

CHAPTER ONE: INTRODUCTION

1.1 Introduction

This chapter deals with an overview of the assessment of the vertical trust relationship between municipal employees' and their managers. The chapter begins with a discussion of a general background pertaining to the research, discusses the literature review and the research methodology, provides a brief framework of the research problem, defines the scope of the research and lays down the research objectives. The chapter also aims to shed light on the significance of the research as well as the limitations. The chapter then concludes with an explanation pertaining to the structure and design of the research.

1.2 Background

Trust in management has an important effect on employee performance, behaviour and attitudes and has been recognized across numerous literatures and disciplines (Kroukamp, 2008). People's trust amongst each other within a public organization is an intangible element because these interpersonal trust relationships are fundamentally important for social and economic growth (Askvik & Bak, 2005). Trust has become an important phenomenon for understanding collective action. Trust makes it possible for people to enter into relationships of dependence and cooperation. Trust conveys awareness which is predominantly determined by people's desire and expectation in order to enhance effectiveness within a working environment. There also seems to be an intangible association between cooperation and performance within organizations. For this reason, organizations search for innovative ways to promote trust and cooperation within their people in order to improve job satisfaction and performance, to edge ahead of their competitors (Bouckaert, 2012). Trust is imperative in all spheres of the society and in order for any municipality to be accountable for delivering a basic

human right towards local communities, as stipulated in the Constitution of 1996, it is imperative that the relationship between the internal stakeholders of the local municipality is sound. A conducive environment must be created for public servants to perform their duties and adhere to the key deliverables, as indicated and enshrined in the Constitution, the Municipal Structures Act, and the Municipal Systems Act (Atkinson, 2003). The relationship between the internal stakeholders is identified as the municipal employees and the managerial structures within the municipality. Deng and Wang (2009) implied that it is important to establish the link between the employees' job satisfaction, communication and management strategies of their managers and encouragement towards performance excellence which unilaterally have an influence on the employee's trust in their managers.

A worldwide research study in 2009 (Interaction Associates, 2009) was conducted and found that vertical trust within high-trust organizations had more effective management and better collaboration at all levels of the organization. It found that such organizations have a strong sense of shared purpose to succeed. Employees work together to support that purpose in order to nurture a working environment in which tolerance and cooperation are highly valued. The research also found those managers who coach rather than just manage and instill a sense of belonging where people collectively participate in making decisions, is important in such organizations. The study further implicated that, if trust increases profitability, then the lack of trust lowers productivity, job satisfaction and increases employee turnover. With all the benefits of having trust in an organization, the notion of creating and maintaining it would be a high priority for management. Unfortunately, many managers find it difficult to embrace the top-down model of management that adheres to the perception that authority creates trust. What needs to be understood is that in reality, trust creates authority (Hitch, 2012).

The Constitution of South Africa (Statutes of The Republic of South Africa, 1996) prescribes how government needs to function and identifies three spheres of government within South Africa (Education and Training Unit, 2013b), being the National government, Provincial government and Local government. An objective, as prescribed in the Constitution, denotes that these three spheres of government within

South Africa should operate within a structure of co-operative governance whereby the national and provincial government need to assist and reinforce the capacity of local government in order to manage their Constitutional obligation of effectively providing basic services to communities (Statutes of The Republic of South Africa, 1996).

Taking cognizance of the transformational changes within the South African government, the local government, within its three categories, inherited growing responsibility for basic service delivery. This was primarily because the democratic South Africa has inherited a public sector marred by fragmented and gross inequalities at all levels of government activity (Mathekga & Buccus, 2006). Local government was also marred by some dramatic deficiencies in terms of its capacity and structure to meet those demands of basic service delivery. These deficiencies led to an array of service delivery protests throughout South Africa as indicated in a 2011 research study conducted, to establish the causes associated with the protests, as perceived by affected municipalities (Karamoko & Jain, 2011). Since 2007, an unprecedented wave of popular and violent protests has flowed across the country. Protesters explained that they took to the streets because there was no way for them to get to speak to government, let alone to get government to listen to them (SALGA, 2013b). Government's faith in local government, as the sphere that is closest to people and the delivery arm of the state, is not shared by citizens (Powel, 2009). Local government is the least trusted of all public institutions in the country and that has been the case since the first elections in 2000.

The foundation of the local government structure were laid as a consequence of the Anglo- South African Boer War and the development of the Union of South Africa in 1910 (Koma, 2012). History showed that the nature of the South African political system was intricately linked with the country's economy and the wealth of gold resources which saw western countries flock to South Africa to seize the opportunistic prospecting in gold mining (Koma, 2012). The cheap migrant labour system introduced cheap black labour to these mines which was consequently reformed into a system of social, political and economic control. This was where the imbalances, inequalities and disparities came from and was dubbed the Apartheid regime. The transformation of local

government, as it stood during the apartheid period, was aimed at removing the racial basis of government and making it a mechanism for the integration of society and the redistribution of municipal services from the rich to the poor (SALGA, 2013a). The rationale was to firmly establish local government's autonomy (SALGA, 2013a). Local governments are political units or instrumentalities constituted by law (the peculiar or unique characteristics of which is their subordinate status to the central government) which have substantial control over local affairs and likewise have the power to tax. The Constitution further allocates the functional areas of local government competency in Schedules 4B and 5B. The Municipal Structure Act (Act 117 of 1998) reiterates the introduction of three main types of municipalities (discussed in Chapter Two). Such municipalities now had the right to govern, on its own initiative, the local government affairs of its respective community.

For the purpose of this research, the emphasis will be on the local government sphere. The researcher approached the executive management of a Category B municipality in the Western Cape to discuss the need for a survey relating to the trust relationship between municipal employees and their managers and how this may be a contributor to the municipality's goal of effectively and efficiently delivering basic services to the community. The Category B municipality received vast number of accolades from national government relating to their actual performance, underpinned by the municipality's financial management (Auditor General of South Africa, 2012). These achievements kindled a desire within the researcher to ascertain whether the vertical trust relationship between the municipal employees and managers contributed to such an achievement. The selected Category B municipality was also in the proximity of where the researcher was born and raised and hence, was eager to discover additional contributing factors for that municipality's operational successes. The broad purpose of this research is to examine the vertical trust relationship, based on various categories which may instill such trust, in order to ascertain whether this is a contributing factor for effective and efficient service delivery within the fraternity of the Category B municipality. By conducting this research, the researcher believes that the findings would encourage the Category B municipality to make continuous assessments of the

trust relationship between employees and managers. Furthermore, the study aims to promote a workplace environment based on mutual trust amongst the internal stakeholders in order to allow for effective and efficient delivery of basic services.

1.3 Problem statement

Providing basic local administration has become one of a vast variety of priorities for all municipalities within the South African context. Municipalities need to be instrumental in South Africa's socio-economic upliftment against issues like poverty and underdevelopment because government policy requires municipalities to play a developmental role (Department of Provincial and Local Government, 2013). In order for local municipalities to be at the forefront of such a socio-economic upliftment process, it must be committed to engage with all stakeholders in the communities to find ways to improve the quality of lives in the respective communities. It should especially target those within communities that are marginalized or excluded, such as women, disabled people and very poor people (Ministry for Provincial Affairs and Constitutional Development, 1998). The legacy of Apartheid created enormous challenges for local municipalities in meeting basic human needs, addressing past backlogs and problems caused by apartheid planning, and planning for a sustainable future.

The effectiveness of good local governance may rely on the capacity of local government structures, participative of municipal leadership and employees, to provide an integrated development approach to social and economic development issues and to supply essential services congruent with the needs and desires of the local communities (The Institute for Democracy in Africa, 2010). Municipalities need to be in a position to identify and prioritise local needs, determine adequate levels of services and allocate necessary resources to the public (COGTA, 2009c). South Africa has taken a significant and positive stride towards the promise of a developmental local government (COGTA, 2011a). Most municipalities are still plagued by significant challenges. One key issue is the internal organizational culture and the environment in which local municipalities

encourage effective service delivery (Oberholzer, 2012). Local government is the least trusted of all public institutions in the country and that has been the case since the first elections in 2000 (Powel, 2009).

Low levels of trust may cause communities not to perceive local government as credible. Of importance is to acknowledge the various types of trust. Research (Loon, 2007) indicated that there are basically three types of trust, being horizontal (trust between co-workers), institutional (trust between employees and organizations) and vertical (trust between employees and managers). For the purpose of this research, the focus will be on vertical trust, where employees feel vulnerable because managers have substantial influence over resource allocation (Mayer & Gavin, 2005). An elaboration on this vertical trust explained that an employee's trust in their manager can be seen as a form of interpersonal trust (Cho & Park, 2011). Thus, vertical trust is a two-dimensional construct, where one dimension reflects an employee's interpersonal trust in their manager and the second dimension reflects an employee's institutional trust in their organization (Porumbescu et al., 2013). Relationships at work tend to be more formal of nature, especially where managers have the delegation of authority whereby they have the mandate to make decisions (e.g. promotions, salary increases, etc.) and provide support to employees to effectively do their job.

The test would be to see how perceptions of local government influence the trust relationship between employees and managers in the local government sphere. Research (Hitch, 2012) conducted acknowledged the benefit of trust within a working environment. In organizations where high levels of trust are embraced, employees would experience others, particularly management, as credible. Employees would believe what managers say are true and have confidence that the actions of those managers will remain consistent with their words and actions. This is underpinned by employees' conviction that managers are ethical within the working environment (Lyman, 2012). Within high trust organizations, employees would experience a vast amount of respect and is shown through managers' support of their employees' professional growth and the consideration of employees' ideas in decision-making

processes. Employees in such organizations believe they are treated fairly, regardless of their position within the organization (Lyman, 2012). These organizations cooperate well across departments and hierarchies, and seek unbiased solutions to difficult circumstances.

Trust as a self-fulfilling prophecy is nurtured and is any positive or negative expectation about circumstances, events, or people that may affect a person's behaviour toward them in a manner that causes those expectations to be fulfilled (Bearman & Hedstrom, 2009). Trusting and feeling trusted are a mutually interactive process, embracing attitude and satisfaction (Lyman, 2012). The moment when employees feel trusted by managers, they believe that the managers will give them fair treatment, respect, and probably more resources or more opportunities, which may satisfy both their physical and spiritual needs (Lau et al., 2007). This may be that they may have greater satisfaction with their manager (Wang et al., 2008). Specifically, one has to do something to give people the conviction they need to believe that one should be trusted.

Trust may also be earned through interaction, varying from a simple conversation between co-workers, a five-minute chat in the break room between a manager and employee, or teamwork among co-workers to complete a project. These modest interactions ultimately convey the willingness on the part of one person to do something that is to the benefit of another person's well-being (Lyman, 2012). Hence, it can be through a person's action and interaction that others can assess whether that person can be trusted (Hitch, 2012). Trust is an important part of the social cohesion within any organization and it is key for trust between managers and employees to be feasible, in order for an organization to be successful (Bagrain & Hime, 2007). Trust in one's manager entails the positive effect that occurs when an employee believes that he or she has a fair exchange relationship with an honest manager (Mulki et al., 2006).

Literature (Grobler et al., 2006) refers to an unwritten psychological contract that lays the foundation of a trust relationship between employees and managers. It describes the beliefs about what employees think they are entitled to receive or should receive because they perceive that their employers conveyed promises either implicitly or

explicitly to provide these. In order for this bond of trust to be in effect, managers must entrench a conducive environment of trust which should be visible and experienced by every employee (Coetzee, 2003). Employees' perceptions of their managers' trust is based on benevolence, integrity, ability, openness to share information and consistency of behavior (Bagrain & Hime, 2007). Managers who express these characteristics will install a high level of trust with employees. This occurs when parties, holding certain favourable perceptions of each other, allow this relationship to reach the expected outcomes (Schoorman et al., 2007). Trust is intimately linked to risk and expectations and involves the belief that others will, as far as they can, look after their interests and that they will not take advantage or harm another.

The intention of this research is to examine the perceptions of trust by municipal employees towards their managers at a Category B municipality within the province of the Western Cape. The research will particularly test the importance of vertical trust between municipal employees and their managers as it was found to be a significant contributor of employees' job performance and ultimately improved service delivery (Biswas & Varma, 2007). The municipality's continuous and improved financial performance and non-existent service delivery protests, as compared to other municipalities within the geographical area of the Western Cape, is a consequence of various factors. One factor may be the vertical trust relationship between manager and employee and the environment in which the municipality operates and conducts its key objectives. As this is a public sector institution with a vast diversity of employees (in excess of 1000 employees) from various demographics, this research will focus on employees' perception of trust towards managers. The research will seek to construct a conceptual framework of how management's engagement with employees in terms of job satisfaction, a sense of empowerment, communication, and management reporting and performance management can influence vertical trust. Lastly, the study will attempt to find whether these factors of vertical trust are contributing factors of the accolades received due to continuous improvements in service delivery over the last few years.

This is an interesting issue in the context of the South African political landscape post 1994. In retrospect, improving public service quality locally and nationally has become a

priority of the South African government to meet the expectations of the public, as it is generally known that the quality of this service is still relatively poor in the local communities of geographical landscape (Kroukamp, 2008). This brief review of the literature shows that vertical trust is the backbone of any credible organization, where low levels of vertical trust experienced by employees do have numerous negative implications for such organizations (Hitch, 2012). Despite the importance of vertical trust relationships to an organization's effective functioning, little published empirical studies seem to be available within the South African context for local governments. The current research aims to make a contribution towards addressing this need.

1.4 Scope of the study

In South Africa there are three spheres of government: national, provincial and local government. The South African government's approach to all other levels of government is that of the developmental state (Potgieter, 2012). A developmental state plays an active role in guiding economic development and using the resources of the country to meet the needs of the people, by finding a balance between economic growth and social development (Education Training Unit, 2013c). The collective goal of creating South Africa as a developmental state, where the quality of life is high, needs to be entrenched. In constructing the country as a developmental state, it is important to create a framework to address the socio- economic challenges where enhancing economic growth and reducing unemployment will be key to achieving such a goal (Potgieter, 2012). The local government sphere is categorized into three types of municipalities, namely a metropolitan municipality, a district municipality and a local municipality which are all based on providing basic services (roads and infrastructure, clean drinking water, electricity and housing) to communities. The effectiveness of good local governance may rely on the capacity of local government structures, participative of municipal leadership and employees, to provide an integrated development approach to social and economic development issues and to supply essential services congruent

with the needs and desires of the local communities (The Institute for Democracy in Africa, 2010).

This research study will focus on the performance of a Category B municipality within the geographic area of the Eden district, Western Cape and how the vertical trust relationship between employees towards managers and the subsequent performance of the municipalities would influence effective service delivery. This Category B municipality has been complimented and commended due to continuous improvements in service delivery over the last few years (Category B municipality, 2013). In order to subscribe the municipality's performance to various factors, it would be prudent to ascertain what inspired the municipality to get such accolades and how employees are inspired to participate in realizing such achievements (Mackey, 2010). The perception of managers' belief in employees' attitude towards delivering on the municipality's ultimate goal of basic service delivery, may depend on whether employees trust the judgment of their competent managers. This may be achieved where a conducive working environment is nurtured and valued whereby transparent relationships must be embraced by showing care and concern for one another (Lyman, 2012).

1.5 Objectives of the research

This section will explain the primary and secondary objectives which the researcher would like to achieve as follows:

1.5.1 Primary Objectives

The primary aim of the research will be to determine the employees' level of trust towards their manager within the category B municipality and how this trust relationship contributes to effective and efficient service delivery. The researcher aims to achieve this by determining whether several dimensions of vertical trust, like the level of general job satisfaction, employee empowerment, communication, and management reporting

and performance management are contributing factors of effective and efficient service delivery.

1.5.2 Secondary objectives

The secondary aim of the research will be to establish management's perception of how they perceive the employees' trust towards the management structures. The primary reason for this additional objective relates to the view that it has become critical for management to get personally involved in managing the emotional part of its employees. This engagement is important to ignite a sense of belonging towards the Category B municipality, where employees will put renewed emphasis on the trust amongst all levels of the organizational hierarchy, which ultimately affects their loyalty towards top management.

1.6 Research methodology

This section provides a basic description of the proposed methodology to be adopted in order to meet the above- mentioned objectives of the study.

1.6.1 Research design

This study will follow a quantitative approach, using survey methodology to collect indicative data from an expediency sample of respondents. It is envisaged that questionnaires will be distributed via email to 800 employees, which are permanently employed (approximately 81.38 percent of total employment profile – permanently employed employees) at the Category B municipality of which the total employment profile is given in table 1.1 as follows:

Table1.1: Employment profile for the Category B municipality, (Source: Category B municipality, 2013)

Occupational categories	Posts filled								Total
	Male				Female				
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	8	12	0	11	10	6	0	2	49
Professionals	0	1	0	4	0	0	0	0	5
Technicians and associate professionals	3	15	0	16	0	4	1	7	46
Clerks	5	28	1	18	8	18	0	7	85
Service and sales workers	8	40	0	9	20	72	0	25	174
Craft and related trades workers	13	37	0	7	9	20	0	3	89
Plant and machine operators and assemblers	67	100	0	22	9	25	1	6	230
Elementary occupations	107	101	0	1	33	63	0	0	305
Total permanent	211	334	1	88	89	208	2	50	983

1.6.2 Type of sample

A convenience sampling technique will be used as questionnaires will be distributed via email to those selected employees on one particular day. The Category B municipality used for this research study operates in the local government sector, located in the Eden District of the Western Cape Province. This Category B municipality provides basic services to the city's community and its surrounding areas. The research data will be distributed among 800 permanently employed individuals throughout the Category B municipality. A total of 983 salaried staff members are employed by the municipality, on a permanent basis. Conservatively, it is envisaged that an expected response of 300 questionnaires will be completed and returned to the researcher for analysis.

A pilot study will also be conducted which refers to a trial administration of an instrument in order to identify flaws. The pretest will assist the researcher to determine whether the instructions and questions posed in the questionnaire were clear and understandable for the respondents to interpret and understand what is required from them. This is referred to as the pretesting of a questionnaire (Creswell, 2009). The researcher will pretest the questionnaire on 10 respondents within the Finance department of the

municipality. The Finance department was chosen as the researcher is being assisted by an undergraduate student employed within that department and would lessen the administrative burden as opposed to collecting questionnaires from all over the Category B municipality.

1.6.3 Measuring instrument

A questionnaire will be administered to the employees to complete on a voluntary basis. It will consist of a demographic section, five standardized measuring instruments/ dimensions to measure vertical trust, and a last section where open questions are put to the respondents relating to their perception of trust within the Category B municipality. These sections are preceded by an explanation and cover letter by the researcher of what the questionnaire entails. It includes sharing the objective of the research and was combined with a voluntary consent explanation. The questionnaire will consist of a Section A, Section, B, Section C, Section D, Section E, Section F and Section G. Section A will include eight biographical questions pertaining to age, gender, years of employment at the Category B municipality, department worked for, salary level, highest level of job qualification, whether the respondent is a manager or not and place of work. Section B to Section F will focus on questions relating to municipal employees' perception of job satisfaction, employee empowerment, communication, management reporting and performance management and how these measures link to vertical trust. The last section relates to open questions of what the municipal employees perceive trust to be and how this is experienced within their current working environment.

Throughout Section B to Section F, respondents will be required to indicate their responses of the five measuring instruments, by using a five- point Likert scale ranging from one (1) = strongly disagree/ extremely dissatisfied to five (5) = strongly agree/ extremely satisfied. The questionnaires will then be scored, using a grid, for each of the factors (measuring instruments).

1.6.4 Data analysis

Data will be analyzed using the computer software package provided by Statistical Consultation Services at the Northwest University and will be guided by Professor Faans Steyn with regards to the statistical interpretations. The empirical analysis will consist of explanatory statistics, including analysis relating to reliability, variance and correlations. Standardized differences will be analyzed in terms of effect sizes, by comparing groups with each other in terms of the mean and standard deviation of each particular group. Item analysis will be conducted on the survey by the respondents, where the coefficient alpha, mean and standard deviation of the dimensions will be calculated.

1.7 Limitations of the research

While the findings of this study are clearly limited due to a moderate sample size, they do nevertheless make an initial contribution to the understanding of the nature of the relationships between the various dimensions and its link to vertical trust. Only responses to the questionnaires will be collected since circumstances and financial constraints will not allow for in-depth interviews with the respondents. Not many published research papers was evident within the local government of the South African political landscape at the time of initiating the empirical research. This research makes a useful exploratory contribution to a key area in the field of people management. However, a potentially key strength would be that a large number of employees throughout the entire municipality's organizational structure will be approached and as such, may have some valuable external validity.

Measurement error is another limitation that will influence the scope of the research. The reliability of the survey statements and the extent to which the dimensions echo the concept of vertical trust needs to be noted.

The approval by the executive management of the Category B municipality was on the condition that the research is classified. All information collected needed to be on the basis of anonymity and the municipality's name should not appear in any of the research. To accommodate this request, the researcher refers to this municipality as a "Category B municipality" throughout the research study.

1.8 Ethical considerations

Before proceeding with the data collection phase of this study, ethical clearance was obtained from the executive management of the Category B municipality. An undertaking was given by the researcher to responsibly follow the Northwest University's Guidelines for Ethical Research as set out in the Manual for Postgraduate studies. Participation will be completely voluntary and the anonymity of the participants will be protected in the gathering and analysis of the data and presentation of the research findings.

1.9 Contribution of the study

From the definitions and interpretations regarding the concept of trust, it can be said that trust between two parties is a process that takes time to emerge and evolve due to the risk of vulnerability it involves (Paliszkievicz, 2012). The researcher would aim to present managers within the Category B municipality with insight into how the Category B municipality's employee fraternity perceives the current vertical trust relationship between the two parties to be and what can be done to positively align and transform such attitudes and behaviours with effective and efficient service delivery to the community.

To this effect, there seems to be a lack of awareness from managers about the fact that their supervisory roles involve both consideration for employees and concern for tasks.

They are unaware of the dynamics in the relationships between themselves and their employees and the impact of such dynamics on the Category B municipality's core objective which is basic service delivery (Paliszkiewicz, 2012). They do not take into consideration employees' feelings and perceptions and this eventually affects organizational performance. As a result, the research would like to examine how job satisfaction, employee empowerment, communication, management reporting and performance management can contribute to the employees' pursuit of being part of a culture where effective and efficient service delivery to the community is of paramount importance.

1.10 Layout of the research

The mini dissertation will be presented in four chapters. The first chapter deals with the introductory aspects of the research and therefore introduces the concepts that will be discussed in the research. The chapter begins with a discussion of a general background pertaining to the research, discusses the literature review and the research methodology, provides a brief framework of the research problem, defines the scope of the research and lays down the research objectives. Furthermore, the chapter aims to provide insight into the limitations of the research. The chapter then concludes with an explanation pertaining to the structure and design of the research.

The second chapter explains the conceptual basis of local government in South Africa and how trust can influence the delivery of effective and efficient basic services. The chapter aims to establish a link between municipal employees' trust in their management structure, and what influence that trust relationship as a contributing factor have on effectively delivering basic services to communities. The chapter will provide a discussion of local government and its related structures. Taking cognizance of the manner in which local government mechanisms and its related structures are administered, the research will aim to establish how important the vertical trust relationship between municipal employees and managers is, as a contributing factor for effective service delivery to its communities. Attention will focus on the

conceptualization of vertical trust between employees and managers within the local Category B municipality as well as to determine whether the municipality's performance indeed has relevance to the vertical trust relationship between municipal employees and their managers.

The third chapter explains the various research methodologies which were adopted for this research. The research methodology describes the research strategy, research design, research method, geographical area where the research was conducted and the population and sample. The empirical instrument used to collect the data will be described, which includes methods implemented to maintain reliability of the instrument. An explanation of how the data was collected and captured will be illustrated in a figure. The chapter would also discuss the statistical techniques which were used in the research in an attempt to analyze and test the collected data. It will serve as an explanation of the data presentation and analysis by examining the empirical findings and discussions of the research, which stems from the data which were collected and analyzed from the respondents' questionnaires.

The fourth chapter will then summarize the research, consisting of conclusions, limitations and recommendations.

1.11 Summary

The chapter aims to lay the foundation of the introductory aspects of the research and therefore introduced the concepts that will be discussed in the research. The chapter contained a discussion of a general background pertaining to the research. The literature review and the research methodology were discussed and provided a brief framework of the research problem, the scope of the research and research objectives. The chapter aimed to provide an insight into the limitations of the research and concluded with an explanation pertaining to the layout and design of the research.