

**AN ANALYSIS OF STAKEHOLDER ENGAGEMENT IN THE INTEGRATED
DEVELOPMENT PLANNING PROCESS: A CASE OF BLUE CRANE ROUTE LOCAL
MUNICIPALITY**

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DECLARATION

I, Nonkululeko Marambana, hereby declare that this research study is my own work and that all sources have been reported and acknowledged. This thesis has not previously, in part or full, been submitted to any institution of higher learning in order to obtain an academic qualification.

.....
Nonkululeko Marambana

.....
Date

ACKNOWLEDGEMENT

I dedicate this piece of work to my children Apatame, Sikelelwa, Sikelela and my beloved sister (Vuyi Tsako) for their unwavering support and motivation throughout. It was not an easy journey; this reminded me a song by Mary, who sings, “Nobody told me the road would be easy, and I don’t believe He has brought me this far to leave me”.

To Apatame, my first-born child, girl you are an amazing child in my life, you are a strong young woman. That has given me strength to push when my strength was no more. My child, you gave me remarkable courage to go on when situations were challenging.

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ABSTRACT

Stakeholder engagement in local government is a legislated function that should be implemented by appointed and elected government officials. The 2015/16 financial year report of the Auditor General of South Africa (AGSA), revealed challenges pertaining to stakeholder engagement processes by the Blue Crane Route Municipality (BCRM), in that stakeholder inputs were not incorporated in the municipal Integrated Development Plan (IDP) of the 2016/17 financial year. The concern is that there is a gap regarding stakeholders' engagement processes within BCRM and that affects the quality of IDP which serves as the municipal strategic document.

The aim and objectives of this study are to understand stakeholder engagement processes on the IDP formulation by the BCRM in the Eastern Cape, South Africa. The research questions are: How does BCRM conduct stakeholder engagement processes during IDP formulation? What institutional arrangements are in place for stakeholder engagement? And recommendation on how stakeholder engagement processes can be improved within the BCRM?

The research questions were answered through a qualitative study, where data was collected through face-to-face interviews, focus groups and a document review. Face-to-face interviews were conducted with the municipal manager and the managers responsible for IDP as well as the officer responsible for public participation. Focus group sessions were conducted with the community leaders and the departmental leadership. Documents that were reviewed included IDP and process plans, minutes from community consultation meetings, public participation policies, and intergovernmental relations terms of reference. The responses received showed gaps in the following: institutional arrangements related to the integration of stakeholder engagement in municipal key performance indicators and procedures; communication between the municipality and stakeholders; community education related to the impact on community stakeholder engagement, and management processes related to the stakeholder database, capacity development, records management, collaboration and cooperation. Further research on

how the municipality communicates and imparts knowledge to its stakeholders is recommended as it could contribute significantly to the body of knowledge.

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ACRONYMS

AG – Auditor General

AGSA – Auditor General South Africa

BCRM – Blue Crane Route Municipality

CDW – Community Development Workers

FG – Focus Group

HOD – Head of Department

ICT – Information and Communication Technology

IDP – Integrated Development Plan

IGR – Intergovernmental Relations

IGRTF – Intergovernmental Relations Terms of Reference

INT – Interview

KPA – Key Performance Areas

KPIs – Key Performance Indicators

LED – Local Economic Development

MEC – Ministerial Executive Committee

MSA – Municipal Systems Act

RN – Residence News

RSA – Republic of South Africa

CHAPTER 1: INTRODUCTION

1.1. INTRODUCTION

Stakeholder engagement refers to collaborations between individuals and/or social institutions that has different objectives, the collaboration must be trust based and can only be achieved collectively, the organisation should aim at ensuring that individuals and group characteristics that influence or are influenced by organisational behaviours and actions are recognised, analysed and examined (Mainardes, Alves and Raposo, 2012). These collaborations imply that when municipalities formulate their IDPs, they should engage the communities for the purpose of understanding their views on IDP development (MSA, 2000). Blue Crane Route Municipality (BCRM) is equally required by legislation to ensure engagement of stakeholders in their IDP formulation process. Stakeholders from a municipal perspective include all those that have an interest in the municipality and its activities, and relates to the community leaders and the members of the community

Auditor General of South Africa (AGSA) report of 2015/16 reveals that the municipality has not included the input from the community when developing their strategy document (AGSA, 2016). This report formed the basis for this study and implies that challenges exist on stakeholder engagement within BCRM. The researcher's general understanding of the problem given the explanation above, the researcher will examine BCRM's approach to stakeholder engagement during the formulation of their IDP for the 2016/17 financial year. This chapter provides information relating to the background of the study, research objectives and research questions, the research problem, limitations and ethical considerations.

1.2. BACKGROUND

1.2.1. Contextual overview

This research focuses on understanding the stakeholder engagement process on strategy formulation (IDP) by BCRM. BCRM, like any other municipality, is subject to auditing of its financial and performance information by the AGSA who assesses the financial and organisational performance in line with their auditing standards. The AGSA 2015/16 financial year report revealed some challenges pertaining to stakeholder engagement processes by Blue Crane municipality, in that stakeholder inputs were not incorporated into the municipal IDP of the 2016/17 financial year. This led to the conclusion by the AGSA that stakeholder engagement within BCRM is encountering some challenges. The importance of this research rests on its ability to uncover the processes that the BCRM follows in stakeholder engagement, the cause for stakeholder engagement challenges, and the proposals for effective stakeholder engagement.

The specific area of research assumes that challenges exist to the stakeholder engagement process of the municipality. This research aims at understanding the stakeholder engagement process and has taken an exploratory approach. Areas such as the organisation of public policies relative to stakeholder engagement as well as behaviour of officials formally responsible for stakeholder engagement are analysed. Stakeholder engagement in the municipal context is a legislated function that should be implemented by appointed and elected government officials (Dunn, 1982).

1.2.2. Blue Crane Route context

This study was conducted in the BCRM, which falls within the jurisdiction of the Sarah Baartman District Municipality (BCRM, 2017). The request for permission to conduct research studies was submitted, the permission and consent was subsequently awarded by the BCRM (see annexures A, B and F). The municipality is situated in Somerset East and serves mainly rural commercial farms, rural centres such as Cookhouse, Pearson, and Somerset East as the main urban town. The total population amounts to 36 002, which accounts for 8% of the Sarah Baartman District, and 0.5% of the Eastern Cape

Province (BCRM, 2017). The total population of 36 002 consists of 19 172 in Somerset East (three wards), 10 989 in Cookhouse (two wards) and 5 933 in Pearston (one ward). The map in Figure 1 below depicts the location of the municipality and its surroundings, with BCRM shown by the blue arrow.



Figure 1.1: Spatial location of the Blue Crane Route Local Municipality. Source: Google maps, 2017.

1.2.3. BCRM socio-economic analysis

BCRM IDP document reveals that about 26% of the BCRM entire population have a matric or a post-matric qualification; the remaining population is illiterate (BCRM, 2017). According to the IDP 2016/17, the unemployment rate is very high, at 60.2%, and the

potential labour force is unemployed. This could lead to a lack of interest in attending meetings that do not address unemployment or poverty alleviation issues. Given this information, it is important that when the municipality interacts or engages with the community, communicating language, knowledge, and understanding levels need to be taken into consideration as these could affect the quality of engagements.

Table 1 below reflects the employment status of the municipality between ages 15 and 65. Of the 35 407 – the total population of BCRM – there are 22 665 people who should be in the job market. Of the population of 22 665, 9471 are economically inactive, and this situation has not improved in the past ten years; in fact, unemployment has grown by 1.55%. There has been a slight reduction in unemployment rate by 3.64%; gathered from the above statistics, this reflects that those that were employed have become economically inactive as the number of employed has declined by 0.52% and economically inactive population increased by 1.55%. This reflects the extent of poverty and loss of hope within the BCRM area. This is a concern and should be taken into consideration when the municipality decides on IDP programmes or projects as well as when engaging with its people.

Table 1.1: Socio-economic analysis of BCRM. Source: BCRM, 2017.

Socio Economic Analysis	Blue Crane Route Area: 2001	Blue Crane Route Area: 2011	% Growth	% Growth per annum
Total Population				
Labour Status 15-65 Age Group				
Employed	7839	7434	34.3	-0.52
Unemployed	5355	3300	15.2	-3.64
Economically Inactive Population	9471	10 935	50.5	1.55
Total	22 665	21 669		

1.2.4. Legislative context

Section 152 of the Constitution of the Republic of South Africa (1996) provides for objects of local government and encourages the involvement of local communities and

community organisations in matters of local government; it requires municipalities to consult and involve communities in municipal activities (RSA Constitution, 1996). However, the Municipal Systems Act (MSA) gives municipalities the responsibility to formulate IDP's which serve as a municipal strategic document for the five-year term (MSA, 2000).

Section 29 of the Constitution prescribes the processes and procedures to be followed when developing a municipal IDP. Such processes include consultation of the local communities on its development needs and priorities, and the participation of both local communities and organs of state in drafting the IDP (RSA Constitution, 1998). IDP formulation processes include the analysis phase, strategy development phase, projects phase, and the integration phase as four main phases of strategy formulation for the municipalities (MSA, 2000).

The analysis phase is the first phase of IDP formulation that deals with the existing situation and focuses on analysing the type of problems faced by the people in the municipal area (MSA, 2000). Problems identified are weighed according to their urgency and/or importance in order to arrive to the ones that should be dealt with first (Department of Provincial and Local Government [DPLG], 2001). The IDP guide pack asserts that the municipality should not make assumption on what problems are being faced by the individuals in the local area, the affected individuals should be involved in determining problems and extent of problems faced (DPLG, 2001).

The second phase in the process is strategy development. After the municipality has understood problems affecting the people of the local area and the reasons, solutions to resolve the problems must be formulated (DPLG, 2001). This phase includes developing the vision, mission, values, strategic objectives, strategies in selecting suitable project to be undertaken (DPLG, 2001).

The third phase deals with project identification and design that addresses problems identified in the previous phase, as well as specifying projects for implementation (DPLG, 2001). The municipality needs to ensure that the identified projects are aligned to the priority issues that were identified in the previous phases (DPLG, 2001).

Once projects are identified, prioritised and designed, the following phase is integration phase which deals with ensuring that identified projects are in line with the municipality's objectives and strategies, the resource framework and that they comply with the legal requirements (DPLG, 2001). Integration phase provides an opportunity for the municipality to synchronise projects in relations to the content, location and timing, so that consolidated and integrated products can be attained.

The final phase is the approval phase, in this phase it is where that the council should ensure that stakeholder inputs and comments have been considered. The IDP document is then compiled, adopted and approved by the municipal council (DPLG, 2001).

The emphasis in this study is on stakeholder engagement during Integrated Development Plan (IDP) at the BCRM.

1.3. THE RESEARCH PROBLEM

The recent report by the AGSA (2016) remarked on some concerns in the stakeholder engagement process in relation to the credibility of the BCRM IDP. The concern was that stakeholders' engagement processes within the BCRM are not conducted properly which affects the quality of IDP, which serves as the municipal strategic document (AGSA, 2016). Stakeholders within the BCRM include community members, ward councillors and civil society. However, the concern by AGSA is whether the municipality has adopted a policy or procedure that guides stakeholder engagement. This has led to the credibility of the IDP being questioned by AGSA and the need to improve stakeholder engagement during the IDP formulation process was identified. According to the AGSA report, it was not clear enough if the municipality's stakeholder engagement is informed by the conduct of stakeholder identification, categorisation and analysis.

1.4. GOALS OF THE RESEARCH

The aim of the research is to understand the stakeholder engagement processes followed by BCRM during IDP formulation, and to research how stakeholder engagement can be improved in the IDP formulation process of the municipality. With this in mind, the following research questions outline the aim and objectives of this research:

1. How does BCRM conduct stakeholder engagement processes during IDP formulation?
2. What institutional arrangements are in place for stakeholder engagement within BCRM?
3. Recommendations on how stakeholder engagement can be improved within the BCRM?

1.5. LIMITATIONS OF THE STUDY

As this is an exploratory study, intended to lay the groundwork for more complete research study in the future, it is expected that there might be some challenges in gathering the critical information as planned.

In this case, the main challenges that were faced were getting all the required critical documents for analysis; a problem that was overcome by triangulation. As this is a single qualitative case, external validity and generalisability of the findings of this research to a wider population was limited. However, the findings can still be relevant to the other municipalities in a similar setting. To avoid this problem in future research, a mixed data collection should be explored, such as qualitative and quantitative data collection where a wider community can be reached through surveys to gather the views and input of the majority regarding the research problem.

Another limitation was evident in focus group discussions with the municipal management where the participants were not able to fully express themselves or to participate freely as their peers and managers formed part of the same focus group. The researcher felt that not all information was provided. However, follow-up discussions were conducted with each participant to unpack and acquire more information.

CHAPTER 2: AN OVERVIEW OF STAKEHOLDER ENGAGEMENT THEORY

2.1. INTRODUCTION

Chapter One introduced and explained the background to the study, the research problem, research questions and research objectives, as well as the limitations of this study. This chapter reviews the available literature on stakeholder engagement and develops a framework for stakeholder engagement that will be used throughout the study. The research approach involves a review of the background of stakeholder engagement by clarifying the concepts: 'stakeholder', 'engagement' and 'stakeholder engagement'. This chapter employs the Sinclair Model (2011) as the basis for further understanding of the process of stakeholder engagement. This model clarifies some concepts and some ideas as proposed which are underpinned by five concepts, which are stakeholder engagement framework, annual review of stakeholder engagement policies, and integration of stakeholder engagement with processes, communication and training as well as implementation (see figure 2.2). However in the proposed model Sinclair (2011) highlight some important aspects which include the analysis of stakeholder and its categorisation (into for example major, significant, or minor stakeholders); the notion of stakeholder databases centralisation; internal and external stakeholder research; development of a stakeholder engagement policy, principles and procedures to govern the level and timeliness of the organisations stakeholder engagement, and development of annual stakeholder engagement plans for major stakeholders. Some of Sinclair's (2011) model concepts that have been discussed in this chapter include policies, procedure, organisation culture, and stakeholder engagement processes such as stakeholder analysis. As the objective of this study is to understand the stakeholder engagement processes and the institutional arrangement in place relating to stakeholder engagement, therefore Sinclair's model is found to be best model in answering the research question which will enable the achievement of the research objectives.

2.2. STAKEHOLDER ENGAGEMENT IN SOUTH AFRICAN MUNICIPALITIES

Municipalities in South African are governed by various policies, legislation and regulations and the South African Government has put mechanisms in place to ensure effective participation, and to regulate interactions between the state and the public (Mzimakhwe, 2010). David, Theron and Maphunye, (2005) asserts that a detailed and comprehensive participation and stakeholder engagement strategy must be developed by each government department to ensure co-operative and integrated governance to the benefit of their stakeholders they intend to engage.

In order to promote democracy at the local sphere of government, South African government has to ensure an effective stakeholder engagement system is in place (Govender and Reddy, 2015). Therefore it is logical that there would be legislation which makes provision for the allowance of public participation in the governance of municipalities (Mzimakhwe, 2010).

The following legislation enhances public participation in municipalities: RSA Constitution, 1996; White Paper on Transforming Service Delivery, 1997; White Paper on Local Government, 1998; Municipal Structures Act, 1998; Municipal Systems Act, 2000; Promotion of Access to Information Act, 2000; Traditional Leadership and Governance Framework Act, 2003. These legislations has been developed to enable the process of public participation and engagement by the local government, participation which is critical for sustaining democracy (Mzimakhwe, 2010).

Stakeholder participation may be required for various reasons such as to develop policy, to formulate strategies or plans or in order to make a certain decisions (Mzimakhwe, 2010). In this case, stakeholder engagement is required for the inputs in developing the municipal strategic document called the IDP. Fenton, Gustafsson, Ivner and Palm (2014) assert that when stakeholders are involved in strategic planning, that may help to identify concerns of the public and enable sharing of experience. This is important if stakeholders are to adapt to or play an active role in implementing the proposals (Pacione, 2014). On the other hand, weak participation, or poorly facilitated processes may sharpen a sense of exclusion, or undermine the perceived legitimacy of a process (Pacione, 2014).

Involving relevant stakeholders does not imply agreeing to all the wants and needs of all stakeholders. Reviewing the stakeholders' inputs needs to take place and stakeholders should be informed of the outcomes (Pacione, 2014). Decisions on what input to consider are made based on prioritisation of public needs and available budget (Mzimakhwe, 2010).

2.3. THEORETICAL FRAMEWORK ON STAKEHOLDER ENGAGEMENT

The foundation to understanding the theoretical framework is first to have an idea of a theory as defined by Babbie and Mouton (2006) as a systematic explanation for the observations that relate to an aspect of life, for example, such as social stratification or political uprising. The word 'theory' in this research is used to demonstrate the means by which 'reality' is socially constructed to give meaning to, an understanding of, or an explanation of the problem. Different theories underpin the phenomena of stakeholder engagement. The first theory includes stakeholder-agency theory that regards organisational managers as agents for all stakeholders involved in the organisation's decision-making process. The second theory includes resource-based and transaction cost analysis theory that explains the relationships between corporate, social and financial performances. However the third theory relates to institutional theory which focuses on the political and moral aspects essential to this type of relationship.

There have been various discussions in the literature relating to the value of stakeholder theory and its application by management. For example, Greenwood (2006) is concerned with the general assumption that stakeholder engagement and responsibility towards stakeholders necessarily converge. Her concerns are around difficulty in differentiating moral responsibility from calculated responsiveness has not been directly addressed in the stakeholder engagement literature (Greenwood, 2003). Cennamo, Berrone and Comez-Mejia (2009) is of the view that it seems as if consensus does exist on the validity of stakeholder theory as most appropriate forum exist that are used to address the question of ethics coexistence with strategy designs to boost performance in highly competitive environments. Simmons (2003) supports the above statement by pointing out that integrated approach to stakeholder engagement where stakeholder's

views are incorporated in the organisation's decision making process benefits the organisation, resulting in enhanced performance and commitment by the organisation.

The public-sector literature seems to be in accordance with the wave of "New Public Management" in its application of stakeholder theory (Osborne and Gaebler, 1993) where business-based ideas are introduced into the public sector. Approaches to corporate stakeholder management have evolved over time to include continuous and inclusive approach to stakeholder engagement (International Finance Corporation, 2007) as well as ethical approach when engaging stakeholders (Noland and Phillip, 2010). These approaches need to be applied consistently and effectively as poor engagement could have detrimental effects on the organisations which resulting in litigation, as well as wasted management time (Freble, 2005). For example, the case of Nxuba Local Municipality, where the relevant stakeholders were not consulted about the proposed merger of Nxuba and Nkonkobe Municipalities which resulted in a protest, the loss of human lives, and litigation (Residence News, 2015) . This example alone indicates that there might be some gaps in the stakeholder engagement processes of municipalities.

2.4. STAKEHOLDER ENGAGEMENT: CONCEPT AND OVERVIEW

2.4.1. What is a stakeholder?

Although various authors have defined stakeholder differently, its origin, according to Freeman (1984) comes from the notion of shareholding. Corporates are accountable not only to the shareholders, there are various structures without which the organisation could not operate effectively, and therefore the views of those structures regarding the activities of the organisation must be considered or heard (Mainardes, *et al.*, 2012).

Stakeholders are defined as people or groups that have a claim, ownership rights, or interests in a corporation and its activities, be they past, present, or future (Clarkson, 1995). This definition includes the future implication of corporations' present activities on the society. In other words, it implies that there are sustainability issues that should be

considered by the corporation in their decision making. Some other parties involved may not be aware of the extent of relationship they have to the corporation until some specific event draws it to their attention; for instance, economic benefits or environmental harm that the communities may experience a result of the corporation's activities (Business Ethics Quarterly, 2002).

Therefore stakeholders may include individual citizens or organisations, such as companies, public service agencies, or anyone that may have interest in the organisation. (Fenton *et al.*, 2014). Most of the time this definition of stakeholder is used in processes aimed at enhancing democratic decision-making and in community capacity building (Fenton *et al.*, 2014).

Stakeholders could have a huge impact in the achievement of organisational goals, therefore in order to maximise profit stakeholders should be managed instrumentally (Hamadu, Haron and Amram, 2015). Since the firm's decisions affect the well-being of stakeholders, therefore managers have a normative and moral obligation to the stakeholders (Phillips, Berman, Elms and Johnson-Cramer, 2010).

In stakeholder management theory, a 'stake' is not merely an interest, and does not imply prudential obligations (Reed, 1999). For this reason, normative stakeholder management requires a definition of 'stake' and 'stakeholder' that explicitly outline their normative force (Marshall and Ramsay, 2012). It is on this basis that 'stakeholder' is defined as an interest where valid normative claims can be advanced (Reed, 1999). 'Stakes' are understood to be more normative obligations (Reed, 1999)

It is argued that stakeholding gives organisation licence to operate failure to engage them could have detrimental effects to the business success and could even lead to business failure (McIntyre, Murphy and Sirsly, 2015), for example, the case of the dramatic collapse of Andersen Accounting following the Enron scandal which was simple illustration on what happens when stakeholders removes their license to operate (Gregory, 2004).

Clarkson (1995) asserts that stakeholders consist of two groups: the primary stakeholders, those that have contractual obligation with the organisation for example the

organisation clients, suppliers of goods and services for the organisation, organisational workforces and shareholders. The second group is the secondary stakeholders, those who do not hold any contract with the organisation for example governments and the local community. Therefore the company is perceived as a network that should consider and nurture relationships for both internal and external environments (Mainardes, *et al.*, 2012), given internal and external stakeholders groups. In this study, the focus is on external stakeholder group engagement, without, however, ignoring internal stakeholders' roles and influence on effective stakeholder engagement.

2.4.2. Engagement

Engagement is a complex and multi-dimensional concept, and its definitions have been criticised of being incoherent and vague (Taylor and Kent, 2014). Engagements are said to depend on traits such as motivation, interests, and goals (Eccles and Wigfield, 2002). Psychologically, there are various and different reasons that motivate people to engage such as personal interest, enjoyable engagements, the prospect of a reward or benefits that can derive a feeling of involvement or significance (Eccles and Wigfield, 2002)

Since the theory of engagement began anarchy of definitions continues to develop and change until academic arrives to further assertion (Erickson, 2010). Such distinctive definitions include names such as outreach, involvement, participation, service learning, and community-based participatory research, according to Mzimakhwe (2010) that will continue to be used and will be the subject of academic publishing. In this study the concepts of engagement will also be used interchangeably as is the case with the municipalities.

Figure 2.1 below depicts different levels of engagement such as disengagement, engagement, positive engagement and negative engagement according to the engagement theory of (Rissanen and Luoma-Aho, 2016). The vertical axis represents the tone; the horizontal axis represents the degree of engagement which can either be positive, negative or engaged.

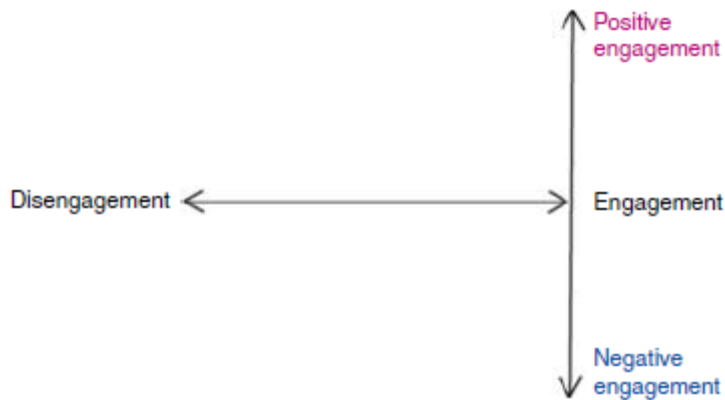


Figure 2.1: Levels of engagement. Source: Rissanen and Luoma-Aho, 2016, p. 505

Research results from the study conducted by Rissanen and Luoma-Aho (2016) show that disengagement and negative engagement stem from stakeholder's lack of interest, perceived lack of interest, perceived unethical actions by organisations, or bad personal experiences by stakeholders. Disengaged organisations were perceived as cold and distant, which resulted in a lack of motivation to engage with them (Rissanen and Luoma-Aho, 2016). Even in the case of bad personal experiences, or perceived unethical behaviour by the organisation, the disengaged felt that it was pointless to share their experiences or to express their opinions (Rissanen and Luoma-Aho, 2016).

Engagement in itself can be either positive or negative: positively engaged consumers demonstrate their engagement by acting as unpaid advocates, recommending the organisation, and engaging in a dialogue with it, while negatively engaged consumers exhibit negative behavioural manifestations such as protests, and by sharing negative information about the organisation (Van Doorn, Lemon, Mittal, Nass, Pick, Pirner and Verhoef, 2010). Positively engaged stakeholders, or faith holders, provide social capital for organisations whereas negatively engaged stakeholders or hate holders diminish the organisation's social capital (Rissanen and Luoma-Aho, 2016).

2.4.3. Stakeholder engagement concept

Stakeholder engagement and partnerships is when individuals and social institutions with different goals form a trust based collaboration to achieve their goals (Rhodes, Berfstrom,

Lok, and Cheng, 2014). Rhodes *et al.* (2014) asserts that to enable engagement the firm requires to manage its social risk, connect with its stakeholders and build social capital. As stakeholders' relationship is ongoing to the corporation, their responsibility is to generate contributions and essential resources to the corporation (Mainardes *et al.*, 2012).

The stakeholder management concept serves to ensure organisations recognise, analyse and examine the individual and group characteristics that influence or are influenced by organisational behaviours and actions (Mainardes *et al.*, 2012).

In a municipal context, stakeholders in community engagement are usually those who are assigned or given a responsibility to initiate, execute or manage the initiative (Ramachandra, Naha and Mansor, 2014). Furthermore, the individual or groups are also interested in the outcome of the engagement. Therefore, in the community engagement perspective, stakeholders can be defined as individuals or groups who have a vested interest in the performance and success of the engagement, or who are constrained by the engagement (Ramachandra *et al.*, 2014).

2.5. STAKEHOLDER ENGAGEMENT MODELS

Various models have been suggested by various authors which are very similar as they all include common key factors such as understanding and knowing your stakeholders to ensure effective engagement.

A model by Prebble (2005) includes stakeholder identification of primary, public and secondary stakeholders. Once the organisation has identified these stakeholders an initial assessment is conducted on various claims and expectations that these stakeholders might have of the firm to arrive at the performance gaps. Once the performance gap has been determined, an organisational response and prioritisation is developed, where the organisation responds by developing policies, strategies to address those gaps and attend to those priorities. After performance gaps have been addressed,

continuous monitoring and control of the stakeholder's expectations must take place in order to detect and address those stakeholder strategies that are no longer appropriate.

Mainardes *et al.* (2012) also suggested a model that includes the identification of stakeholders, the development of processes that recognise their respective needs and interests, and the establishment and building of relationships with stakeholders. The whole process is structured around and in accordance with organisational objectives.

However, Derveka, Lavallee, Desai, Esmail, Ramsey, Veenstra, and Tunis (2014) proposed an analytic deliberative model of stakeholder engagement. This is where analytical views and deliberations are used as complementary approaches to gaining knowledge regarding an issue. This approach has been adapted by others in the field with the specific attempt to operationalise cooperative discourse in a manner that seeks to reconcile expert-driven and 'citizen-centric' approaches. Deliberation in this case relates to more informal way when discussing issues. Its emphasis is on considering different points of view by different groups to come up to a reasoned decision. Even though the deliberations are informal in nature it often involves formalised procedures that ensures adequate representation of information and exchange of stakeholder views. Therefore collected evidence and information derived from both stakeholders (expert-driven and citizen-driven) are used to arrive at decisions and recommendations.

Sinclair (2011) developed a model on stakeholder engagement which is underpinned by five concepts, which are stakeholder engagement framework, annual review of stakeholder engagement policies, integration of stakeholder engagement with processes, communication and training as well as implementation (see figure 2.2). However, the view proposed in Sinclair's stakeholder engagement model (2011) highlight some important aspects which include the analysis and categorisation of stakeholder (into major, significant, or minor stakeholders); stakeholder database centralisation; research of internal and external stakeholder; stakeholder engagement policy development, principles and procedures to govern the manner in which stakeholder engagement is practiced in the organisation, and stakeholder engagement annual plans development for major stakeholders (for implementation by nominated managers) based on

stakeholder feedback. The referred to aspects formed the basis for understanding the relationship between stakeholder engagement and the objectives of the study, as this serves as the conceptual framework and inform the literature review of this study.

While the four models outline the phenomena of stakeholder engagement, Sinclair’s model is the most suitable approach as it outlines key aspects in line with the aims of this study



Figure 2.2: Stakeholder engagement model. Source: Sinclair, 2011 p. 14.

Figure 2.2 above represents the stakeholder engagement model developed by Sinclair (2011). This model forms the theoretical framework of this study and informs the literature review throughout.

2.5.1. Stakeholder analysis (classification, identification and categorisation)

Stakeholder classification can be defined as the process of assigning stakeholders to different categories according to their common interests or influence (Buysse and Verbeke, 2003). According to Freeman's model classification includes a wider spectrum of stakeholders than the traditional such as clients, shareholders, members of staff, suppliers and competition (Freeman, 1984).

Stakeholder identification deals with recognising the key stakeholders of the organisation who affect, or are affected during the achievement of organisational goals (Freeman, 1984). Mitchell, Agle and Wood (1997) assert that stakeholders should be identified according to their salience. Salience refers to the degree to which managers give priority to competing stakeholder claims (Mitchell *et al.*, 1997). The municipal planning process (IDP) involves various stages of planning, including pre-planning, analysis, strategy, project, integration and approval phase and each phase is likely to require a different type of stakeholder, according to the discussion at hand. The figure below represents Mitchell *et al.*'s (1997) salience model for stakeholder identification.

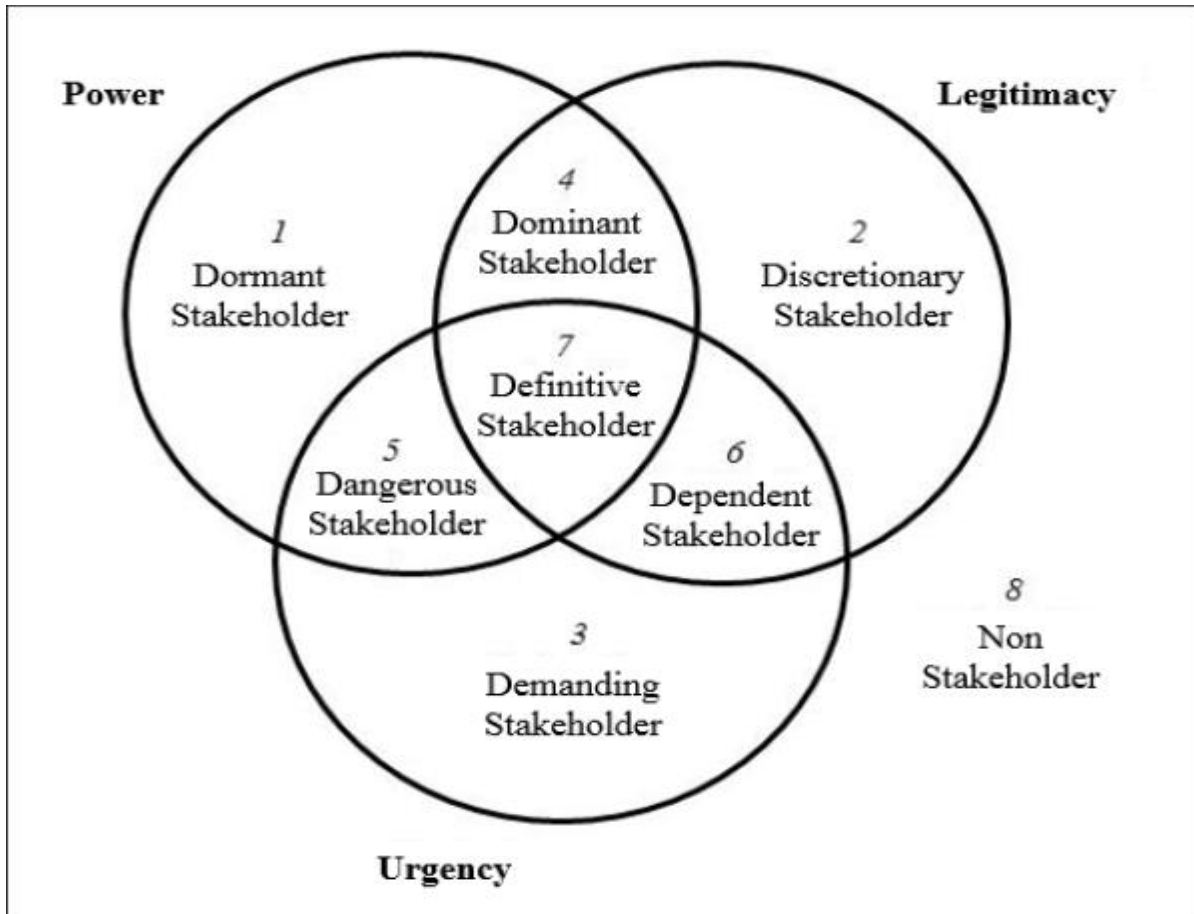


Figure 2.3: Salience stakeholder model. Source: Mitchell et al., 1997 p. 890

Mainardes *et al.* (2012) asserts that this model is the most widely discussed and used model in the literature. It shows the negotiating power stakeholders have with the organisation, legitimacy and the urgency in attending to the stakeholder's requirements (Mainardes *et al.*, 2012). They further assert that the salience model is valuable and unique due to the advantages it displays such as political (understanding organisation a product of unequal and conflicting interests), operationally practical (qualifying stakeholders according to power, legitimacy and urgency), and dynamic (evolves with time and interest over social space). The model enables explicit recognition of the uniqueness of each situation and of managerial perceptions to explain how managers should prioritise relationships with stakeholders (Mainardes *et al.*, 2012).

These three attributes such as legitimacy, urgency, and power are variables which are neither static nor stationary as they evolve. These attributes are not objective as they are socially constructed. Furthermore stakeholders are not always aware which and how many attributes they possess (Mainardes *et al.*, 2012). These three attributes therefore render the stakeholder salience identification model fairly dynamic; for example, the stakeholders may possess one attribute today and acquire more or different one in future (Mainardes *et al.*, 2012). Walley (2013) asserts stakeholder having only one of these attributes may not render them influential to compare to those stakeholders with combinations of two, or all three attributes. Therefore stakeholder influence depends hugely on the strength and combination of these attributes in each stakeholder group (Walley, 2013).

After stakeholder identification, the focus will be on which ones hold the most salience to the firm (Rhodes *et al.*, 2014). When these three factors are combined seven stakeholder types are generated, that excludes non-stakeholder type (Mainardes *et al.*, 2012). A firm can then begin to work on building bridges and forging relationships in search of common goals and objectives (Rhodes *et al.*, 2014). Figure 2.3 above also indicates the stakeholder classification according to the most salience; such classification includes the dormant stakeholder, the discretionary stakeholder, and demanding, dominant, dangerous, dependant, definitive and non-stakeholders.

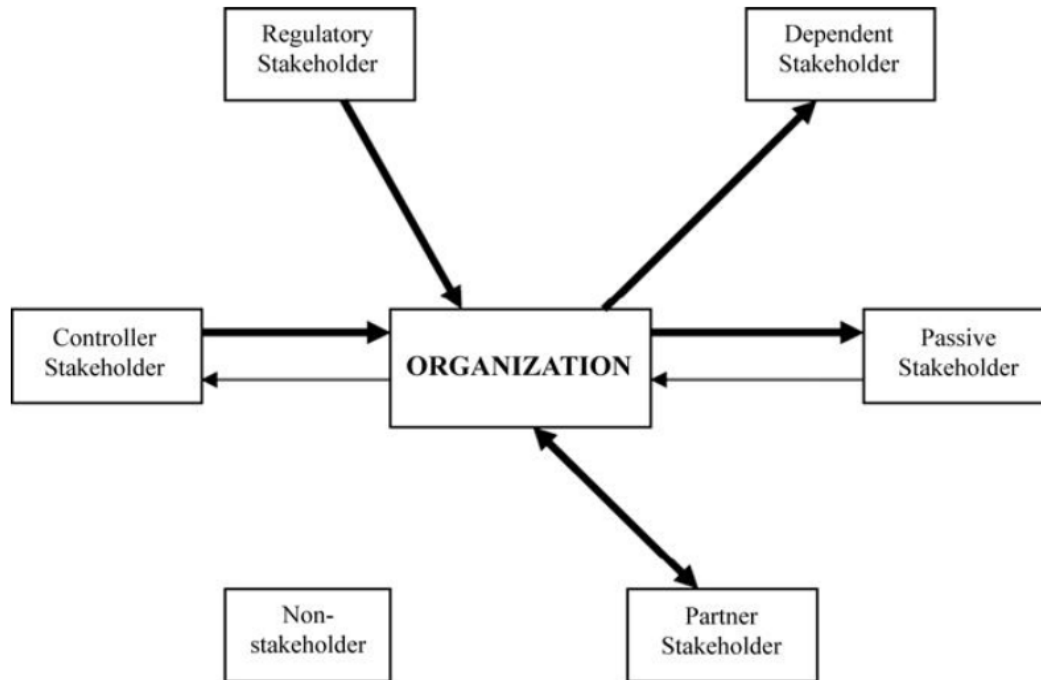


FIGURE 2.4: Stakeholder classification. Source: Mainardes et al., 2012. p. 1874

After identification has taken place classification gets conducted, where stakeholders are categorised into six categories such as regulator, controller, partner, passive, dependent and non-stakeholder as indicated in figure 2.4 (Mainardes et al., 2012). Mainardes et al. (2012) asserts that these categories are based on the empirical research that was carried out on public organisations, which suite very well with the studies being conducted.

Categorisation and classification of stakeholders answers the issue that has been very concerning to the stakeholder engagement field researchers, which is dealing each and every stakeholder's needs simultaneously (Mainardes et al., 2012). However meeting everyone's need is impossible at times as certain group of stakeholder might receive greater attention to the disadvantage of the others (Mainardes et al., 2012). The dilemma that faces companies is to where to pay the greatest attention (Mainardes et al., 2012). It is necessary to understand relationships in order to ensure that stakeholders' demands are met, and to classify them according to ranks for prioritisation point of view, as they cannot be taken into account at the same time, nor given equal attention (Mainardes et al., 2012).

Literature on stakeholder management reveals that, it is a feasible management alternative to run organisations based on stakeholder relationships especially for organisations with multiple and varied stakeholders, as is the case with political organisations (Mainardes *et al.*, 2012). This classification of stakeholder importance is not in itself enough. In this figure the arrows has been used to portray the relationship of influence between the stakeholder categories and the organisation, the thicker the arrow the more powerful is the relationship between the corresponding parties. This tool serves as an alternative to the sociogram by Freeman (1984) which failed to differentiate levels of influence between an organisation’s different stakeholders (Fassin, 2009). Within this tool, it is possible to distinguish the strength of relationships and the level of influence that exist between parties (Mainardes *et al.*, 2012). Figure 2.5 below measure the ongoing influence between the relative parties.

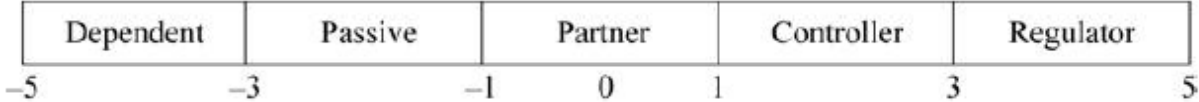


Figure 2.5: Measuring Tool for ongoing influence. Source: Mainardes *et al.*, 2012. p. 1874

Mainardes *et al.*, (2012) further propose using the above tool to measure the ongoing influence between the organisation and the stakeholder from organisation managers’ viewpoint. They warn that there are limitations to this measurement model as it measures perceptions and analyse efficiencies in the organisational relationships, which all these might change over time. This tool might therefore require an organisation to adjust to new demands and be able to act quickly to address demands that are no longer applicable (Mainardes *et al.*, 2012). The main problem around this tool is that it is static in nature, therefore, constant management supervision is necessary and adjustments must be made on a relatively frequent basis (Mainardes *et al.*, 2012).

2.5.2. Institutional Arrangements

Institutional arrangements for stakeholder engagement involve the development of policies, strategies, guidelines and procedures to guide the process. Institutional arrangements can either be formal or informal such as entrenched and established social rules. It seeks to detail the legal, regulatory and financing arrangements as well as the way in which service should be delivered (Hollingsworth and Lindberg, 1985). For example, in a municipal environment, policies that guide the municipality on how to engage with their stakeholders, as well as strategies on stakeholder engagement form part of the institutional arrangements, procedures to be followed, as well as the financing of the project and the legal aspect of the process.

Schübeler, Wehrle and Christen (1996) defines institutional arrangements as policies, systems, and processes that the organisation uses to legislate, plan and manage their activities efficiently and to effectively coordinate with others in order to fulfil their mandate. It is more concerned with institutional structures, measures and procedures the organisation adopts to perform their duties as well as capacity of institutions concerned in terms of resources and knowledge level of the employees (Schübeler, 1996).

All definitions are important as they complement each other for example Hollingsworth and Lindberg (1985) definition is very broad. A definition by Campbell, Hollingsworth and Lindberg (1991) provides more insight into the supporting structure in the organisation; it takes into consideration structures that should be involved in supporting the organisation to drive its activities. Schübeler (1996) definition is more aligned to the study at hand and what the study is trying to address and achieve; however, it cannot be used in isolation. Therefore, the relationship of the institutional arrangement such as policies, procedures and organisational culture will be explored.

2.5.2.1. Policies

Organisational policies refer to particular components of the work environment that has a direct impact on daily work activities of the employees, for example their interactions between co-workers, and employer to employer relationships (Foote, Seipel, Johnson

and Duffy, 2005). They represent corporate values that guide managers and supervisors' decision making and shape employees' work experiences that immediately affect their behaviour, working relationships, compensation, and sense of security. Organisations implement a wide variety of policies for the purpose of governing their internal and external business activities (Foote *et al.*, 2005). It is very important that organisations update their policies continuously to reflect changes in legislation and regulations, social expectations and tactics (Hough and Sr, Tatum, 2012).

Organisation culture relating to stakeholder management will influence the value an organisation places on stakeholder engagement and its likeliness to implement policies that encourage effective stakeholder engagement and whether it will closely monitor and reward employees' high performance (Foote *et al.*, 2005).

2.5.2.1. Stakeholder engagement culture

Stakeholder engagement culture refers on how the organisation's managers manage relationships between the organisation and different stakeholders whose interests are often divergent, and how handle trade-offs are handled between challenging stakeholder claims (Boesso and Kumar, 2016). Organisation stakeholders' engagement culture can be categorised in five cultures in ascending order, based to the degree to which an organisation's culture adopts self-interest or regards others' interest (Boesso and Kumar, 2016).

These five stakeholder cultures range from agency culture, which is based exclusively on corporate self-interest; to limited morality cultures that is concerns on supporting selected other-regarding interests that promote shareholder value and moralist and altruistic cultures that places value on concerns and interests of all stakeholders. Boesso and Kumar (2016) asserts that of the five stakeholder cultures on the conceptual continuum, three central types such as corporate egoist, the instrumentalist, and the moralist cultures tend to prevail. While cultures at the two extremes – the fully self-regarding (agency

culture) and the fully other-regarding (altruistic culture) are improbable given the competitive dynamics faced by most business organisations.

In egoist based cultures managers' primary goal is to emphasise short-term maximisation of shareholder wealth. In these organisations stakeholder groups interest are regarded as important as they have the ability to influence the organisations' short term financial performance (Boesso and Kumar, 2016).

On the other hand, moralist based culture organisations primary obligation is to support the general interests of the society, show concern for all stakeholders, and try to take stakeholders' interests into account regardless of economic considerations. These moralist stakeholder culture organisations do not allow ethical standards to be trumped by financial goals; in most of the cases they often have to balance extreme situation such a trade-off or balance between financial aspects, corporate citizenship and morality (Boesso and Kumar, 2016).

2.5.2.2. Procedures

Procedures refer to organisation design statement developed by an organisation for handling aspect of a business of operations and subsystems (Rhodes *et al.*, 2014). They provide detailed simple information on what people should do or not do as a matter of practice for example human resource manuals, accounting and treasury manuals and personnel practice letters (Rhodes *et al.*, 2014).

Nowadays organisation procedures are still debatable designed to influence order and stability in a linear manner. Instead, procedures should be designed in structured self-organising and self-motivating framework that should assist people with achievement of the desired outcome (Rhodes *et al.*, 2014).

Therefore, procedures can be referred to as step-by-step guidelines on how policies should be carried out or implemented. Rhodes *et al.*, (2014) assert that to manage these often-complex stakeholder relationships effectively requires a well-developed stakeholder

engagement capability (Rhodes *et al.*, 2014). Moving from traditional forms to proactive forms of stakeholder engagement requires a new capacity of resources (Rhodes *et al.*, 2014). The capability for stakeholder engagement draws on the knowledge, understanding and behaviour of people in all parts of a company, working through structures and processes that cross traditional organisational boundaries, such as hierarchical levels or business units (Rhodes *et al.*, 2014).

2.6. BENEFITS OF ENGAGING STAKEHOLDERS

Engaging stakeholder enables the organisation to gain credibility and gain buy-in from the stakeholder community (Dawkins, 2013). Poor stakeholder engagement poses the organisation to poor achievement of organisation goals (Fenton *et al.*, 2014); weak or poorly facilitated engagement processes may be seen as exclusion or undermine the legitimacy of stakeholder engagement processes (Pacione, 2014). Dawkins (2013) asserts that when stakeholders are engaged from the onset, chances that the stakeholders really understand the process are increased and feeling that their insights has been taken into consideration when the organisation designs or review their strategies are high. Moreover, engaging a wider community in the decision making process that affects them is a democratic right.

Engaging stakeholders could also derive more benefit when different stakeholders are consulted at different stages of the review process that are more relevant to them, rather than applying a blanket approach by engaging everyone in all phases of the review process (Cottrell, Whitlock, Kato *et al.*, 2014). For example, the IDP formulation process comprises of six phases such as: pre-planning phase, analysis phase, strategy phase, projects phase, integration and approval phase. Each phase requires different types of stakeholders with the relevant set of skills and knowledge, as well as interest, in order to be able to add value to the processes by providing inputs to the matters that affect them (Dawkins, 2013).

Noland and Phillips (2010) remarked that managers who realised that stakeholders interest and their interests cannot be separated, for that reason explicit stakeholder

consent will be obtained by the organisation (Van Buren, 2001) self-serving dialogue will be prevented (Reed, 1999) the managers will provide the stakeholders with more control in managing the corporation (Moriarty, 2012). Dawson (2002) maintains that ambiguity surrounding stakeholder engagement can be prevented by developing a set of guidelines that addresses power asymmetries and typifies substantive engagement. He further suggests that stakeholder engagement requires a fresh look, rather than proposes an all-encompassing solution. The available literature on stakeholder management is either industry- or project-specific, with very few discussions on local government. In most the cases, one finds concepts such as public participation, community engagement, or involvement being used interchangeably to mean the same thing, but Mzimakhwe (2010) clarifies some of this confusion by asserting that 'public' includes everyone, while 'community' refers to the locals, and 'stakeholder' is broader than that. Therefore, using 'public' and 'stakeholder' interchangeably is much better than 'community' as 'community' refers only to the local residents who form part of the stakeholders (Mzimakhwe, 2010).

Stakeholder engagement can assist in achieving business goals, activate co-decisional processes and build partnership, thus stimulating supporting behaviour from stakeholders (Romenti, 2010). Activating co-decisional processes can be achieved through, for example, ad hoc stakeholder meetings and multi-stakeholder workshops, and means of incorporating the stakeholder point of view in managerial decision-making (Romenti, 2010).

2.7. SUMMMARY

In this chapter literature has been reviewed ranging from discussing concepts such as stakeholder, engagement and stakeholder engagements. Various stakeholder models and theories has been explored and Sinclair's model was find to be suitable one for the study as it outline the key aspects relating to the aim of this study.

In conclusion while various researchers has stressed the importance of the including stakeholders in the organisation decision making however there is no evidence or research conducted on how stakeholders input being considered by organisations.

According to the SA constitution the involvement of stakeholder in the public organisation is not optional, it is the requirement.

Having proper institutional arrangements in place to enable the municipality to carry its mandate of engaging stakeholders is pivotal. If everything is effectively addressed in the institutional arrangement such as effective and implementable policies, procedures, processes, systems, etc., stakeholder engagement should be a rewarding exercise for everyone.

CHAPTER 3: RESEARCH METHODOLOGY

3.1. INTRODUCTION

This chapter provides the methodology which clarifies how the research was undertaken. As indicated by Woody (2014), research comprises defining and redefining problems; formulating research questions or suggested solutions; collecting, organising and evaluating data; making deductions and reaching conclusions; and, lastly, carefully testing the conclusions to determine whether they fit the research questions. The aim of the research is to understand the stakeholder engagement processes followed by BCRM during IDP formulation and how stakeholder engagement can be improved in the IDP formulation process of the municipality. Sinclair (2011) model serves as a theoretical framework that stipulates and justifies any predictions about the interaction and relationships among variables/concepts of this research study and in relation to stakeholder engagement. The concepts identified by Sinclair (2011) as forming the frame of stakeholder engagement process include the development of stakeholder engagement policy framework, annual review of the framework, integration with the systems or processes and ensuring communication and training as well as implementation.

According to Berg (2012), research methodology is a systematic way of solving the research problem. It is the study of how research is done technically, various aspects are studied that the researcher adopts in examining the research problem, together with logic behind those steps. The main focus of this chapter is on the methodology applied by the researcher in conducting the study, and examines areas such as data collection and analysis approaches, research design approach and data collection approaches.

3.2. DATA COLLECTION

Data for this study was collected using three different techniques: document analysis; semi-structured face-to-face interviews, and focus groups. Three participants were interviewed face-to-face to gain an insight and profound understanding on the processes followed when engaging the municipal stakeholders. Originally only two face-to-face interviews were planned, but an official within the municipality who facilitates public participation was added to the interviewee list. Secondly, the two planned focus group discussions were conducted effectively. Interviews were conducted in the form of semi-structured interviews where open-ended questions were posed with the aim of obtaining detailed information regarding the matter at hand, refer annexure D. Participants who were interviewed included the Municipal Manager, IDP Manager, and the Public Participation Officer. Participants were chosen purposively as they are responsible for the stakeholder engagement processes when developing or reviewing the IDP.

There were two sets of focus group discussions; the first focus group (FG1) one was conducted with six management officials directly involved in stakeholder engagement processes on IDP formulation. The second focus group (FG2) was conducted with the community leaders as they form part of the external stakeholders who are affected and participate in the stakeholder engagement processes of the municipality.

Documents analysed include the Municipal IDP, which serves as a strategic document and outlines the background information of the municipality, goals and targets in relation to the municipal programmes; minutes of the stakeholder engagement meetings; the public participation policy; Intergovernmental Relations Policy, and the IDP process plan. The documents analysed provided background information and an overview of stakeholder engagement within the municipality and were regarded by the researcher as the entry point. Secondly, data collected through face-to-face interviews was presented simultaneously with focus group discussions and were analysed to inform prominent themes.

3.3. QUALITATIVE APPROACH

The researcher used a qualitative approach to conduct this study relation to the BCRM; the case focused on the challenges that are affecting stakeholder engagement in the BCRM.

As this is a qualitative research, definition of concepts, its characteristics and relationship to the study are necessary. According to Dawson (2002) qualitative research attempts to get an in-depth opinion from participants; although qualitative research often conducted on fewer people over a short period of time however relationships and contacts with these people tends to last longer.

This method used enables the researcher to investigate situations where the researcher knows little about what is happening out there (Gillham 2000). The qualitative research method in this case enables one or combination of the above, in particular, the analysis of the stakeholder engagement process in IDP formulation by BCRM.

Qualitative studies can be exploratory, explanatory, and descriptive (Yin, 1993). Exploratory studies are sometimes considered as an introduction to social research, while explanatory studies are often used for casual investigation, and descriptive study requires descriptive theory and are often used for projects. This study is exploratory in nature.

3.4. POPULATION AND SAMPLE

A population is defined by Fox and Bayat (2007) as any group of individuals, events or objects that share a common characteristic and represent the whole or sum of cases involved in the study. In the municipal context the population comprises of the whole community in the local area and the municipal employees. Host and Runeson (2009) stated that in qualitative research, the units to be analysed should be selected intentionally. Maxwell (2008) asserts that purposive sampling is important as it contain a small sample that has been selected on purpose to achieve representativeness or typicality of the settings, individuals or activities selected. As the aim of the research is to understand the stakeholder engagement processes followed by BCRM during IDP formulation, and to research how stakeholder engagement can be improved in the IDP formulation process of the municipality. The researcher has employed purposive sampling by selecting the municipal managers and community leaders that are affected

and directly involved in IDP formulation. The selection included municipal leadership, community leaders, IDP manager, municipal manager and public participation officer. Municipal leadership included was Head of Departments (HOD's) for example Budget and Treasury directorate, Community Services, Technical Services and Corporate Services as well as municipal manager as they are directly involved in developing plans for their departments. In addition to that IDP manager who facilitates the IDP development process and the public participation officer who ensures that the public is engaged in all phases of the IDP formulation process also formed part of the sampling. In terms of the community leaders IDP representative forum members, ward councillors, war room representatives and CDW's were selected as they represent the community.

These participants were selected purposefully as they were found to be useful and critical to the study.

3.5. SOURCES OF DATA COLLECTION

Maxwell (2008) addresses two key points of emphasis when selecting and using data collection methods such as the relationship that exists between research questions and data collection methods as well the triangulation. In this study the researcher has employed both primary source and secondary source of data collection. The researcher considers the primary data collection methods selected below as being relevant in addressing the research questions, even though the secondary source of data collection such as historical data, strategies and policies has been used.

3.5.1. Primary source of data collection

A primary source of data collection involves direct interaction between individual one on one basis, or in a group setting (Hancock, 1998). It therefore enables the researcher to obtain first- hand information directly from the source. For this research the primary data was obtained through semi structured interviews and focus groups discussions.

Interviews according to Hancock (1998) are qualitative in nature and can be structured or semi-structured interviews. Semi-structured interviews were conducted to analyse the

stakeholder engagement process[es] by BCRM when formulating their IDP. These interviews were conducted with three municipal employees namely, the municipal manager, public participation officer and IDP manager. In total, approximately 3 participants from the municipality were interviewed; see annexures C and D for the interview guide. Dawson (2002) asserts that in semi-structured interviews methods the researcher aims at obtaining specific information that can be compared and contrasted with information obtained in other interviews. It is therefore necessary that the researcher asks the same set of questions in each interview (Dawson, 2002). This is probably the most common type of interview used in qualitative social research.

Hancock (1998) refers to focus groups discussions as data collection method that can be used on occasion when one on one interviews are not possible to be conducted due to limited resources. In this regard the research was conducted with limited resources in terms of time and cost involved in conducting the research. Focus groups served as a relevant and useful data collection method to understand stakeholder engagement process undertaken by BCRM and institutional arrangement that are there to enable these engagements. In this case, there were two focus groups comprised of municipal leaders and community leaders served as the focus group. The researcher started the discussions by introducing the topic, guided by the focus group discussion guide, encouraged participation by asking specific questions to the group and certain members in the group and dotting down the responses. Focus group discussion guide was used to facilitate discussions (refer to annexure E for details).

3.5.2. Secondary sources of data collection

Hancock (1998) defines secondary data as a wide range of written materials that can produce qualitative information. It refers to the readily available data in one form or another. The documents that were reviewed or used as secondary data include the IDP document for the 2016/17 financial year , the Public Participation Policy, the IDP Izimbizo minutes in relation to 2016/17 IDP, the IDP process plan for 2016/17 financial year and the Intergovernmental Relations (IGR) Terms of Reference. The municipality was given two week to collate and submit the documents requested, (refer annexure F).

3.6. QUALITATIVE DATA ANALYSIS

Qualitative data analysis involves summarising the quantity of data collected, and presenting the results in a way that communicates the most important features. The researcher is also interested in discovering the bigger picture, by using different techniques (Hancock, 1998). In this study content analysis has been employed to analyse the secondary data (IDP, policies and public participation Izimbizo minutes) and thematic analysis to analyse data derived from focus groups and interviews (Hsieh and Shannon, 2005).

The researcher has used the qualitative data analysis process proposed by Maree (2007). The process comprise of three phases such as preparation phase, which includes data collection method, sampling strategy and selection of unit of analysis.

3.7. VALIDITY AND RELIABILITY OF THE RESEARCH INSTRUMENT

Validity in qualitative research refers to how appropriate are the tools, processes and data in answering the research question (Kluwer, 2015). He further asserts that the appropriateness depends on the methodology that has been used to discover the findings.

For data collection and analysis there are various methods that can be used to ensure validity of information such as triangulation of researcher, sources and methods (Creswell and Miller, 2000). In this study the researcher has employed triangulation of research methods by conducting interviews and focus group discussions, to find answers to the same research question.

Reliability in qualitative research as defined by Creswell and Miller (2000) refers to the extent the instruments or tools of data collection replicate the same results over and over again. In other words it ensures the consistency of results in all aspects and areas being studied. It is prudent to take into consideration that the findings or results can be reliable yet not valid or can be valid yet not reliable (Merriam, 2002).

A number of analytical techniques were employed to measure reliability and validity of information. Analytical techniques used were constant comparison of context either alone or with peers, another form of triangulation (Kluwer, 2015).

3.8. ETHICAL CONSIDERATIONS

Fox and Bayat (2007) defines ethics as processes involved in getting informed consent from the research participants, or any other that the study is going to be conducted on, or from whom material is drawn. There were measures that were taken to deal with issues of ethical conduct in this research such as informed consent – participants were informed regarding the nature and purpose of the research and consented to participate without duress, (refer to annexure B). Privacy and confidentiality issues – the participants were informed that responses to personal questions will be kept confidential and anonymity will be maintained throughout the research process, to ensure that the reader of the research will be unable to realise the identity of the individual. Lastly the right to discontinue - the participants were informed of their rights to discontinue in taking part in the research project (refer to annexures D and E).

3.9. SUMMARY

The research method and approach has been extensively discussed in this chapter ranging from the research approach to the ethical consideration. In research approach exploratory and descriptive views has been adopted as the study required descriptive theory prior the research project. Data has been collected using interviews and focus groups and document analysis methods. Triangulation was used to ensure that the data is valid and reliable by using different data collection methods.

Interviewee comprised of municipal manager, IDP manager and Public participation manager. There were two focus groups comprising of municipal leadership and community leaders. The documents analysed were IDP, public participation policy, The IDP Izimbizo minutes, IDP process plan and IGR terms of reference.

The participants were informed of their rights throughout the research process and they participated freely without prejudice. Qualitative research method has been used to gain broader view of the stakeholder engagement processes and engagements followed by the BCRM.

In conclusion, the research method selected hasn't been an easy one, as the research has to move back and forth to the participants for clarity of information and missing information, at times hard choices and decision has to be made.

CHAPTER 4: RESULTS AND FINDINGS

4.1. INTRODUCTION

This chapter presents data collected and analysed in this study of the BCRM. The objectives of this study are indicated in Chapter 1 and form the basis for this analysis which is concerned with understanding the following:

- How does BCRM conduct stakeholder engagement processes during IDP formulation?
- What institutional arrangements are in place for stakeholder engagement within BCRM?

As the previous chapter outlined the process followed in this research, this chapter presents data collected during the process. Data are then consolidated and key issues identified across data collection techniques and in relation to goals, culture and environment.

4.2. GENERATING THEME-BASED ASSERTIONS FROM THE STUDY

4.2.1. Objective 1

How does BCRM conduct stakeholder engagement processes during IDP formulation?

The municipality has a guide that assists them in understanding who their stakeholders are. However, they still need to identify the relevant stakeholders depending on the issue at hand. For example, the IDP/Budget Process Plan lists the relevant stakeholder for each phase of the IDP process. Of the identified stakeholders, the municipality need to classify them according to their salient issues, even though one participant remarked that:

“Everyone is a stakeholder when it comes to the community engagement; we don’t discriminate, everyone should come, even if the municipality is going to be discussing housing issues, even if you don’t have [a] housing problem, you might

have someone who has a housing problem but could not attend.” (FG2 (2), BCRM, 2017).

However, another participant stated that:

“Knowing your stakeholders in order to be able to identify them, and you need to consult stakeholders relevant to the matter at hand. You profile all the structures that exist or should exist in the community, e.g. government departments, community structures, e.g. ratepayer association, business forums etc.” (FG1 (2), BCRM, 2017).

In addition, one of the participants supported the above comment by providing details as follows:

“IDP comprise[s] different Key Performance Indicators (KPIs), each KPI need[s] certain stakeholder[s] such Local Economic Development (LED). All matter[s] relating to LED various stakeholders such as local business forums, forums representing the unemployed, Department of Labour, local representatives. You will then need to profile your stakeholders according to the KPA so you say, ‘My IDP is made up of these five KPAs and these are people I will be working with in the review of the municipality IDP.’ (FG1(1), BRCM, 2017).

Although the above comment sounds as though it is supported in the public participation policy, it is important to point out that such information of stakeholder data-base for each KPA is just the policy issue that, according to the participants, does not exist.

Another respondent advised that the municipality also profile the stakeholders according to the demographics, e.g. age, unemployed, etc. This has a bearing on the response given earlier that stakeholders should be profiled according to the matters that affects them.

During interviews, the municipality official indicated that the municipality keeps a database of the stakeholders so that it is easier to consult them when need be. The following statement was made:

“We create the database by using the previous attendance register and request identified stakeholders to identify others that could be affected by the matter at hand. In that way a detailed stakeholder database is created” (INT (3), BCRM, 2017).

When the sight of the database was requested, it could not be produced since it apparently had been stored in the employee’s laptop which had been stolen. This alone is an issue that needs to be addressed as this could have detrimental effect on the effectiveness of stakeholder engagement.

Most of the participants interviewed advised that in IDP processes each phase is dealt with differently in terms of stakeholder engagement; for example, the analysis phase is done internally and uses a desktop exercise and ward-based planning to derive the gaps and needs. Stakeholders such as ward committees, ward councillors, Community Development Workers (CDWs), community representative forums, government departments are consulted afterwards. After they have been consulted they, in turn, go back to communities for their input which is then consolidated and discussed further and presented to the IGR forum. In this forum, the government department is also required to present their plans. After that everyone (the municipality and the sector departments) goes back to incorporate the stakeholder input into the draft IDP. As a final step, the draft IDP is consolidated with the government department plans and the municipality goes back to present the draft IDP. It is in this phase that the municipality provides feedback on projects to be implemented or to be considered in the IDP. For those projects or issues that did not make their way to the IDP, the municipality must provide reasons to the public for not considering them.

In this regard, one respondent remarked that:

“Implementation of plans is informed by the availability of funds; we prioritise and make sense of the people’s needs or come up with something that will enable the need to be satisfied; for example, the community might say we need a clinic. There might be one that is available nearby, however the accessibility might be an issue. In that case, the municipality might look at constructing the roadway to the facility

or provide means of transport to the facility. As a matter of fact, the need was the access road to the community hall or mobile clinic or transport, not necessarily having to build a clinic.” (FG1 (2), BCRM, 2017).

In support, the following view was expressed:

“The municipality also categorises the needs according the sector department it falls under. The municipality sends these requests to the relevant departments so that they are able to advise on which programme they will fund.” (INT3, BRCM, 2017).

It is well and good that the municipality does proper prioritisation and categorisation and analysis of needs and suggests suitable solutions. However, communicating these in an understandable manner seems to be lacking, as one participant mentioned:

“When the municipality was rectifying the previously badly built houses, the size of houses was reduced to compare to the one we had before; they should have told us and gave us options; they demolished our houses and built us matchbox houses that our families cannot fit in.” (FG2 (7), BCRM, 2017).

In responding to that, one of the participants defended the municipality, saying:

“The houses were meant to address poorly build structures that were dangerous to dwell in; we re-built houses of good quality even though they were small, we communicated that to the community. It seems as if they never understood; maybe in future we should build show-houses first so that they can see a practical example.” (FG2 (2), BCRM, 2017).

Gathering from the respondent’s comments effective stakeholder engagement is hindered by lack of policy implementation by the municipal official. Moreover, unavailability of information management systems could result in ineffective stakeholder engagement as the information contained in the stakeholder database is key to stakeholder identification and communication.

In addition, the municipality needs to ensure effective communication with stakeholders so that the community understands the rationale for the municipality in dealing with issues in a certain way and also to be able to make decisions on issues affecting them.

4.2.2. Objective 2

What institutional arrangements are in place for stakeholder engagement within BCRM?

As indicated in Chapter 2 of this thesis, institutional arrangements refer to policies, systems, and processes that organisations use to legislate, plan and manage their activities efficiently and to coordinate effectively with others in order to fulfil their mandate (Schübeler, 1996). Institutional arrangements are more concerned with the institutional structures and measures as well as organisational procedures and the capacity of responsible institutions (Schübeler, 1996).

The responsibility for the institutional arrangement in the stakeholder engagement processes sits with the Accounting Officer, IDP manager and Public Participation Officer. These officials have a responsibility to ensure that there are institutional arrangements in place in relation to stakeholder engagements that guide the process.

Perusal of the public participation policy document shows that local municipalities are compelled by law to ensure that they provide mechanisms for citizens to participate in the affairs of their local government; and that the challenge facing all local governments in South Africa is to ensure that mechanisms introduced are effective and efficient, and that they actively encourage meaningful participation in order to strengthen institutional capacity to promote governance and effective service delivery (BCRM, 2017(b)).

The policy provides a useful tool to guide the municipality in engaging with its stakeholders; for example, it provides methods to be used to enhance public participation, procedures for implementing public participation methods and tools; the institutionalisation of public participation, intergovernmental relations, and lastly, a budget

for public participation. The policy also provides the assessment tool to monitor and evaluate the effectiveness of public participation processes (BCRM, 2017(b)).

All respondents confirmed that the municipality has a stakeholder engagement policy in place that guides the municipality in conducting their stakeholder engagements. The said policy was first developed and adopted in 2014. The availability of the public participation policy was confirmed by all respondents; however, a comment by the focus group participant points out:

“Not everything in the policy happens.” (FG2 (3), BCRM, 2017).

Another participant re-iterated:

“People do not get notified on time for the meetings by the municipality officials; and also, there was a problem with water and we were notified on the third day that there are water problems, and consequence management does not happen. Not everyone has an access to the social media, public participation department and communications should loud hail the problem to inform the community of the problem and when is it going to be resolved.” (FG2 (2), BCRM, 2017).

According to the municipal public participation policy (BCRM, 2017(b)), all stakeholders are to be informed of the meeting on time, seven days’ notice period should be a public advert (website and newspaper) in all primary languages within the areas, and can be supplemented with posters and pamphlets for strengthening the communication and reaching to stakeholders that cannot afford/access print media

While notification of stakeholders is important, equally the respondent felt that the mode of communication did not address everyone’s specific needs. The focus group participant made the following comment in this regard:

“The gap has also been identified in stakeholder engagement Izimbizo that loud hailing was not done properly in that most members of the community reside in rural areas where there is limited access to print media (currently the mode municipality uses the most) and don’t have access to such. This led to poor meeting attendance and ineffective participation.” (FG2 (4), BCRM, 2017).

Related to this, responses from the majority of respondents imply that consequence management needs to apply and leadership should be held accountable for implementing the public participation policy. While these issues were raised strongly, questions were raised whether the municipality knew of and understood their stakeholder needs. In the face-to-face interviews conducted with municipal officials, the following comment was made:

“As the municipality, we don’t have the data-base of our stakeholders and at times we are unable to track back issues raised in the previous engagements.” (INT (3), BCRM, 2017)

This could imply that the municipality should have a list of all community forums or structures for consultation purposes, names, and contact details of leaders within each structure and the proposed method of engagement. This further implies challenges pertaining to information management and record keeping.

Perusal of the Intergovernmental Relations Terms of Reference (IGRTF) provides rules of engagement between the municipality, its community and the sector departments. This had also apparently not been implemented at all, hindering the ability to meet community needs and the notion of developmental local government. The comment below from the participants refers:

“We do have IGR terms of reference that guide us in how we engage with the sector departments, such as the Department of Labour, Education, Health, South African Police Services; guidelines are paper perfect, not happening. Sector Departments are not attending our IDP meetings, especially Department of Labour, Education, etc.” (INT (2), BCRM, 2017).

In support of the above view, another respondent commented:

“Sector Departments are not cooperative; they are supposed to attend our IDP meeting to present their plans so that they inform the IDP and also listen to people’s needs and concerns regarding their sectors, as some of the community

needs fall outside the municipality mandate, and the budget sits with them.” (FG2 (4), BCRM, 2017).

The role of sector departments was further emphasised, as follows:

“If these departments were involved in what is happening in our communities, the local environment wouldn’t be in this state. The issues of unemployment would have been addressed and resolved if the Department of Labour and local business forums or business community would work together in job creation. The crime wouldn’t be this much if the police would work with the community and introduce initiatives to reduce crime. The IGR initiative is perfect, however it lacks implementation and accountability” (FG2 (3), BCRM, 2017).

The issue of communication and existence of mechanisms cannot be over-emphasised, in that when communication is done correctly, communities become aware of how to contact the municipality, who to contact and on what issues. A serious concern that was shared by the majority of participants in relation to this is as follows;

“The crime is too high in Somerset East; our mothers are being raped, nothing happened and we don’t even know where to go and address this within the municipality, who to talk to. There are no forums to address and deal [with] these issues other than opening a criminal case.” (FG2(5), BCRM, 2017).

Another respondent has looked at this from another perspective: that capacity and knowledge or lack of interest thereof, seems to be an issue, as in the in case of stakeholder engagement. This was articulated by one participant:

“I believe municipal officials lack capacity and knowledge, it’s been happening for years, no one has done anything about it.” (FG2 (1), BCRM, 2017).

Another area where the same lack of interest and knowledge seems to have been shown was commented on as follows:

“We have a community structure called war room when we use the structure as the last resort when issues cannot be resolved by the municipality; you will find out

that people go straight to the war room to complain rather than going to the customer care centre or relevant department with their complaints. We even asked the customer care department to keep a complaints book. Up to now that has not been implemented.” (FG1 (3), BCRM, 2017).

There seems to be a lack of implementation of municipal policies, and a comment from the respondents regarding policies and procedures in place to effect stakeholder engagement processes states:

“The problem with the municipality is that we are too much theorist” (FG2 (2), BCRM, 2017).

IDP document Chapter One sets up processes to be followed when developing the IDP. In that chapter there is a process plan that details how IDP stakeholder engagement processes have to be conducted, with timelines and responsible people.

Many respondents seemed to be aware of the process plan and the purpose thereof; that it comprises critical stages of IDP process and the engagement dates. Notices are to be publicised seven days prior the meeting date, and loud hailing one day before the meeting. In addition, there is a stakeholder engagement plan for the IDP that the municipal councillors adopt and have published. This was further confirmed by all respondents.

Participants made some recommendations on how the stakeholder engagement process of BCRM could be improved. One participant indicated that the municipality should use different structures that exist to strengthen relations with the community and those structures should be held accountable. A comment from one of the participants relating to this refers:

“Ward Councillors are the agents of the municipality; they have the responsibility to portray the right image and maintain good working relations, manage conflicts and expectations to make it easier for the municipality when engaging with the stakeholders as the municipality does not interact with the community daily. They

need to keep contact and inform the community; as long as you keep people informed they will be happy.” (INT1, BCRM, 2017).

The dominant issues around the stakeholder engagement process are government departments that are not fully represented in these IDP discussions meetings. This makes it difficult for the municipality to make decisions on issues relating to their sectors. If their concerns are not being addressed, this alone is enough to make people lose interest in attending community meetings regarding IDP.

The very same issue was raised and documented in the municipal planning document (IDP) for the 2017/18 financial year, and that the municipality would seek the intervention of the MEC and parliament if the departmental heads of those departments were still not cooperative. The same issue was raised again in the minutes of the meeting dated 24 March 2017 as being problematic and the decision was to write to the HOD of those sector departments.

Regarding these concerns and issues, the municipality has plans in place and they know what to do to correct the behaviour of the sector departments. The issue here seems to be around execution. These problems are sufficiently documented in the IDP and minutes of the meeting, however there is no mention in the following meetings indicating that these issues were addressed to the relevant bodies. This problem has been going on for a number of years with no resolution, providing enough ground to assume that these issues are not addressed, or if addressed, no one follows through. The comment below from the respondents confirms that:

“The municipality is going around in circles from one council term to the other, with the same issues that doesn’t get resolved. There is not a culture of implementation or finishing something.” (FG2 (3), BCRM, 2017).

There are war rooms that deal with issues that cannot be resolved at the municipal level; however, there are capacity issues around war room members. The municipality has a number of good structures in place, but they need to ensure that they are capacitated in their roles to assist the municipality effectively in solving issues. Once war room members have been capacitated, it would be easy to hold members accountable. There will be no

excuse for non-performance. Below is the comment from the participant relating to the lack of knowledge:

“There are two crises that the municipality is struggling with for years now: housing and water issues. People have been waiting for the houses to be registered in their names for two years now, shacks are accumulating. People sit without water for weeks, we address and address nothing happens. Municipal officials are incompetent and they don’t know what they are doing.” (FG2 (3), BCRM, 2017).

One of the respondents commented on community structures that are responsible for working together with sector departments and so be in a position to address issues relating to that particular sector. The respondent further commented that if these structures could work properly there would be no complains. He asserted:

“Ward committees are divided according to their responsibilities which are sector related, for example health, education, labour etc. There are no reasons why sector departments are not held to account. The municipality needs to build relationships and collaborate with these government departments and report cases of poor cooperation and non-performance.” (INT (2), BCRM, 2017).

One respondent asserted that reasons for poor attendance of IDP community meetings by the community is that their issues are not being taken seriously and, if the municipality engagements could address the prevalent issues such as crime, unemployment and poverty, local stakeholders would come as the comment below confirms:

"The reason why the community is no longer interested to attend meetings is that their concerns are not being addressed, due to budget and non-responsiveness from sector departments. Their planning process does not consider the municipal planning and people’s concerns. Some departments, for instance, Department of Labour has no staff; sometimes they send junior staff with no information, who cannot even make decisions.” (INT (3), BCRM, 2017).

The reporting line of certain community structures seems to be a problem; there is no collaboration as one respondent expressed:

“CDW’s are community workers, but they report to the province which does not make sense. They are supposed to report to the local structure, either political or administrative structure. No one knows what they do, if called to the meeting they don’t come.” (INT (3), BCRM, 2017).

Another issue identified was the knowledge problem by the municipal officials, as well as language barriers. One respondent as asserted below questioned the understanding level of the officials. The community needs to be educated in terms of understanding their rights, the notion of developmental government, what local government can do and cannot do. And these need to be communicated in the language they understand. The comment below refers to that:

“People does not understand IDP, sometimes the municipality present in the language that they cannot understand, and in awkward times.” (FG2 (3), BCRM, 2017).

People are not kept informed of the municipal service. Recently the municipality developed customer service department to deal with community queries and complaints that could not be resolved at departmental levels. It seems as if all complaints are still going to the respective department rather than the customer care department as the number of complaints reported are very few.

The municipality need to have a toll-free number or share-call number and that should be reflected in the billing, electricity receipts and in notices in the public areas, so that people know who to call when they have unresolved issues. The comment below relates to this:

“People are not aware that there is customer care department. In the billing, the customer care number does not reflect, only departments’ contact details are reflecting e.g. water services, electricity etc.” (FG2 (2), BCRM, 2017).

The statement below addresses community frustrations and the need to educate the community on issues affecting them, and to reconnect back to the community through proper communication:

“Community are not satisfied with the results and what is being implemented. The municipality should educate [the] community, conduct satisfaction surveys, and distribute pamphlets to bring awareness about services to the community. Use billboards, local newspaper. We need to get the people’s voices. We need to restart afresh and move forward.” (FG2 (3), BCRM, 2017).

With the new council term that has just started in 2017, community leaders need to re-affirm their commitment to the people and communicate renewed ways of engagement. For example, the time meetings are convened, proper plans for meetings, the language used when engaging the community, and involving the relevant structures to assist in ensuring proper engagement. Furthermore, issues of non-compliance with stakeholder engagement with the relevant structures need to be addressed and follow-through needs to take place.

4.3. CONSOLIDATION OF KEY THEMATIC ISSUES

The following key findings emerge from the responses. In addition, issues have been expanded, as indicated below.

4.3.1. Finding 1: Institutional arrangements

The first findings relating to institutional arrangements are the integration of KPI’s to the IDP document and capacity building of the municipal officials to effectively perform their duties as detailed below:

4.3.1.1. Stakeholder engagement as national policy does not form part of the KPIs documented in the IDP.

4.3.1.2. Capacity building is viewed as the measure to improve the stakeholder engagement process for both municipal officials. Its lack prohibits effective engagement.

4.3.1.3 There is no indication of the implementation of stakeholder engagement policy, this relates to performance measurement that does not exist at the municipality.

4.3.2. Finding 2: Stakeholder engagement processes

Findings relating to stakeholder engagement processes include stakeholder database, information/records management, collaboration and corporation by stakeholders. These findings relate to the processes necessary to engage with stakeholders.

4.3.2.1. Findings on stakeholder engagement processes revealed the non-availability of a stakeholder engagement database to facilitate stakeholder engagement processes. The participants believed that the database would provide information on the name and prioritisation of stakeholders and their interests. Such a database should include business forums, youth structures, disabled structures and many others.

4.3.2.2. Another pertinent issue is the management of information to ensure continuity of information that arises from the stakeholder engagement processes.

4.3.2.3. Collaboration and cooperation by sector departments was also lacking as part of stakeholder engagement processes when developing and reviewing an IDP.

4.3.3. Other findings

The first two findings relate to already identified themes; however, data collection results suggested further prominent themes that arose during the process such as communication and community education.

4.3.3.1. Finding 3: Communication

Respondents suggested there is a gap in communication. Issues such as the mode of communication and language barriers were identified as being a challenge in effective stakeholder engagement. Feedback mechanisms are not clearly identified, resulting in a lack of trust on the part of the community.

4.3.3.2. Finding 4: Community education

The final finding relates to the knowledge gap on the part of the community which prevents them from participating effectively in the affairs of the municipality. This lack of education also impacts on the ability of the communities to understand how to engage effectively.

4.4. SUMMARY

In terms of the institutional arrangements that guide the stakeholder engagement, as indicated by various respondents, it would appear that all necessary documents, policies, strategies are in place. Furthermore, everyone is aware of these institutional arrangements. However, no one is held accountable for enforcing the implementation, and there is no consequence management of those who do not comply.

In summary, local government institutional arrangements such as policy, procedures and municipal culture are pivotal for effective stakeholder engagement processes. Moreover, structures that are in place to effect and encourage stakeholder engagement, such as ward councillors, ward committees; the war room and CDWs need to encourage community representation. These structures should engage with the community to make it easy for the internal structures such as the representative forums, and the municipal leadership when engaging with the community.

Checks and balances in place within the BCRM need to be carried out effectively in line with the legislation to ensure that all inputs by all stakeholders are reflected in the IDP and that there is a plan to address local area developmental problems that have been raised by the community.

CHAPTER 5: DISCUSSION, RECOMMENDATIONS AND CONCLUSION

5.1. INTRODUCTION

The aim of this research is to understand the stakeholder engagement process in IDP formulation by BCRM. This study considers the impact of institutional arrangements on stakeholder engagement and the implications for IDP formulation by the municipality. It further considers procedures, processes and the implications of capacity (ability to carry task or perform duties), information management and stakeholder collaboration on stakeholder engagement (see findings 4.3.1.1 to 4.3.4.1). Other conclusions that are highlighted in this chapter include a focus on community education and communication as these are indicated in findings 4.3.3.1 and 4.3.4.1. In Chapter 2 of this study, the researcher proposed a theoretical framework with key concepts (model by Sinclair (2011) that forms the basis of the study; the model has been re-visited as informed by the findings of the study. The revisited conceptual framework includes concepts such as institutional arrangements, stakeholder capacity development, collaboration and cooperation, communication and community education, and these have supported the building of the foundation of this research, and demonstrated how this study advances knowledge by expanding on the existing scope of stakeholder engagement. That led to the conceptualisation which provided a reference point for interpretation of the findings. While the previous chapter provides a clear presentation and analysis of stakeholder engagement as informed by data collection, this chapter concludes by highlighting key thematic issues that forms the basis of this chapter.

5.2. DISCUSSIONS ON INSTITUTIONAL ARRANGEMENTS

5.2.1. Integration of Stakeholder engagement key performance measures (KPI) to the IDP

Finding 4.4.1.1 on institutional arrangements suggest that the stakeholder engagement function within the BCRM is not integrated into the KPI's of the municipality IDP (BCRM,

2016). Certain institutional arrangements are to be in place wherein IDP, as a strategic document, should include KPIs that relate to stakeholder engagement. An IDP is a five-year strategic plan of the municipality, which guides the municipal objectives, strategic and activities for the period of five years, and is reviewed annually. Radnor and Lovell (2003) defined three core principles underpinning the IDP process: firstly, as the consultative process, the IDP approach stresses that appropriate forums should be established where local residents, government representatives, NGOs, civil society and external sector specialists can come together to analyse the problems affecting service delivery. Secondly, they then prioritise issues in terms of urgency and long-term importance, develop shared visions, formulate relevant project proposals, assess and align IDP plans.

5.2.1.1. The importance of integrating stakeholder engagement KPI's to the IDP.

Key performance indicators (KPI's) refer to the relationship between outputs and outcomes. As stated in finding 4.3.1.1 key performance indicators that relate to stakeholder engagement are key in ensuring that the municipality measures their stakeholder engagement process and ensure continuous improvement on performance.

Sinclair's (2011) propose stakeholder engagement performance measurement which should be reviewed annually. A more comprehensive definition is provided by the Local Government Municipal Planning and Performance regulations (MPPR, 2001):

Output indicators are indicators that measure whether a set of activities and processes yield the desired products. They are essentially effectiveness indicators. They are usually expressed in quantitative terms (that is, number of, or percentage of). For example, the number of households connected to electricity as a result of the municipality's electrification programme.

Performance indicators are pivotal as they enable organisations to monitor the achievement of objectives and goals as well as providing basis to measure and report on performance. Outcome indicators measures performance quality, for example if the initiative in place has produced the required results or the overall objectives has been

achieved. Examples of quality indicators include assessments of whether the services provided to households comply with the standards applicable to the community (MPPR, 2001). In terms of the impact, outcome indicators measure the net effect of the products and services on the overall objective. In practice, it is much easier to develop output performance indicators because there is a clear link between inputs and outputs which is tangible and easy to measure. On the other hand, the relationship between outputs and outcomes is much more difficult to articulate because many different factors may have an influence on society.

5.2.2. Capacity development

Capacity development refers on how the organisation performs its various functions and tasks as well as available resources and structure that are in place (Morgan and Qualman, 1996). Capacity development is concerned and concentrates on improving administrative procedures through the provision of training in order to effectively perform the tasks.

In this study, capacity development relates to the capacity of the municipality to embark on proper stakeholder engagement processes, as suggested by the findings (see finding no.4.3.1.4 in Chapter 4). This relates to how the BCRM structure gives effect to the effectiveness of the stakeholder engagement function: who is involved, in which capacity, and at what level. Another issue is that of resources to enable effective stakeholder engagement, an aspect that includes available administrative procedures and technical assistance.

In terms of the findings, in order for stakeholder engagement function to be effective, the municipality has to assess the capacity in terms of institutional arrangements and ensure that a plan is in place to address capacity gaps (FG2 (3), 2017).

5.2.3. Performance measurement

Whilst the first finding on Institutional arrangement suggest inclusion of Key Performance indicators as the measure to ensure implementation of stakeholder engagement programs, such implementation can only be monitored and improved once performance is measured. In the literature on this subject, the terms 'performance measurement' and 'performance management' are used interchangeably. For example, an article by Radnor and Lovell (2003) uses the abbreviation PMS for a combined performance measurement/management system, and the authors further define PMS as an information system that managers use to track the implementation of business strategy by comparing actual results against the goals and objectives.

A performance measurement system typically consists of systematic methods of setting business goals, together with periodic feedback reports. Other authors such as Striteska and Spickova (2012) regard performance measurement as a framework that describes and represents how an organisation's business cycle and processes of performance planning, monitoring, measurement and review, reporting and improvement will be conducted, organised, and managed. The performance framework also defines the roles and responsibilities of the various role-players. Performance measures define the relationship between inputs and outputs. In other words, they measure how successfully outputs are produced by using various inputs. In effect, they measure the productivity of resource use (Noordin, Haron and Kassim, 2017).

5.3. DISCUSSIONS ON STAKEHOLDER ENGAGEMENT PROCESSES

5.3.1. Stakeholder database

5.3.1.1. Development of stakeholder database

This research finding highlights the importance of what is referred to as stakeholder database for effective stakeholder engagement refer chapter 4 finding 4.3.2.1.

Robbins (1995) refers to database as relating to a collection of related data. The author restricts the meaning of the database and refers to it as a persistent, logically coherent collection of inherently meaningful data, relevant to some aspects of the real world.

While Robbins (1995) refers to meaningful data, Elmasri and Navathe (2015) explain that by 'data' it mean known facts that can be recorded and that have implicit meaning. Robbins (1995) gives an example suggesting that names, telephone numbers and addresses of people you know can form part of the database.

Sharma (2011) asserts that stakeholder database is important in provident the following information.

- What are the stakeholder names, contact information, designation?
- What are stakeholder expectations OR interests? importuning
- Which stakeholders are critical for the entire project and which ones are more active for specific project phase?
- How often do stakeholders require communication and what is the preferred communication method?
- What type of communication is required? And
- Is there reporting relationship between stakeholders?

Table 5.1 below provides an example of a proposed stakeholder database that should inform and form part of municipal stakeholder management processes.

This implies that, before the municipality embarks on stakeholder engagement process[es], there should be an understanding of the stakeholders to be engaged, the purpose, the role of the projects, the mode of communication and expectations of both stakeholders and the municipality. This is not evident at BCRM as finding no. 4.3.2.1. indicates unavailability of stakeholder database.

Table 5.1: Proposed stakeholder database. Source: Sharma, 2011.

Name of stakeholder organisation	Position	Department (where applicable)	Role in project/ programme	Type of stakeholder	Mode of communication	Expectations
E.g. Business forum	Chairperson	N/A	Negotiation/ Consultation	Community	Formal meeting e.g. boardroom	Consensus on the development

Therefore, it is the view of Sharma (2011) that the proposed stakeholder database highlighted in Table 5.1 contains pertinent and meaningful data to ensure effective stakeholder engagement

5.3.1.2. Handling of data and database

Macqueen (2005) raised some concerns regarding the handling of stakeholder database that most of the government organisation tends to allocate this function informally to an individual who build relations with these stakeholders. He further asserts that this informal style makes the institution vulnerable should the individual leave the organisation or not available at the critical times. He Macqueen (2005) recommends that this can be avoided by collating the information as a team rather than leaving it out to an individual.

Macqueen (2005) states that the manner in which the information is being kept is a big concern to the government organisations.

Robbins (1995) asserts that data can be recorded in an indexed address book or may be stored on a hard drive, using a personal computer and software such as Microsoft Access. However Macqueen (2005) suggests that an electronic database can be developed where contact information and other relevant information about the stakeholder can be stored and be accessible to everyone concerned. To enable this he suggests that the information should be kept in a central point for example a secure internet site where everyone relevant is able to have controlled access to view and update the information, and the information in the database must be updated regularly (Macqueen, 2005). In this way the institutional memory is kept safe or won't get lost when the individuals leaves the organisations.

5.3.2. Information/records management

Norris (2002), in *Seven attributes of an effective records management programme*, refers to records as a basic tool of government administration, which provide information for planning and decision making, and form the foundation of government accountability, which are subject to certain legal requirements. In this study, the findings 4.3.2.2 revealed a lack of record keeping on stakeholder engagement, making it impossible for the municipality to have information on the issues raised by the stakeholder during the engagement process. While this view was shared by most participants, including the officials interviewed, this has led to the Auditor General's findings that community inputs are not taken into consideration when the municipality formulates a strategy (IDP).

Proper management of records, according to Stephens (1996) enables the owner of the records to retrieve information quickly through an efficient access and retrieval system and to promote the use of the archival records as a community service. While the research shows lack of record management, it is evident that record management does contribute to effective stakeholder engagement processes.

It should be noted that records management links very well with the database management as discussed above in terms of proper management of information. Therefore suggestions provided above such as proper way of keeping data applies to records management as well.

5.3.3. Collaboration and cooperation

The literature agrees on the notion that stakeholder collaboration is a requirement for sustainable development (Andersson, Angelstam, Axelsson, Elbakidze and Tornblom 2013; Bendell, 2000; Khare, Beckman and Crouse, 2011). These authors agree that a participatory approach and interaction between stakeholders in the community is necessary to successfully manage sustainable development, as no individual or organisation alone can achieve sustainable development. In a municipal environment,

this means that all role players within the area of operation should cooperate with each other on the development of the area. Findings in this regard suggest that different role players within the BCRM area, such as sector departments, NGOs, and businesses are not working in collaboration with each other for the benefit of the municipality (INT. 2 and FG (2),4, 2017). The remarks by Nakamura and Smallwood (1980) support how IGR implementation is viewed by BCRM: that there should be cooperation among the different role-players within the spheres of government in delivering community services. In this regard, cooperation is regarded by the authors referred to as the process, and to service delivery as an outcome. In relation to stakeholder engagement, the literature reviewed indicates that all role players within the local municipal area should work together and engage the community on service delivery issues and other issues of benefit to the community.

5.4. DISCUSSION ON OTHER FINDINGS

Below are finding that did not form part of the identified themes such as communication and community education; however respondents felt very strongly that they are key to the effective stakeholder engagement.

5.4.1. Communication

Communication is referred to by Hacker (2003) as the act of giving, receiving or exchanging information, ideas, and opinions so that the 'message' is completely understood by both parties. The author further identified major elements in the communication process to include the sender, message, channel, receiver, feedback, and context. Most important, findings in this research highlighted the issue of 'channel' as having impact on the stakeholder engagement process. Cook (2012) suggests that before one uses the channel; they should ask themselves whether the channel is appropriate for a particular purpose and the person/receiver in mind. Sending a message via inappropriate channels can send out wrong signals and end up creating confusion.

This was supported by Taylor (2000) who further engaged with the notion of barriers to good communication. This author suggests that disabilities such as impaired sight, dyslexia, and poor mental health can be barriers to good communication, and should be taken into consideration when evaluating the effectiveness of the communication process. Taylor (2000) demonstrated his view on effective communication as follows:

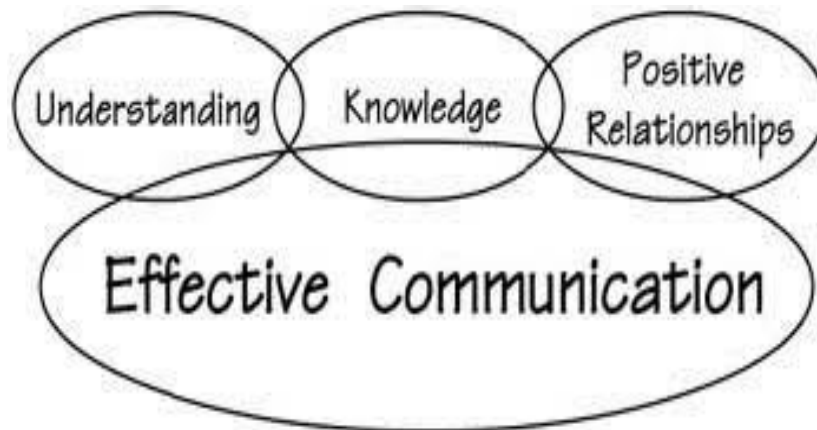


Figure 5.1: Taylor’s view of effective communication. Source: Taylor, 2000.

The findings of this research support the notion that when communicating with stakeholders, relevant stakeholders should understand and have knowledge of both the process of engagement and the issue engaged on (FG2(2),2017). Without the stakeholders’ knowledge, the municipality is unable to ensure effective stakeholder engagement. In relation to stakeholder engagement, the above analysis of views implies that understanding your stakeholders and the kind of relationship you have with them is a critical step in planning communication with stakeholders. However, it is vital to communicate with stakeholders in a way that is easily understood; if stakeholders cannot understand what has been said, they will feel that they are not involved and not appreciated or important.

5.4.2. Community education

Everett (1938) writes:

“Education is part and parcel of the very fact of living. The social nature of the individual is but testimony to how the learning process is at the same time the process of becoming. We learn what we live, and what we thus learn is through the very process of living built into the source of one’s being, there to form the foundation for behaviour” (1938,122).

It is important that stakeholders are educated properly in order for them to engage fruitfully, as the findings of this study suggest. Okand (2007) asserts that community members should take part in decision-making and problem-solving through the functioning of community education councils and all agencies and institutions with educational potential are involved in the community education process.

This implies that, in order for community members to take an active role/ part in decision-making and problem-solving, they have to be educated, and imparting learning is everyone business. The view that emerged in the findings of this study, is that most members of the community are not educated, or do not even have necessary knowledge to embark on the process of stakeholder engagement (FG(2) 1).The findings suggests that lack of such knowledge and education does affect decision-making by the municipality on service delivery and community issues and might lead to unnecessary protest actions.

In a study conducted by Tengan and Aigbavboa (2017) six key stakeholders were identified in local government project delivery in Ghana. It was evident from the study that there was a high level of stakeholder engagement in project delivery, while participation of stakeholders in monitoring and evaluation of public projects at the local government level was very poor. This was attributed to lack of knowledge, understanding, involvement and time devoted for monitoring and evaluation of projects by stakeholders. Reciprocally, this means that stakeholder engagement without knowledge is meaningless, hence the need for community education.

5.5. RESEARCH CONTRIBUTION

This qualitative study explores areas that are understudied within the contingency theory realm and searches for contribution to theory (Creswell, 2003). In the researcher's effort in searching for a contribution to the field, a conceptual framework has played a significant role in situating this study. The conceptual framework grounded this study in the relevant knowledge basis that laid the foundation for the importance of stakeholder engagement in the IDP formulation process.

One emerging aspect of the stakeholder engagement theory is its association with the four factors of institutional development, stakeholder engagement processes, communication, and community education, which are regarded as being key for effective stakeholder engagement (Sinclair, 2011). While this research is based on the stakeholder engagement model that involves stakeholder engagement framework, annual review of stakeholder engagement policies, integration of stakeholder engagement with processes, communication and training as well as implementation, it is important to note other issues arising from the research findings have implications for the stakeholder engagement theory. These then inform conceptual issues that have brought in some views from outside the habitually defined area of stakeholder engagement and integrate approaches or lines of investigation or theory that have not been previously connected, such as the connection between stakeholder engagement, and communication and community education.

One thing this research does is to inform readers about what is going on in the world of stakeholder engagement and it transforms the manner in which we look at things and talk about them. It is for this reason Miles and Huberman (1994) felt strongly that no one can contribute to theory if that person does not have something to say about what is going on 'out there' in real life. In mapping out this new conceptual landscape, the researcher recognises that, over time, her ideas will be refined. The following factors contained in Dubin (1978) were considered by the researcher in qualifying the stakeholder management approach. These are:

- The factors that should be taken into consideration logically in explaining the social phenomena of interest;
- The criteria used for judging the extent to which the researcher has included the 'right factors';
- All factors included, and,
- Whether some factors should be removed because they add little value to understanding stakeholder engagement.

In addition, Figure 5.1 gives a clear picture of the contribution this study has made to the field of stakeholder engagement.

5.6. VALIDATING THE CONCEPTUAL FRAMEWORK

Conceptual frameworks can be modified and re-conceptualised in relation to the evolution of the phenomenon question, and because of new data that were not available when the framework was initially developed. This is consistent with the basic premise that social phenomena are evolutionary and not static (Boyatzis, 1998). The evolution of new data in this study has led to a modified conceptual framework and provides a better understanding of stakeholder engagement within BCRM and makes a substantive contribution to this field of study.

Figure 5.1 consolidates key factors that have led to the more improved conceptual framework. The conceptual framework in Chapter 2, figure 2.2 specifically provides for the five concepts: which are stakeholder engagement framework, annual review of stakeholder engagement policies, integration of stakeholder engagement with processes, communication and training as well as implementation. However, the modified conceptual framework provides an understanding of the expanded components of the improved stakeholder engagement theory, in relation to other concepts, to the plane on which they are defined, and to the problem they resolve: that of the stakeholder engagement within the IDP formulation process by BCRM. The diagram in Figure 5.2 below reflects the key factors and sub-factors that affect stakeholder engagement.

The contribution of this study addresses multiple elements of the stakeholder engagement theory. The fundamental factors include institutional arrangements as they relate to the integration of stakeholder engagement to municipal KPIs and procedures; communication as it relates to how the municipality should communicate with its stakeholders; community education as it relates to the impact and role of an educated community in stakeholder engagement, and lastly, stakeholder management processes as they relate to the stakeholder database, capacity development, records management, collaboration and cooperation.

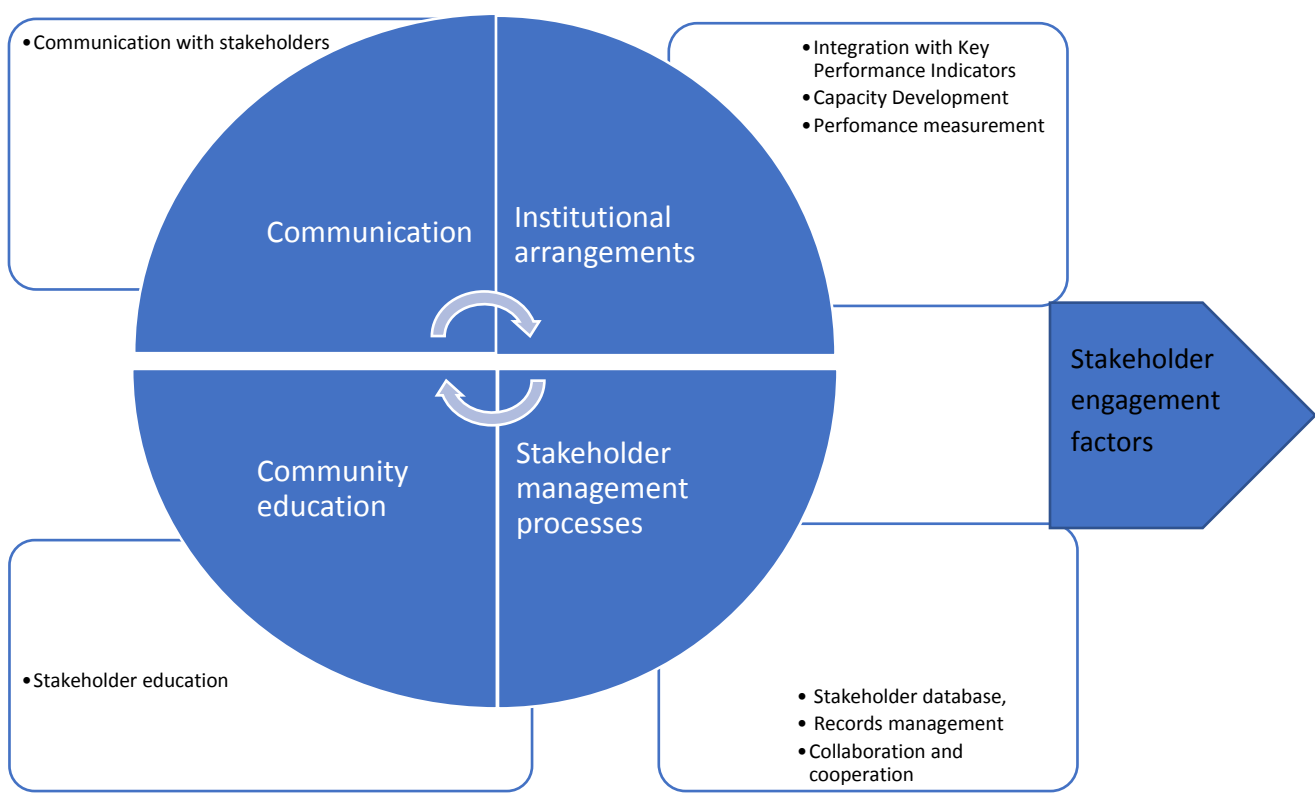


Figure 5.2: Modified conceptual framework. Adapted: Sinclair, 2011

5.7. RECOMMENDATIONS

RECOMMENDATION: FINDING 1

INSTITUTIONAL ARRANGEMENTS

Findings on institutional arrangements includes stakeholder KPI's that are not integrated to the IDP document, issues around capacity development (in terms of resources and ability to perform tasks) and the inability to measure performance relating to the stakeholder engagement.

Municipalities operate in an environment where a large majority of their actions and processes are regulated by some form of public policy, which points to a high degree of regulation by the state. This is particularly the case for stakeholder engagement issues. The high degree of regulation by the state has had limiting effects on the autonomy of the municipalities. With regard to policy autonomy, Chapter 3 of the MSA, (2000) stipulates that municipalities must formulate their own policies and strategies, as independent organs of the state.

With regards to the stakeholder engagement KPI, the municipality should ensure that they are incorporated to the IDP for the purpose of measuring and monitoring performance. This will enable identification of capacity issues such as resources and the ability of the officials concerned to perform stakeholder engagement tasks effectively.

This will make it easy to measure performance of stakeholder engagements and performance gaps can be identified and be addressed. This will not only ensure implementation but will also ensure that stakeholder engagement is "top of mind " to the municipality's agenda as it is key for developmental local government.

RECOMMENDATION: FINDING 2

STAKEHOLDER ENGAGEMENT PROCESSES

Findings on stakeholder engagement processes includes difficulty in accessing stakeholder database as well as poor collaboration and co-operation by stakeholders.

In addressing these challenges it is recommended that the municipality uses electronic format and the information get stored in a password protected database that is accessible to everyone. It is also advisable that the format recommended by Sharma (2011) in collating pertinent information relating to the stakeholder be used. And also updating of data on ongoing basis is pivotal.

Regarding collaboration and co-operation by stakeholders particularly sector departments the municipality should follow legislated processes in holding the stakeholders accountable such as addressing collaboration and co-operation issues and concerns with the HOD of those departments, and if no resolved issues must be escalated to the relevant MEC's.

RECOMMENDATION: FINDING 3

Communication

Finding 3 and 4 are finding that did not form part of the themes however was considered as key to effective stakeholder engagement. The findings revealed that the communication at the municipality relating to stakeholder engagement is not done in an effective manner.

In addressing communication challenges, it is recommended that the municipality first get to know and understand its stakeholders. The choice of communication media and language is key to stakeholder engagement. The municipality should ensure that they devise suitable communication mode and media to ensure effective communication. For example BCRM comprises of rural and urban areas as well as literate and illiterate communities. It is therefore recommended that for rural and illiterate communities loud hailing is used and municipal documents such as IDP gets translated in their primary language so that the information is understandable and accessible to everyone.

RECOMMENDATION: FINDING 4

Community Education

This finding related to the inability of the community to understand the municipality's technical terms and language for example terms such as IDP and budget and the impact it has in their livelihood as well as the importance of being involved in those engagements. This alone has resulted to ignorance among the community as they don't understand the purpose of being involved. In addressing this finding it is recommended that the municipality should start educating the community on issues affecting them regarding the municipality service delivery mandate to the community. This does not only affect external stakeholders, it also affects the municipality's ability to make informed decisions in developing their strategic plans (IDP).

In summary, firstly, this suggests that municipalities should ensure that institutional arrangements for stakeholder engagement are improved to accommodate integration with KPIs and ensure that the stakeholder engagement procedure manual in place. Secondly municipalities should ensure that stakeholder engagement processes include the provision of a stakeholder database, capacity development interventions for officials, records management to preserve institutional memory, and collaboration and cooperation with all role players. Thirdly, municipalities should ensure that their communities are educated to understand the stakeholder engagement process and their role in effective engagement. Lastly, municipalities should improve on communication, given the levels of education within the community they engage with. These four areas are regarded by the researcher as being key in ensuring effective stakeholder engagement and IDP formulation.

5.8. SUGGESTION FOR FURTHER RESEARCH

This research has generated an enormous amount of knowledge with regard to stakeholder engagement within the local sphere of government. Various researchers and gurus in stakeholder engagement such as Freeman (1984) and Mitchell (1997) have raised various and similar challenges and issues affecting the effectiveness of

stakeholder engagement. The researcher experienced similar and different issues affecting effective stakeholder engagement. One would attribute that to the different research context under which research is taking place that result into different findings. It is pivotal to note that some recommendations might be suitable to a specific setting or context, but that a recommendation that fits one situation might be different in another.

The first gap in the stakeholder engagement literature is that the focus is more on for-profit organisations and less on non-profit organisations such as the public sector. Therefore, more research on stakeholder engagement in public sector needs to be carried out and published.

Communication and community education were two gaps that emerged from the research that did not form part of the themes. Issues such as the mode of communication, and language barriers were identified as being challenges in effective stakeholder engagement. In addition, feedback mechanisms are not clearly identified, resulting in lack of trust on the part of the community.

In community education, a gap exists on the part of the community to enable them to participate effectively in the affairs of the municipality. The lack of knowledge plays an important in enabling communities to understand service delivery processes and their roles, so that when they engage on issues affecting them, they are able to participate.

Further research on how municipalities communicate and impart knowledge to their stakeholders would provide a huge contribution to the body of knowledge.

CONCLUSION

The aim of this research was to understand how the municipality engages its stakeholders during the formulation of its IDP. Whilst the IDP is understood as the strategic document that outlines the Municipality vision for the development of its area and provision of services to the community, the MSA requires that stakeholders be engaged during this process. The study made use of the analytical and methodological

approach in understanding stakeholder engagement process of BCRM and as such interviews and focus group discussions were conducted with municipal officials and community members who are role players in the IDP formulation process.

Sinclair (2011) model serves as the theoretical framework and synthesizes existing models and related concept to develop foundation for theoretical contribution. As the discussion progresses, some propositions are suggested and later incorporated into a figure that illustrates the proposed conceptual framework (see figure 5.2). The figure demonstrates how stakeholder engagement relates to municipal KPIs and procedures; communication as it relates to how the municipality should communicate with its stakeholders; community education as it relates to the impact and role of an educated community in stakeholder engagement, and lastly, stakeholder management processes as they relate to the stakeholder database, capacity development, records management, collaboration and cooperation. The framework is further discussed in terms of its theoretical contributions and practical implications as indicated in section 5.4 of the study. The importance of this study is demonstrated in linkages between the primary research question, which is to understand the stakeholder engagement process of BCRM. This further aligns to the theoretical overview by demonstrating how the particulars of this study serve to illuminate larger issues and are of significance.

As the reflection is made in the last chapter on conclusions and theoretical contributions, this informed by the principal research question, however recommendations for further research are made which include the need to investigate communication and community education which appeared to be lacking at BCRM and required as a tool to enhance stakeholder engagement.

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APPENDICES

ANNEXURE A

Request for permission to do research



Rhodes Business School
Leadership for Sustainability

Mr T Klaas

The Municipal Manager

Blue Crane Route Local Municipality

Somerset East

REQUEST FOR PERMISSION TO CONDUCT RESEARCH AT Blue Crane Route Local Municipality

Dear Mr Klaas

My name is Nonkululeko Marambana, and I am a MBA student at Rhodes University in Grahamstown. The research I wish to conduct for my MBA dissertation is about “analysing stakeholder engagement on the IDP formulation process in Blue Crane Route Local Municipality”. The research seeks to address the challenges faced with stakeholder engagement when formulating IDPs given the contextual dimensions of the municipality, which will serve as the basis of the study.

BRCM has been identified as one of the municipalities, upon which research will be conducted due to the distinct complexity within the local municipality. This project will be

conducted under the supervision of Leticia Greyling from Rhodes University school of Business.

I hereby seek your consent to conduct Face to Face interview with key staff as well as Discussion/ Focus groups with the identified groups or forums. Due to the nature of this research, I hope to include IDP Officials (for interviews) and Municipal management (for focus groups). I will also be requiring an access to the internal documents such as minutes of the IZIMBIZO, IDP and budget (this will be obtained on the website)

I have provided you with a copy of the consent form to be used in the research process.

Upon completion of the study, I undertake to provide BCRM with a bound copy of the full research report. If you require any further information, please do not hesitate to contact me on 0738051908, or email at Marambana.nkuli@gmail.com

Thank you for your time and consideration in this matter.

REQUESTED BY:

.....

NONKULULEKO MARAMBANA

RESEARCHER

ANNEXURE B

Consent to participate in research study



Rhodes Business School

Leadership for Sustainability

Consent to Participate in a Research Study

TITLE: AN ANALYSIS OF STAKEHOLDER ENGAGEMENT ON THE IDP FORMULATION PROCESS: A CASE OF BLUE CRANE ROUTE LOCAL MUNICIPALITY

My name is Nonkululeko Marambana, I am a MBA student at Rhodes University (School of Business). I am conducting research study about stakeholder engagement on the strategy formulation process in Blue Crane Route Local Municipality. As a participant in this study, you are requested to complete this consent form. Please circle your selection below and provide signature at the end.

I agree to participate in this research Y/N

I agree to participate through focus group interviews that will be conducted by researcher Y/N

I agree to the audio recording of the interview sessions Y/N

I agree to my identification being used for the purpose of this research Y/N

I agree that there won't be any benefits associated with my participation Y/N

I agree that confidentiality and anonymity of information cannot be fully guaranteed Y/N

Participating in this study is completely voluntary. Even if you decide to participate now, you may change your mind and stop at any time.

If you have questions about this research study, you may contact my Supervisor: Mrs Leticia Greyling, Rhodes Business School, Telephone number 046 -6038276, email L.Greyling@ru.ac.za.

.

I agree to participate in the study.

Name and signature

Date

ANNEXURE C

Participants information sheet (focus group and semi-structured interviews)



Rhodes Business School
Leadership for Sustainability

PARTICIPANTS INFORMATION SHEET **(Focus group interviews and semi-structured interviews)**

Researcher: Nonkululeko Marambana
Contact: 0738051908 or marambana.nkuli74@gmail.com

My name is Nonkululeko Marambana, I am a MBA student at Rhodes University (School of Business) and currently conducting research on “Stakeholder engagement on the IDP formulation process in Blue Crane Route Local Municipality”. This form details the purpose of this study, a description of the involvement required and your rights as a participant.

The purpose of this study is to gain insight on how Blue Crane Route Municipality engages its stakeholders when formulating corporate strategy (IDP).

Focus group discussions will be conducted with the BRCM management and councillors; semi structured interviews will be conducted with the IDP manager and Municipal manager for the purpose of obtaining broad range of views from the participants. The estimated time for each interview will be approximately 20 to 30 minutes. You are encouraged to ask questions or raise concerns at any time about the nature of the study or the methods being used.

The study doesn't guarantee any confidentiality or anonymity in relation to the information provided, however the researcher will encourage high level of confidentiality among the participants. In addition, the researcher doesn't promise any benefits associated to your participation and utilisation of the research results will be at the discretion of the participant or participating municipality.

NB. If you have any questions, concerns or complaints about the study at any stage, you can contact:

Name: Ms Leticia Greyling(Supervisor)

Telephone number : 046-6038276 L.Greyling@ru.ac.za

Participant's full name and signature: _____

Date Signed: _____

ANNEXURE D

Semi-structured interview questionnaire

RHODES UNIVERSITY

RHODES BUSINESS SCHOOL

MASTERS OF BUSINESS ADMINISTRATION RESEARCH PROJECT

RESEARCHER: Nonkululeko Monica Marambana (0738051908)

SUPERVISOR: Leticia Greyling

TOPIC: AN ANALYSIS OF STAKEHOLDER ENGAGEMENT ON THE STRATEGY FORMULATION PROCESS: A CASE OF BLUE CRANE ROUTE LOCAL MUNICIPALITY

Dear Participant.

I am a Master of Business Administration (MBA) Student at Rhodes University. Currently I am collecting primary data as the component of my study.

My topic is entitled "An analysis of stakeholder engagement on the strategy formulation process: A case of Blue Crane Route Local Municipality".

In order to complete this project, the latter part of this project involves focus group interviews with a sample of respondents on the same subject. The information you provide will help the researcher to better understand the stakeholder engagement on the strategy formulation process by Blue Crane Route Municipality. You are requested to respond to the interview questions frankly and honestly. Your response will be kept strictly confidential.

The interviews should take you only 10-15 minutes and there are no 'right' or 'wrong' answers. Thank you very much for your time and cooperation. I greatly appreciate the help of your organisation and yourself in furthering this research study.

SEMI-STRUCTURED INTERVIEW QUESTIONNAIRE

The municipality's stakeholder engagement process is expected to involve the following:

When engaging/involving/consulting stakeholders/communities the municipality is supposed to identify classify and analyse its stakeholder and moreover there should be institutional arrangements in place that guides the process. The municipality must not make assumptions on what the problems are in its area. The people affected should be involved in determining the problems and the extent of the problems. Within this area, regarding to your IDP assessment report for the year 2015, it transpired that certain challenges manifested in terms of stakeholder engagement and incorporation of inputs from the stakeholders, i.e. community. Given this background, explain the following:

- 1) Does the municipality have a stakeholder engagement forum in place and what is its role?
- 2) What is the role of the stakeholders relevant to your municipality and how the municipality engages them?
- 3) In your understanding what processes and procedures in place for stakeholder engagement?
- 4) How does Blue Crane Route Municipality engage stakeholders and in what form and using which tools?
- 5) Stakeholder engagement is meant to be a two-way process, where feedback is gathered from the participants being engaged, how do you regard this process in relation to the participants feedback?
- 6) Do you regard stakeholder engagement as being the key in ensuring a credible IDP, and why?

Thank you for taking your precious time to be part of the discussions.

ANNEXURE E

Focus group guide

RHODES UNIVERSITY

RHODES BUSINESS SCHOOL

MASTERS OF BUSINESS ADMINISTRATION RESEARCH PROJECT

RESEARCHER: Nonkululeko Monica Marambana (0738051908)

SUPERVISOR: Leticia Greyling

TOPIC: AN ANALYSIS OF STAKEHOLDER ENGAGEMENT ON THE STRATEGY FORMULATION PROCESS: A CASE OF BLUE CRANE ROUTE LOCAL MUNICIPALITY

Dear Participant.

I am a Master of Business Administration (MBA) Student at Rhodes University. Currently I am collecting primary data as the component of my study.

My topic is entitled "An analysis of stakeholder engagement on the strategy formulation process: A case of Blue Crane Route Local Municipality".

In order to complete this project, the latter part of this project involves focus group interviews with a sample of respondents on the same subject. The information you provide will help the researcher to better understand the stakeholder engagement on the strategy formulation process by Blue Crane Route Municipality. You are requested to participate in focus group discussion frankly and honestly. Your response will be kept strictly confidential.

The interviews should take you only 10-15 minutes and there are no 'right' or 'wrong' answers. Thank you very much for your time and cooperation. I greatly appreciate the help of your organisation and yourself in furthering this research study.

FOCUS GROUP GUIDE

The municipality's stakeholder engagement process is expected to involve the following:

When engaging/involving/consulting stakeholders/communities the municipality is supposed to identify, classify and analyse its stakeholder and moreover there should be institutional arrangements in place that guides the process. The municipality must not make assumptions on what the problems are in its area. The people affected should be involved in determining the problems and the extent of the problems. Within this area, regarding to your IDP assessment report for the year 2015, it transpired that certain challenges manifested in terms of stakeholder engagement and incorporation of inputs from the stakeholders, i.e. community. Given this background, explain the following:

- 7) What is your understanding of stakeholder/community engagement/consultation/involvement?
- 8) Stakeholder engagement is a legislated function, what is your understanding of the legislative requirements pertaining to this function?
- 9) Does the municipality have a stakeholder engagement forum in place and what is its role?
- 10) What is the role of the stakeholders relevant to your municipality and how the municipality engages them?
- 11) In your understanding what processes and procedures in place for stakeholder engagement?
- 12) How does Blue Crane Route Municipality engage stakeholders and in what form and using which tools?
- 13) Which issues warrant stakeholder engagement in your municipality?
- 14) Do you regard the process of stakeholder engagement in your municipality as yielding the desired results, explain WHY?
- 15) Stakeholder engagement is meant to be a two-way process, where feedback is gathered from the participants being engaged, how do you regard this process in relation to the participants feedback?
- 16) Do you regard stakeholder engagement as being the key in ensuring a credible IDP, and why?

Thank you for taking your precious time to be part of the discussions.

ANNEXURE F

Request for documents



Rhodes Business School
Leadership for Sustainability

THE MUNICIPAL MANAGER

ATTENTION: MR T KLAAS

BLUE CRANE ROUTE LOCAL MUNICIPALITY

SUBJECT: REQUEST FOR DOCUMENTS IN CONDUCTING THE RESEARCH

Thank you for allowing me an opportunity to conduct research within your municipality. The purpose of this research is to understand how BCRM engages its stakeholders when formulating their Integrated Development Plan (IDP).

The objectives of the research are:

2. How does BCRM conduct stakeholder engagement during strategy formulation?
3. What institutional arrangements are in place for stakeholder engagement within BCRM?
4. How can stakeholder engagement process be improved within the Blue Crane Route Local Municipality?

The researcher will ensure high levels of confidentiality by securely storing the documents within a locked location; and/or assign security codes to computerised records.

DOCUMENTS REQUESTED ARE AS FOLLOWS:

- The current adopted IGR Framework and public participation policies;
- The current adopted Integrated Development Plan (IDP);
- Previous twelve months minutes of IDP planning meetings with the stakeholder;
- Twelve-month attendance registers for IDP planning meetings with the stakeholders.
- IDP process plan for the current adopted IDP.

I would very much appreciate a response within two weeks from the date of receipt of this correspondence.

Yours Sincerely

.....

NONKULULEKO MARAMBANA

RESEARCHER

ANNEXURE G

Permission from Municipal Manager to do research

67 NOJOLI STREET
P.O. BOX 21
SOMERSET EAST
5850

Tel: 042 – 243 6402
Fax: 042 – 243 0633
Fax: 0865060888
Website: www.somerseteast.co.za
E-mail: mmanager@berm.gov.za
suzette@berm.gov.za



BLUE CRANE ROUTE
Municipality

Province of the Eastern Cape

Office of the Municipal Manager

Our ref./Isalathiso:

Your ref./Isalathiso sakho

08 August 2017

Departmental Research Committee
Rhodes University
Grahamstown
Eastern Cape
South Africa

Dear Sir(s) or Madam

It is my understanding that Nonkululeko Monica Marambana will be conducting a research study at Blue Crane Route Local Municipality on "Analysing Stakeholder Engagement in Strategy Development". Ms. Marambana (the Student) has informed me of the design of the study as well as the targeted population.

I support this effort and will provide any assistance necessary for the successful implementation of this study. If you have any questions, please do not hesitate to call. I can be reached at (082) 605-6930.

Sincerely,



Thabiso Klaas (The Municipal Manager)
Blue Crane Route Local Municipality.



Rhodes Business School
Leadership for Sustainability

Consent to Participate in a Research Study

TITLE: AN ANALYSIS OF STAKEHOLDER ENGAGEMENT ON THE STRATEGY FORMULATION PROCESS: A CASE OF BLUE CRANE ROUTE LOCAL MUNICIPALITY

My name is Nonkululeko Marambana, I am a MBA student at Rhodes University (School of Business). I am conducting research study about stakeholder engagement on the strategy formulation process in Blue Crane Route Local Municipality. As a participant in this study, you are requested to complete this consent form. Please circle your selection below and provide signature at the end.

I agree to participate in this research

Y N

I agree to participate through focus group interviews that will be conducted by researcher

Y N

I agree to the audio recording of the interview sessions

Y N

I agree to my identification being used for the purpose of this research

Y N

I agree that there won't be any benefits associated with my participation

Y N

I agree that confidentiality and anonymity of information cannot be fully guaranteed

Y N

Participating in this study is completely voluntary. Even if you decide to participate now, you may change your mind and stop at any time.

If you have questions about this research study, you may contact my Supervisor: Mrs Leticia Greyling, Rhodes Business School, Telephone number 046 -6038276, email L.Greyling@ru.ac.za.

I agree to participate in the study.

Thabiso Khas
 Name and signature

08.08.2017.
 Date