficial consideration of the earnings of workers with different education levels also indicated that people with educational qualifications consistently earn higher salaries. A report by Statistics South Africa and the

Department of Labour (Statistics South Africa, 2000) indicate that the education premium is particularly high in the financial and electricity supply divisions. The hourly wages of workers without a Grade 12 qualification is approximately 50% less than that of their higher educated colleagues (Barker, 2003).

The regulation of different forms of labour mobility is also influenced by the human capital theory. This theory implies that an individual's education constitutes an 'investment' and by extension will provide a 'return' in the labour market (Li, 2003). In this respect, human capital is directly linked to productivity, knowledge and information economies and by extension, enhances the ability of nations to compete in the global economy (Abu-Laban & Gabriel, 2002). In other words, the investment in human capital must respond to a return on investment, and this component will be discussed in the paragraph below.

Some organisations prefer to invest in human capital when there is evidence that it is providing benefits. They often compare monetary benefits with the costs of human capital programmes. This strategy is becoming more popular following the increased interest in accountability, particularly the use of Return On Investment (ROI) as a business-evaluation tool. With this strategy, all human resource programmes are evaluated at the ROI level – which is the monetary benefits compared to the cost of investment – in the similar method in which the ROI is calculated for an investment in building construction or equipment (Davenport, 1999).

The ROI strategy focuses on implementing a comprehensive measurement and evaluation process for the human capital expenditures within an organisation. This entails the capturing of no less than seven distinctions of data when a human capital programme is implemented. This is shown in the table below.

**FIGURE 2.9** Data collected for the implementation of the ROI strategy

Human Capital Programme Measurements
• <b>Reaction</b> to and <b>satisfaction</b> with the programme
• Improved <b>knowledge and skills</b> necessary to ensure the success of the programme
• The <b>application and implementation</b> of the programme
• Specific <b>business impact</b> measures directly linked to the programme
• <b>Return on investment</b> data comparing the monetary benefits of the programme to the costs incurred
• Total <b>costs</b> of the human capital programme
• <b>Intangible data</b> – not converted to monetary value (when the conversion is too expensive or lacks credibility)

(Li, 2003)

Some specialised skills required by employers should usually be acquired by the worker before he/she will be hired. For example, within the trading of importing and exporting of goods, most jobs require that a worker be fully conversant with the English language. The candidate may for example, in addition to his knowledge of language, learn many other skills, including how to operate equipment and to work effectively within the environment with other employees (Lewis, 1966). Once the worker is hired, this opens up a window of opportunity for him as he is exposed to learning capabilities within his environment (Azevedo, 1998). Therefore, when recruiting workers, the firm must be concerned not only with the present skills ability of the workers it hires, but should also ascertain their ability to learn new skills. This investment will be feasible as long as the present value of the anticipated increases in productivity exceeds the hiring and training costs. Hiring costs for

firms include costs of recruiting workers, evaluating the qualifications of job applicants and the administrative process of accepting the successful applicant.

According to Petty & Guthrie, (2000), once the employee is placed in a new position, the employee will usually receive training and orientation. For example, the worker may learn how to operate machinery, either as part of a formal training programme or informally with the assistance from co-workers who are familiar with the operation of the same equipment. Usually orientation activities are provided, which range from elaborate lectures on company policies to simple information on whom to consult should any problems arise or access to any information which may be required. It may be that the training required by new workers is not very technical in nature but rather involves learning how to interact effectively with co-workers, customers and suppliers. In providing training to its workers, firms incur several kinds of costs. The most obvious costs are direct expenses to the firm, such as the cost of salaries to those who are employed to provide the training and the costs of any materials consumed during training. In most cases, however, the *opportunity costs* of training will be greater than the direct costs. These opportunity costs include the output the trainees could have produced whilst performing their duties, but were unable to do so as they were designated to attend the period of training. Other opportunity costs include the non-functioning of capital equipment and the loss of time of non-performance by experienced workers due to their attendance being required at the training sessions. A large portion of on-the-job training is done informally by experienced workers who demonstrate and explain to newly hired workers how to perform the job efficiently. Although the process does not require the firm to employ special trainers, it normally does reduce the output of the experienced workers while they are teaching the new recruits. To a certain extent and for this reason, it is difficult to obtain accurate estimates of the cost of training for firms (Reynolds, et al., 1999).

## 2.9 CRITICISM OF THE HUMAN CAPITAL THEORY

A number of criticisms have been made of the human capital theory and its applications. The first two criticisms which are discussed are concerned with the measurement problems and suggest that estimates of the rates of return on investment in education are likely to be biased views. Other criticisms also have been implicated for measuring the rate of return on human capital investment, but are more profound in that they challenge the very concept or theory of investing in human capital (Campbell, et al., 1998). There is a collaboration of critique of the

human capital theory, but for the reason of this study, it exemplifies why training and education is important to the nation of South Africa.

- **Investment or Consumption**

One criticism of measuring the rate of return on human capital investment is that it is not correct to treat all expenditures for education as investment, because, in fact, a portion of such outlays are consumption expenditures. The decision to attend college, for example, is based upon considerations, which are broader and more complex than anticipated increases in labour productivity and enhanced earnings. Some substantial portion of a student's expenditure in a college education yields consumption benefits either immediately or in the long term. Expenditures for courses on ceramics, music appreciation and so forth, yield both immediate and long term consumption benefits by enlarging an individual's range of interests, tastes and activities. It is true, naturally, that a course in nineteenth-century English literature not only yields consumption benefits but also enhances one's capacity to express one-self orally and in writing. The ability to express one-self has value in the labour market and tends to increase one's productivity and earnings. The problem, however, is that there is no reasonable way of determining what portion of the costs expended on a literature course is investment and what portion is consumption. The main point is that by ignoring the consumption component of educational expenditures and thereby considering all of such outlays as being investment, empirical researchers understate the rate of return in educational investments (Barney, 1991).

- **Non-wage Benefits**

In calculating the internal rate of return, most researchers simply compare the difference in the earnings of high school and college graduates. The employment positions of high school and college graduates differ in various respects. Firstly, the fringe benefits associated with the jobs obtained by college graduates are more generous – as a percentage of earnings – than those received by high school graduates. By ignoring fringe benefits, empirical studies understate the rate of return of a college education. Secondly, the employment which is acquired by college graduates is generally more pleasant and interesting than those of high school graduates. This means that a calculated rate of return based upon incremental earnings understates the total benefits accruing from a college education (Campbell, et al., 1998).

## 2.10 CONCLUSION

Some elements of the human capital theory have been isolated to establish a theoretical framework for the explanation of the Human Capital Theory. As stated in the beginning of this chapter, it is of the utmost importance to develop, maintain and enhance the human capital of a workforce. The Human Capital Theory should be introduced and applied to the Matlosana Municipality. By investing time and money into this critical aspect, it is assumed in the above-mentioned literature that this will lead to an increase in productivity and an increase in earnings for the workers. Other important factors and outcomes, which were not discussed in this chapter due to the nature of this study, is that the workforce will be motivated, loyal and satisfied employees. All of these factors can be positive attributes of a personal commitment by the employees to contribute towards the general success and financial viability of the Matlosana Municipality.

There are several important obstacles which need to be overcome before change can take place. First is the failure to walk the talk. In textbooks, manuals and training programmes, executives proudly proclaim employees as their greatest asset, but they do not necessarily walk the talk. They consider employees as expenditures and an investment in employees as an unnecessary expense within the organisation. Errors in underestimating the theory of human capital are made when companies decrease employee numbers in order to save costs and drive income revenue. The second obstacle is the issue of ownership: Who actually owns human capital measurement, monitoring and management? For many years, it has been the function of the human resource department to oversee human capital. Executives have turned to the human resources staff to claim ownership for, and make improvements in, this important expenditure. However, for the human capital investment to be successful, it must be owned by the entire organisation and managed by senior executives. Human Resources Managers and senior executives should ensure that proper programmes are in place, that the appropriate measures are monitored and procedures for improvement are successfully expedited. It is essential that chief financial officers and operating executives all play important roles in this process to ensure that the necessary strategies are forth-coming. The third major obstacle, which should be overcome, is the failure to consider and recognise the dynamics of the human capital investment projects. A variety of programmes and projects are often implemented with little or no concern regarding the effect that these specifics would

have on various divisions within the organisation. Projects that are implemented should provide constructive, workable solutions to problems. Perhaps there has been too much focus on the activities, programs and projects and not enough focus on the outcomes, integration, success and ultimate accountability of human capital (Phillips, 2005).

As briefly stated in chapter one, the Skills Development Act (97/1998) and the Skills Development Levies Act (9/1999), as well as the South African Qualifications Act (58/1995) is legislation which will assist the development, training and skills development of employees. Sensible strategies and interventions have also been implemented, for example, ASGISA, which will assist local government in achieving its objectives and functions and especially to develop human capital.

In the following chapter, chapter three, local government will be discussed as this sector receives the main attention of this study.

## **CHAPTER THREE**

### **LOCAL GOVERNMENT, SERVICE DELIVERY AND THE ACCELERATED AND SHARED GROWTH INITIATIVE FOR SOUTH AFRICA (ASGISA)**

Chapter Two explained in depth the Human Capital Theory and the effect which investment in human capital has on productivity and earnings. In Chapter Three, Local Government (municipalities), will be discussed, as well as the delivery of basic services. The chapter will conclude with an overview on the Accelerated and Shared Growth Initiative for South Africa.

#### **3.1 INTRODUCTION**

Local Government is a peculiar theme, always recognised in developing countries as an important element of integration within society, yet rarely is it comprehensively written about or explicitly understood. It is generally recognised as the second or third sphere of government, created to bring government to the close proximity of the population at grass root levels and to give its members a sense of involvement in the political process that controls their daily lives (Barker, 2003). Local democracy denotes a political system in which the eligible people within a policy constitution can participate actively, not only in determining and exercising their choice of people or groups who should govern them, but also participate actively in shaping the policy output of the government (Reddy, 2004). The importance of local government as the basis of all structures of governance and hence in the universal quest for a stable democratic society, cannot be over emphasised. Consequently, the essence of strong local government has therefore been advocated throughout the democratic world in programmes promoting good governance.

In South Africa, a country of almost 42 million people of diverse cultural and political groups, the need for effective decentralised democratic local government as a vehicle for national integration, public participation, development and poverty alleviation cannot be emphasised enough. There are currently nine provinces and 284 non-racial and democratic local authorities in South Africa. The first and second democratic local government elections held in November 1995 and May/June 1996 and December 2000 respectively, were indeed a



political watershed and the last chapter in the relatively new democracy of the South African state (Lee, 2002). The latter election was the final phase of the transition process and was based on the local government model enshrined in the 1996 constitution. The year 2005, marked the tenth anniversary of local democracy in South Africa. Since 1995 considerable progress has been made in transforming local governance in South Africa. However, there is no future guarantee that by the end of 2005 or a short period thereafter, that all municipalities will become financially sustainable entities, fully capable of meeting their democratic and developmental mandate by 2010, given the challenges that have to be addressed particularly in relation to poverty alleviation and unemployment (Rantete, 2003).

One of the most exciting challenges facing the government in South Africa is to enhance the process of transforming public service delivery. However, this is not the single requirement that government should undertake which is the transformation from the apartheid rule to democratic principles and a representative public sector, but also rather transformation and renewal with a major shift from the mere existence of representative public institutions, to centres delivering quality public services (Cloete, 1999).

The present rate of growth and development in South Africa demonstrates a lack of progress in the delivery of infrastructure, housing, health service, education, and other public services (Kroukamp, 1998). To sustain its programmes, the government must develop a culture that supports continual change and improvement. The South African public service must remain an institution which South Africans can view with pride. For this reason, service delivery must be continually modernised, improved and directed towards the interest of citizens. The government must be able to develop and maintain a coherent vision of its overall policy and must retain and enhance its actions with an embedded accountability to all South Africans (Osborne & Gaebler, 1992).

These efforts should go hand-in-hand with the dedication and contribution of public service employees in supporting initiatives, providing solid advice to the government, and proposing and implementing innovative solutions. The public service must retain and recruit people who possess the proper personal qualities and qualifications to assist in all departments of government. It must make ongoing investments in training; it must contribute to the building of positive labour relations and an environment where employees and their representatives

can participate in making decisions that will positively affect performance within their departments. The public service should simplify and modernise its management and administrative systems and processes to enable them to become more efficient and cost effective. A new job classification system where departments have greater managerial flexibility, with simplified remuneration and staffing systems and greater flexibility for employees to gain knowledge throughout the course of their careers within the public service, will be required (Mosai, 2006).

### **3.2 HISTORICAL BACKGROUND OF LOCAL GOVERNMENT**

Kroukamp, (2001), states that the segregation laws and in particular, the defined apartheid policy of the National Party government has left a negative imprint on the country's human settlement patterns and municipal institutions. In order to understand, evaluate and contribute to the new transformation that local government is currently undergoing, a basic understanding is required of the historical setting and background of Local Government.

The implementation of a system of segregation on racial grounds was already a policy of the government of the day at the time when the formal policy of apartheid was introduced in 1948. It was, however, the Group Areas Act (41/1950), which instituted strict residential segregation and the compulsory removal of black people to so-called "own group" areas that formally confirmed the apartheid policy. Through a process of spatial separation, various influx control measures and a policy of own management for own areas, that two separate Local Government systems were introduced. The policy of racial segregation was aimed at limiting the extent to which the powerful municipalities (operated by the minority of white persons), would be responsible for bearing the brunt of the financial and infrastructure burden of serving and maintaining disadvantaged black local authorities. In achieving this goal, the Group Areas Act (41/1950) restricted the permanent presence of black African people in many urban areas through a pass book identification system and further reserved a viable municipal revenue base for white areas only, by separating black and white townships from one another and by permitting industrial and commercial development only in demarcated areas. Furthermore, many black people were removed from land on which they lived and relocated to "non-white" residential properties. The system of creating separate living areas

for different racial denominations ultimately created a fragmented, dysfunctional and unequal system of local government in the country (Bekink, 2006).

Since 1994, a plethora of legislation has been introduced in shaping the new post apartheid local government dispensation in South Africa. A three-phase model for the transformation of Local Government was ushered in taking due cognisance of democracy, redistribution, efficiency and effectiveness in a new redefined developmental context. The Local Government Transition Act (209/1993), constituted the basis for the first phase and laid the foundation for legitimate local government. The second phase was marked by the first democratic Local Government elections in 1996. The final phase has incorporated core sectors of legislation, that is, the Local Government Municipal Demarcation Act, (27/1998), Local Government Municipal Structures Act, (117/1998) and the Local Government Municipal Systems Act, (32/2000) which had a major impact on the restructuring and transformation process. The Local Government elections held on 5 December 2000 completed the process and marked the end of the transition period and reduced the number of municipalities nationally from 843 centres to 284 centres. Given the ten years of democracy, it is imperative that the concept be examined at the local level to determine how effective it has been. Issues that can be considered in gauging the success are voter turnout at election polls, participation, gender representation, and efficient and effective delivery of services (Gelb, 2005).

According to Brown, McIntosh & Xaba, (2004), the end of 2005 has marked ten years of local democracy in South Africa. Since 1993, legislation has been introduced that has facilitated the Local Government restructuring and transformation process and has had a marked impact politically, institutionally, economically and socially on the development of the 284 non-racial and democratic local authorities. The restructuring and transformation process is almost complete and considerable emphasis has been placed on two of the foremost challenges facing municipalities, namely service delivery and poverty alleviation. However, despite the fact that local democracy is deeply entrenched in South African society and furthermore, a very futuristic Local Government policy framework has been introduced, there is no guarantee that the new Local Government system will be financially viable and capable of discharging its democratic and developmental mandate. There are major challenges that have to be

addressed, namely promoting job-creation, local economic development, capacity development and civic education, which in the final analysis, will ensure that the concept of developmental local government becomes a reality for the majority of South Africans (Lesela, 2006).

The advent of local democracy is a relatively new phenomenon and experience for the majority of South Africans. This was eloquently testified by Mumafudi, (Khoza 2001), who pointed out that since 1994, when South Africa became a democracy, transformation at the local level has involved the creation of a grass root democracy in many communities that have had no prior experience in this field. During the transition, very little attention was paid to civic education. Consequently, citizens are not fully aware of their rights and responsibilities or that they can hold public representatives accountable for their actions within the context of local democracy. The responsibility becomes even more prominent with regard to the candidates who have been elected on the basis of proportional representation, as they are only accountable to the political party which they represent.

The steering in of local democracy has indeed been a watershed in the history of Local Government in South Africa. Local Government is at the cutting edge of change as it will have to improve the quality of life of the local populace. The new democratic Local Government dispensation, as part of the new developmental paradigm, has to facilitate the process of service delivery at the local level to alleviate poverty and more importantly, improve the quality of life of the local citizenry (Sibiya, 2006). However, a major challenge relative to effective local governance is capacity building with particular emphasis on institutional and organisational development. South Africa has introduced world-class legislation and a 'best practice local governance model' and much needs to be done to ensure efficient and effective implementation, monitoring and developing the required capacity and ensuring financial sustainability of the new system. This will include initiatives to encourage civic education and improve the quality of human resources, thereby ensuring that municipalities function more efficiently and effectively to facilitate service delivery and improve the quality of life of the local citizenry. It is generally accepted that municipalities are at the premature stages of a major transformation to a fundamentally new system of Local Governance (Groenewald, 2004).

Given the historical legacy and resultant developmental challenges, limited resources and capacity, it can be noted that the renewed municipalities have made reasonable progress in discharging their constitutional mandate. However, they have to become much more effective in terms of enhancing service delivery and facilitating good local governance. National and provincial government together with the various key role players and stakeholders will have to play a supportive role in ensuring that the developmental vision of Local Government will become a reality. The government has set clear targets and deadlines for the provision of basic services and is committed to the development of financial and human resources capacity at the local level (Mosai, 2006).

### **3.3 LOCAL GOVERNMENT AS THE SUPPORTING SPHERE TO GOVERNMENT AND LOCAL COMMUNITIES**

Local ward councillors are the politicians closest to communities. The South African government has clear policies stating that local municipalities and councillors should be sensitive to community views and responsive to local problems. Partnerships should be encouraged between civil society and Local Government to address local issues. A number of laws outline participation processes that municipalities should utilise when consulting with the community (Blumenthal, 2001).

The main task at hand for Local Government is the development and provision of services to communities. Some writers, for example, Bekink (2006), have even commented that if a municipality cannot or does not perform its service provision obligations, it should forfeit its right to exist. This idealism is strongly entrenched in the new constitutional framework that has been devised for Local Government. According to the Constitution 152(b), one of the main objectives of Local Government is to ensure the provision of services to communities in a sustainable manner. The provision of services is thus a cardinal function, if not the most important function, of every municipal government.

### **3.3.1 The characteristics of Local Government**

In essence the characteristics of a local authority are three fold. Firstly, a local authority is an identifiable juristic entity, which has been formed within a specific area of jurisdiction by the community of that area. The entity is then tasked and bound together by the common interests of the people of that area. Secondly, all local authorities provide a forum for local community participation in the affairs of government, albeit on the local level. This protection to participation is often referred to as “grass roots democracy”. In this instance

Local Governments are identified as local political institutions, which have been empowered with executive and legislative powers and functions. The significance and importance of the fact that local authorities are part of the political structure of the state must never be overlooked or underestimated (Bekink, 2006).

### **3.3.2 The legal nature of Local Government**

The legal nature of a municipality is explained in terms of the Municipal Systems Act as follows:

- A municipality is an organ of state within the local sphere of government exercising legislative and executive authority within an area determined in terms of the Local Government: Municipal Demarcation Act (27/1998).
- A municipality consist of (i) the political structures and administration of the municipality; and (ii) the local community of the municipality.
- A municipality functions in its area in accordance with the political, statutory and other relationships between its political structures, political office bearers, administration and its community.

- A municipality has a separate legal personality, which excludes liability on the part of its community for the actions taken by the municipality. This confirmation of the legal personality of a municipality allows a municipality to sue or be sued by other natural or legal persons (Boshard, 2006).

A clear understanding of the legal nature of local authorities is thus of great importance. It not only explains the basic composition of a municipality but also provides for significant responsibilities in terms of the political and administrative structures. Confirmation of these responsibilities is in accordance with the compliance of the constitutional foundation of a government based on the values of accountability, responsiveness and transparency (Vinassa, 2006).

According to Mufamadi, (2006), although all municipalities have been constitutionally tasked with providing sustainable and effective services, such a realisation is not as elementary as it may seem. There are many different aspects of monitoring and control that should be integrated before a municipality will be able to succeed in this mammoth task. Various obstacles and problems which municipalities are experiencing need to be examined and solutions need to be formulated and put into practice in order to assist them in achieving their mandates. Factors that influence services and service delivery alter drastically from one municipal term to the next and hence, continuous and long term planning is imperative.

It is generally accepted that national, provincial and Local Government will have to work in unison with various other role players and stakeholders to ensure that the targets as set out above are attained. This will be facilitated by the Inter-Governmental Relations Bill which will become law shortly; including the harmony of integrated development plans incorporating those of the National and Provincial Government, thereby enhancing the capacity of Local Government to assist and fast track economic growth and development. The Bill further states that local municipalities will be allocated an amount of approximately R16.5 billion which is a portion of the R38 billion that Local Government will invest during the following three years in infrastructure, ensuring that municipalities with a poor revenue base are adequately resourced with an equitable share of the investment allocation (Steytler, 2003).

### 3.3.3 Essential objectives of Local Government

The new Constitutional dispensation specifically identifies five core objectives of Local Government in general. The objectives are:

- To provide for a democratic and accountable government for local communities.
- To ensure sustainable provision of services.
- To promote social and economic development.
- To promote a safe and healthy environment.
- To encourage public involvement in the affairs of Local Government.

All municipalities are obligated, within their financial and administrative capacities, to achieve the above mentioned objectives (Mlambo-Ngcuka, 2006a).

The Constitutional provision of specific goals of Local Governments is strongly linked to and founded on the traditional purpose of local authorities and its confirmation of its role and duties. In the Local Government Transition Act (2000/1993), it was stated that every municipal authority should conduct its affairs in an effective, economical and efficient manner; to optimise the use of resources; to meet the needs of its respective community; to structure and manage its administration and financial management; to promote social and economical development and also to support and implement national and provincial programmes (Vincent & Ross, 2001). In essence the specified objectives will reaffirm the new constitutional commitment to an overall democratic state and accountable government to ensure the sustainable provision of services to the people of the country; to promote economic and social upliftment and development; to create a safe and healthy environment and finally to revitalise public participation and involvement. The different objectives are thus clear and there is no need for further explanation, but the systems and programmes that must be put in place in order to achieve these objectives, present formidable challenges to all parties involved in Local Government, be they political leaders, municipal administrators or the relevant local communities themselves (Bekink, 2006).



### **3.3.4 The powers and functions of municipal governments**

In essence, there are two essential components to which municipal powers and functions are subjected. The first is that municipalities can only perform such powers and functions that are legally permissible for them to perform or exercise. This requires a substantive evaluation of the law – constitutional or otherwise – to determine whether a municipal council has indeed a certain power or authority to exercise a particular function. The second requirement stipulates that once it has been established that a Local Government has the ownership of a specific power or ownership to perform a certain function, such power or function must be performed or exercised according to predetermined and procedurally correct legal requirements. This entails a procedural evaluation of the manner in which powers or functions are exercised or performed (Robertson, 2005).

### **3.3.5 Basic administrative capacities that will enhance municipal development**

In order to play a successful role in respect of the improvement of service delivery, all municipalities will need to develop the minimum requirement of the following capacities:

- Municipalities will have to become more strategic in their orientation. They should be transparent, flexible and prepared to confront new or unforeseen demands.
- They will have to maximise integrated capacity internally and externally within their municipal jurisdiction.
- They will have to create an awareness of community requirements and customer care focus (Africa, 2006).

Municipal councils need to develop mechanisms to interact with community groups and to identify service needs and priorities. Without the capacity to strategise, integrate and interface with non-municipal groups, many Local Governments are unlikely to be sustainable in the future. The implementation of new strategies and policies requires strong municipal

leadership, with the necessary support and commitment from the municipal council. Continuous communication between all role players and regular oversight and training should be provided (Hattingh, 2006).

### **3.3.6 The legislative requirements regarding municipal services and service provision**

According to the new constitutional framework, all municipalities are obligated to provide certain services and to achieve certain objectives. In this regard there is a strong relationship between the functions that municipalities should fulfil, the objectives that they should achieve and the services that they should provide. It is interesting to note that the Constitution itself does not go into much detail regarding all the services that a modern municipal government should provide. The Constitution merely states that all municipalities must strive, within their financial and administrative capacities, to achieve the objectives of:

- A democratic and accountable government.
- The provision of services in a sustainable manner.
- Social and economic development.
- Safe and healthy environments.
- Community involvement in local government matters (Lee, 2002).

The Constitution also states that it is mandatory for all municipalities to structure and manage their administrations, budgets and planning processes and offer priority attention to the basic needs of their communities in order to promote social and economic development. What is incorporated in what the basic needs of communities actually are, is not altogether certain. Some core/basic needs are however universal and should take centre stage in any municipal service provision planning. Such basic services would normally include water and electricity provision, as well as solid waste disposal and general municipal infrastructure. These services must be provided in an equitable and sustainable manner (Reddy, 2004). Once again the Constitution does not provide further guidance regarding specific services that should be rendered. Apart from the fact that municipalities are obligated to provide certain core services

to their residents, a municipality must be legally authorised to provide such a service or to impose fees or tariffs for such services rendered (Gray, 2003).

In an effort to further enhance the achievement and fulfilment of their obligations towards service provision, the Constitution requires provincial governments to establish municipalities in a manner that will promote the development of Local Government capacity in each province so as to enable municipalities to perform their functions autonomously and manage their own financial affairs. Only the elapsing of a period of time will prove whether the municipalities that have been established under provincial authorisation will indeed promote the development capacities that are required. On this matter, it is also important to mention that both National and Provincial Governments, through their legislative and executive powers, should oversee the effective performance of a municipality and its functions in relation to the matters listed in Schedule 4 and 5 of the Constitution (Cashda, 2002). Furthermore, a municipality has the right to exercise any power concerning any matter that is reasonably necessary for or incidental to the performance of its normal functions. In this respect it should be noted that it is the municipal council itself that makes decisions concerning the exercising of powers and the performance of all functions including employing the necessary personnel to perform its functions effectively (Bekink, 2006).

In post-apartheid South Africa, emphasis should not only be placed on creating a representative public sector, but also on public institutions which deliver quality services to improve the living conditions of all citizens. Renewed government programmes to assist in this transformation process have identified expenditure implications and this is receiving attention. To ensure cost effectiveness and sufficient service delivery, it is important that programmes that have been implemented are continuously reviewed to establish whether there has been progress (Kroukamp, 2001). One of the most exciting challenges facing the government in South Africa is to enhance the processes of transforming the public service delivery system. The necessary requirements are not only the transformation from the apartheid rule to democratic principles and a representative public sector, but rather transformation and renewal with an all-embracing shift from the mere existence of representative public institutions, to centres delivering quality public services (Lebone, 2005).

### **3.4 EFFECTIVE SERVICE DELIVERY IN LOCAL GOVERNMENT**

Prior to focusing on the diverse services a municipality is required to provide, it is of value to distinguish between the descriptions of the terms of the functions and thereafter the terms of the services. As defined by Craythorne, a municipal function is a subject that is linked to the nature of governance. A government must govern, and in order to govern it must perform certain functions, such as making laws, levying taxes, employing personnel and allocating resources. Contrary to the above, a service is rather something that is provided by one person or institution to another person or to groups of persons. In this regard, a service is something that is rendered to others (Craythorne, 1999).

#### **3.4.1 The general duty of Local Government in respect of municipal services and basic aspects concerning service tariffs**

In compliance with the basic constitutional provisions and requirements in respect of municipal service provision, the Local Government: Municipal Systems Act (32/2000) determines specific duties and requirements for all municipalities, which must be adhered to. As a general duty, all municipalities should give effect to the provisions of the Constitution and is expected to apply the following criteria:

- Give priority to the basic needs of the local community.
- Promote the development of the local community.
- Ensure that all members of the local community have access to at least the minimum level of basic municipal services (Vilakazi, 2006).

According to Groenewald, (2004), the term “basic municipal services” is defined as a municipal service that is necessary to ensure an acceptable and reasonable quality of life and that, if not provided, would endanger public health or safety or the environment. Although the definition provides some guidance, an exact determination of what should be regarded as a basic municipal service is very inconsistent and will have to be determined on a case-to-case study basis.

The Systems Act (32/2000) furthermore identifies five specific requirements that municipal services must adhere to. These requirements are:

Municipal services must be:

- Equitable and accessible.
- Provided in a manner that is conducive to prudent, economic, efficient and effective use of available resources and the improvement of standards of quality over a period of time.
- Financially sustainable.
- Environmentally sustainable.
- Regularly monitored with a view to upgrading, extension and improvement.

The Act is unfortunately uninformative with regard to methods or mechanisms which should be used, in order for municipalities to achieve and adhere to the above mentioned requirements. It seems that the source of these initiatives in this regard should be presented by the individual municipalities themselves. All municipal councils should therefore take full cognisance of the requirements and put policies and programmes in place in order to prevent them from falling foul to the broad and more specific legal obligations (Suttner, 2001a).

### **3.4.2 General factors that impact on municipal services**

It has been explained in the introduction of this chapter that the provision of municipal services is arguably the most important reason for the existence and creation of Local Government structures. So important and fundamental is the provision of municipal services to local communities that it has been incorporated and entrenched within the new constitutional framework of South Africa (Lebone, 2005). Before the basic services that municipalities should provide are investigated, it is important to look briefly at specific factors that have an impact on service provision and service levels. To a large extent these factors are determining factors in achieving an effective and sustainable arrangement of service provision. The factors can be summarised as follows:

- **Financial resources:** Finance is often regarded as the oil that keeps the engine of government running smoothly. Without financial resources there can be no effective and sustainable provision of municipal services. All municipalities should maximise their potential financial income and should utilise such resources sparsely and diligently. Municipal finances are mainly generated via two sources:
  1. The sharing in revenue that is raised nationally.
  2. Revenue that is generated locally through the collection of rates, taxes and surcharges on services (Strydom, 1998).
  
- **Training and municipal planning:** The restructuring of municipal governments since 1993 has had a somewhat negative impact on skilled municipal employees. Many municipalities have lost the services of highly skilled and experienced municipal personnel. Coupled with the reality of a new legal and administrative framework, all municipal employees are in need of extensive training and education programmes to ensure services are provided in compliance with the new legal foundation. Local Governments should not be short sighted and should acknowledge the importance of new training initiatives. A comprehensive and continuous programme of training and skills development must support the new local government system. Without proper attention to such aspects, sustainable service provision may be an unattainable ideal. Of equal importance, other than that of training staff, is the principle of municipal planning. Planning in general is an inseparable and integral part of the processes of public administration and accordingly requires specific consideration (Lesela, 2006).

In basic terms, municipal planning means looking ahead and anticipating trends, preparing worksheets and implementing action plans for projecting future dealings. Problems need to be assessed and solved. One such trend is for example, the migration of people. Migration of people from rural areas to more developed areas such as towns or cities is a universal phenomenon. People migrate from one settlement to another in the hope of obtaining employment and to seek a better quality of life. The most important consideration in municipal planning in terms of accommodating migration trends is to anticipate future demand for basic municipal services such as water, sanitation, refuse

removal and primary health care facilities. Often migration patterns are difficult to anticipate because many informal settlements are geographically established almost anywhere. In light of such sudden municipal demands, municipal planning is a *sine qua non* for a successful Local Government system (Wentzel, 2001).

- **Accountability, effective decision-making and local democratic governance:** The new constitutional dispensation of South Africa, which includes Local Governments, is founded on the values of a democratic, accountable, responsive and transparent government. All municipal governments must therefore structure and manage their affairs in compliance with such values. Municipalities should take decisive steps to eradicate all forms of poor administration and corruption and should align themselves with the new supreme values of the state. Without a concerted effort to establish new and accountable local governance, which displays a high level of integrity, there is little chance that the newly established Local Government structures will secure and fulfil their obligations towards effective and sustainable service delivery (Botha, 2006).
- **Public participation and social and economic development:** Public participation within all areas of government is a constitutional prerequisite. This is of particular importance since the former Local Government dispensation excluded many people from its processes and decision-making procedures. Without proper participation of all the role players in local communities, the new Local Government dispensation is stillborn from the outset. In general, participation leads to information, which in retrospect ensures support (Mufamadi, 2006). It is a well known fact that people generally support and participate in processes in which they have a direct or alternatively an indirect stake. Communities need to realise that Local Governments exist mainly to provide services and to manage and control the local area. This is beneficial to all persons who are residing or working within local municipal boundaries (Cashda, 2002). As a counterweight, municipalities must assure and provide their services so as to ensure social and economical development, which in turn will ensure a better future for all residents. The importance of this objective has been given constitutional protection (Bekink, 2006).

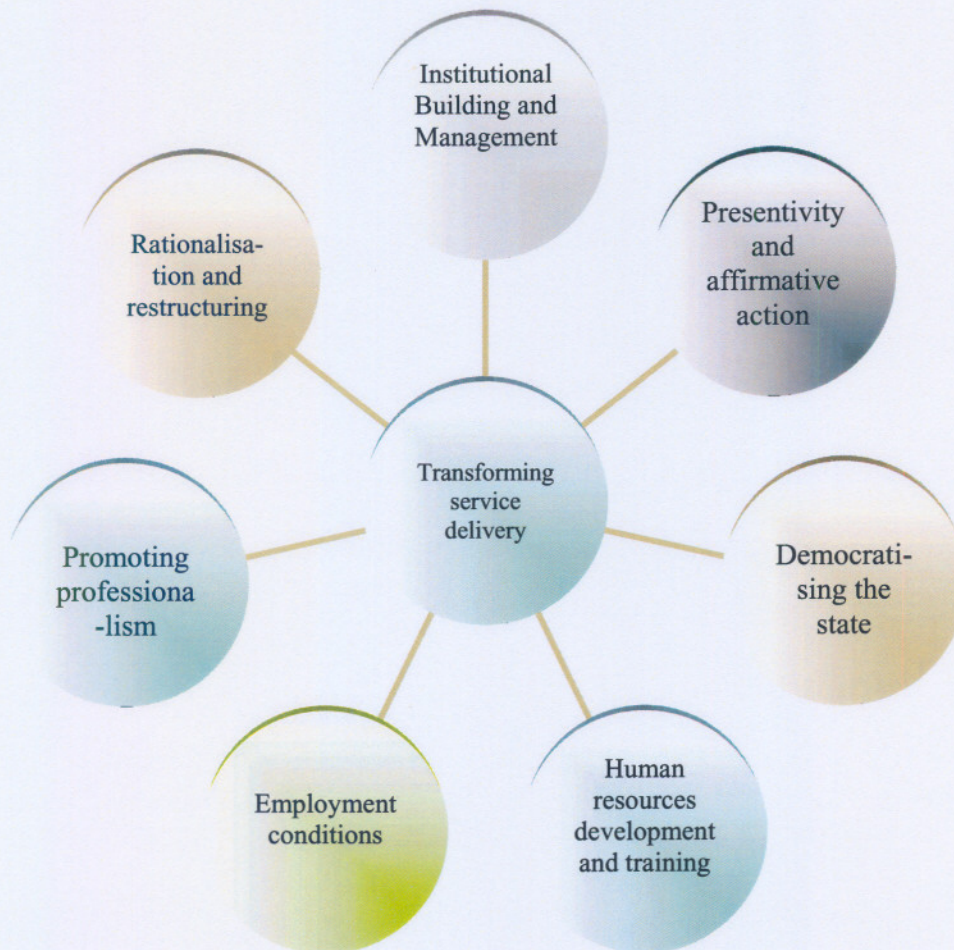
The South African Constitution states that municipalities have the responsibility to ensure that all citizens are provided with services which satisfy their basic needs. The large numbers of services, which are provided, are:

- Water supply.
- Sewerage collection and disposal
- Refuse removal.
- Electricity supply.
- Municipal health services.
- Municipal roads and parking.
- Storm water drainage.
- Street lighting.
- Municipal parks and recreation facilities (Brown, et al., 2004).

Local Government (municipalities), is the body of government which interacts closely with the community, they are elected by citizens to represent them and they are responsible for ensuring that services are delivered to the community. Many municipalities, however, are unable to deliver services to residents. This may be due to a lack of finances, capacity, or skills to provide a good service at an affordable price. Such municipalities should find solutions to problems and ensure that the services are improved and reach the people who are drastically in need of utility services (Lebone, 2005).

The South African Government has therefore placed the emphasis on meeting the basic needs of all citizens by reducing unnecessary government consumption, releasing resources for productive investment and redirecting funds to the areas where poverty is rife. The implications which became evident, was that government institutions had to be re-oriented in order to optimise access of their services to all citizens, within the context of fiscal constraints and the fulfilment of competing needs (Wentzel, 2002). The prioritisation of service delivery is schematically demonstrated in Figure 3.1.



**FIGURE 3.1** Prioritisation of service delivery

(Source: South Africa, Batho Pele, 1998)

Whatever appropriate means are chosen by a local authority to deliver services, its ability to achieve its social objectives must be strengthened. This may require regular negotiations with and the co-operation from the private sector. However, the private sector should not be regarded as a panacea for all the problems confronting local authorities, but should play a complementary role to that of the local authority. For this reason, private sector involvement should be aimed primarily at achieving improved levels of service delivery, translated into additional capacity and investment (Mosai, 2006). Prior to establishing public- private

partnerships or if any other form of private sector involvement is considered, local authorities must be afforded the opportunity of ensuring the effective implementation of such service delivery. This does not imply that local authorities are obliged to deliver such services, should circumstances arise beyond their control, which could prevent them from delivering services effectively. Within the same token, this does not imply that the local authority will not initially consider its capacity and potential to deliver the service before evaluating the option of outsourcing the services of other providers. The preferred method however, should be that the public sector take on this function especially where the potential for the coverage, quality and costs of service are essentially similar to variant delivery mechanisms and methods. Where an alternative service provider can provide a substantially better quality service, wider coverage delivery supplied at lower costs, their services will be used as an alternative (Ismail, Bayat & Meyer, 1997).

Furthermore, it is important that local authorities take note of Integrated Development Planning (IDP). This can assist a local authority to develop strategic policy and capacity, mobilise resources, and target its own activities. It is a process through which a local authority can establish a rational budget and a balanced development programme for the short, medium and long-term projects. It also involves the overall management of a local authority and guides the political representatives in such a manner that they can develop their expertise and make logical decisions. An Integrated Development Plan is fundamental to development and delivery and must be implemented against the backdrop of the wide developmental duties and objectives of the local authority (Municipal Systems Bill, 1999).

Where the performance indicators of a local authority show that a service is performing below target, it should review the method of delivery and decide on the correct organisational restructuring; the required capacity-building and training; and/or the use of alternative service delivery mechanisms. Regarding the latter, a wide range of approaches can be considered (Lee, 2002).

As part of the business planning process and the drive to interact with the citizens, municipalities need to adapt to change and respond to the need of operating differently, to discover and to build new relations, improve services and to make use of emerging networks. Departments and agencies should re-evaluate their existing programmes and determine

whether alternative service delivery approaches would enable the government to achieve its objectives. They could consider a wide range of approaches, including:

- Selecting a different government organisation option such as a special operating agency or service agency that offers a more tailored policy, or a management and organisational framework that allows the government to focus specifically on services, streamline operations and improve accountability (Freysen, 1998).
- Commercialising products and services with more sophisticated businesslike approaches such as revenue generation, employee takeovers, private-sector financing and the outsourcing of services can provide better value for money, allowing the government to focus on its core roles and responsibilities (Ford & Zussman, 1997).
- Privatising services and corporate holdings that have fulfilled their policy objectives (Flynn, Leach & Vielba, 1985).

### **3.4.3 Assessing the basic needs**

Alternative service delivery assists the government in providing services efficiently in a manner that responds to South African's needs. For this reason, partnerships form an integral element of alternative service delivery. Partnering with other government authorities, voluntary assistant organisations, special operating agencies and the private sector assists the government in reducing overhead costs and duplication of practices and provides services within reach of the citizens. However, to be successful, certain prerequisites exist for alternative service delivery. These are:

- Motivational issues such as a true commitment to restructure government systems, roles and relationships.
- Considering sensitive political issues where it would probably be unwise to begin the process of restructuring services by developing alternative service delivery mechanisms in areas of high political interest with evidence of public and media interest.

- Agreement on the leading roles in respect of final evaluation, information management, quality assurance and a policy audit by the parent ministry.
- The dynamics and inter-personal relationships between the different stakeholders where cognisance should be taken of extensive consultation with those parties affected and the impact of cultural differences, not only between people, but also between the public, private and volunteering sectors of society.
- A variety of people and managerial issues, including acquiring essential skills such as relationship-building, contract management and policy-auditing for those involved in the development and implementation of alternative service delivery measures (Bourgault, Demers & Williams, 1997).

As mentioned above, Local Government administrations have been undergoing radical changes under the new constitutional dispensation of South Africa. Unfortunately many of the changes have not been driven by clear and precise indicators of the role and responsibilities that all municipalities should play. The National Assembly, (2003), motivates that a practice that was introduced during the process of amalgamating and restructuring municipal administrations and which was subsequently proceeded by the new Local Government system was to adopt and extend the structures and functioning of the former well established municipal administrations, without making significant changes to procedures (SALGA, 2004). On the contrary, it must be said that many municipalities used the amalgamation process to initiate processes of reviewing their administrative organisations. For example, this resulted in many innovative approaches being introduced especially to strategic management procedures. Such approaches focused mainly on technical problems however and little attention was given to the basic principles in which the administrative theories were organised. According to Botha, (2006), for the transformation and a new local government system to be successful, a process of administrative re-organisation is required.

This is a particularly essential function which needs a solid foundation and should be soundly in tact if all municipalities are to achieve the new constitutional obligations. In order to enhance services, almost all municipalities have wide-ranging options which can be

considered. Most prominent, however, is the need to assess and strategically plan for the most appropriate and effective forms of service delivery mechanisms within each particular municipal area. Municipal administrations must select those delivery options that would ensure maximum benefit and efficiency (Brown, et al., 2004).

The constitution makes provision for municipalities in South Africa to receive an equitable share of income raised nationally to provide basic services, namely water, roads, refuse removal and storm water drainage (Arntz, et al., 2003). A critical step forward, in terms of developing the asset base of South Africans, is to enhance the currently limited access to the full range of municipal services, namely water supply, sanitation, refuse removal, drainage, flood protection, local roads, public transport, street lighting and traffic management. There is a constitutional obligation by municipalities to address poverty locally, through the promotion of social and economic development and the provision of services in a sustainable manner. Indigence amongst communities is a multifaceted social problem characterised by the lack of employment and income; inadequate access to housing and basic household services; inadequate access to public facilities and infrastructure (Ethekewini City Council 2004b).

When municipalities are deciding on the particular delivery options for their areas, they should be guided by certain basic principles. The principles are summarised as follows:

- **Accessibility:** All communities should have access to at least a minimum level of services. This is not a goal, but a constitutional obligation. The many imbalances that still exist regarding equal access to services should be addressed through the development of new infrastructure and the rehabilitation and upgrading of existing infrastructure (Botha, 2006).
- **Simplicity:** Municipal services should not only be accessible, they should also be easy and convenient to use. In this regard it is of the utmost importance that municipalities should aim to ensure that people with disabilities or those that are illiterate should be able to access and use municipal services with ease (Mlambo-Ngcuka, 2006a).

- **Affordability:** It is given that many services remain unaffordable for many South African residents. In order to enhance the quality of life, municipalities should strive to make services as affordable as possible. This is not an easy task, as many factors have an impact on the pricing of services.
- **Quality:** Services should not be rendered below a certain determined quality. In this regard, services should be suitable for their purpose, should be timeously provided, should be safe and should be accessible on a continuous basis. Service users will not support and make payment to their municipal service providers promptly, if services are sub-standard and of a poor quality. Not only should the services themselves comply with the minimum standard of quality but also the reliable maintenance and support thereof (Bekink, 2006).
- **Accountability:** The new South African state, which includes Local Governments, is founded on the values of a democratic government, which includes principles of accountability and responsiveness. Whenever a particular municipal government adopts a delivery system, therefore, it remains the responsibility of that municipality to be accountable for all its activities, which includes the assurance of service provision of an acceptable quality (Sibiya, 2006).
- **Integration:** All municipalities should adopt an integrated approach to planning and ensuring municipal service provision. The integration of services requires specifically that each municipality takes into account the economic and social impact of service provision in relation to overall municipal policy objectives such as poverty eradication and job creation (Arntz, et al., 2003).
- **Sustainability:** The provision of service to local communities in a sustainable manner is also a constitutional requirement for all municipal governments. In light of this constitutional requirement, service provision is an ongoing process. However, ongoing service provision depends on municipal institutions that are properly managed both financially and administratively (Mlambo-Ngcuka, 2006a).

- **Value for money:** Municipal services should present value in exchange for money. Municipalities should strive to provide not only sustainable services but services that provide value for money for all service recipients. In this respect, value for money and affordability goes hand in hand.
- **Promotion of competitiveness:** All municipalities should take cognisance of the fact that job generation and the competitive nature of local commerce and industry could be adversely affected by imposing higher rates and service charges on such industries in order to subsidise the payments of domestic users. Such practices could have a negative impact on local economic development, as many potential investors or business shareholders could be hesitant to invest locally or they may be lured away to other jurisdictions. In this regard, sufficient transparency is needed to ensure that all investors are aware of the costs incurred when operating their business ventures in a particular local area (Mufamadi, 2006).
- **Promotion of the new constitutional values:** Lastly, it is not only a legal prerequisite for all municipalities to comply and adhere to the new constitutional values and requirements; it is also an essential recipe for all Local Governments to achieve optimal sufficiency and support. Municipal administrations should therefore fulfil and promote the democratic and administrative values and principles that are enshrined in the Constitution (Bekink, 2006).

Once the abovementioned criteria has been taken into consideration, a municipality should be in a good position to determine which service delivery options would be best for its particular area of jurisdiction. In appropriate circumstances, a special mixture of different delivery options can be implemented. Apart from the delivery option or options, most municipalities can further enhance service delivery through the implementation of specific delivery mechanisms. Such mechanisms include the following:

- **Building on existing capacity:** It is a known fact that municipal governments throughout South Africa have diverse levels of administrative capacity. Many municipalities have an existing sound infrastructure and an established municipal capacity. Without ignoring

new initiatives, it is very important for all municipal governments to build on their existing capacity. Re-invention of the wheel so to speak will only result in poor service delivery and unnecessary expenditure. Not all existing capacities are however suitable for expansion. In many instances drastic reform measures should be introduced as a matter of urgency. Such measures could include the introduction of performance based contracts for senior staff members, the revising of the codes of conduct, the implementation of reform policies such as affirmative action programmes, training and empowering the frontline workers enabling them to interact with the communities, the decentralisation of operational management responsibilities and lastly, the development of new strategies through consultation and communication (Reddy, 2004).

- **Corporatisation:** In essence the term corporatisation refers to the separation of service delivery units from the specific municipal council. This in turn should enable a council to determine specific policy goals and to set service standards to which corporate units should comply and be held responsible for their performance. Corporations also offer greater autonomy and flexibility to the management of the various service units, which could encourage the introduction of commercial management practices.
- **Establishment of public-public partnerships:** The establishment of public-public partnerships or so-called public joint ventures could allow for the horizontal co-operation between municipalities. Such interlinked partnerships are often prevalent in other countries especially in areas such as combined purchasing, training initiatives and technical support. Within the new Local Government scheme of South Africa, municipalities should begin to explore these innovative partnership agreements with other state institutions or parastatals for example, the postal offices, who could act as an intermediary for the collection of municipal revenue. Obvious benefits can be derived from such a partnership, not only for the municipalities concerned, but also for the benefit of the local residents (Kassiem, 2006).
- **Establishment of partnerships with community based organisations and non-governmental organisations:** Partnerships with community based organisations (CBOs) and non-governmental organisations (NGOs) can be very effective in involving local communities



and stimulating local economic development. Often such organisations have particular skills that could enhance and facilitate new development initiatives. In the new area of Local Government development, municipalities should consider involving CBO's and NGO's in joint ventures with other public or private institutions. Even so-called three-way-partnerships connecting a public, a private and a CBO/NGO can be very effective (Groenewald, 2004).

- **Public-private partnership:** Municipalities should also explore the possibilities of entering into partnerships with local business entities. Apart from stimulating the local economy, such partnerships should also ensure effective service delivery which may lead to reduced financial expenditure for the local authority.
- **Out sourcing/contracting agreements:** For many years, municipalities have benefited from the practice of out sourcing certain services to specialist private companies. Such specialist companies can often provide such services more effectively than those within the in-house municipal departments. It is however important for municipalities when services are out sourced, that the municipality should reserve the right to ensure that minimum standards are applied and that contract specifications and overall control and monitoring is exercised. The modern trend in Local Government is that services are out sourced by way of awarding of tenders or even auction procedures and not by subjective unilateral decision making. During a tender process, the lowest bidder is not necessarily the finest contractor selected to perform the task. Various factors such as the financial standing of the contractor, the inclusion of using local labour, technical capacity and quality control should be taken into consideration. Municipalities should ensure that all legal requirements are adhered to in this regard. Out sourcing should be most effective when municipalities have absolute clarity regards the exact services they are seeking from a private contractor. They should have the capacity to supervise the tendering process and monitor the rendering of the services to ensure that municipal objectives are met (National Assembly, 2003; Bekink, 2006).

### 3.4.4 Citizen centred programme delivery

The Batho Pele principles were developed by the government to liaise and consult with the broader spectrum of the community regards the delivery of services. These sectors include the private sector, non-governmental and community based organisations, academic institutions and the citizens themselves. Batho Pele is not an “add-on” activity. It is a method of delivering services by placing citizens at the central juncture of public service planning and operations. It is a major departure from a dispensation which excluded the involvement of the majority of South Africans from government operations, to a principle that seeks to include the participation of citizens who can work towards the achievement of a better-life-for-all composition, through service provision and programmes of a democratic dispensation (Kroukamp, 2001).

**The Batho Pele Principles are highlighted below:**

- **Consultation:** Citizens should be consulted regarding the level and quality of the public services they receive, and wherever possible, should be given a choice of the services that are offered.
- **Service standards:** Citizens should be informed of the level and quality of public services they will receive so that they are aware of what to expect from these standards.
- **Access:** All citizens should have equal access to the services to which they are entitled.
- **Courtesy:** Citizens should be treated with courtesy and consideration.
- **Information:** Citizens should be given comprehensive and accurate information regarding the public services which they are entitled to receive (Reddy, 2004).
- **Openness and transparency:** Citizens should be informed of the methods in which national and provincial departments are operated, how much they cost to operate and which person or groups take responsibility for these departments.

- **Re-dress:** If the expected standard of service is not delivered, citizens should be offered an apology, a full explanation should be given and a speedy and effective remedy applied. When complaints arise, citizens should receive a sympathetic and positive response to their query.
- **Value for money:** Public services should be provided in a manner which is both economically and efficiently managed in order to present citizens with the best value for money transaction.
- **Encouraging Innovation and Rewarding Excellence:** Innovation can be the germination of providing better service, cutting costs, improving conditions, streamlining procedures and generally making constructive changes which incorporate the spirit of Batho Pele. It includes rewarding the deserving staff who “go the extra mile” to achieve excellence.
- **Customer Impact:** Impact on customer studies entails the assessment of the resulting effects of benefits which are provided to the citizens, both internally and externally – it is an exhibition of how the nine principles are combined to display how government have improved their overall service delivery and customer satisfaction. It ensures that all customers are aware of exercising their rights in terms of the Batho Pele principles.
- **Leadership and Strategic Direction:** Good leadership is one of the most critical ingredients for success within an organisation. Organisations who perform exceptionally well in serving their customers demonstrate that they have leaders who lead by example, who set the goals and ensure that the strategy for achieving the vision is owned by all and properly deployed throughout the organisation. They play an active role in the success of the organisation (Reddy, 2004; Department of Labour, 2005).

**Further attention should be focused on service clustering, regulatory reform and cost recovery.**

#### 1. Service clustering

The idea of clustering services which aims to meet the needs of the citizen should be promoted and can occur on several different levels. These include:

- Co-located information referral in which a centre provides access to information and shares information in respect of a range of services which are delivered by different organisations and various bodies of government.
- Co-located programme delivery in which the services themselves are provided from a single location, for example, embassies abroad providing co-located services from several departments to South African travelers and to firms interested in business opportunity investment.
- Consolidated programme delivery in which one agency or department, acting as an agent for the other, delivers a comprehensive package of services, somewhat like a retailer distributing products made by a variety of manufacturers (Robertson, 2005).

The government can expand on this venture and evaluate the issues of developing programmes focused on the characteristics and requirements of citizens rather than by subject matter. These new agencies will be responsible for developing and delivering services which could either be regionally or sectorally focused (Fourie, 1998).

#### 2. Regulatory reform

Regulation plays a vital role in promoting market competition, protecting the environment and safeguarding the public. However, regulatory actions often increase the costs for industry and governments and these costs have to be absorbed by consumers and tax payers (Ramos 1999). The Provincial Review Report, (1997), states that current public service regulations in South

Africa have a negative effect on achievement of excellence in service delivery instead of encouraging it, the regulation does not allow for individuals to be held accountable for their performance; they inadvertently encourage a lack of responsibility; they do not allow misconduct to be dealt with promptly and appropriately; they specify that qualifications are valued far more than skills and experience; and they force managers to be excessively involved in low-level administrative matters.

As public services are not considered a privilege in a civilised and democratic society, but rather a legitimate expectation, South Africans expect better services from government. Increasingly, regulatory authorities should work with stakeholders to develop reasonable performance standards in regulatory programmes (Lebone, 2005).

### 3. Cost recovery

Cost recovery is a strategic management tool to measure the effectiveness of the performance of the departments and to examine the parameters in which their functions are financed. Cost recovery goes hand-in-hand with service improvement and re-engineering programmes. As user charges are required to reflect the value of the service provided to clients, cost recovery contributes to responsive government. These charges must not simply be an expedient way to raise funds. By providing a measurement to test market demand, cost recovery divisions assist departments in determining the proper scale of delivery. This makes it simpler for departments to eliminate excess consumption of 'free' goods and reduces pressures for the continued expansion of such 'free' services. A reformed set of principles for applying cost recovery should be developed. These principles should stress the necessity of meaningful and effective consultations with clients and other parties who may be affected throughout the process of determining prices or rates, to ensure that service consumers have informative insight in the design and delivery of services. Departments and agencies will also be required to undertake impact assessments to identify all potential significant effects and to inform clients how costs are controlled and the reason why services are delivered in a specific manner. Greater clarity on the strategies of service providers and consumers should lessen the consequences of any possible misunderstanding (Pearce & Robinson, 1997).

Municipalities should monitor, measure and review performance targets for each Key Performance Indicator (KPI) and report these findings in their annual performance reports (Gray, 2003). In addition, this measurement has been reinforced by the constitution and by section 7(3)(1) of the Local Government: Municipal Systems Act (32/2000), which states that a municipality must give effect to the constitution in terms of prioritising basic needs and ensuring that all residents have access to at least a minimum level of basic municipal services. Accessible implies available, affordable and convenient services provided in an effective, efficient, equitable and optimal manner. One of the core objectives of the new Local Government legal order is to create a system of sustainable municipal service delivery. Services and also service delivery must be accessible, simple, and affordable. Various legal provisions have been included in the new legal order to ensure and facilitate such a system of service delivery to local communities (Bekink, 2006).

### **3.4.5 Effective Local Government and service provision**

Effective Local Government in terms of the extent and quality of services provided is relative to the various communities. The measurement of effectiveness must be examined from a baseline. Effectiveness in urban communities could be maintaining a bi-weekly refuse removal service whilst effectiveness in the rural areas could be providing weekly collection at pick-up points at designated areas. Provision of services in rural areas is mostly measured from a zero base line. In terms of the developmental mandate of Local Government, rural communities will be the primary recipients of services, infrastructure and other social services that were previously virtually non-existent. The provision of these services and infrastructure must be responsive to the needs of the local citizenry (Gray, 2003).

In the final analysis, effective Local Government has to be measured by the difference it has made to the quality of life of the local populace, more specifically, the disadvantaged communities. The quality of life can be significantly enhanced by the provision of basic needs, namely housing, water and electricity. The National Government assists municipalities with financial aid to support the function of delivering basic services to households, by means of a contribution of an equitable share of monies collected from revenues raised nationally from all of the provinces (Bekink, 2006). The equitable share is an unconditional transfer of

finances which assist municipalities in delivering basic services such as water, sanitation, electricity and refuse removal to the indigent (Reddy, 2004).

The provision of initial capacity free basic services (a matter which receives top priority), is funded primarily by the allocation of subsidies within the tariff structure of certain services. There is the assistance of the voluntary funded contribution by municipalities, which is the 'funded mandatory' 6 Kilo litres of water and 50 Kilo Watts of electricity that should be provided to all households. There are however, practical problems which are being experienced with the implementation of this concession as some municipalities lack the infrastructure to provide water and electricity. It is quite evident that local councils situated in the rural areas are unable to provide their immediate communities with the advantage of this concession. In remote areas, water is being provided via the old fashioned 'standpipes' which serve many households. A coupon system, which has been introduced to the community to access electricity, has its inherent problems too. Eskom who serves as the service provider of electricity has a programme scheduled for the installation of this system. This plan is coming to the fore, but only once the entire process is completed, will the supply of the 50 Kilo Watt of electricity which should be available to all households, become a reality. To assist municipalities with the provision of basic services, National Government has made an equitable share available to municipalities and continues their financial support of government grants which are distributed to the indigent. It is generally accepted that poverty is one of the principal reasons for non-payment of services (Osborne & Gaebler 1999; Naschold 1999; Hondeghem, 2002). In this context, another key consideration of government is to assist financially disabled municipalities who have insufficient revenue and limited potential to expand.

In conclusion, the two biggest threats facing service delivery is the shortage of financial resources and under-capacitated municipalities – in other words, the deficiency of finances and the knowledge of skills (Johnson, 2005).

### **3.5 DEVELOPMENTAL LOCAL GOVERNMENT**

#### **3.5.1 Developmental duties of Local Governments**

Apart from striving to achieve the core objective of Local Government, all municipalities are constitutionally obligated to fulfilling certain developmental duties. The principle of developmental government basically implies that a municipality must manage and structure its internal basic functioning and planning process in such a way as to enhance and ensure the basic needs of its community. The provisions of basic and essential services, together with the promotion of social and economic development are generally regarded as the core pillars of a developmental government (Bekink, 2006).

Although the constitution and Local Government legislation and regulations provide guidance on the operations of municipalities and the development of integrated development plans, greater emphasis needs to be placed on the inculcation of a culture of community participation and furthermore the development of appropriate and relevant mechanisms, processes and procedures (Magwaza, 2004). At a recent conference in Durban hosted by the Ethekewini Municipality where the specifics of community participation was discussed, the meeting concluded with the passing of a resolution to extend the consultation on stake holder participation policy development and the finalisation of a City Charter. Some of the aspects which received special attention included the legislative and policy framework for community participation; the role of civil society in community participation; reporting by management from area-based pilot projects and an overview of citizen action support programmes (Magwaza, 2004).

However, the active participation of the rural populace is still problematic. The fact that the largest percentage of non-delivery of services is currently being experienced in the rural areas, which are inhabited by the disadvantaged communities, it is imperative that they are actively involved in addressing the issue. Lack of capacity and expertise within smaller municipalities to meet these demands has also been identified as a major problem (Sibiya, 2006).



### 3.5.2 The new challenge facing Local Government

Local Government has been entrenched as part of the new structure and has the committed support from a government which is founded on new constitutionally protected values (Lebone, 2005). The new local government system had to build on some of the strengths and structures of the transitional system. This in itself presented local government with interesting challenges. Rantete (2003), apart from these challenges, almost all local authorities around the world are facing new demands, especially in providing viable and environmentally stable urban and rural developments. In the new South Africa many other unique challenges have also been identified. Some of these challenges are summarised as follows:

1. Addressing and transforming skewed settlement patterns. Many current patterns are functionally inefficient and costly.
2. To address the huge backlog in service infrastructure in almost all historically underdeveloped areas. This challenge requires municipal expenditure far more in excess than that of the revenue that is currently available.
3. To create viable municipal institutions in areas with dense rural settlements. These areas usually have large population figures with minimal access to services and have a minimum or zero economic tax base to support financial limitations.
4. To integrate the spatial disparities between towns and townships. The spatial disparities are largely responsible for the increase in demand of service provision and high transport costs.
5. To change the former modes of decision making and administrative systems in local authorities and to ensure sustainable delivery and provision of services to the broader sector of the community.
6. To rebuild the relationships between newly demarcated local authorities and their local communities. Municipalities should be particularly sensitive towards the needs of people who tend to be marginalised within their communities (Bekink, 2006).

Mlambo Ngcuka, (2006a: 13), had challenged municipalities not to rely on social services to ease poverty. Economic growth is of key importance. “We need to develop a mindset where it is understood that growing the economy is the breakthrough”. Skills shortages and lack of capacity had been reported across the board. The new Constitutional dispensation specifically identifies five core objectives of Local Government. The objectives are:

- To provide a democratic and accountable government for local communities.
- To ensure sustainable provision of services.
- To promote social and economic development.
- To promote a safe and healthy environment.
- To encourage public involvement in the affairs of Local Government (Wentzel, 2001).

All municipalities are obligated, within their financial and administrative capacities, to achieve the above mentioned objectives (Bekink, 2006). Apart from striving to achieve the core objective of Local Government, all municipalities are constitutionally obligated to fulfil certain developmental duties. The principle of developmental government basically means that a municipality must manage and structure its internal basic functioning and planning process in such a way as to enhance and ensure the servicing of the basic needs of its community. In order to play and effectively ensure a developmental role and to improve performance in respect of service delivery, all municipalities will need to develop the following capacities:

- Municipalities will have to become more strategic in their orientation. They should be transparent, flexible and well prepared to handle new or unforeseen demands.
- They will have to maximise integrated capacity, both internally and externally within the municipal jurisdiction.
- They will have to orientate themselves with much more of an awareness of the needs of the community.

Municipal councils need to develop mechanisms to interact with community groups and to identify service needs and priorities. Without the capacity to strategise, integrate and interface with non-municipal groups, many Local Governments are unlikely to be sustainable in the future. The implementation of new strategies and policies requires a strong municipal leadership, with the necessary support of the municipal council (Hondegheem, 2002).

### **3.6 THE ACCELERATED AND SHARED GROWTH INITIATIVE FOR SOUTH AFRICA**

At the centre of the Accelerated and Shared Growth Initiative of South Africa (ASGISA), lies the interest of the Department of Provincial and Local Government. It is at local and provincial level that government has the most contact with ordinary citizens and it is here that ASGISA needs to be effectual.

ASGISA, which is not a new policy, but an initiative, is a potential fulcrum to raise issues that require attention at all three spheres of government, especially at the third sphere of government, which are the municipalities (Botha, 2006). It is critical to accelerate growth, and the benefits of that growth need to be shared by all. In the years prior to 1994 the economy was stagnant. Since then South Africa's economy has been performing positively, but the rate of growth has been languid. To speed up the rate of growth in the economy and to strengthen this growth, the binding constraints have to be identified and removed. Methods must be found to attract and retain skilled people to work for municipalities which have a low revenue income (Mufamadi, 2006).

According to the minister of Provincial and Local Government, Sydney Mufamadi (2006: 20-21), "without the necessary skills we cannot be globally competitive and, if we are not competitive, we will never achieve healthy employment levels and an adequate standard of living for the majority". Ebersohn, (2006), agreed that in the past twelve years, Local Government have succeeded in creating jobs in some sectors, but if the labour market had possessed the necessary skills, more jobs would have been created. Mufamadi, (2006), states that "through the Accelerated and Shared Growth Initiative of South Africa (ASGISA) we have prioritised the acquiring of skills and to achieve this, we will need both public and private sector involvement. A partnership must be forged that goes beyond just Local

Government. It must include government on every level, business and both urban and rural communities” (Ebersohn, 2006: 20-21).

ASGISA has recognised the stranglehold which skills shortages have on growing the second economy and has also identified the obstacles in the market which prevent business entry levels. Jahed, (2005), points out that government has acknowledged its weaknesses in these areas and urgent interventions are currently underway to improve the state’s capacity to deliver, become more effective and develop leadership abilities. These factors will prove to be vital requirements, if initiatives to remove the economic division between South Africans are to be successful. Clearly, however, without the necessary skills and professional expertise, these strategies will fail. In identifying this crucial need, ASGISA is focusing on improving literacy and numerical levels, placing much emphasis on mathematical and science education, upgrading career guidance as well as upgrading education and training colleges. “The Joint Initiative for Priority Skills Acquisition (JIPSA) should go a long way to identify and develop skills urgently needed,” says Jahed, (2006, 13) “and this should provide exceptional opportunities for those in the second economy to skill themselves and enter the job market.”

Since the dawn of democracy, South Africa has had a sustained economic growth, but that growth has not led to the employment of many unemployed people. In his state of the nation address, the President, Mr. Thabo Mbeki, (2006), said in order for the economy to absorb many more people, the economy needs to grow by 6% annually. To achieve this, the president launched the Accelerated and Shared Growth Initiative for South Africa (ASGISA) – an initiative whose aims include amongst others, job creation and growing the economy. However, the skills shortage was identified as one of the major factors that constrain growth in South Africa. The ASGISA initiative is not the total sum of all government’s responses to issues of poverty and unemployment. It concentrates on selected interventions. They are infrastructure, sector strategies, education and skills, interventions in the second economy, public administration and macro economic issues.

To address this problem, government in partnership with labour and business launched the Joint Initiative on Priority Skills Acquisition. This is a structure led by a committee of

portfolio ministers, business leaders, trade unionists and education and training providers or experts. Its main objective will be to identify the urgent skills required and to find quick and effective solutions to these matters. Solutions may include special training programmes, introducing local South African retirees back into the market and luring South Africans working in other countries, and drawing in new immigrants where necessary. It may also include mentoring and the placement of trainees overseas to fast track their development. JIPSA which was incepted in March 2006 will have an initial timetable of an 18 month period to complete this mission, thereafter its future standing will be reviewed (Lesela, 2006).

There is an urgent need to fast track the provision of priority skills required to support ASGISA. Research by the Council for Build Environment shows that not enough students are qualified in fields which require specialised skills which are determined by the economic environment (Ebersohn, 2006). According to Deputy President Pumzile Mlambo Ngcuka, there is a definite shortage of skills capacity. When it comes to making a difference in the economy, the issue of skills is extremely important (Boshard, 2006). The Deputy President, (Mlambo Ngcuka, 2006a), mentions that a short term project which is underway, is the development of a scarce skills database focused directly on the expected needs of the more than 100 projects included in the ASGISA initiative. Other key skills projects include the deployment of experienced professionals and managers to local governments to improve project development implementation and maintenance capabilities. A new institution is the Joint Initiative for Priority Skills Acquisition (JIPSA) as mentioned above. Local Government is focusing on addressing the service delivery issues which includes the problem of insufficient skills which has been identified in Project Consolidate.

ASGISA is based on interventions in the following areas:

- **Education and skills development**

The single greatest impediment to economic development is the shortage of skills and skilled technical employees. The Joint Initiative on Priority Skills Acquisition (JIPSA), alongside other educational institutions, forms fundamental building blocks for ASGISA. JIPSA will primarily focus on developing scarce and critical skills required to deliver the ASGISA commitment and targets in a manner that supports education and skills development

initiatives. The skills interventions include the urgent deployment of experienced professionals and managers to local governments to improve project development implementation and maintenance capabilities (Mlambo-Ngcuka, 2006b).

- **Governance:**

Existing institutions are driving the implementation of ASGISA. The initiative is a consistent item of discussion on the agenda at the monthly investment cabinet committee meetings and regular progress reports are tabled. On local government and service delivery issues, the committee is focusing on addressing the skills problems which have been identified in Project Consolidate (Vinassa, 2006).

### **3.6.1 Will ASGISA improve South Africa's skills and productivity ratings?**

In May, 2006, the National Productivity Institute (NPI) in its report announced that South Africa, the continent's single representative of Africa, has increased its position this year by three rankings to situate itself in the overall 43<sup>rd</sup> position (Holpp, 2006). Performance in various categories however, has been inconsistent, reflecting the challenges which government is currently addressing through various programmes, such as ASGISA. The improvement in South Africa's overall government efficiency rating from the 34<sup>th</sup> to the 28<sup>th</sup> position, is a concrete demonstration of government's systematic and phased approach to Local and Provincial Government transformation. "This also indicates that government has consistent policies which depict the country as a generally stable environment for foreign investment," says Sello Mosai (2006, 76-77), NPI executive manager of Knowledge Management and Research. "Our overall economic performance slipped from the 42<sup>nd</sup> to the 46<sup>th</sup> position," Mosai says. One of the reasons for this glitch is the increasing demand for unavailable skills. Inevitably, if not addressed, the lack of skills will affect business and government efficiency. Specialised skills have been earmarked by ASGISA for special attention. Government aims to develop this capacity, encouraging retired and retrenched professionals to re-enter the market and to transfer their skills knowledge and mentor young people, attracting more students to these careers and also inviting foreign people and professionals to share their expertise of skills with the local population of this country.

Experienced professionals and managers are also being deployed to Local Governments to improve project development implementation and maintenance capabilities.

As mentioned, ASGISA is focusing strongly on improving the educational and skills training environment, aided by the wholehearted participation of the business sector (Ebersohn, 2006).

### **3.6.2 Why ASGISA and how will it benefit South Africa?**

“We could consider the Accelerated and Shared Growth Initiative of South Africa (ASGISA) as a refinement of strategies such as the Reconstruction and Development Programme (RDP) and Growth Employment and Redistribution (GEAR),” says Deputy Minister of Provincial and Local Government, Nomatayala Hanganu. “It is a considerably advanced development of those particular programmes, since we have incorporated within it the many, sometimes hard, lessons we have learned over the past decade”. When the government implemented the RDP, the basic principles of building an economy that would benefit ordinary people were not on par with the standard requirements. South Africa endured a long struggle and it was critical to educate South Africans about government issues and what actions needed to be taken to begin to rebuild an economy that was based on the people’s needs. The government began dealing with housing and health issues as indicated in the RDP. As such, and looking back at the experience in hindsight, the RDP strategy might have been viewed as rather simplistic – but it was a ground breaking vital beginning. GEAR introduced a different strategy and new lessons were presented to all parties. This was an era in which government acknowledged the conception of its complicated surroundings and understood that there was a considerable divergence of views amongst groups and individuals who realised the great urgency for transformation. There were tensions between labour, business and government. Stake holders analysed situations in very different concepts, sometimes they almost had contradictory opinions on how problems should be solved – so new strategies and new mechanisms came into play to encourage participation and a buy-in acceptance from all parties. Obviously there were a certain amount of biased attitudes which emerged from all parties concerned, since not everyone envisaged the vision of the bigger picture and interest and consensus didn’t always converge. However, according to Lesela, (2006), what did emerge very clearly from GEAR is that government was definitely on the right track. When attention is focused on the economic growth of the country from its renewed beginnings in

2003, there is a consistent ongoing upward trend. The strategy is undoubtedly bearing fruit - but it is not yet impacting on the lives of the majority of South Africans. And that is the main focus of ASGISA – extending the economic growth fortunes to more South Africans, enabling them to become part of the mainline economy so that they can enjoy the benefits of this very promising economic growth (Vinassa, 2006).

ASGISA, however, does not replace GEAR by any means. It is not designed as a holistic development plan, but as a series of interventions which are intended to act as catalysts to accelerate growth and development. “One of the greatest challenges we face is the lack of skills,” Hangana says. This statement summarises the problem identified in this study, and, more specifically so, in Local Government (Matlosana Municipality) “There are countless job opportunities, but the ordinary workers cannot take advantage of them, because they lack the skill and experience required” (Hangana, 2006: 27). He is confident that the private sector is more than satisfied with the commitment of the ASGISA intervention. “Business is enjoying the fruits of the economic upswing and business leaders are very well aware that without the necessary skills, this growth cannot continue – in fact, it will decline (Robertson, 2005).

### 3.7 CONCLUSION

Much has been accomplished in South Africa in the post-apartheid era and credit should be given where it is due. In the above discussion, it was stressed that, although public service transformation has been taking place in South Africa and fundamental changes have been achieved, it is imperative that the constant questioning of procedures and striving to explore all avenues for success will be rewarded. Various alternatives can be pursued to deliver improved services, for example, by using information technology with the added advantage of increasing public access to departments, enhancing transparency and improving the pace of service delivery (Kroukamp, 2001). However, cognisance should be taken of the implications surrounding democracy. To serve South Africans well, government should urgently attend to the needs of the entire population. The search for determining creative means of delivering programmes should be focused on partnerships with other parties in order to make government more accessible, more understandable and a more useful and dependable ordinance for citizens. The ability for local authorities to achieve this should be strengthened.



This can be brought about by public-private partnerships, alternative service delivery modes, eliminating the culture of non-payment of services, the implementation of standards of controlling credit and debt collection and most importantly, to skill, train and develop municipal employees in order to deliver more effective and sustainable services to the local citizenry.

The concern of the public and private sector including investment programmes which rely heavily on the support of ASGISA, recognise that the single greatest impediment to transact in any field of business, is the enormous shortage of skills – including professional skills such as engineers and scientists, managers and financial personnel, project managers and skilled technical employees such as information technology specialists and artisans.

Vital measures to address the skills challenge in the Local Government sphere will focus on the quality of education and access thereof, adult basic education, training, and skills development (Mlambo-Ngcuka, 2006b).

**CHAPTER FOUR****SKILLS, SKILLS DEVELOPMENT AND TRAINING IN LOCAL GOVERNMENT****4.1 INTRODUCTION**

The skills challenge facing business today include a skills shortage, the need to increase productivity, the need to improve performance and service delivery, the requirement of skilled employees, poor quality of education and training, the need to develop the knowledge of affirmative action candidates and the need to increase diversity in the work place (Folsher, 2003).

In the past, most training has been led by the demand of such skills and most skills development has been conducted without a realistic assessment of how the skills are to be employed. Many organisations measured training achievement by the number of days dedicated to training employees and the amount of money that the company spent on training. The training department was more concerned with their activities of continual training schedules, than with the value they were adding to the company. Little attention was given to what sort of impact the training had within their organisations. They were literally trapped in the so-called ‘activity trap’ and neither training managers nor training providers were held accountable for training outcomes (Nimrod, 2006).

The emphasis must now shift to the skills and competencies required to support productivity, competitiveness, the mobility of workers, self-employment and most importantly, meeting the defined and articulated community needs through intent of service delivery (Folsher, 2003).

In Chapter One, the skills deficit in South Africa was identified as a major crisis and more evidently, the lack of appropriate training and skills development. In Chapter Three, Local Government was discussed collectively with the challenge facing them in terms of skills development and effective service delivery. In this chapter, Chapter Four, training, skills development and the relevant training legislation will be premeditated.

## **4.2 HISTORICAL BACKGROUND OF EDUCATION AND TRAINING IN SOUTH AFRICA**

The concept of education refers to activities directed at providing the knowledge, skills, moral values, and the understanding required in the normal course of life. The approach thus focuses on a wide range of activities rather than on providing knowledge and skills for a limited field or activity. Education is therefore concerned with the development of sound reasoning processes to enhance one's ability to understand and interpret knowledge. De Cenzo & Robbins, (1994), define it as the deliberate, systematic and sustained effort to transmit, evoke or acquire knowledge, attitudes, values, skills and sensibilities and any learning that results from such effort, whether intended or unintended. Education therefore refers to a process of deliberately and purposefully influencing and shaping the behaviour of people. Education in essence creates a general base that prepares the individual for life without any specific job related skills being developed. The concepts, training and development, however, guide an individual, and prepare him/her to perform specific activities as directed by the job they occupy or aspire to (Cloete, 1999). Unfortunately, due to previous apartheid and unfair access to education, which is designated below, not all individuals, especially children, had the privilege of being educated.

The first traces of South African training legislation are to be found as far back as the previous century, when the only acts that were remotely referred to were the Masters and Servants Acts. The first solid piece of legislation that made provisions for the regulation of the training of employees emerged in 1922 when the Apprenticeship Act (26/1922) was passed. Subsequently, a number of acts, either regulating or promoting workplace training, came into being during the following 70 years (Finnemore, 1999).

Training legislation in the past, concentrated to a large extent on apprentice training, since it was regarded as the best method of training skilled workers to attain artisan status. As a result of developments in industrial training in the United Kingdom during the 1960s, which led to the establishment of industrial boards and the implementation of employer's training levies, which encourages the training of apprentices and spreads the financial burden more evenly

among users of artisans. In 1970 the Industrial Conciliation Amendment Act (21/1970) was passed and this provided for an industrial council, or where one did not exist, for an association of employers to establish a training scheme and training fund (Gerber, Nel, Van Dyk, 1999).

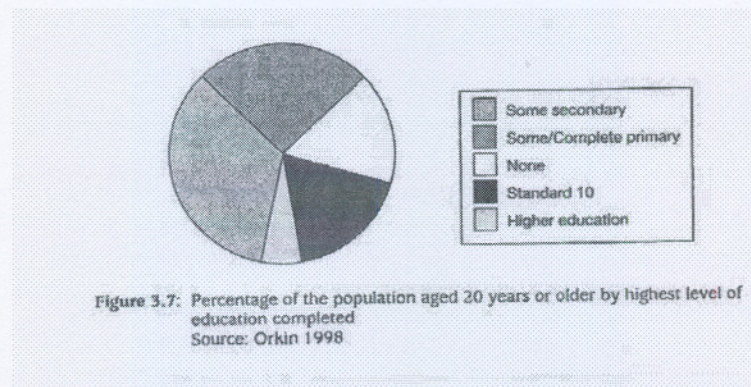
The appointment of the Wiehahn Commission and the Riekert Commission in 1977 highlighted the need to drastically update South Africa's training legislation (Rantete, 2003). Both commissions recommended that training legislation should be redefined, which led to the establishment of the Manpower Training Act 1981. It also recommended the establishment of the National Manpower Commission (NMC) and the National Training Board (NTB). Both the NMC and the NTB regularly consulted with the Minister of Manpower on training matters (Gerber, et al., 1999). The first task assigned to the NTB was to study, in conjunction with the Human Sciences Research Council, the training of artisans. The final report questioned the ability of the apprentice training system and of its meeting the technical requirements of the economy. Apprenticeships entailed the training of an apprentice for a fixed period of three to five years, depending on the specific trade. The NTB's criticism included:

- That on-the-job training was quite often of a nature that is largely unsupervised and unstructured.
- The fact that apprentices could attain artisan status merely because sufficient time had elapsed was associated with a lower quality of artisan skills.
- The time-based nature of apprentice training did not take into account the varying tempos at which students learn.
- As many employers made use of apprentices restricted to a narrow range of tasks, their broad skills were not developed sufficiently (Shaw, 2003).

According to Finnemore, (1999), a major crisis for economic growth has been precipitated by the deliberately inferior and non-compulsory education system which black people had to

endure under the policy of the apartheid rule. During this time expenditure for the education of black school children decreased alarmingly and inequalities increased so that at worst there was a 1:11 differential in expenditure on black and white children respectively. In addition, education and training were extremely patriarchal. Columbine, (2002), states that as a result of apartheid, women were channelled into lower-paying unskilled jobs and feminised professions, for example nursing, teaching and generally achieving lower educational qualifications. Implications for workplaces are that poor investment in education and training has contributed to the shortages of skills, low productivity, inability to adapt to new technologies and a huge scarcity of competitiveness. It is estimated by the World Bank that increasing human resource investment would add 0.5 per cent to economic growth in the medium term.

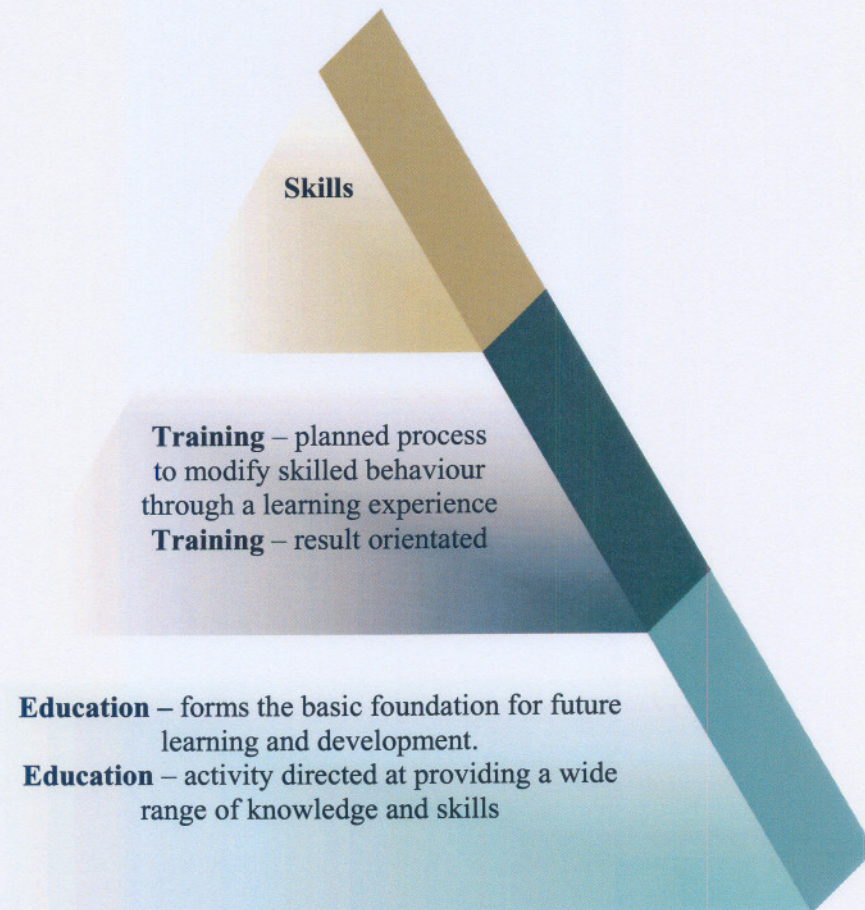
**FIGURE 4.1 Highest level of education completed as a percentage of the population aged 20 years or older**



(Source: Finnemore, 1999)

Education levels are important with regard to hierarchy of work. However, just because an individual is highly educated it is not a verification that he or she will perform effectively, as intelligence does not guarantee motivation and dedication. Nonetheless, a well educated worker will be more of an asset to a company than a less educated worker with similar motivation, because his or her productivity levels will be higher (Grossett & Venter, 1998).

With knowledge of the economy, education is critical and many organisations track educational levels as an important human capital measure, as was discussed in chapter two (Nel, Swanepoel, Kirsten, Erasmus, & Tsabadi, 2005). Education is a vital foundation for millions of South Africans who currently lack the most basic literacy skills. There is currently a debate in South Africa regarding the relative weighting of education levels, although all participants of this debate agree that education is the most important necessity required for preparing individuals for their life's course (Gerber, et al., 1999). Education is a learning process which prepares the individual for the future but it is not related to a specific, present or future job. Once an appropriate level of education is obtained, these candidates should continue learning to acquire skills and knowledge, which equips an individual with specific job-related skills. After the individual has undergone training, he/she will possess the necessary skills and will be able to add value to a company. This is illustrated in the figure below.

**FIGURE 4.2 Education as the foundation for training and skills development**

(Source: Researcher, 2006)

In a period of growth it is evident that South Africa lacks sufficient skilled professionals, managers and artisans, and that the uneven distribution of subsidies during the apartheid government rule and the poor quality of education which persisted, remains a contributory negative factor.

The current government in South Africa has inherited a training and education system with a number of serious shortcomings. Notably, there is a lack of adequate planning for future skill requirements. In order to facilitate the role of training and education, the South African government has passed a number of Acts in this regard: the South African Qualifications

Authority Act (58/1995), the Skills Development Act (97/1998) and the Skills Development Levies Act (9/1999), all of which have far-reaching implications for education and training efforts in South Africa (Grobler, et al., 2002). These Legislations will be discussed in section 4.4. A large number of unemployed individuals are also inadequately trained. In order to succeed in the rebuilding process, it is imperative that the various stake holders, the private sector, the state and the providers of education interact with one another to establish the composition of a well prepared skilled workforce which can add value to the future of South Africa (Mamoshito, 2005).

### **4.3 THE SKILLS DEFICIT IN SOUTH AFRICA**

People are a company's biggest asset, their biggest issue, and their biggest challenge. It is what differentiates their business, and enables them to do business in the manner in which they prefer. Vilakazi, (2006), says that in South Africa the shortage of skilled people is even more pronounced along racial and gender division. While this imbalance has to do with the way resources were allocated in the past, Vikalazi believes that to overcome it, South Africans need to look to the future. In the short term the scarcity of skills can be dealt with by importing skills, but in the long term focus should be placed on internal training. Training and providing people with the opportunities for personal growth are crucial. He advises that local companies have much to learn from international organisations who groom a pool of talent over a period time, giving them special attention, opportunities to stretch themselves to the limit, and in some cases affording them the opportunity to spend a period of time with other organisations in order to gain additional knowledge.

Employee training, development and education programmes are currently a huge business industry in South Africa, running into millions of Rand each year. This market is now valued in excess of R5 billion per year. Despite this, South Africa spends less than 1% of its total employment costs on training, in contrast to 5% spent by South Africa's major trading partners, such as the United States of America, and Japan, which spends approximately 10%. Employee training and development (T&D) is seen as a key factor in meeting the employer's strategic, business and operational goals. International competition, corporate re-organisation



and technological advances, along with social and economic pressures, have increased the awareness and the fundamental importance of training and development in South African work places (Grobler, et al., 2006).

The millennium workplace is in a skills revolution. Workplace legislation dictates that employees must be treated as valuable assets which need continuous upgrading and development. Many challenges arise from the new work place. Various management frameworks are employed by workplace training providers and managers to keep pace with the changes and challenges of their task which is to develop and ensure a skilled work force (Price, 2001).

Skills development in the millennium work place entails the continuous management of: organisational, team and individual goals; decision making structures and teams; organisational structure, positions and relationships; external environment and networking with outside groups; and formal and informal leadership (Christmas & de Visser, 2006). The skills legislative and project management frameworks are important to millennium frameworks for managing current work place skills development. Time management is essential for effective, successful and sustained skills development projects. Workplace skills plans, project skills plans, annual training reports, sector skills plans, and other key skills development plans are subject to annual deadlines. Effective training providers must submit these plans on time to ensure that skills levy grants are to be recovered (De Jager, 2003).

South Africa has an oversupply of unskilled workers and an undersupply of skilled workers. Comparative figures show that in most highly developed industrialised countries there is a ratio of two skilled workers for every unskilled worker. In South Africa, however, there are five unskilled workers per skilled worker. Although the lack of education is of great concern, what is of equal concern is the lack of professionals with degrees and diplomas being generated by tertiary institutions (Grossett & Venter, 1998). With the exception of deep recession periods, labour shortages in certain skilled occupations are experienced during phases of the economic cycle in South Africa and this will have a repercussion on economic growth and development. Persons are appointed to certain occupations without being properly trained and are unable to perform their duties efficiently (Shultz, et al., 2003).

### 4.3.1 A skills revolution for South Africa

In South Africa, a fundamental reconstruction of skills development is imperative to develop and enhance the current skills situation. The following aspects are identified:

- *Problems in the labour market:* In most countries in the world there are problems with the manner in which the labour market operates. In South Africa, some of these problems have become detrimental as a result of the situation caused by South Africa's history of apartheid (Schwella, Burger, Fox & Mueller, 1996)
- *Discrimination:* There was discrimination on the basis of race, gender, disability, age as well as other characteristics. During apartheid, black people – that is people classified, as African, Indian and Coloured – did not have access to the same education and training as that of white people and were therefore forced to accept lower skilled and lower paid jobs. Women workers were employed in only a few industries and occupations. Where women did the same job as men, they were often paid less. People with disabilities found it difficult to get any job at all, although their disability did not affect the work that they could do. Most workers were expected to obey orders and to do the same repetitive tasks each day. They were not expected to think and were not given opportunities to develop their skills. 'Unskilled' workers were treated as if they had no knowledge or skills at all, although they had acquired working experience during many years. They were treated like this simply because they did not have formal education and training (Rantete, 2003).
- *Segmentation of the labour market:* The labour market was divided into segments – management, professionals, artisans, semi-skilled and 'unskilled' markets. It was very difficult for a worker to improve his position from one level to another.
- *Separation of education and training:* There were very few linkages between education at schools and the skills people needed at work. Education (at schools) and training (for the workplace) were usually seen as two very different categories. The world of work and the world of education did not see cause for communicating with one another. There was

very little co-operation between the Departments of Education and Manpower and providers of education and providers of training (Kroukamp, 1999).

- *Insecure jobs*: Many workers worked in casual, temporary, seasonal or other types of erratic and insecure jobs. These workers had minimal opportunities of gaining skills, receiving promotion in their working environment and earning good wages.
- *Informal sector* : Many workers were in the informal sector – selling fruit and vegetables, cleaning cars, caring for other people’s children. A few workers in this sector had technical skills and could, for example, make and fit security bars or do backyard-mechanic work from which they could earn good money. Many other informal workers with technical skills did sewing for an income. Too many other people with the same skills were doing this type of work so it was not very profitable. Most labour and training laws did not reach the informal sector and these workers were stuck in low paying dead-end jobs (Columbine, 2002).
- *High unemployment*: Many people did not have any form of employment at all. Unemployment was much higher among black people as opposed to white people, more women were unemployed than men. More rural people were unemployed than those in urban areas.
- *Tariffs and subsidies*: The government protected South African employers from competition from other producers in other countries through tariffs, subsidies and other measures. The positive result of the protection concession was that some industries developed and grew. The negative result was that employers did not always ensure that they made use of their machinery and workers in the best possible manner.
- *Globalisation*: The economies of all the countries in the world were becoming more and more integrated with globalisation. Today, people in one country have a choice of selection of products from many countries, not only from their own country. It is imperative that the South African companies and their employees perform well so that

they can compete with producers in other countries and sell more products both in South Africa and beyond its borders (Suttner, 2001b).

#### **4.3.2 The position of Skills Development in the Economy**

Policy makers, as well as academics have extensively discussed the relationship between a nation's economic performance and the skills policies and practices adopted by companies. Those that have voiced their comments regarding skills development, generally agreed that one of the major factors influencing a country's performance is the quality of its workforce. There are also a number of assumptions that certain conditions or mechanisms need to be put in place in order to ensure that the development of skills occurs on a large scale. Firstly, there is the need to create awareness within the working environment, to continually support and encourage skills development (Vinassa, 2006). In contrast to previous decades the workplace is generally viewed as the most effective and efficient means of developing knowledge and skills amongst a workforce and this is of particular importance to developing or transitional economies. The second requirement is to ensure that all stake holders are committed to the process of skills formation and that they become actively involved in the planning and implementation process. The formation of strategic alliances between the state, unions and the private sector are increasingly viewed as one of the vital components by which governments can eradicate the problem of unemployment and simultaneously increase the productivity of business enterprise. Finally, when developing national strategies for skills development there is a requirement to ensure that decisions are based on accurate and up to date labour market information (Freeman, 2003).

#### **4.3.3 Benefits of skills development**

Skills development has the following benefits when it is correctly implemented:

- Increases effectiveness in achieving goals set by organisations, centres, divisions and departments.
- A section of the Employment Equity strategy is designed to assist the persons from designated groups and to develop good performers in these groups which will ensure the retention of these people in the work force.

- Measurable return on training investment.
- Focused skills development directed at the supply and demand of skills.
- Outcome based training that provides the desired results of performance at the work place.
- Provision for a rebate for employers in the Skills Development Levies Act (Folscher, 2003).

To offer a supportive framework to skills development and training, the Skills Development Act (97/1998) and the Skills Development Levies Act (9/1999) have been implemented in South Africa. The legislation is a ‘window of opportunity’ that can be effectively used to improve employees competencies, develop training programmes that meet specific company requirements and generate a pool of skills essential for the successful future of companies (Grobler, et al., 2002). As the Growth and Development Summit (GDS) noted, it is only when South Africa increases their skills capacity in critical areas, that the country will be able to grow and develop its economy (Grobler, et al., 2006). In the following section, the skills legislation will be clarified.

#### **4.4 THE SKILLS DEVELOPMENT ACT (97/1998) AND THE SKILLS DEVELOPMENT LEVIES ACT (9/1999)**

These two sections of legislation introduce new institutions, programmes and funding policies designed to increase investment in skills development. There are two over-riding priorities that this legislation seeks to address. The first is the ever present purpose for South Africa to compete within the global economy and the requirement to increase skills and to improve productivity which will assure competition in industry, business, commerce and services. The second is to address the challenges of social development and the eradication of poverty (Coetzee, 2000).

##### **4.4.1 The purpose of the Skills Development Act (Chapter one of the Act)**

The overall aim of the Act is to improve the skills of the people in South Africa. South Africa requires a better educated and trained work force to enable the country to become more self

sufficient and simultaneously, to enable it to trade competitively with the rest of the world. Skilled people have a greater opportunity of securing work or of starting their own business.

They can also serve their community who require these skills (Christmas & de Visser, 2006). Once South Africa has a large platform of skilled people, investors from home and abroad will be more interested in investing here. To secure a better trained workforce the Act:

- Introduces a new institutional framework (a set of guidelines, rules and structures) to determine and implement development strategies of national sectors and work place skills national, sectors and work place skills.
- Ensures that more training and development programmes provide workers with nationally recognised qualifications which are recognised within the National Qualifications Framework.
- Provides for teaching of learners that lead to recognised qualifications. This is achieved through a combination of practice and theory – teaching people how to do things and helping them to understand why things are done in a certain way.
- Establishes new methods of paying for skills development with the assistance of a levy/grant system and the assistance of the National Skills Fund.
- Provides the employer with the services and regulations to assist new job entry candidates, the unemployed and the retrenched workers to find employment and furthermore, assists employers to source skilled workers.
- Establishes a National Skills Authority (NSA) and Sector Education and Training Authorities (SETAs) (Suttner, 2001b).

This Act aims to transform learning by making use of the tools provided by the South African Qualifications Act (56/1995). The Act focuses on social and economic challenges rather than on the educational challenges. The purpose of this legislation, therefore, is to develop and grow skills for the workplace, increase levels of investment in education and training,

encourage employers to promote skills development and to improve employment prospects for the entire population (Suttner, 2001a).

There are a number of strategies in place which should assist government in achieving these aims which have become legislation:

- The development of training and development programmes which provide workers with qualifications that are recognised by the National Qualifications Framework.
- The formation of 'learnerships' (structured programmes of learning that lead to a qualification).
- The appointment of Skills Development Facilitators (SDF) in all organisations.
- The establishment of twenty-five (25) centres for Sector Education and Training Authorities (SETAs) who are responsible for encouraging and guiding the planning and coherent skills development in all sectors of the economy (Brown, et al., 2004).

#### **4.4.2 Rationale for the Skills Development Act (97/1998)**

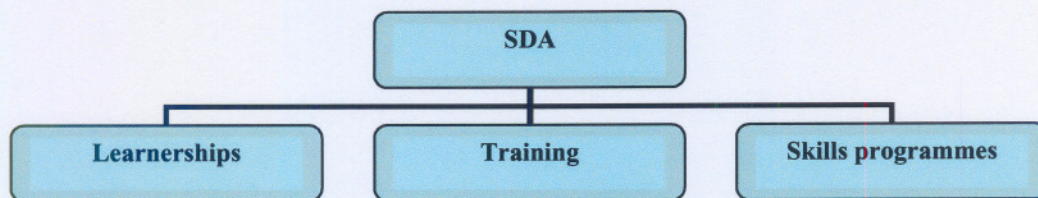
South Africa has a poor skills profile as a result of the poor quality of general education which the majority of South Africans received. The low relevance of publicly funded training and the many companies that show a low level of investment in training, contribute to this matter. This poor profile inhibits productive growth in companies, new investment prospects and the anticipated employment of the younger person and the unemployed (Folscher, 2003).

The SDA seeks to develop the skills of the South African work force and thereby to increase the quality of working life for workers, improve the productivity within the workplace and promote self employment. The Act also seeks to encourage employers to use the workplace as an active learning environment and to provide opportunities for new entrants to gain working experience within the labour market in general (Suttner, 2001a).

A special feature in the Act is to improve the employment prospects of previously disadvantaged persons through education and training. The employment services which are

offered need to focus on assisting the unemployed to secure a position of work, retrenched workers to re-enter the labour market and to assist employers to locate qualified employees. Alignment of the Skills Development Act and the South African Qualifications Authority Act (56/1995) is the base which is utilised to promote the quality of learning in the labour market and accordingly this will be advantageous for productivity within the labour market in the future. The Act also accords employers and workers greater responsibility for ensuring the relevance of training, which will enhance quality workmanship (Nel, et al., 2005).

**FIGURE 4.3 Two learning (training) programmes identified in the Act: Learnerships and Skills Programmes**



(Source: Researcher, 2006)



**FIGURE 4.4** The comparison between learnerships and skill programmes as seperated in the SDA

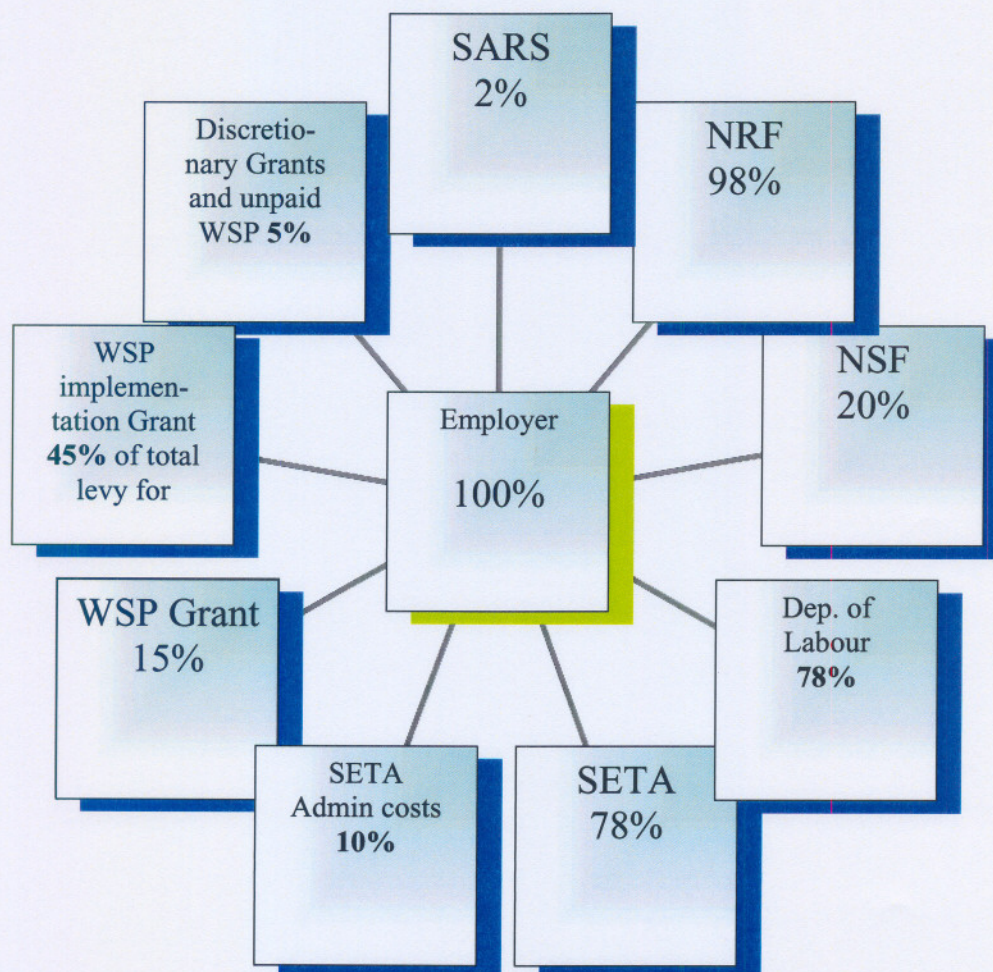
Learnerships	Skills Programmes
<ul style="list-style-type: none"> <li>• Replaced traditional concepts of apprenticeship qualifications</li> </ul>	<ul style="list-style-type: none"> <li>• Assist young unemployed people to enter the employment market</li> </ul>
<ul style="list-style-type: none"> <li>• Structured learning and work experience that precedes the national registration of learnership</li> <li>• occupationally linked qualifications provide expansive market for particular skills</li> <li>• demand for skills/opportunity in the labour market</li> </ul>	<ul style="list-style-type: none"> <li>• Existing workers can improve their level of skills by means of skills programmes</li> </ul>
<ul style="list-style-type: none"> <li>• Mechanism to facilitate the linkage between structured learning and work experience.</li> </ul>	<ul style="list-style-type: none"> <li>• Not a learnership programme, but should also meet quality and relevant criteria in order to qualify for payments of grants.</li> </ul>

(Source: Coetzee, 1999)

The decline in practising traditional apprenticeships over the last decade has prompted the relevant role players to seek a new mechanism to facilitate more flexible learning arrangements that are linked to the NQF. A learnership consists of combined structured learning and work experience components. The structured learning component includes fundamental learning, core learning, and specialisation. The work experience component relates to the structured learning and prepares the learner for competence assessment (Craythorne, 1999).

Kort bl 109

Kort bl 110

**FIGURE 4.5** The distribution of the funds collected from the skills levy

(Source: Suttner, 2001a)

#### 4.5 THE SOUTH AFRICAN QUALIFICATIONS AUTHORITY ACT (56/1995)

Training is of the utmost importance in South Africa and once this was recognised a major renewal of policies and thought provoking activities have occurred during recent years. The forerunner was the implementation of the South African Qualifications Authority Act (56/1995), thereafter the South African Qualifications Authority (SAQA) and its functions

came into being. SAQA pursues the objectives of the National Qualifications Framework (NQF) (Christmas & de Visser, 2003).

The South African Qualifications Act (56/1995) exhibits modes of ensuring that the quality of education and training in South Africa is favourable and it provides many different entry, exit and re-entry selections into education. The Act sets up the National Qualifications Framework (NQF). This framework consists of eight levels of learning capabilities and an extension for learning specialisations such as communications or engineering. Several qualifications fit into this framework, which are classified according to the level of difficulty and the demand for these qualifications in the market. The measurement of a qualification is based on the exit level – on what knowledge a person has gained and how they can put this into practice when he/she completes their qualification. This modern method of recognising learner's achievements applies to all qualifications. It measures the knowledge that a person presently possesses and can put into practice, rather than where and how the person acquired the knowledge (Department of Labour, 2001).

#### **4.6 THE NATIONAL QUALIFICATIONS FRAMEWORK (NQF)**

During early 1994, the National Training Board indicated in its National Training Strategy that an integrated approach to training and education demands an effort to re-invent the thinking patterns regarding education and training in its traditional setting, as separate definable entities limited to certain periods within an individual's life. The Board proposed that one should consider education and training as a life-long learning process (Department of Labour, 2001).

The inception of such an integrated approach to education and training should therefore be moulded on the National Qualifications Framework (NQF) model, specifying learning in terms of nationally and internationally accepted conclusions. In a trend setting move, the Department of Labour in conjunction with the Department of Education have compiled a national framework for education and training in South Africa. This framework is commonly known as the National Qualifications Framework (NQF) (Coetzee, 2000).

The NQF is a consequential based model for education and training. It does not determine the curriculum for any course, but rather stipulates what learner's capabilities should be at the end of the course. The certification, informal and work place education will be observed and these activities will be reported to schools, technicons and universities in the general interests of education. Sector education and training authorities (SETAS) are tasked with developing training programmes within this proposed framework. At the workplace many employers have introduced a literacy training programme for employees, which is a basic bridging process to further education and skills acquirement (De Jager, 2003).

The National Qualifications Framework, being a quality education and training system, will provide a beneficial contribution to the lives of all South Africans. In order to provide this contact, participatory and representative processes need to be delivered and assessed by procedures within this framework. It should assure all learners within this framework of a lifelong learning opportunity. The NQF will ensure that high standards are being sustained, maintained and continually improved (Suttner, 2001b).

The upward quality spiral is clearly visible when structures and processes have been implemented which are required for developing the NQF registered standard and qualification levels. The specific assessment and accreditation requirements are interwoven with the structures and processes required for ensuring the provision and achievement of such standards and qualifications (De Jager, 2003).

The outline of NQF structures and systems mentioned below captures the dynamic relations between the separate functions of setting standards and those of quality assurance. In essence, the quality process is the enforcement of setting standards and subsequently, the registration of standards and qualifications by the NQF. Education and Training Quality Assurance bodies (ETQAs) should then be accredited to monitor and audit the provision, assessment and achievement of specified standards and/or qualifications. Evaluation and reporting requirements for accredited bodies (ETQAs and providers) provide a direct and dynamic feedback mechanism to setting standards which ensures the continual improvement of the standards and the qualifications registered at the NQF (Bekink, 2006).

#### **4.6.1 The NQF portrayed as a vertical and horizontal lineage structure**

The National Qualifications Framework is a single combination of a structure which accommodates all the numerous learning and career paths. The learning avenues include all forms of education and training. The structure is designed to simplify the direction of studies selected by learners. For example, learners can choose to expand their knowledge of their present course by opting to gain additional knowledge in their specific field (which represents a horizontal shift) or alternatively, learners will have the option of selecting a vertical (upward) movement. This enables students to progress from one subject of learning to another (horizontal shift) or they can choose the option of moving up the ladder (vertical shift) where they can change from one career path to another. Like all ladders, the NQF provides learners access to different ranks or levels of learning. It clearly indicates the present educational standing of the student. This structure defines the movement of progress of the student from the bottom to the top levels. All directions of learning and career paths have similar steps or levels and the progress of the person can be recognised according to their individual level (Bekink, 2006).

#### **4.6.2 NQF levels**

The NQF classifies all education and training according to eight levels. The levels measure the degree of difficulty in learning the expertise of diverse qualifications as opposed to the period of time that the learner has studied. The levels allow for comparisons between various courses. They allow comparisons between education and training received in different methods and education and training provided by diverse institutions. A degree of flexibility exists in this system as a person who receives credits from a certain level of education or training is afforded the opportunity to re-enter the education system at an institution of his/her choice and may continue with their studies. The levels also allow comparison between South African education and training as opposed to the education and training that people receive in other countries (Schwella, et al., 1996).

Level 1 of the NQF slots in at the end of the compulsory schooling and completion of Grade 9 (Standard 7). For adults who did not have the opportunity to complete their schooling, this

level can be achieved through basic adult education and training Level 1 concludes the level of the first band of the NQF: The first band is identified as the General Education and Training Band. Levels 2, 3 and 4 of the NQF consist of the second band. The second band denotes further education and training – schooling and technical certificates equivalent to the standards of Grade 12/Matric. Levels 5, 6, 7 and 8 are categorised as band 3. Band 3 identifies higher education and training. For example, level 5 defines undergraduate diplomas and certificates and some trades forms. Level 6 denotes Bachelor degrees completed at universities and technicons. Students can progress from one level of education to another irrespective of their age and can engage in life long learning. For example, an adult who did not complete primary education now has an opportunity to enter the first level of the NQF system by attending a night school or a church school which offers this programme. There are also NGO's who present this programme and programmes are also presented to employees within the work place. The NQF gives attention to seven essential cross-field outcomes for training and education. These are skills, which must be included in all qualifications. The cross-field outcomes are:

- Identifying and solving problems.
- Working together with other people – Inter- personal relationship skills.
- Organisation and management.
- Collecting and analysing information.
- Communication.
- Using science and technology and being aware of its effect on people and the environment.
- Realising the problems which are presented and solved in learning and actions– are part of a bigger society and the world (Gerber, et al., 1999).



## 4.6.3 NQF principles

**FIGURE 4.6** The NQF is guided by the following principles:

Integration	Combines systems and approaches – education and training, theory and practice, academic and vocational – into one single system
Relevant	Ensures that the education and training system is valued and accepted nationally and internationally
Coherent	Ensures that all areas of learning are part of the framework, so that learners can move freely from one learning position to another
Flexible	Ensures that different paths of learning – workplace courses, community courses, technicon courses – all lead to the same learning purpose
Standards	Places the accepted units of learning in a national framework
Legitimate	Ensures that all national stake holders participate in planning and co-ordination
Access	Makes it available to learners to enter into the education and training system at the correct level and follow relevant learning and career paths
Articulation	Makes it possible for learners to move freely between the different parts of the system
Progression	Enables learners to advance through the different levels of the education and training system and acquire additional qualifications
Portable	Recognises and permits a learner to transfer credits and qualifications from one learning structure to another
Recognition of prior learning	Gives credit to people who have learned and gained knowledge through life experience and informal courses
Guidance for learners	Assists learners to understand and make decisions regarding their entry levels and further movement through the system

(Source: Shaw, 2003)

## **4.7 TRAINING**

### **4.7.1 The concept of 'training'**

According to De Cenzo and Robbins, (1994: 255), 'training is a learning experience in that it seeks a relatively permanent change in an individual that will improve his or her ability to perform the job'. Training can therefore be regarded as a planned process to modify attitude, knowledge or skilled behaviour through a learning experience, so as to achieve effective performance in an activity or range of activities. Its purpose, in the work situation, is to develop the abilities of the individual and to satisfy the current and future needs of the organisation. Training brings about behavioural changes required to meet management's goals for the organisation. It is thus, a major management tool which is used to develop the full effectiveness of the organisation's most important resource: its people (Wilson, 2001).

Nzimande, (2006), comments that training is executed to ensure that a task is performed correctly, and therefore the behavioural change brought about by training must be measurable in terms of an organisation's requirements. Consequently, training must be result orientated, it must focus on enhancing those specific skills and abilities to perform the job, it must be measurable, and it must make a constructive contribution to improving both the achievement of goals and the internal efficiency of an organisation

The training standards for a specific job are derived from the job description or task requirement of a particular job. Training is therefore directed at improving the employees' job performance in an organisation. Training is critical when current work standards are not maintained, and when this situation can be ascribed to a lack of knowledge and/or skills, and/or poor attitudes among individual employees or groups in an organisation. Training is also essential when there is technological innovation in an organisation (Nel, et al, 2005).

Price, (2001), claims that in a new and changing global environment, focus is placed on providing all employees with the relevant knowledge and skills to enable them to add value to the organisation in order for themselves to be valued for their contributions. Strategic interventions aimed at achieving this, include training and development, multi-skilling,

empowerment and mentoring. Training and development should incorporate on-the-job training, academic and a range of diverse training. Multi-skilling provides a flexible, skilled workforce that contributes to organisational success.

Training is a learning experience in that it seeks a relatively permanent change in an individual that will improve his ability to perform a job (Van Dyk, Nel, & Loedolff, 2001). Training is important for employers, employees and trade unions. Effective training is the consequence of highly productive workers and greater personal satisfaction, job enrichment, and a feeling among employees that the organisation is interested in their advancement. Training programmes should be geared to suit the needs of employees, their work and their organisations. In this regard, organisations would be wise to abide by the principles outlined below (Nel, et al., 2005).

If training is presented correctly, it expands the skill levels of South African citizens, making them a more valuable asset to companies and to South Africa in general. It is a recruiting advantage and an assurance of employee loyalty and retention. Furthermore, it can take a company a long way towards earning the culture of respect and responsibility that the future workforce will demand. If training is to be relevant, effective and efficient, employers will need to conduct training in a manner which is conducive to learners (Hankin, 2004). The new work force, however, will demand resurgence in training. Advancing technology will lead the way to progress and success. As employers seek to attract the best and brightest talent, education and training will become a valuable contribution and will assist the process of recruitment efforts. Companies that embrace training and development as priority compounds will retain their best workers (Freeman, 2003).

#### **4.7.2 The main components of training**

There are three main components that an individual requires in order to perform a task effectively: knowledge, skill and attitude. Each of these can be developed or improved upon by effective training.

In order to design effective training programmes the following principles should be understood and practiced:

- Training can only be successful if it is recognised that learning is a voluntary process. Individuals must be keen to learn and consequently they should be properly motivated.
- People learn at different rates of pace and from a person who is an adult, this often begins from different levels of knowledge and skill and with contrary motives and attitudes.
- Learning is hindered by feelings of nervousness, fear, inferiority and lack of confidence.
- Instructions must be provided in short frequent sessions rather than long periods.
- Trainees must play active roles – they must participate.
- Training must make full use of appropriate and varied techniques and should include all the six senses of a being, not only the sense of hearing.
- Trainees need precise targets and progress must be checked frequently.
- Confidence is gained by praise and should not be diminished by reprimand as learning has to be rewarding.
- Skills and knowledge are required in stages marked by periods of progress, standstill and even a degeneration of the skill or knowledge so far acquired. Instructors should be aware of this phenomenon, as it can be the cause of disappointment and frustration for many trainees (Brown, et al., 2004; Hankin, 2004).

These principles of learning illustrate and emphasise that it is both complex and futile to treat individuals as groups. If possible, training needs to be tailored to suit individual needs. The

training techniques which should be used depend on a variety of factors which should be investigated, whether it is knowledge, skills or attitudes that are to be imparted and whether individuals or groups are to be trained (Boella & Turner, 2005).

#### 4.7.3 Outcome-based education and training

In terms of the National Qualifications Framework and Skills Development Act, the current national approach followed by the Department of Labour with regard to education and training is outcome-focused. The outcome-based approach therefore differs from the traditional approach to education and training in that it focuses on the mastering of processes to achieve certain outcomes. It therefore places attention on the mastering of knowledge and skills which are required to achieve a certain outcome (Department of Labour, 2005).

**FIGURE 4.7** The comparison of the outcome based approach and the traditional approach

Traditional approach	Outcomes approach
<ul style="list-style-type: none"> <li>• Rote learning</li> </ul>	<ul style="list-style-type: none"> <li>• Critical thinking and reasoning</li> </ul>
<ul style="list-style-type: none"> <li>• Syllabus is content driven and broken down into subjects</li> </ul>	<ul style="list-style-type: none"> <li>• Learning is a process and outcome-driven, connected to real life situations</li> </ul>
<ul style="list-style-type: none"> <li>• Textbook-or worksheet-bound</li> </ul>	<ul style="list-style-type: none"> <li>• Learner and outcome-centred</li> </ul>
<ul style="list-style-type: none"> <li>• Teacher centred</li> </ul>	<ul style="list-style-type: none"> <li>• The teacher is the facilitator</li> </ul>
<ul style="list-style-type: none"> <li>• Syllabus is rigid and non-negotiable</li> </ul>	<ul style="list-style-type: none"> <li>• Learning programmes are seen as guides</li> </ul>
<ul style="list-style-type: none"> <li>• Emphasis on what teacher hopes to achieve</li> </ul>	<ul style="list-style-type: none"> <li>• Emphasis on outcomes – what learner achieves</li> </ul>
<ul style="list-style-type: none"> <li>• Curriculum development process not open to public</li> </ul>	<ul style="list-style-type: none"> <li>• Wider community involvement if encouraged</li> </ul>

(Source: Shaw, 2003)

#### 4.7.4 Training and development models

Training and development can only take place effectively if it is executed within the context of a logical and systematic process. This can take place via the application of a training model, which would include steps such as determining training needs and job analysis, programme design, presenting training and evaluation of training. In this regard, various models exist in the literature. For example, a popular model is:

*Nadler's (1982) model* views the training process in holistic terms and is regarded as the critical events model. In this model nine steps are outlined, namely:

- Step 1: Identifying the needs of the enterprise.
- Step 2: Evaluation and feedback.
- Step 3: Specifying performance.
- Step 4: Identifying training needs.
- Step 5: Formulating training objectives.
- Step 6: Compiling a syllabus.
- Step 7: Selecting instructional strategies.
- Step 8: Acquiring instructional resources.
- Step 9: Presentation of training (Van Dyk, et al., 2001)

#### 4.7.5 Guidelines for training

- All employees have the right to training and to develop their full potential, but designated employees require accelerated development.
- All employees should be informed of training opportunities and encouraged to develop their careers whenever such opportunities arise.
- The application requirements and procedures for training programmes should be clearly defined, followed and made available to all employees.

- Specific training programme should be developed to facilitate employee adjustment to structural change and technological innovation in the workplace.
- Training programmes should be provided to allow members of the disadvantaged race or sex to compete equally for promotion in the labour market.
- Training programmes to improve the low level of worker's written and spoken communication and general basic education should be provided.
- Where a worker lacks the necessary general or further education to enter a training programme, education should be provided through special programmes of assistance (e.g. bursaries to study for Grade 12).
- Training programmes, procedures, manuals and materials should be regularly reviewed, updated and amended to ensure that unfair discrimination amongst employees is not exercised (Nel, et al., 2005).

#### **4.7.6 Mager and Pipe's (1994) classic model**

Based on both current job requirements and requirements for future positions, a personal development plan should be put in place. Training needs are identified through the void in skills and knowledge between current and desired performance; development needs are based on the breach between the current performance and performance required in future positions. Mager and Pipe's (1994) classic model begins with three steps:

1. *Describe a performance discrepancy.* The difference between actual and desired results. Such a discrepancy may surface as a difference between actual and desired production outputs or in quality measures, scrap rates, or customer service measures. These discrepancies are cause for concern, since accepted variations are rarely the basis for taking corrective actions.

2. *Determine the importance of the discrepancy.* If it is not important, then no further action is warranted, and managers, employees and Human Resource specialists should turn their attention to more important discrepancies.
3. *Determine the cause of the discrepancy.* Does it stem from a skill deficiency by an individual (or group), or does it stem from another deficiency? (Wilson, 2001)

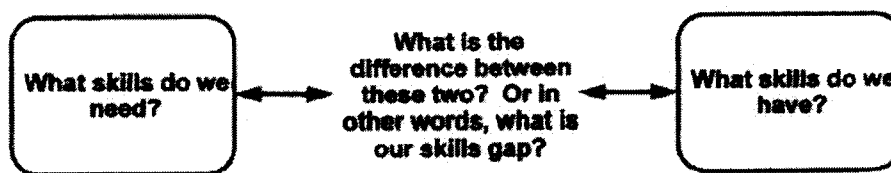
If it is caused by a skill deficiency, then Human Resource specialists should ask additional questions:

- Are employees used to performing? If the answer is no, then the problem may be solved by arranging formal (planned) training. If the answer is yes, then the discrepancy is not caused by lack of practice and the troubleshooter should continue diagnosing the problem.
- Are employees used to performing often? If the answer is no, then the problem may be solved by arranging practice. If the answer is yes, then the discrepancy is not caused by lack of practice and the troubleshooter should arrange feedback.

Once these questions have been considered, additional questions may be asked regarding performance discrepancies that appear to stem from a skill deficiency:

1. *Is there a simpler way to address the skill deficiency?* Alternatives to consider may include changing the job (job redesign) or arranging on-the-job training.
2. *Does the performer have the potential to perform?* If the answer is no, then action should be taken with the interests of the performer borne in mind, such as transferring the performer to work for which he or she is better suited (Tager, 2003).



**FIGURE 4.6** The skills discrepancy

(Source: Department of Labour, 2001)

Many methods can be used to close the gaps which are identified such as:

- Formal classroom training.
- On-the-job training.
- Coaching.
- Mentoring programmes.
- Temporary assignments.
- Shadow assignments.
- Assignment to project teams for learning.
- Self managed learning.
- Business management programmes (Schultz, et al., 2003).

#### **4.8 THE CURRENT SITUATION IN LOCAL GOVERNMENT**

When Sibiyi, (2006), was asked whether the country will reach the desired 6% growth rate and what factors will play a role in achieving this, his reply was “where there is a will there is a way. Government has the will and the private sector has the will. Therefore there must be a way. Firstly, skills development is absolutely vital.”

#### **4.8.1 The urgent need for skills in local government**

In terms of actual participation, there is a dire need for people with skills and expertise. The majority of municipalities have a core group of councillors and officials who have a good understanding of the challenges confronting local government and they are committed to addressing them. However, there is a distinct gap between the councillors who are empowered and those in the process of a steep learning curve, and this has to be addressed through capacity development (National Assembly, 2003). There is also an urgent general requirement to improve management and the practical implementation of skills and knowledge should be transferred to councillors, which is consequential to ensuring efficiency and effectiveness in translating policies, plans, programmes and strategies. A more co-operative and productive relationship has to be developed between councillors and officials within a municipality. However, in the instance of those who possess the necessary skills and expertise, being in a position of a public representative is not as lucrative for them as opposed to, for example, holding a position in the private sector. Many of the local politicians who have developed a basis of knowledge have moved to greener pastures, leaving a void in effective management. The process of developing the capacity of the new incumbent has to be repeated as is time consuming (Mamoshito, 2005).

#### **4.8.2 Internal mechanisms to enhance organisational efficiency**

Many municipalities in South Africa are facing severe shortages of qualified and properly trained personnel. There are many internal departments that are functioning with only 50% or less of the minimum staff that is required to perform the particular work load. This situation has become critical since the commencement of the final phase of the new local government restructuring. Many newly established municipalities have lost vast numbers of highly trained and experienced municipal personnel and do not have appropriate replacements on hand. This situation has resulted in many inexperienced personnel being appointed in strategic positions and municipal councils are indecisive in appointing staff to vacant positions which require immediate operation (Bekink, 2006).

### **4.8.3 Municipal personnel, labour relations and staffing matters**

It is an obvious observation that no municipality would be able to fulfil its obligations and duties without basic personnel, administration and management. Not only are employees necessary, they have to be motivated, dedicated and properly trained. In view of the vast and diverse functions that municipalities need to perform, municipalities need a combination of personnel that vary from general administrative officials, such as administrative clerks and office personnel, to highly qualified experts such as engineers, town planners, lawyers, accountants and personnel managers (Bekink, 2006). The Constitution thus specifically determines that all municipal governments are entitled to employ as many personnel as is necessary to ensure the effective performance of municipal functions and duties. It is the responsibility of the municipal manager to employ the required quality and quantity of personnel to fulfil its municipal functions. Notably, many requirements and legal provisions should be adhered to (Christmas & de Visser, 2006).

### **4.8.4 Establishing a new Local Government training system**

In the White Paper on Local Government, a vision and framework was provided within which local government capacity building was to be developed. The previous system was outdated and had to be amended to become a more flexible, decentralised and a driven by demand system with continuous improvement of municipal staff members and political office bearers (Christie, 1998). In response to the changes and challenges in the amended system, a fresh set of skills and competencies had to be created to ensure an overall developmental local government. Various initiatives have thus been piloted in a range of ideally created capacity building programmes and schemes. In an investigation on the embedded vision in the White Paper on Local Government, various laws have been passed or amended to add more meaning and substance to the new local government capacity building system. See, for example, the Skills Development Act 97 of 1998, which Act requires a Sector Education and Training Authority (SETA) to be utilised in every sector of the South African work force to enforce the development of skills.

#### **4.8.5 The Local Government Sector Education and Training Authority (LGSETA)**

The SETA responsible for skills development in the 284 municipal centres in South Africa is the Local Government Sectoral and Educational Training Authorities, otherwise known as the LGSETA. The Minister of Labour established this SETA in March 2000. Given the vast array of activities and skills required in the local government sector, the LGSETA decided to initially focus its energy on a manageable number of areas. The areas are the following:

- finance and public administration.
- water environment and waste management.
- public safety.
- primary health.
- community health.
- Local economic development (LED) and integrated development planning (IDP).
- councillor development.
- Urban planning (Brown, et al., 2004).

The Local Government Sector Education and Training Authority (LGSETA) is represented by the labour organisations namely SAMWU and IMATU and other employer's organisations, which work closely with the South African Local Government Association (SALGA).

Specific functions have been envisaged for LGSETA to perform. Such functions include:

- Preparing a Local Government Skills Plan.
- Implementing the Local Government Skills Plan by:
  1. Establishing learnerships.
  2. Approving workplace skills plans
  3. Allocating grants to employers, education and training providers and workers.
  4. Monitoring local government education and training in the sector (Bekink, 2006).

- Promoting learnerships by means of
  1. Identifying work places for practical work experience.
  2. Supporting the development of learning materials.
  3. Improving the facilitation of learning.
  4. Assisting in the conclusion of learnership agreements.
- Registration of learnership agreements.
- Applying to the South African Qualification Authority (SAQA) for accreditation as an Education and Training Quality Authority (ETQA).
- Collecting Skills Development Levies and allocating these funds to municipalities.
- Reporting on income and expenditure and the submission of its sector skills plan to the Director General of Labour.
- Appointing staff for the performance of its functions (Kroukamp, 1998).

All municipalities are required to annually submit their Workplace Skills Plan (WSP) to the LGSETA. This document details the current skills profile and development requirements of all municipal employees, the future strategic priorities of the municipality and a skills development plan to ensure that the municipality develops employees to maximum levels of achievement. This plan should be in accordance with the skills needs and priorities identified in the Local Government Sector Skills Plan incepted by the LGSETA in 2001 which has recently been reviewed and included in the Sector Skills Plan for 2003 – 2005 (Department of Labour, 2001).

#### **4.8.6 Previous training practices within Local Government**

During the past 15 years or so, larger municipalities have made use of their own in-house staff for the functioning of internal training units (either centrally or in the various service departments). The internal training departments have provided officials with:

- Hard skills training i.e. technical and infrastructure provision skills (e.g. water, electricity, waste management), including a number of apprenticeships.
- Soft skills training in management and leadership skills, and in attitude/behavioural skills (e.g. customer service, letter and report writing, performance management, conflict management, stress management). Most of this training has been presented in the form of short courses (Brown, et al., 2004).

Despite occasional attempts by municipalities to assess training needs, management has now made proposals regarding which specific training is to be provided and this will hopefully link training to the key strategic imperatives that their municipalities require. These proposals are presented for reviews and are debatable at training committees, led by councillors and union representatives. There has been no significant training of people who are not council staff or politicians. In general, smaller municipalities have simply not had the resources to facilitate training and development for their staff and politicians. The training that has taken place has been focused on developing the strategic and management skills of senior leadership (officials and councillors). This training has usually been funded by the provincial departments of local government, and/or SALGA (the South African Local Government

Association which has a mandate to represent the interests of organised local government in the country's inter-governmental relations system) (Brown, et al., 2004).

Municipal employees are being skilled to utilise newly acquired service delivery equipment. There can be no effective local government without the necessary skills and expertise to manage it. Legal support will strengthen those municipalities struggling with the resolution of labour related disputes, which have held up service delivery and general development (Uliana, Macey & Grant, 2005).

#### **4.8.7 Changes in strategic thinking regarding skills development**

The Skills Development legislation has had a major impact on the training and development functions within municipalities. The metropolitan municipalities, who have in-house Training

Units (referred to as Skills Development Units), Training Managers (referred to as Skills Development Facilitators), will have to comply with the legislation. They have to ensure that training programmes reflect the new outcome based approach to skills development and that all training culminates in a nationally recognised qualification. This will necessitate that the entire training staff who provide training are suitably accredited as Education, Training and Development Practitioners (ETDP's) In addition, they are required to co-ordinate the development and implementation of the Work place Skills Plan (Bekink, 2006).

These statutory Workplace Skills Plans should give attention to skill interventions that are aligned with the Local Government Sector skills priorities, the objectives of that municipality's IDP, the employment equity targets, the needs that arise in the staff skills auditing process and the performance management reviews.

A revolutionary scheme has been the development of skills development programmes that include the local citizens of municipalities. This provision of 'external' training is in the early stage of operation and forms only a portion of the Workplace Skills Plan of a few metropolitan municipalities, but it fits squarely within the new legislative responsibilities of municipalities, where the definition of municipalities includes persons of the communities for local participation as well as officials and councillors. One of the long term objectives of the LGSETA is to encourage local government to train and involve young people in community based projects to relieve service delivery problems (Botha, 2006).

#### **4.8.8 Achievements and gaps in policy and practices**

There seems to be general acceptance in the sphere of local government that skills development must be prioritised at all levels, for officials and councillors as well as for communities. There is also a much greater awareness for line managers to be involved in skills planning for their staff and for proper consultation on skills development with staff (Brown, et al., 2004).

However this has not always been translated into real changes in skills development practices, particularly in the under-resourced district councils and local municipalities. Success in skills development is ultimately dictated by the every day management activities that take place

within municipalities. There are a number of organisational constraints that interfere with this success in varying degrees at municipalities around the country. Some of these **constraints** are:

- Financial resources i.e. a lack of funds for training (this is particularly problematic in the rural local municipalities where the constituency is poor and non payment of rates is frequent).
- Difficult for employers to make the paradigm shift to an organisational culture where knowledge and outcome based skills development are highly valued and financially prioritised.
- The lack of a coherent skills development strategy (linked to difficulties articulating training needs as well as the absence of job profiles, performance management systems and effective career matching opportunities).
- Skills planning and budgeting not being adequately linked to overall business planning processes i.e. strategic and organisational objectives (of IDP's) do not yet prioritise skills development objectives.
- Limited numbers of appropriately skilled and/or committed personnel for training management and few representatives for the Workplace Training Committees. SDF's are overloaded with responsibilities, particularly in the local municipalities where staff are already subjected to multi-tasking.
- Lack of effective evaluation of the impact of training.



- Financial constraints and the lack of in-house training units, especially in smaller municipalities.
- People being released from their duties (time restrictions) for training when service delivery demands and targets are increasing.
- Uneven training provision (in terms of relevance and quality).
- Decline of on-the-job training and the perception that only external training is of value.
- Limited skills in line management to monitor and ensure that successful learners return to the work place and apply their recently acquired skills (and limited support for this level of line management).
- Lack of mentors and tutors within this sector.
- A lack of relevant, quality and credit bearing training providers in this sector (Mlambo-Ngcuka, 2006b).

#### **4.8.9 New approaches to the provision of skills development interventions**

Within the local municipalities much of the skills budget is allocated to consultants to whom this training is outsourced. In certain instances metropolitan municipalities provide technical training to the staff of district and local municipalities. The LGSETA also promotes and funds municipal training programmes where the training needs to be provided in areas which

are identified in the Local Government sector skills plan. Usually the SETA will select the (accredited) training consultants to present and manage the training.

Whilst the metropolitan municipalities are working at transforming their in-house training departments to skills units, they are also relying on partnerships with tertiary institutions to assist them with the provision of skills programmes, particularly for extended management and leadership training programmes for strategically placed officials and councillors. In some instances regional universities have also been involved in assisting the training and development section of the metropolitan municipalities. Universities have projects to design a mentorship programme, and to support, advise and train mentors. These universities are also involved in the development of generic management training courses which are customised to suit the requirements of the municipality (Brown, et al., 2004).

Learnerships, however, are probably the most significant field of skills development which are currently needed by municipalities around the country. The Minister of Labour has made it clear to the LGSETA to implement the training courses for learnerships which should be successfully up and running in the local government sector by March 2004, which is an urgent expectation of this SETA. A great deal of energy has gone into developing the learnerships course in Local Economic Development (LED) and Water and Municipal Finance, which have all been launched and were due to be piloted in the last quarter of 2003 or in the first quarter of 2004 (Independent Electoral Commission, 2002).

The basic learnership attains a National Certificate in Municipal Finance and Administration (NQF Level 5). The intermediate learnership attains a National Diploma in Municipal Finance or Public Administration and Management (NQF Level 6) and the advanced learnership attains a Degree in Municipal Finance or Public Administration and Management (NQF Level 7). All three learnerships i.e. 5, 6 and 7 will need to be studied for the duration of an 18 month period thereafter learners may progress to the next level of study (Uliana, et al., 2005).

The constitutional change that paved the way for a democratic dispensation in South Africa impacted directly on a public sector that is undergoing major structural changes to undo some of the aberrations of the past. The transformation of the public service in the central,

provincial and local spheres of government will play a key role in determining the outcome of the transition within a democratic state. This will require each sphere of government to outline its specific short, medium and long term goals for service delivery. The capacity of the public service to deliver and expand basic services will determine the difference between a stable political economy and a volatile country beset with massive inadequacies in service delivery (Kroukamp, 1998).

#### **4.9 CONCLUSION**

With regards to training, learning, and education, the role of companies in the development of the future work force will be critical. Companies will need to take on the responsibility of educating its community and staff, from the basics of reading, writing, and mathematical calculations and the advancement of technical and the specific skills which will be required to perform a particular task. The education provided by companies should also provide for the incorporation of ethics, respect, and trust. Companies to a larger degree, will be the forerunners of moulding this emerging workforce. Companies will be consistently teaching employees and this will be their core purpose and acceptance of their responsibility to educate the work force. It's the correct route to follow, and it does, in fact, contribute considerably to the economical growth and the empowering of the work force, as indicated in chapter two, which closely studied the Human Capital Theory and the return on investment of human capital. Companies will need to embrace teaching as an opportunity to contribute towards a successful culmination of using innovative methods to perform continual teaching practices to the future incumbents of the work force. Although this will require a great deal of repetitive training, the employer and the employee will benefit from these endeavours.

The challenge is for employers, employees and training providers to understand, implement and take ownership of workplace and skills legislation and improve the country's skills levels. Training providers must equip themselves with different education, training and skills development policies, procedures and practices if they are to succeed and benefit from the skills revolution (Wilson, 2001). Their task is to improve workplace skills rapidly and effectively according to national standards. Skills development calls for managers and training providers to strategically plan, implement and report on annual training using an effective internal management framework. The management role of workplace trainin

providers in the midst of the skills revolution is crucial and workplace training providers are seen as the skills development soldiers of the skills revolution.

It can be concluded that municipalities, in similar fashion to all other private or public entities, need an effective and efficient personnel corps in order to fulfil their vast array of municipal services and obligations. There is no doubt, therefore, that municipalities must make every possible effort to maintain, control, educate, train and motivate their respective administrative functionaries. In the past, local governments frequently neglected their personnel obligations and political ambitions overshadowed people related interests (Bekink, 2006).

## **CHAPTER FIVE**

### **EMPIRICAL STUDY**

#### **5.1 INTRODUCTION**

Chapter One served as an introductory chapter, identifying a problem statement and primary and secondary research questions. Chapter Two studied the Human Capital Theory, and highlighted the two important components of the development of employees, namely education and on-the-job training. In Chapter Three, Local Government was the focal point of discussion, with specific reference to effective service delivery to the community. Chapter Four alluded to training, skills development and relative skill legislation in local government.

To justify this study, and make it meaningful it was decided to incorporate an empirical research in order to highlight some important aspects regarding skills, training and development of the employees at the Matlosana Municipality in the North West Province, and how the outcomes of such research would effect service delivery.

The empirical study comprised of the following phases:

Phase 1: The identification of relevant components of service delivery.

Phase 2: The compilation of the study population.

Phase 3: The compilation of the survey instruments.

Phase 4: The analysis of data.

Phase 5: Reporting and discussion of results.

Phase 6: Recommendations.

#### **5.1.2 Local Government as the sectoral focus of this study**

In the new constitutional dispensation, Local Government has been confirmed as a form of Government at which government authority is exercised. Although local authorities are the smallest governmental institution in a state, they are often regarded as the cornerstones of

modern, democratic systems. The role of Local Governments in democratic systems consists of multiple and individual components, some of which is multiple and some important aspects can be summarised, as follows:

- Local Government is the branch of government that functions the closest to the inhabitants/constituents of a specific area and is involved with the rendering of a wide variety of services that materially affects the lives of all the people residing in its jurisdiction.
- Local authorities are often seen as local community-based management and administrative institutions which involve both political and bureaucratic components. Through these institutions, community actions and needs are promoted and regulated. In this capacity, Local Government is best positioned to provide and ensure the sustainable provision of essential services to their relevant communities.

In this chapter the identification of the components relevant to service delivery, the participants thereof, the survey instruments used and the way in which the empirical study was conducted, the statistical analysis of the data established and finally, the reporting of the data are discussed.

## **5.2 RESEARCH OBJECTIVES**

In Chapter One, the prologue chapter of this study, a problem statement was formulated and from the problem statement, research questions and objectives were derived. As stated below, the research questions, which are divided into primary and secondary questions, will pertinently be stated:

### **5.2.1 Primary research questions**

1. What are the levels of skills, education and training, perceived productivity and service delivery at the City Council of Matlosana in the North West Province, and what is the level of satisfaction with services of its recipients?

### **5.2.2 Secondary research questions**

2. What are the levels of skills, education and perceptions of training needs of municipal employees at the City Council of Matlosana in the North West Province?
3. What are the levels of satisfaction and perceptions amongst municipal employees regarding their levels of skills, training and education?
4. What are the levels of perceived productivity and service delivery amongst municipal employees at the City Council of Matlosana in the North West Province?
5. What are the levels of satisfaction with services amongst the recipients thereof from the City Council of Matlosana in the North West Province?
6. What recommendations can be made regarding the levels of skills, education and training needs amongst municipal employees at the City Council of Matlosana in the North West Province?

### **5.3 THE COMPILATION OF THE STUDY POPULATION**

The units of analysis in this study consists of a dual component, namely management and the recipients of services. As explained in Chapter One, the managers of the Matlosana Municipality are representative to Local Government, and the recipients of municipal services represent the Klerksdorp community. The managers are the people who need to have a workplace skills plan in place and , who must work in concert with the Local Government Seta (LGSETA), in order to comply with relative legislation in an endeavour to train and skill the employees at the Matlosana Municipality to become more productive. The reason for deciding to select two individual participating groups in this study is to identify the expectations of Klerksdorp's local citizenry in regard to basic municipal services offered to them and to identify satisfaction levels of such services. The Top, Middle and Lower level managements will be asked whether their present education, skills and training levels have an impact on the delivery of services. In Chapter Two, the Human Capital Theory was discussed with specific reference to the education and training of individuals. According to this theory, a

well educated and trained individual is a more productive individual, who promotes higher earnings.

### **5.3.1 Management**

An appointment with the deputy municipal manager, Mr G. Strydom, was scheduled. During the interview, the number of top, middle and low level managers were established (N = 40). It was decided to select the total complement of managers from the Matlosana Municipality, because the group is relatively small, and a total representation provides the most accurate results (when compared to, for example a representative sample of a larger population). It is believed that the management of the Matlosana Municipality can provide the most accurate and appropriate information regarding their experiences of their levels of skills, education and perceptions of training needs.

### **5.3.2 Recipients**

A day was spent at the Matlosana Municipality where the respondents (recipients of services) were chosen by means of convenience sampling. According to Struwig and Stead, (2001), convenience sampling is chosen purely on the basis of availability. Respondents are selected because they are accessible and articulate. This method should be used in special cases only – mostly when the universes are sufficiently homogeneous. In the case of the recipients, they were all accessed where they were waiting in line at the municipal offices. Fifty (N = 50) were approached and asked to complete the questionnaire.

## **5.4 RESEARCH DESIGN**

A self-constructed survey was designed to achieve the objectives of this research. For the purpose of this study a quantitative survey was designed. Separate surveys were constructed for municipal management and recipients of service.



### 5.4.1 The identification of relevant components of service delivery

As discussed in this chapter, the study population selected for the purpose of this study comprises of two segments. Firstly, the imperative components which are applicable to the managers' questionnaire will be identified and discussed to emphasise the importance of the specific components which were chosen Secondly, the imperative components which are applicable to the recipients' questionnaire will be identified and discussed to emphasise the importance of the specifically selected components.

Figure 5.1

#### *Components Relevant to the Managers' Questionnaire*

Participants' Perceptions	Dimensions of Municipal Service	Characteristics of Service Delivery
Own level	Infrastructure	Available
	Education	Effective
Satisfaction with	Skills/Training	Efficient
	Policies/Procedures	Equitable
Training needs	Capacity building	Sustainable

The first section in the table above consists of participants' perceptions relating to dimensions of municipal service and the characteristics of service delivery and distinguish between 'own level', 'satisfaction with' and 'training needs'. These three constructs will be discussed below:

### 5.4.2 Participant perceptions

#### **Own level**

This section was reserved for the management hierarchy of the Matlosana Municipality to select on a scale of one to five (1-5), "one" being strongly disagree, and "five" being strongly agree. Questions were posed to assess how they perceive their own access to necessary infrastructure, their own level of education, their own level of current skills, their personal opinion on the policies which are implemented and lastly, their view on the existing capacity building and training received at the Matlosana Municipality. An example of an item

developed to measure the managers own level of access to infrastructure they require as necessary to perform their work effectively, is “I have the necessary infrastructure (office, desk, chairs) to do my job effectively”.

### **Satisfaction with**

In the second section, management could select and provide an understanding of their level of satisfaction with the above mentioned constructs, for example, their personal satisfaction with the access they have to municipal infrastructure, their satisfaction with their own level of education, as well as the level of skills they possess. Their satisfaction with the policies which are in place, and lastly, their satisfaction with the capacity building and the amount of training they receive at the Matlosana Municipality could also be stated. An example of an item developed to measure managers’ satisfaction with the access to infrastructure they require as necessary to perform their work effectively, is “I am satisfied with the infrastructure (office, desk, chairs) available to me in the performance of my duties”.

### **Training needs**

Lastly, management could indicate their training needs. This is, for example, related to making better use of the workspace which is available to them (infrastructure), to enrol for further education, to acquire more skills, to be better informed regarding the policies and procedures that are in place in the municipality, and to be better informed regarding opportunities for capacity development. An example of an item developed to measure managers’ training needs with regard to the access to infrastructure they require as necessary to perform their work effectively, is “I need infrastructure (office, desk, chairs) which I don’t have to carry out my job.

Relevant literature sources were consulted to identify dimensions which are applicable to the questionnaire designed for the respondents (managers). The following dimensions were deemed relevant to the work that local governments need to perform.

### **5.4.3 Dimensions of Municipal Service**

#### **Infrastructure**

Infrastructural developments are significantly important and it is generally accepted that the provision of basic household infrastructure forms the central basis for ensuring social and economic development. Basic services would normally include water and electricity, as well as general municipal infrastructure. These services should be provided in an equitable and sustainable manner. An example of an item developed to measure managers' perceptions of infrastructure available within the Matlosana Municipality is "I am satisfied that I can continue working in the working space which I currently have.

#### **Education**

Major legislative changes in the late 1990s and early 2000s have dramatically affected education and training practices throughout the country. For the first time the Ministries of Education and Labour have worked together to establish a holistic approach to education and skills development in South Africa. The effect of this is that learners emerging from the new education system are likely to possess skills that are directly relevant to the workforce. An example of an item developed to measure managers' perceptions of their own educational levels is, "I am satisfied that my level of education makes it possible for me to do a good job".

#### **Skills/Training**

Just as the training and skills development system in other sectors, the clarification and implementation of training and skills development systems within local government has been a slow process. This process of moving from the narrow parameters of training to a more holistic framework of strategic skills development has involved a significant shift in conceptualisation, planning and budgeting. It has also moved human resource development to the centre of organisational processes. Indeed, skills development of officials, Councillors, and communities is now a stated strategic objective of most municipalities. An example of an item developed to measure managers' perceptions of their own level of skills and training is "I

am satisfied that the Matlosana Municipality offers training that is helpful in the performance of my duties”.

### **Policies/Procedures**

There are three noteworthy laws governing and driving the skills revolution in South Africa. These are the South African Qualifications Authority Act, the Skills Development Act and the Skills Development Levies Act. The Skills Development Legislation has had a major impact on the training and development functions within municipalities. There is a keen focus on the implementation of training policies. They have to ensure that training programmes reflect the new outcomes-based approach to skills development and that where possible, all training culminates in a nationally recognised qualification (Suttner, 2001a). An example of an item developed to measure managers’ perceptions of the existing policies and strategies which are implemented in the Matlosana Municipality is, “The policies/strategies that are in place ensures my professional service delivery to clients”.

### **Capacity building**

The new municipal dispensation incorporates and emphasises the core constitutional principles of development planning, performance management, capacity building and the enhancement of public participation in local government affairs. Without the necessary capacity, municipalities will not be able to perform and fulfil their duties and responsibilities. Municipal capacity building must therefore be a core element of a broader performance management strategy (Strydom, 1998). Capacity building is a process of developing the ability for improved performance within municipalities. In conclusion, municipal capacity building is currently in need of major transformation. An example of an item developed to measure managers’ perceptions of the capacity building currently taking place in the Matlosana Municipality is, “The way in which the Matlosana Municipality is developing its employees now, can also be done in the future”.

In order to achieve optimal service delivery, each municipal government should choose a delivery system that is best suited to the type of municipality concerned and after taking into account all the special needs of the local communities. When municipalities are deciding on

the particular delivery options for their areas, they should be guided by certain basic principles. The principles include availability, effectiveness, efficiency, equity and sustainability (Bekink, 2006). The principles are discussed below:

#### **5.4.4 Characteristics of Service Delivery**

##### **Availability**

All communities should have access to at least a minimum level of services. This is not a goal, but a constitutional obligation. The many imbalances that still exist regarding unequal access to services should be addressed through the development of new infrastructure and the rehabilitation and upgrading of existing infrastructure (Bekink, 2006). Municipal services should not only be accessible, they should also be easy and convenient to use. In this regard, it is of special importance that municipalities should aim to ensure that people with disabilities or that are illiterate should be able to access and use municipal services with ease. Services and service delivery must be available and most of all, affordable.

##### **Effectiveness**

One of the core objectives of the new Local Government legal order is to create a system of sustainable municipal service delivery. Without the sustained and effective delivery of municipal services, municipal settlements will not be able to grow and to provide for the basic needs of municipal communities (Brown, et al., 2004).

##### **Efficiency**

Services should not be rendered below a certain determined quality. In this regard, services should be suitable for their purpose, should be timeously provided, should be safe and should be accessible on a continuous basis. Service users will not support and make payment to their municipal service providers promptly if services are sub-standard and/or of a poor quality. Not only should the services themselves comply with the minimum standard of quality but also the reliable maintenance and support thereof. Whenever a particular municipal government adopts a delivery system, therefore, it remains the responsibility of that

municipality to be accountable for all its activities, which includes the assurance of service provision in an efficient manner (Sibiya, 2006).

### **Equity**

The local citizenry must be treated equitably and within the ambit of the law. This requirement is also relevant to the provision of services. Municipalities themselves should also be treated equitably by the higher spheres of Government regarding intergovernmental transfers. In order to ensure equity, municipalities are allowed to cross-subsidise between high and low income consumers.

### **Sustainability**

The provision of services to local communities in a sustainable manner is also a constitutional requirement for all municipal governments. In light of this constitutional requirement, service provision is an ongoing process. However, ongoing service provision depends on municipal institutions that are properly managed both financially and administratively (Mlambo-Nguka, 2006). One of the core objectives of the new Local Government legal order is to create a system of sustainable municipal service delivery. Without the sustained and effective delivery of municipal services, municipal settlements will not be able to grow and to provide for the basic needs of municipal communities.

Figure 5.2

#### *Components relevant to the Recipients' of Service Questionnaire*

Participants Perceptions	Characteristics of Service Delivery
Own level	Available
	Effective
Satisfaction with	Efficient
	Equitable
Training needs	Sustainable
	Affordable

The basic municipal services, namely water supply, sewerage collection and disposal, refuse removal, electricity supply, municipal health services, municipal roads and storm water drainage, street lighting, and municipal parks and recreation have a direct and immediate effect on the quality of the lives of local citizenry in a community. For example, if the water that is provided is of a poor quality or refuse is not collected regularly, it could contribute to the creation of unhealthy and unsafe living environments. Poor services can also make it difficult to attract business or industry to an area and will limit job opportunities for residents.

The first section in the table above constitutes of 'own level', 'satisfaction with' and 'training needs'. The three constructs are similar to those discussed for managers, but were adjusted to reflect the views of the Motlasana Municipality citizenry.

### **Own level**

The recipients of municipal services delivered by the Matlosana Municipality were granted the option of a selection, on a scale of one to five (1-5), one being strongly disagree and five being strongly agree, of how they experience the Matlosana Municipality's service delivery on a personal level. An example of an item developed to measure recipients' own level of the availability of municipal services is, "The basic services offered by the Matlosana Municipality are available where I need it".

### **Satisfaction with**

In this section the recipients could indicate how satisfied they are with the basic municipal service delivery they receive (Vilakazi, 2006). An example of an item developed to measure recipients' satisfaction with the availability of municipal services is, "I am satisfied with the availability of basic services which I receive from the Matlosana Municipality".

### **Training needs**

The last section was reserved for the recipients of services to indicate, according to them, the level of training needs required, as well as the development of skills and education of employees in the Matlosana Municipality to enable them to become more productive in the

delivery of services. An example of an item developed to measure recipients' perceptions of the required training needs by the employees is, "The Matlosana Municipality keeps me well informed about what basic services are offered".

The second set of dimensions, which were identified and acknowledged in relevant literature, were focused on the recipients' questionnaire which related to the effective delivery of services and correspond with the questionnaire which was completed by the managers. The definitions of these dimensions are as given above, but with the focus changed to that of the recipients of the relevant service. The perceptions of the recipients of service dimensions are explained by means of the examples of items below:

### **Availability**

An example of an item developed to measure recipients' perceptions of the availability of municipal services is, "The basic services offered by the Matlosana Municipality are available where I need it".

### **Effectiveness**

An example of an item developed to measure recipients' perceptions of the effective delivery of municipal services is, "I am well informed about the usefulness' of basic services I receive from the Matlosana Municipality".

### **Efficiency**

An example of an item developed to measure recipients' perceptions of the efficiency of municipal services is, "The basic service delivery of the Matlosana Municipality is done right, at the right place and time".



**Equity**

An example of an item developed to measure recipients' perceptions of the equitable manner in which municipal services are delivered is, "The basic services offered by the Matlosana Municipality are the same for all the citizens of the city".

**Sustainability**

An example of an item developed to measure recipients' perceptions of the sustainability of the municipal services offered by the Matlosana Municipality is, "I am satisfied that the Matlosana Municipality is doing enough to ensure basic service delivery now and in the future".

**Affordability**

An example of an item developed to measure recipient's perceptions of the affordability of the municipal services offered by the Matlosana Municipality is, "I am satisfied with the amount of money I have to pay for the basic services provided to me by the municipality".

**5.5 CHARACTERISTICS OF THE RESPONDENTS****5.5.1 Managers of the matlosana municipality**

The aims of this study are to explore the perceptions of top, middle and low level management with regard to the issues of skills, education and training provided by the City Council of the Matlosana Municipality to its employees. The characteristics of the respondents (managers) are reflected in the table below.

Figure 5.3

*Characteristics of the Managers at the Matlosana Municipality*

Variable	Category	Percentage
Gender	Male	80
	Female	20
Household	Single	6,7
	Married	86,7
	Divorced	6,7
First language	Afrikaans	43,3
	English	3,3
	Sesotho	13,3
	Setswana	26,7
	IsiXhosa	6,7
	IsiZulu	6,7
Educational Qualifications	Matric	13,3
	Technical College Diploma	13,3
	Technicon Diploma	33,3
	University Degree	16,7
	Postgraduate Degree	23,3
Employment status	Permanent	90
	Contract	10
Number of years employed		12,40
Union member	Yes	86,7
	No	13,3

The questionnaires were distributed by the deputy municipal manager Mr G. Strydom. Thirty of the forty participants responded, constituting a response rate of 75%. Six (20%) of the respondents are female and twenty four (80%) are male. Two (6,7%) of the respondents are single and two (6,7%) are divorced, whilst most (86,7%) of the respondents are married. The majority (13) of the recipients (43,3%) are Afrikaans speaking, whilst eight (26,7%) are SeTswana speaking, four (13,3%) SeSotho speaking, two (6,7%) IsiXhosa, two (6,7%) IsiZulu and one (3,3%) English speaking. Almost all (27%) of the respondents were permanently employed (90%) and only three (10%) were employed for contract work. Twenty six (86,7%) of the respondents are union members, whilst only four (13,3%) are not. The

majority (ten) of the managers (33,3%) possess a Technicon Diploma, and seven (23,3%) of the respondents acquired a Post-Graduate Degree. Five (16,7%) have a University Degree. Four (13,3%) have matric and a Technical College Diploma respectively. Thirty of the respondents were employed on a full time basis, with an average of 12,40 years of employment per individual.

### 5.5.2 Recipients of services of the Matlosana Municipality

The aim of this questionnaire was to determine how the recipients of services delivered (community), experience and perceive the:

- Standard and regularity of services delivered by the employees of the Matlosana Municipality in the North West Province.
- Productiveness and effectiveness of the employees of the Matlosana Municipality with regard to service delivery.

The questionnaire was divided into two sections, namely part A and part B. Part A consisted of bibliographical information, and Part B is a section on items such as service delivery and productivity of the Matlosana Municipality in the North West Province. The acquainted table reflects the characteristics of the respondents (recipients of services).

Figure 5.4

#### *Characteristics of the Recipients of Services*

Variable	Category	Percentage
Gender	Male	53,10
	Female	46,90
Mean age		36,84
Home language	Afrikaans	36,70
	English	10,20
	Sepedi	2
	Sesotho	12,20

Setswana	34,70
isiXhosa	4,10

Twenty six (53,1%) of the respondents are male and twenty three (46,9%) are female. The average age is 36,84% years. The majority (eighteen) are Afrikaans speaking (36,7%) and seventeen (34,7%) are seTswana speaking. Six (12,2%) speak seSotho and five (10,2%) English. The minority is isiXhosa speaking (two, 4,1%) and one (2,0%) Sepedi speaking.

## 5.6 THE COMPILATION OF THE SURVEY INSTRUMENTS

The validity of the measuring instrument's scores refers to the extent to which the instrument measures what it is intended to measure. The validity of a test's score is related to its reliability in that, should the test scores not be reliable its scores are not valid. Therefore, a test must have an acceptable co-efficient reliability before its scores can be valid. Face validity pertains to whether the test "seems valid" to the examinees that undertake it, the administrative personnel who decide on its use, and other technical observers (Anastasi & Urbina, 1997).

Face validity refers to whether the items of the test appear to measure what the test purports to measure. Face validity was established and tested by the assistant study leader Dr. J. Pienaar, and the programme leader for research at the School of Human Resource Sciences at the North West University, Prof. S. Rothmann. A initial draft of the questionnaire was also handed to the Deputy Municipal Manager, Mr Strydom. Comments from all the parties were integrated in final versions of the questionnaires, which were distributed to participants.

### *Management questionnaire*

For the purpose of the managers' questionnaire, five categories of municipal service delivery were identified. For each category, the five service characteristics were then investigated in terms of the three characteristics of the respondents' experience. Table 5 graphically represents the structure of the questionnaire, and provides the items which were identified to assess the dimensions.

Figure 5.5  
*Graphic Presentation of Questionnaire Structure and the Items generated for Managers*

	<b>Skills/Training</b>	<b>Education</b>	<b>Infrastructure</b>	<b>Policies/Strategies</b>	<b>Capacity Building</b>
<b>Service Characteristic</b>	<b>Availability</b>	<b>Availability</b>	<b>Availability</b>	<b>Availability</b>	<b>Availability</b>
Own level	There is training available in the Municipality.	I have the necessary education to perform my job well.	I have the necessary infrastructure to do my job effectively.	I know which policies/strategies are available to enable me to do my job	The Municipality is doing enough in developing me as employee.
Participants' Satisfaction with	I am satisfied with the training available through the Municipality.	I am satisfied that my level of education makes it possible for me to do a good job.	I am satisfied with the infrastructure available to me in the performance of my duties.	I am satisfied with the available policies/strategies that enable me to do my job.	I am satisfied with what the Municipality does to develop its employees
Participants' Training needs	I know about all the training options that are available in the Municipality.	I know my educational level is right for the work I am doing.	I need infrastructure I don't have available to me in the performance of my duties.	I know how available policies/strategies can aid me in the performance of my duties.	I know what the Municipality is doing to develop its employees.
<b>Service Characteristic</b>	<b>Effectiveness</b>	<b>Effectiveness</b>	<b>Effectiveness</b>	<b>Effectiveness</b>	<b>Effectiveness</b>
Own level	The training offered by the Municipality is useful in doing my job	The education level I have is useful in my current job.	I have the necessary infrastructure to do my job effectively.	The policies/strategies that are in place are useful in the performance of my duties.	The way in which the Municipality is developing its employees is helpful.
Participants' Satisfaction with	I am satisfied that the Municipality offers training that is helpful in the performance of my duties.	I am satisfied that my level of education makes me effective in my job.	I am satisfied with the infrastructure available to me in the performance of my duties.	I am satisfied that the policies/strategies that are in place contribute to the effectiveness in the workplace.	I am satisfied that what the Municipality is doing to develop its own employees is useful.
Participants' Training needs	I know how the training I receive in the Municipality is useful in the performance of my job	I know how to use the education I have to be effective in my job.	I need infrastructure which I don't have to do my job.	I know what policies/strategies are available and relevant to the performance of my duties.	I know that what the Municipality is doing to develop its own employees is effective

Figure 5.5 continued

*Graphic Presentation of Questionnaire Structure and the identification of items for completion by Managers*

<b>Service Characteristic</b>	<b>Efficiency</b>	<b>Efficiency</b>	<b>Efficiency</b>	<b>Efficiency</b>	<b>Efficiency</b>	
	Own level	The training offered by the Municipality is well-organised.	Thanks to my education, I can do my job well.	My working space is well-organised.	The policies/strategies that are in place ensures my professional service delivery to clients.	What the Municipality is doing to develop its own employees is also helping me to do a good job.
Participants'	Satisfaction with	I am satisfied that the training the Municipality offers contributes to my ability to do a good job	I am satisfied that my education allows me to do a good job.	I am satisfied with the way my working space is laid out.	I am satisfied that the policies/strategies that are in place allows me to work efficiently.	I am satisfied that what the Municipality is doing to develop its own employees is helping me to do a good job.
	Training needs	I know how the training of the Municipality helps me to be good at my job	I know my education helps me to show that I am doing a good job.	I am informed about how to make the most efficient user of the space that is available to me in my working area.	I know how the policies/strategies that are in place contributes to my own competence.	I know that what the Municipality is doing to develop its own employees is helping me to do a good job.
<b>Service Characteristic</b>	<b>Equity</b>	<b>Equity</b>	<b>Equity</b>	<b>Equity</b>	<b>Equity</b>	
	Own level	The training I receive from the Municipality is the same for all the employees		The amount of working space I have available is reasonable.	The policies/strategies that are in place are not biased against any employees.	That which the Municipality is doing to develop its employees is the same for all employees.
Participants'	Satisfaction with	I am satisfied that the training offered by the Municipality is offered in a reasonable manner.		I am satisfied that all employees are treated equally in the allocation of working spaces.	I am satisfied that the policies/strategies that are in place treats all employees in a just manner.	I am satisfied that the development of employees within the Municipality is done in a fair and reasonable manner.
	Training needs	I know the training offered by the Municipality is fairly offered to all employees.		I know how the allocation of working space is done in a fair manner.	I know how the policies/strategies that are in place contribute to fairness towards all employees in the workplace.	I know that the Municipality's development of employees is fair towards all employees.

Figure 5.5 continued

*Graphic Presentation of Questionnaire Structure and the Items generated for Managers*

Service Characteristic	Sustainability	Sustainability	Sustainability	Sustainability	Sustainability	
Participants'	Own level	The training offered by the Municipality is sustainable.	My education is of the right standard to make me an effective employee, now and in the future.	I can continue working in the working space I currently have.	The policies/strategies that are now in place will also be useful in the future.	The way in which the Municipality is developing its employees now can also be done in the future.
	Satisfaction with	I am satisfied that the Municipality can keep training its own employees.	I am satisfied that my level of education will allow me to keep working, now and in the future.	I am satisfied that I can continue working in the working space I currently have.	I am satisfied that the policies/strategies that are now in place will also be useful in the future.	I am satisfied that the way in which the Municipality is developing its employees now can also be done in the future.
	Training needs	I know that the training offered by the Municipality is relevant now, and for the future.	I know what education I will require to remain an effective employee in the future.	I know that I can keep using the working space I currently have.	I know how the policies/strategies that are now in place will also be useful in the future.	I know how the Municipality's development of employees will be done in the future.

***Respondents questionnaire (recipients)***

For the purpose of the recipient's questionnaire, the six characteristics of services were selected (affordability, effectiveness, efficiency, equity, sustainability and affordability). Figure 5.6 graphically represents the structure of the questionnaire, and provides the items which were identified to assess these dimensions. This questionnaire concluded with an open-ended question, which asked respondents to indicate which services provided by the Matlosana Municipality are easily accessed.



Figure 5.6

*Graphic Presentation of Questionnaire Structure and the Items generated for Recipients of Service*

	<b>Availability</b>	<b>Effectiveness</b>	<b>Efficiency</b>	<b>Sustainability</b>	<b>Affordability</b>	
Own level	The basic services offered by the Matlosana Municipality are available where I need it.	The basic services offered by the Municipality gives me what I need.	The basic service delivery of the Municipality is done right, at the right time and place.	The way in which basic services are now delivered by the Municipality can carry on in the future.	The basic services provided by the Municipality are affordable.	
Participants'	Satisfaction with	I am satisfied with the availability of basic services I receive from the Matlosana Municipality	I am satisfied with the Municipality's helpfulness.	I am satisfied that the Municipality delivers well-organised services.	I am satisfied that the Municipality is doing enough to ensure basic service delivery now and in the future.	I am satisfied with the amount of money I have to pay for the basic services provided to me by the Municipality
	Training needs	The Matlosana Municipality keeps me well informed about what basic services are offered.	I am well informed about the usefulness of basic services I receive from the Municipality.	The Municipality is run professionally.	I am well-informed about what the Municipality is doing to ensure basic service delivery now and in the future.	The Municipality keeps me well about what I am paying for the services I use.

## 5.7 THE ANALYSIS OF DATA

Statistical analysis is performed by means of the SPSS programme (SPSS, 2005). Descriptive statistics were used to analyse the results. Descriptive statistics allows the researcher to interpret the data meaningfully (Burns & Grové, 1993). In this research, the means and standard deviations were computed. Adding the scores by a specific scale and dividing it by the number of scores to compute the mean. The standard deviation indicates how far an individual value is from the mean of the spread of data. For this, the square of deviations is used, and the mean acts as the determinant of the spread of data (De Wet, Monteith, Venter & Steyn, 1981).

To indicate respondents' perceptions regarding infrastructure, etc., all items relating to infrastructure were collectively assembled to arrive at a mean and standard deviation for this dimension of service delivery.

To indicate respondent's perceptions regarding their own levels of skills, satisfaction and training needs, all items relating to these different dimensions were pooled in order to arrive at a mean and standard deviation for level of skills, satisfaction and training needs respectively.

To indicate respondents' perceptions regarding effectiveness, efficiency, sustainability, affordabability equitability and availability, all items relating to these different dimensions were pooled in order to arrive at a mean and standard deviation for level of skills, satisfaction and training needs respectively.

## 5.8 REPORTING AND DISCUSSION OF RESULTS

### 5.8.1 Results for management

The results for Management are presented in figure 5.7 below.

Figure 5.7

*Descriptive Statistics for Dimensions of the Questionnaire for Management*

	N	Mean	SD	Skewness	Kurtosis
<b>Characteristics of Service Delivery</b>					
Availability	30	3,19	0,72	-0,21	-0,70
Effectiveness	30	3,16	0,72	0,07	-0,07
Sustainability	30	3,37	0,68	0,12	0,04
Efficiency	30	3,20	0,70	0,49	0,14
Equity	30	2,74	0,81	0,26	0,16
<b>Participants' Perceptions</b>					
Own level	30	3,16	0,66	0,13	-0,29
Satisfaction with	30	3,05	0,70	0,56	0,56
Training needs	30	3,04	0,67	-0,37	1,11
<b>Dimensions of Municipal Service Delivery</b>					
Infrastructure	30	3,32	0,81	-0,56	-0,07
Education	30	3,96	0,88	-1,14	1,78
Capacity building	30	2,55	0,92	0,58	0,14
Policies/strategies	30	3,17	0,84	0,38	-0,52
Skills/training	30	2,49	0,84	0,42	-0,23

Regarding the characteristics of service delivery, Sustainability, (Mean = 3 ,37) is the dimension which scored the highest in the qualitative section and with which the management of the Matlosana Municipality is most satisfied. Equity, (Mean = 2,74) is the dimension which scored the lowest in the qualitative section and with which the management of the Matlosana Municipality is the most dissatisfied with.

Regarding participants' perceptions of their own levels (O) of skill, it was indicated as the dimension, (Mean = 3,16) with which the management of the Matlosana Municipality is most satisfied with. Training needs, (T), (Mean = 3,04) is the item which scored the lowest in the qualitative section and with which the management of the Matlosana Municipality is most dissatisfied with.

Regarding the categories of Municipal service delivery, Education (Mean = 3,96) is the item which scored the highest in the qualitative section and indicates the dimension that management of the Matlosana Municipality is most satisfied with. Skills/training (Mean = 2,49) and capacity building (Mean = 2,55) are the two items which scored the lowest in the qualitative section and with which the management of the Matlosana Municipality is most dissatisfied.

### 5.8.2 Results for recipients to service

The results of recipients to service (i.e. from the community survey) are presented in table 8 below. Results are firstly presented per item, and thereafter presented per dimensions in the following table.

Figure 5.8

#### *Descriptive Statistics for Items from the Recipients of Service Questionnaire*

Nr.	Item	Mean	SD
1.	The basic services offered by the Matlosana Municipality are available where I need it.	3.04	1.44
2.	The basic services provided by the Matlosana Municipality are affordable	3.06	1.49
3.	The basic service delivery of the Matlosana Municipality is done right, at the right place, at the right time.	2.78	1.28
4.	The basic services offered by the Matlosana Municipality gives me what I need.	2.86	1.24
5.	The basic services offered by the Matlosana Municipality are the same for all the citizens of the city.	2.51	1.46
6.	The way in which basic services are now delivered by the Matlosana Municipality can carry on in the future.	2.33	1.248
7.	I am satisfied with the availability of the basic services I receive from the Matlosana Municipality.	3.08	1.256
8.	I am satisfied with the amount of money I have to pay for the basic services	2.73	1.469

	provided to me by the Matlosana Municipality.		
9.	I am satisfied that the Matlosana Municipality delivers well-organised basic services.	2.43	1.242
10.	I am satisfied with the Matlosana Municipality's helpfulness.	2.63	1.286
11.	I am satisfied that the Matlosana Municipality provides basic services in a fair manner to all the citizens of the city.	2.53	1.276
12.	I am satisfied that the Matlosana Municipality is doing enough to ensure basic service delivery, now and in the future.	2.47	1.226
13.	The Matlosana Municipality keeps me well informed about what basic services are offered.	2.53	1.459
14.	The Matlosana Municipality keeps me well informed about what I am paying for the services I make use of.	3.06	1.587
15.	The Matlosana Municipality is run professionally.	2.22	1.159
16.	I am well informed about the usefulness of basic services I receive from the Matlosana Municipality.	2.67	1.179
17.	I am well informed about the fair distribution of services by the Matlosana Municipality to all the citizens of the city.	2.37	1.253
18.	I am well informed about what the Matlosana Municipality is doing to ensure basic service delivery now and in the future.	2.63	1.302
	Valid N (listwise)		

Figure 5.8 indicates that the highest scoring items were items 1 (Mean = 3.04), 2 (Mean = 3.06), 7 (Mean = 3.08) and 14 (Mean = 3.06). This indicates that the recipients of services are most satisfied with basic services being available where they need it, that basic services are done right, at the right place and time, are readily available, and that recipients are well informed about what they are paying for the services they make use of.

Figure 5.8 further indicates that the lowest scoring items were items 6 (Mean = 2.33), B9 (Mean = 2.43), B15 (Mean = 2.22) and B17 (Mean = 2.37), indicating that these are the items the recipients are most dissatisfied with. These items related to the manner in which basic services are now delivered by the Matlosana Municipality and may continue to do so and carry on in the future, the Matlosana Municipality is run professionally, the satisfaction with the services which are delivered are well-organised and that the recipients are well informed regarding the fair distribution of services by the Matlosana Municipality to all the citizens of the city.

The next figure presents the descriptive statistics of the recipients for services regarding their own perceptions of their expected levels of service, satisfaction with services rendered and

training (information) needs regarding these services. Participants' perceptions regarding the characteristics of Municipality's service delivery are also indicated in Figure 5.9.

Figure 5.9

*Descriptive Statistics for Dimensions of the Questionnaire for Recipients of Service*

	N	Mean	SD	Skewness	Kurtosis
<b>Participants Perceptions</b>					
Training needs	49	2.58	0.98	0.36	-0.45
Satisfaction with	49	2.65	0.94	0.71	0.28
Own level	49	2.76	0.73	-0.17	0.17
<b>Characteristics of Service Delivery</b>					
Availability	49	2.88	0.97	-0.16	-0.41
Affordability	49	2.95	1.11	0.32	-0.53
Efficiency	49	2.48	0.90	0.97	1.08
Effectiveness	49	2.72	0.83	0.09	0.80
Equitability	49	2.47	1.01	0.51	-0.16
Sustainability	49	2.48	1.00	0.56	0.08

Regarding the characteristics of training needs, satisfaction with and own level, the recipients of services reported their own expected levels of service delivery to be average, satisfaction with services rendered to be adequate and the result of the training needs (information) regarding these municipal services are inadequate.

Regarding the characteristics of service delivery, recipients of service indicated that they are most satisfied with the costs (affordability) of the municipal services (Mean = 2,95). Participants indicated that they are most dissatisfied with the equitable distribution of the services (Mean = 2,47), the (in)efficiency (Mean = 2,48) with which it is rendered, and the apparent (un)sustainability of municipal services (Mean = 2,48). Finally, figure 5.10 gives the qualitative comments of respondents to the open question at the conclusion of the recipients' questionnaire.

Figure 5.10

*Qualitative Comments of Respondents to Open Question*

Nr.	Respondent Characteristics	Qualitative Comments
01	40 year old Sesotho female	Had no homes or water No roads or sanitation, but they gave me RDP house and toilet after years of democracy.
04	51 year old English male	Better delivered or managed than others, for example street lights, sewerage system bursts, storm water drainage, traffic management and local roads – all these needs urgent attention.
07	35 year old Setswana male	Some of the Councillors delivers better services and listens and reacts on the community' s needs Other Councillors does nothing
08	25 year old Afrikaans female	If everyone pays their bills and are treated equally, there will be more funds available for the implementation of infrastructure.
09	29 year old Afrikaans female	Housing needs are quite easy to get, however, the local needs around the City suffer from time to time, for example, drainage.
10	52 year old English female	House registered in my name on 08/06/2006 and I am still not getting correct accounts for rates and taxes. Also had pay electricity taken out and normal reading method applies on 11/06/2006 Still have no account for electricity to date 11/09/2006.
12	48 year old Afrikaans male	Water, electricity, sanitation and refuse removal are easier to get (to) because of pre-existing infrastructure
15	36 year old isiXhosa male	Poor sanitation and refuse removal
16	51 year old Setswana female	Attention should be given to streets. Street light is broken very long and I phone them every day, still not fixed.
17	62 year old Afrikaans male	Streets need upgrading. Outstanding debt for some in the community.
19	45 year old Setswana male	Monetary Policy of the electricity must be reviewed, it is too expensive.
20	37 year old Afrikaans male	I have been lied to numerous times by senior officials – very unprofessional.
22	58 year old Sesotho female	I am unsatisfied with the way we as people of Klerksdorp are treated. They don't care about their well-being and we voted for them.
23	41 year old Setswana female	I have reported a broken street light in Mokwepa Jouberton a long time ago. Nobody reacts to my request to fix it and it is very dangerous in the location during night.
24	50 year old Afrikaans female	Better service provision especially roads and public parks.
27	48 year old Setswana female	The City of Matlosana's Councillors receives thousands of rands per month for doing nothing while there are mothers who can't even cook a meal for their family due to a lack of basic services (electricity, water etc.).
30	20 year old Setswana male	Please help us about the rents cause we can't all be working. We can afford less amount

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31	50 year old English male	There is room for improvement
32	25 year old Sesotho female	Better services so that we can all manage
33	23 year old Setswana male	Roads in the location is very bad and no tar roads. I walk to school everyday in ground, everything is full of dust.
34	24 year old Sestwana male	Some of the services are better delivered. Some are poorly delivered.
36	21 year old Setswana female	I think Matlosana needs improvement regarding to protect the only University that they have in Matlosana that will be faded out in 2008.
37	21 year old Setswana female	I really feel that some services cannot be easy to get because they are not doing trouble. They must try something positive.
39	41 year old Setswana male	Some of the Councillors deliver good.
40	59 year old Sesotho male	Better delivered services. Some of the services are too expensive.
41	23 year old Afrikaans male	Ground roads to the farms are not taken care of and damages our bakkies.
42	32 year old Setswana male	Build more houses.
43	36 year old Afrikaans female	Drains are blocked permanently. There are open drains in my backyard which is dangerous seeing that I have little children running around.
44	27 year old Setswana male	Other municipalities are more useful than the Matlosana Municipality.
45	20 year old Sepedi female	In the case of electricity they (Matlosana Municipality) should deliver their bills early. They should improve.
47	21 year old Setswana male	No, there is nothing better done here!
48	21 year old Setswana	They are concentrating on themselves at the expenses of people who voted for them.
49	24 year old Setswana male	The Council they must render their services to those who need it most like unemployed people and old age people, especially when they receive payments and stand in long queues especially in summer (hot).

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### ***Qualitative Comments of Respondents to Open Question***

Based on the comments to the open-ended question, the items of electricity and streetlights, local roads, councillors, sanitation and sewerage removal as well as acces to clean water emerged. Some of the recipients also indicated that electricity is too expensive, and that if everyone paid their accounts and were treated equally, there would be more funds available for the implementation of infrastructure. A few of the recipients indicated that there is room for improvement due to the fact that some of the services are better delivered than others.



**Electricity and street lights.** The recipients of services which responded to the open question 27,2% complained about the basic service, electricity. “Electricity and street lights all need urgent attention” and “Costs of electricity must be reviewed – it is too expensive”, are some of the statements relating to this theme.

**Local roads.** The recipients of services which responded to the open question, 24,2% complained about local roads. This theme is indicated by statements such as “Attention should be given to streets” and “Streets need upgrading”.

**Councillors.** The recipients of services which responded to the open question, 18,1% are unhappy about the councillors. “Some councillors does nothing” and “The councillors of Matlosana Municipality receives thousands of Rands per month for doing nothing”, are some of the quotations relating to this theme.

**Sewerage and sanitation.** The recipients of services that responded to the open question, which is 18,1% of the respondents (recipients) are not satisfied with the delivery of sewerage and sanitation services. “Poor sanitation”, “Drains are blocked permanently” and “Sewerage systems need urgent attention” are quotations indicative to the problem the recipients are experiencing with sewerage and sanitation services.

**Accounts.** The recipients of services that responded to the open question, 12,1% are dissatisfied with the inadequate delivery of monthly accounts. This theme is indicated by quotations such as “Still have no account for electricity to date 11/09/2006”.

Generally, there are complaints regarding the Councillors, street lights and electricity, the poor sewerage system and the condition and need for local roads. Recipients have grievances regarding the fact that Councillors are being paid large salaries and do not deserve it. There also exists a great deal of criticism regarding accounts which are not delivered on time and which are incorrect. It was also indicated that refuse removal, storm water drainage and traffic management could be delivered in an improved system. Some of the recipients stated that there is room for improvement, better delivery of services and easier access to basic services. It appears that some of the services are too expensive and that some of the recipients feel that they are treated unequally.

There are, however, recipients who are contented with the work the Councillors are doing, and that they are listening to the community's needs. A few of the recipients are also satisfied with the availability of housing and almost all the recipients have received basic housing. The recipients also stated that the access to clean water is satisfying, and that some services are better delivered than others.

## CHAPTER SIX

### OVERVIEW, RECOMMENDATIONS AND CONCLUDING REMARKS

#### 6.1 OVERVIEW

This study was expedited to explore the levels of education, skills and training levels, which exists at the Matlosana Municipality. The problem statement, aims of the study and research questions were formulated in **Chapter One**. The background as set out in the first chapter explained the critical deficiency of skills, which exists in South Africa and more specifically, in Local Government. This has a direct impact on the delivery of basic municipal services. In the Constitution it is stated that all communities have access to at least a minimum level of basic municipal services, which need to be provided in an effective, efficient, equitable and optimal manner. The transformation to a democratic government and the resultant developmental challenges, have required municipalities to become more effective in terms of enhancing service delivery and facilitating good quality local governance. Local Government is at the cutting edge of change and it will have to improve the quality of life of the local community. It was ascertained that due to the lack of skills and training within the Local Government, supplementary support from government authorities would be required to educate, skill, train and develop employees in order for them to contribute to the well-being of the local community and most importantly to contribute to the growth of the economy. Business enterprise, non-governmental organisations, researchers and other parties should all be involved in examining the challenges facing the municipalities and offer workable solutions.

The main aim of this study was to determine what the level of education and skills capabilities of the employees are within the Matlosana Municipality. In **Chapter Two** the study of the Human Capital Theory was explored. South Africa's labour market has undergone transformation and much emphasis has been placed on strategies which eliminate the labour inequalities of the past. The South African labour market is characterised by an over supply of unskilled workers and a shortage of skilled individuals. In any operation, human capital is collectively regarded as the knowledge and physical capability of a social structure. Training and the acquirement of skills will enable South Africa to become more competitive within the global market. Not only will South African organisations and the economy benefit from this

venture, in addition each and every employee will increase their self-actualisation and raise their standard of living. This is what the Human Capital Theory implies, the well-being of employees and individuals and the well-being of South Africa and its economy. Skills, dexterity and knowledge of the population of South Africa have become the intense input that determines the rate of growth of South Africa's economy and the right to a better standard of living for the entire population. Economic growth creates employment, but economic growth is highly dependable on skilled human resources – a country's human capital. It is in the interest of all countries to maximise its human resource quantities and qualities by investing in the skills of its workforce: its human capital. The revelation of this theory is that it is not just raw labour, but rather human capital which is classified as a produced means of production embodied in a human being. The effort, time and money invested by companies in the development of human capital should be supported by the top management of Local Government. Commitment to actively participate in the education of employees is necessary to ensure the resources for a viable human capital development. The point to be considered: South Africa currently finds its standing in the era of accumulating knowledge. The most advantageous aspect of the Human Capital Theory is that it has been used as a tool to motivate and justify massive investment in education. Although it is widely accepted that human capital is a key factor in the functioning of Local Government and its competitiveness, this is of particular importance in the service sector.

The two most important components which best describe the development of human capital, is education and on-the-job training. New production techniques in the industrial and agricultural sector require more knowledge and comprehension of these procedures. The rapid pace of technological advancement is increasing. Only a well trained labour force can take advantage of the opportunities of adopting modern technologies from abroad and adapting these to domestic production processes. An important form of human capital investment is on-the-job-training, which refers to the learning and skills development that takes place within the labour market. Some organisations prefer to invest in human capital when there is evidence that it is providing results and benefits. They often compare monetary benefits with the costs of human capital programmes. This strategy is becoming more popular following the increased interest in accountability, particularly the use of Return On Investment (ROI) as a business-evaluation tool. With this strategy, all human resource

programmes are evaluated at the ROI level – which is the monetary benefits compared to the cost of investment.

With reference to **Chapter Three**, it is necessary to elaborate on the combined functions of Local Government, service delivery and the Accelerated and Shared Growth Initiative for South Africa (ASGISA). The present rate of growth and development in South Africa demonstrates a lack of progress in the delivery of infrastructure, housing, health service, education and other public services. To sustain its programmes, the government must develop a culture that supports continual change and improvement. The South African public service must remain an institution which South Africans can view with pride. For this reason, service delivery must be continually modernised, improved and directed towards the interest of citizens. The government should be able to develop and maintain a coherent vision of its overall policy and should retain and enhance its actions with an embedded accountability to all South Africans. These efforts should go hand-in-hand with the dedication and contribution of public employees in supporting initiatives, providing sound advice to the government and proposing and implementing innovative solutions.

The restructuring and transformation process is almost complete and considerable emphasis has been placed on two of the foremost challenges facing municipalities, namely service delivery and poverty alleviation. There are major challenges that have to be addressed, namely promoting job-creation, local economic development, capacity development and civic education, which in the final analysis, will ensure that the concept of developmental Local Government becomes a reality for the majority of South Africans. A clear understanding of the legal nature of local authorities is thus of great importance. It not only explains the basic composition of a municipality but also provides for significant responsibilities in terms of the political and administrative structures. Confirmation of these responsibilities is in accordance with the compliance of the constitutional foundation of a government based on the values of accountability, responsiveness and transparency. The Constitutional provision of specific goals for Local Government is strongly linked to and founded on the traditional purpose of local authorities and its confirmation of its roles and duties. It is mandatory for municipalities to structure and manage their administrations, budgets and planning processes and offer priority attention to the basic needs of their communities in order to promote social and

economic development. It is generally accepted that poverty is one of the principal reasons for non-payment of services.

The Batho Pele principles were introduced by government in order to communicate and consult with the broader spectrum of the community regarding the delivery of services. The principles which should be adhered to are Consultation; Service standards, Access; Courtesy; Information; Openness and transparency; Re-dress; Value for money; Encouraging Innovation and Rewarding Excellence; Customer Impact and Leadership and Strategic Direction. The Accelerated and Shared Growth Initiative for South Africa ASGISA, has recognised the stranglehold which skills shortages have on growing the economy and has also identified the obstacles in the market which prevent business entry levels. ASGISA is focusing on improving the educational and skills training environment.

It was established in **Chapter Four** that there are a number of conditions or mechanisms that need to be put in place in order to ensure that the development of skills and training occurs on a large scale. Firstly there is a need to create awareness within the working environment, to continually support and encourage skills development. In contrast to previous decades the workplace is generally viewed as the most effective and efficient means of developing knowledge and skills amongst a workforce and this is of particular importance to developing transitional economies.

The SETA which is responsible for skills development in the municipal centres in South Africa is the Local Government Sector Education and Training Authority (LGSETA). Their function is to enhance the skill and training required for the provision of selected areas of focus which are finance and public administration, water environment and waste management, public safety, primary and community health, local economic planning, councillor development and Urban planning.

In **Chapter Five** an empirical study was conducted at the Matlosana Municipality in the North West Province. To justify this study, and make it meaningful, it was decided to incorporate an empirical research in order to highlight some important aspects regarding skills, effective service delivery and the development and training of the employees at the Matlosana Municipality. The perception and satisfaction levels of the recipients of municipal services were included in a separate questionnaire.

## 6.2 PROMINENT FINDINGS

With the observance of the results which were discussed in Chapter Five, the following research questions can be answered:

1. What are the levels of skills, education and training, perceived productivity and service delivery at the City Council of Matlosana in the North West Province, and what is the satisfaction with services to its recipients?
  - The majority (Mean = 33.3%) of the managers possess a Technicon Diploma, and (Mean = 23.3%) of the respondents acquired a Post-Graduate Degree. A total of (Mean = 16.7%) have a University Degree. It was indicated that 13.3% have matric and a Technical College Diploma respectively.
  - The managers at the Matlosana Municipality are especially satisfied with their educational levels, as this is the item which scored the highest, (3.96%) as indicated in figure 5.7. It was indicated, however, that the managers conceded that their training needs are insufficient and would like to receive additional training.
  - Skills/training which is one of the five dimensions of service delivery is indicated in figure 5.7 as the dimension which scored lowest. This reflects that the managers are not certain whether they will receive skills and training in the Matlosana Municipality and that they view this dimension as vital and an important component which contributes directly to their productivity and the the delivery of services.
  - It was established that the managers are not content with the availability, effectiveness, efficiency and equitability of training and skills development which are offered by the Matlosana Municipality.
  - Of the three perceptual items which were selected, (own level, satisfaction with, and training needs), the managers at the Matlosana Municipality are most satisfied with their own levels of productivity and service delivery, however, they require additional training in certain areas to become more productive.

- The recipients of the municipal services which are rendered by the Matlosana Municipality experience considerable problems with regard to services. They reported problems regarding the efficiency, equitability and sustainability of service delivery by the Matlosana Municipality. They are, however, satisfied with the availability and affordability of municipal services. From the qualitative data, which was processed, the topic of electricity, street lighting and sanitation, it became evident that these services are poorly produced and delivered. Most of the respondents were satisfied with the availability and affordability of basic housing and most of them have already received houses. Access to clean water also seems to be satisfactory.
2. What are the levels of skills, education and perceptions of training needs of municipal employees at the City Council of Matlosana in the North West Province?
    - When completing the question referring to “training needs”, the managers the Matlosana Municipality indicated that they would like to receive additional training, have better access to training and be well informed regarding training policies which are implemented.
    - The managers indicated that financial, technical, engineering, administrative, economic, social and labour relations skills are of the most important skills required in Local Government, and they would like to receive training in the field of computer-based development, labour relations, human resource development, financial management, municipal law and financial management. This strongly indicates that a definite need exists for training and skills development in the Matlosana Municipality.
  3. What are the levels of satisfaction and perceptions amongst municipal employees regarding their levels of skills, training and education?
    - The managers at the Matlosana Municipality are especially satisfied with their educational levels, as this is the item which scored the highest, (Mean = 3.96%) as indicated in figure 5.7. It was indicated, however, that the managers conceded that their training needs are insufficient and would like to receive additional training.



- The “satisfaction with” perceptual item scored the second highest ranking and is indicated in figure 5.7. This indicates that the managers are satisfied with the availability, effectiveness, sustainability, efficiency and equitability of infrastructure, education and policies/strategies. The manager’s level of satisfaction with regard to skills development and training in the Matlosana Municipality scored the lowest rate, which indicates that the managers are displeased with the skills development and training which is offered by the Matlosana Municipality. Another fact which contributes to the low availability and effectiveness of skills development and training, which exists in the Matlosana Municipality, is capacity building. Capacity building includes developing and increasing the skills of the workers corps within Local Government. It is possible for a municipality to improve and expand the delivery of services by improving their own ability to do so by means of capacity building. By improving a number of skills, employees may be better able to deliver services effectively and efficiently from inside.
4. What are the levels of perceived productivity and service delivery amongst municipal employees at the City Council of Matlosana in the North West Province?
    - Regarding the characteristics of service delivery, effectiveness and sustainability are the two items which scored a high rating in the qualitative section. The management at the Matlosana Municipality are most satisfied with their own level of productive service delivery. “Satisfaction with” scored the highest of the three perceptions amongst the managers. However, Capacity building and skills/training scored the lowest rate in the dimensions of municipal service delivery section. This implies that the managers will have a higher rate of productivity if more skills development/training and capacity building is incorporated and applied.
  5. What are the levels of satisfaction with services amongst the recipients thereof from the City Council of Matlosana in the North West Province?
    - The descriptive statistics for dimensions of the questionnaire of the recipients of services indicates in figure 5.9 that “training needs” scored the lowest rate (2.58%), which

denotes that the recipients of services which are offered by the Matlosana Municipality proposes that the Matlosana Municipality need to address skills development and the training of its employees in order for them to become more efficient in the delivery of sustainable services, which are equitable and fairly distributed amongst the citizens of Klerksdorp.

- The characteristics in figure 5.9 represents the six dimensions identified in the recipients' questionnaire. The three dimensions which scored the lowest ratings are efficiency (Mean = 2.48%), equitability (Mean = 2.47%) and sustainability (Mean = 2.48%) of municipal service delivery from the Matlosana Municipality.
- B6 (Mean = 2.33%), B9 (Mean = 2.43%), B15 (Mean = 2.22%) and B17 (Mean = 2.37%) received the lowest scores in the descriptive statistics for the items from the recipients of services' questionnaire, meaning that these are the items that the recipients are mostly dissatisfied with. These items related to the manner in which basic services are now delivered by the Matlosana Municipality and may continue to do so and carry on in the future, the Matlosana Municipality is run professionally, the satisfaction with the services which are delivered are well-organised and that the recipients are well informed regarding the fair distribution of services by the Matlosana Municipality to all the citizens of the city.
- Figure 5.8 indicates that the highest scoring items were items B1 (Mean = 3.04), B2 (Mean = 3.06), B7 (Mean = 3.08) and B14 (Mean = 3.06). This indicates that the recipients of services are most satisfied with basic services being available where they need it, that basic services are done right, at the right place and time, are readily available, and that recipients are well informed about what they are paying for the services they make use of.
- Based on the comments of the open-ended question which is indicated in figure 10, the items of electricity and streetlights, local roads, councillors, sanitation and sewerage removal as well as acces to clean water emerged. Some of the recipients also indicated that electricity is too expensive, and that if everyone paid their accounts and were

treated equally, there would be sufficient funds available for the implementation of infrastructure. A few of the recipients indicated that there is room for improvement due to the fact that some of the services are better delivered than others.

**Electricity and street lights.** Some of the recipients of services which responded to the open question 27,2% complained about the basic service, electricity. “Electricity and street lights all need urgent attention” and “Costs of electricity must be reviewed – it is too expensive”, are some of the statements relating to this theme.

**Local roads.** Some the recipients of services which responded to the open question, 24,2% complained about local roads. This theme is indicated by statements such as “Attention should be given to streets” and “Streets need upgrading”.

**Councillors.** Some of the recipients of services which responded to the open question, 18,1% are unhappy about the councillors. “Some councillors does nothing” and “The councillors of Matlosana Municipality receives thousands of Rands per month for doing nothing”, are some of the quotations relating to this theme.

**Sewerage and sanitation.** Some of the recipients of services that responded to the open question, which is 18,1% of the respondents (recipients) are not satisfied with the delivery of sewerage and sanitation services. “Poor sanitation”, “Drains are blocked permanently” and “Sewerage systems need urgent attention” are quotations indicative to the problem the recipients are experiencing with sewerage and sanitation services.

**Accounts.** Some of the recipients of services that responded to the open question, 12,1% are dissatisfied with the inadequate delivery of monthly accounts. This theme is indicated by quotations such as “Still have no account for electricity to date 11/09/2006”.

- Generally, there are complaints regarding the Councillors, street lights and electricity, the poor sewerage system and the condition and need for local roads. Recipients have grievances regarding the fact that Councillors are being paid large salaries and do not deserve it. There also exists a great deal of criticism regarding accounts which are not delivered on time and which are incorrect. It was also indicated that refuse removal,

storm water drainage and traffic management could be delivered in an improved system. Some of the recipients stated that there is room for improvement, better delivery of services and easier access to basic services. It appears that some of the services are too expensive and that some of the recipients feel that they are treated unequally.

- There are, however, recipients who are content with the work the Councillors are doing, and that they are listening to the community's needs. A few of the recipients are also satisfied with the availability of housing and almost all the recipients have received basic housing. The recipients also stated that the access to clean water is satisfying, and that some services are better delivered than others.

### **6.3 RECOMMENDATIONS**

6. What recommendations can be made regarding the levels of skills, education and training needs amongst municipal employees at the City Council of Matlosana in the North West Province?
- To provide particular support for the development and implementation of performance based management systems. Skills development programmes should be linked to individual performance areas and most importantly they should meet the requirements of the municipality in order for them to provide effective and efficient services. For the learning process to be effective, employees at the Matlosana Municipality will need to be motivated to discover the comprehensive rewards not only for their personal gain, but also for the overall benefit of the Matlosana Municipality.
  - Linking training planning to employment equity planning and career guidance is of importance. The inclusion of staff development performance targets in the employment contracts of supervisors and staff is a method of improving commitment from the management of the Matlosana Municipality to implement training which creates management/supervisory support for workplace learning. There is a critical requirement for the development of additional training programmes which should be customised for the context of Local Government. Employees at the Matlosana Municipality need to be

informed and attuned to their own skills development requirements. Employees need to recognise that they are also responsible for their own growth and development.

- To utilise established educational institutions, creating partnerships with these institutions which support skills development in Local Government. It is imperative that senior management and political leadership promote skills development and training and recognise this as an integral element of their function as managers and that it is not just seen as a legislated set of bureaucratic activities which must be endured. The planned acceleration of leadership and management skills should assist in this regard.
- Integrated Development Planning serves as a basis for engagement between Local Government, and with various stakeholders and interest groups. Participatory and accountable government has meaning only if it is related to concrete issues, plans and resource allocation.
- The implementation of learnerships needs to receive top priority. If the Matlosana Municipality is operating within limited budget constraints, it needs to request that the cost of Learnerships be borne by the LGSETA.
- All governments are expected to enhance service delivery within their available resources. In order to achieve more effective and efficient service delivery, the Matlosana Municipality can involve private institutions and enter into various types of partnerships initiatives. Some of these initiatives could include, for example, community development corporations, public-private or public-public partnerships, community contracting for services, information and learning centres, and training and capacity-building initiatives.
- Specialist companies can often provide utility services more effectively than in-house municipal departments. It is however important for the Matlosana Municipality, when services are contracted, to ensure that minimum standards are maintained and contract specifications are adhered to.

#### **6.4 CONCLUDING REMARKS**

In the Constitution it is stated that all communities should have access to at least a minimum level of basic municipal services, which need to be provided in an effective, efficient, equitable and optimal manner.

In order to support these structures it is apparent that training and development of all government employees should give effect to improving the services provided by Local Government.

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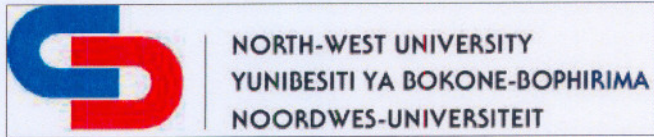
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# ANNEXURES



WorkWell Research Unit, Private Bag X6001,  
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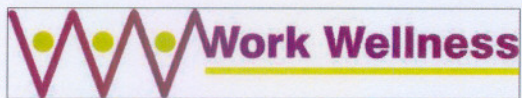
## **Skills development, education and training in the Matlosana Municipality of the North West Province**

The aims of this study are to explore the perceptions of Top, middle and Low Level Management with regard to the issues of skills, education and training provided by the City of Matlosana Municipality to its employees. Also, the levels of satisfaction and perceptions amongst municipal employees regarding their levels of skills, training and education.

Attached, please find a questionnaire to determine your perceptions on the issues mentioned above. Your participation is of vital importance to the success of this study and your co-operation will be highly appreciated.

I thank you in advance for your willingness to participate! You are welcome to contact me should you have any enquiries regarding the questionnaire.

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**Firstly a few questions about yourself**

**These questions are asked in order for us to be able to study differences between men and women, or investigate the influence of age and education on attitudes toward, for instance, one's salary. The results from the statistical analyses conducted concern large groups and cannot be traced to individual responses**

- 1 **Year of birth?** 19\_\_\_\_\_
  
- 2 **Gender?**
  - 1 Female
  - 2 Male
  
- 3 **Household?**
  - 1 Single (Living alone)
  - 2 Married or living with a partner
  - 3 Living with parents

4 Divorced or separated

5 Remarried

**4 What is your home/first language?**

1 Afrikaans

2 English

3 Sepedi

4 Sesotho

5 Setswana

6 isiSwati

7 Tshivenda

8 isiNdebele

9 isiXhosa

10 isiZulu

11 isiTsonga

12 Other

**5 Educational qualifications**

(mark only the highest level of education)

1 Grade 10 (Standard 8)

2 Grade 11 (Standard 9)

3 Grade 12 (Matric)

4 Technical College Diploma

5 Technicon Diploma

6 University degree (BA, BComm, Bsc)

7 Postgraduate degree (Honours, Masters or Doctorate)

**A few questions about your work situation follow below**

**6 Which of the following does best describe your employment status?**

1 Permanent

2 Substitute position

- 3 Employed by the hour
- 4 Employed for a project
- 5 Trainee
- 6 Other (Please specify):\_\_\_\_\_

7 **Are you part time or fulltime employed?**

- 1 Full-time
- 2 Part-time equivalent of\_\_\_\_\_ %

8 **How many years have you been working for the organisation you are now working for?**

\_\_\_\_\_years

9 **Are you a union member?**

- 1 Yes
- 2 No

**Below you will find a number of statements about your attitudes toward your work and your work tasks**

Read each statement carefully and mark the response alternative that you think best corresponds to your own opinion

		<b>Strongly disagree</b>				<b>Strongly agree</b>
1	I have the necessary infrastructure to do my job effectively (office, desk, chairs).	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
2	I have the necessary education to perform my job well	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
3	There is training available in the Matlosana Municipality	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
4	I know which policies/strategies/procedures are available to enable me to do my job	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
5	The Matlosana Municipality is doing enough in developing me as employee	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
6	I am making effective use of the infrastructure (office, desk, chairs) available to me in the performance of my duties	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5



		<b>Strongly disagree</b>				<b>Strongly agree</b>
7	The education I have is useful in my current job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	The training offered by the Matlosana Municipality is useful in doing my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	The policies/strategies/procedures that are in place are useful in the performance of my duties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	The way in which the Matlosana Municipality is developing its employees is helpful	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	My working space is well organized	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Thanks to my education, I can do my job well	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	The training offered by the Matlosana Municipality is well organised	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14	The policies/strategies/procedures that are in place ensures my professional service delivery to clients	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15	What the Matlosana Municipality is doing to develop its own employees is also helping me to do a good job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16	The amount of working space I have available is reasonable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17	My education is of the right standard to make me an effective employee, now and in the future	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18	The training I receive from the Matlosana Municipality is the same for all the employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19	The policies/strategies/procedures that are in place are not biased against any employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20	That which the Matlosana Municipality is doing to develop its employees is the same for all employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		<b>Strongly disagree</b>				<b>Strongly agree</b>
21	I can continue working in the working space I currently have	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22	The training offered by the Matlosana Municipality is sustainable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23	The policies/strategies/procedures that are now in place will also be useful in the future	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24	The way in which the Matlosana Municipality is developing its employees now can also be done in the future	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25	I am satisfied with the infrastructure (office, desk, chairs) available to me in the performance of my duties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26	I am satisfied that my level of education makes it possible for me to do a good job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27	I am satisfied with the training available through the Matlosana Municipality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28	I am satisfied with the available policies/strategies/procedures that enable me to do my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29	I am satisfied with what the Matlosana Municipality does to develop its employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30	I am satisfied with the infrastructure (office, desk, chairs) available to me in the performance of my duties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31	I am satisfied that the Matlosana Municipality offers training that is helpful in the performance of my duties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32	I am satisfied that the policies/strategies/procedures that are in place contributes to effectiveness in the workplace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33	I am satisfied that what the Matlosana Municipality is doing to develop its own employees is useful	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<b>Strongly disagree</b>				<b>Strongly agree</b>

- 34 I am satisfied with the way my working space is laid out 1 2 3 4 5
- 35 I am satisfied that my level of education makes it possible for me to be effective in my job 1 2 3 4 5
- 36 I am satisfied that the training the Matlosana Municipality offers contributes to my ability to do a good job 1 2 3 4 5
- 37 I am satisfied that the policies/strategies/procedures that are in place allows me to work efficiently 1 2 3 4 5
- 38 I am satisfied that what the Matlosana Municipality is doing to develop its own employees is helping me to do a good job 1 2 3 4 5
- 39 I am satisfied that all employees are treated equally in the allocation of working spaces 1 2 3 4 5
- 40 I am satisfied that the training offered by the Matlosana Municipality is offered in a reasonable manner to all employees 1 2 3 4 5
- 41 I am satisfied that the policies/strategic/procedures that are in place treats all employees in a just manner 1 2 3 4 5
- 42 I am satisfied that the development of employees within the Matlosana Municipality is done in a fair and reasonable manner 1 2 3 4 5
- 43 I am satisfied that I can continue working in the working space I currently have 1 2 3 4 5
- 44 I am satisfied that my level of education will allow me to keep working, now and in the future 1 2 3 4 5
- 45 I am satisfied that the Matlosana Municipality can keep training it's own employees 1 2 3 4 5

**Strongly disagree**

**Strongly agree**

- 46 I am satisfied that the policies/strategies/procedures that are now in place will also be useful in the future 1 2 3 4 5

47	I am satisfied that the way in which the Matlosana Municipality is developing its employees now can also be done in the future	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
48	I need infrastructure I don't have (office, desk, chairs) to do my job	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
49	I know my education level is right for the work I am doing now	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
50	I know about all the training options that are available in the Matlosana Municipality	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
51	I know how available policies/strategies/procedures can aid me in the performance of my duties	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
52	I know what the Matlosana Municipality is doing to develop its employees	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
53	I am well informed about how to make the most effective use of the infrastructure (office, desk, chairs) available to me	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
54	I know how to use the education I have to be effective in my job	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
55	I know how the training I receive in the Matlosana Municipality is useful in the performance of my job	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
56	I know how the policies/strategies/procedures that are in place contributes to my own competence	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
57	I know that what the Matlosana Municipality is doing to develop its own employees is also helping me to do a good job	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
			<b>Strongly disagree</b>		<b>Strongly agree</b>	
58	I am informed about how to make the most efficient use of the space that is available to me in my working area	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
59	I know my education helps me to show that I am doing a good job	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

- 
- 60 I know what policies/strategies/procedures are available and relevant to the performance of my duties 1 2 3 4 5
- 61 I know that what the Matlosana Municipality is doing to develop its own employees is effective 1 2 3 4 5
- 62 I know how the allocation of working space is done in a fair manner 1 2 3 4 5
- 63 I know what education I will require to remain an effective employee in the future 1 2 3 4 5
- 64 I know the training offered by the Matlosana Municipality is fairly offered to all employees 1 2 3 4 5
- 65 I know how the policies/strategies/procedures that are in place contribute to fairness towards all employees in the workplace 1 2 3 4 5
- 66 I know that the Matlosana Municipality's development of employees is fair towards all employees 1 2 3 4 5
- 67 I know that I can keep using the working space I currently have 1 2 3 4 5
- 68 I know that the training offered by the Matlosana Municipality is relevant now, and in the future 1 2 3 4 5
- 69 I know how the policies/strategies/procedures that are now in place will also be useful in the future 1 2 3 4 5
- 70 I know how the Matlosana Municipality's development of employees will be done in the future 1 2 3 4 5
- 71 I am satisfied that my education allows me to do a good job 1 2 3 4 5
- 72 I know how the training of the Matlosana Municipality helps me to be good at my job 1 2 3 4 5
-

**73. What skills do you think are the most important in Local Government?**

Finance

Technical

Engineering

Administrative

Economic

Social

Other, please specify:


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**74. If given the opportunity to receive training, I would like to receive training in:**

	Computer-based development
	Labour Relations
	Human Resource Development
	Administration
	Financial Management
	Management
	Municipal Law
	<b>OTHER</b> (please specify)?

Thank you for your time and your co-operation, it is highly appreciated.

The aim of this questionnaire is to determine how the recipients of services delivered (community), experience and perceive the:

- standard and regularity of services delivered by the employees of the Matlosana Municipality of the North West Province; and
- productiveness and effectiveness of the employees of the Matlosana Municipality with regard to service delivery.

The questionnaire is divided into two parts, namely part A and part B.

**Part A:** Bibliographical information

**Part B:** Service delivery and productivity in the Matlosana Municipality of the North West Province.

**PART A**

Bibliographical  
Sex

1	Male	
2	Female	

Age: \_\_\_\_\_

Your home language

<input type="checkbox"/> 1 Afrikaans	<input type="checkbox"/> 2 English	<input type="checkbox"/> 3 Sepedi
<input type="checkbox"/> 4 Sesotho	<input type="checkbox"/> 5 Setswana	<input type="checkbox"/> 6 isiSwati
<input type="checkbox"/> 7 Tshivenda	<input type="checkbox"/> 8 isiNdebele	<input type="checkbox"/> 9 isiXhosa
<input type="checkbox"/> 10 isiZulu	<input type="checkbox"/> 11 isiTsonga	<input type="checkbox"/> 12 Other

**PART B**

Basic services = Water, sanitation, Electricity, refuse removal, Housing, local roads and parking, Storm water drainage, traffic management, Street lighting

		<b>Strongly disagree</b>				<b>Strongly Agree</b>
1	The basic services offered by the Matlosana Municipality are available where I need it	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
2	The basic services provided by the Matlosana Municipality are affordable	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
3	The basic service delivery of the Matlosana Municipality is done right, at the right place, and the right time	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
4	The basic services offered by the Matlosana Municipality gives me what I need	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
5	The basic services offered by the Matlosana Municipality are the same for all the citizens of the city	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
6	The way in which basic services are now delivered by the Matlosana Municipality can carry on in the future	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
7	I am satisfied with the availability of basic services I receive from the Matlosana Municipality	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
8	I am satisfied with the amount of money I have to pay for the basic services provided to be by the Matlosana Municipality	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
9	I am satisfied that the Matlosana Municipality delivers well-organised basic services	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
10	I am satisfied by the Matlosana Municipality's helpfulness	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
11	I am satisfied that the Matlosana Municipality provides basic services in a fair manner to all the citizens of the city	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
12	I am satisfied that the Matlosana Municipality is doing enough to ensure basic service delivery, now and in the future	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
13	The Matlosana Municipality keeps me well informed about what basic services are offered	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
14	The Matlosana Municipality keeps me well informed about what I am paying for the services I use	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
15	The Matlosana Municipality is run professionally	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
16	I am well informed about the usefulness of basic services I receive from the Matlosana Municipality	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5



- 17 I am well informed about the fair distribution of services by the Matlosana Municipality to all the citizens of the city 1 2 3 4 5
- 18 I am well informed about what the Matlosana Municipality is doing to ensure basic service delivery now and in the future 1 2 3 4 5
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Of the *services* mentioned above, do you feel that some are easier to get to, better value for money, more useful or better delivered or managed than others? Please explain.
