

**INFLUENCE OF LOCAL ECONOMIC DEVELOPMENT STRATEGIC LEADERS
ON THE FORMULATION OF THE INTEGRATED DEVELOPMENT PLAN,
MAKANA MUNICIPALITY, EASTERN CAPE**

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I. INTEGRATIVE SUMMARY

While local economic development is touted as the lifeblood of communities in local municipalities, there is a growing dissatisfaction in communities with the service of many municipalities in general in South Africa. A review of the literature suggests that strategic leaders have an influence on how organizations such as municipalities develop their plans (Sá and Kanji, 2010).

Succinctly, this is a qualitative study which specifically aimed to find out how Makana municipality's local economic development (LED) strategic leaders, namely the Director of LED directorate and three managers of sub-directorates of (1) agricultural development, (2) Small-, Medium-, and Micro-Enterprises (SMMEs), trade and investment development, and (3) tourism and heritage development, influence the formulation of the Makana local municipality Integrated Development Plan (IDP). To put it in other words, the key research question was: How do strategic leaders of Makana LED directorate influence the formulation of the municipality's IDP? Local economic development (LED) strategic leaders in this study refer to those municipal officials who are 'in-charge of the local economic development directorate, who are part of top management planning and monitoring, who form part of a dominant coalition, and who make consequential or strategic decisions regarding local economic development. This report comprises three sections, namely (a) an academic paper which includes a condensed literature review, research methods, results and discussion, (2) an expanded literature review and (3) an expanded research methodology.

Purposive sampling of incidents of strategic leaders' influences on the formulation of the IDP as perceived by the strategic leaders themselves, were collected from four Makana municipality LED strategic leaders. As the number of LED strategic leaders is small at Makana, incidents of how they perceived their influence on the formulation of the IDP were collected from all the four leaders.

A total of ten interviews were conducted with four Makana LED strategic leaders in this study to collect data. Notably, seven of these were face-to-face individual interviews. Four were initial in-depth interviews with these LED strategic leaders held at the municipality's LED directorate offices in Grahamstown between October and November, 2012. The other

three were face-to-face follow-up interviews with three of the original four Makana LED strategic leaders. These were conducted for the purposes of a member check. Furthermore, three telephonic individual interviews were also conducted in August, 2013. Thereafter, two e-mails to seek clarity were sent in August 2013. Initially, an interview guide, informed by the literature on strategic leaders' roles, was used in the interviews. The average duration for each of the interview sessions was 55 minutes. Interviews were recorded on a voice recorder and transcribed before the qualitative data was analyzed using open coding and constant comparison to induce themes. Member check was used to ensure confirmability and also to allow participants to comment on the emerging findings.

Findings in this study indicate that local economic development strategic leaders at Makana municipality predominantly perceived their influence on the formulation of the IDP in four ways. Firstly, most of the LED strategic leaders commonly perceived that they influenced the formulation of the IDP in terms of (1) setting evidence-driven direction, and (2) searching for fitness of activities or issues with LED strategy.

Subsequently, these strategic leaders also considered their influence in respect of (3) facilitating clarity and local relevance of LED mandates, and (4) integrating of multiple economic voices of stakeholders into the IDP. Ultimately, it is notable that LED strategic leaders perceived their influence on the formulation of the IDP through their efforts of facilitating adherence to bottom-up strategy process rather than focusing on strategy content that highlights major opportunities to transform the local economy, and also identifying the key economic drivers in the locality. Recommendations are made in the light of these findings.

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ABBREVIATIONS

IDP: INTEGRATED DEVELOPMENT PLAN

LED: LOCAL ECONOMIC DEVELOPMENT

DBSA: DEVELOPMENT BANK OF SOUTH AFRICA

SMME: SMALL-, MEDIUM-, and MICRO-ENTREPRISES

RSA: REPUBLIC OF SOUT AFRICA

DPLG: DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT

DBSA: DEVELOPMENT BANK OF SOUTH AFRICA

SECTION 1: ACADEMIC PAPER

1.1 ABSTRACT

The influence of local economic development strategic leaders on how Integrated Development Plans (IDP) are developed is critical to gain insights into strategic planning directed towards economically developing municipalities. Concisely, the aim of this qualitative study was to gain a multiple understanding of how LED strategic leaders, namely managers of the LED directorate and sub-directorates at Makana local municipality influenced the IDP formulation. The fact that these LED strategic leaders, ‘make consequential or strategic decisions’ suggests that their decisions have an influence on the IDP formulation. Thus, the key research question in this study was: How do LED strategic leaders at Makana local municipality influence the formulation of the IDP at this municipality?

This qualitative research used purposive sampling of incidents upheld by LED Strategic leaders. A total of ten in-depth and semi-structured interviews were conducted with four LED strategic leaders regarding incidents of their perceived influence on the formulation of the Integrated Development Plan at Makana. The interviews were in-depth in order to gain a rich understanding of their perspectives of reality. As the number of LED strategic leaders was already very small, all the four leaders at Makana participated in this study. Interview data was transcribed and analyzed using open coding and constant comparison. Member check was conducted to enhance confirmability of the findings of this study.

Findings indicate that LED strategic leaders perceived their influence on the formulation of the IDP Makana municipality in four varied ways. Predominantly, LED strategic leaders commonly perceived that they had influence in setting evidence-driven direction, and searching for fitness of activities and issues with LED strategy. Thereafter, the other ways in which these LED strategic leaders perceived how they influenced the IDP formulation involve the facilitation of clarity and local relevance of LED mandates, and finally the integration of multiple economic voices of stakeholders. This demonstrates that LED strategic leaders at Makana emphasize proactively managing strategy process rather than content in terms of identifying key opportunities and major economic drivers in the local milieu. Instead, they perceived their influence as characterized by enhancing compliance with bringing the process of municipal strategy formulation closer to stakeholders. Implications of these findings are highlighted.

1.2 INTRODUCTION

The Municipal manager and senior municipal officials provide leadership for the formulation and implementation of the Integrated Development Plan (IDP) in a municipal setting (Van der Walddt, 2010: 256). In this vein, IDP in South Africa is an “all-inclusive municipal strategic plan” that integrates all the strategic plans of the various directorates and departments of a municipality (Local Government Municipal Systems Act, RSA, 2000: sec. 25). As such, IDP includes local economic development (LED) plans (Rogerson, 2010: 481).

Notably, LED in smaller municipalities tends to focus on enhanced municipal services, government social security, expanded public works programmes, and small business enterprise options (Van der Heijden, 2008:3). The context of this study is a small (population of 70,000 people), underdeveloped and sparsely populated municipality (16.1 persons per square kilometer) called Makana, located in the Eastern Cape Province of South Africa. Makana municipality is made up of Grahamstown, Alicedale, Salem, Riebeeck East, Seven Fountains, and Fort Brown which are towns and villages (Makana Local Municipality, 2011/2012). Most of the residents’ livelihoods are dependent solely on farming activities and farm employment particularly in the outlying villages of Makana. Tourism is a major economic activity in Makana municipality.

Nonetheless, Makana is an underdeveloped municipality which is characterized by high unemployment, (34 %), with a significant proportion of the population living below the poverty line (23 % living on less than R800 per month) while the average weighted household income is modestly at R8 417.63 (Makana Municipality, 2009: 34). It is with this socio-economic profile in mind that one can assert that Makana LED strategic leaders have a monumental strategic responsibility of influencing the formulation of the municipality’s Integrated Development Plan (IDP). Notably, the IDP at Makana municipality has LED as a key component. Situational analysis in the LED strategy of Makana municipality (Makana Municipality, 2009: 26) suggests that LED enhances local community livelihoods by building upon a deep insight into the prevailing economic situation.

According to Rogerson (2010: 491), many municipalities in South Africa have enormous challenges in terms of effective development and implementation of local integrated economic development. For example, these challenges include (1) a cumulative trend towards the production of low-quality LED plans characterized by a project focus, (2) unrealistic

targets, (3) inability to identify the drivers of local economic development, (4) poor implementation, (5) an unhealthy, if not exclusive reliance on consultant driven strategies for LED as a result of low skills in poorer municipalities, and (6) lack of technical staff (Rogerson, 2010: 491). Lawrence & Hadingham (2008: 44) add that a poor caliber of LED staff in essential positions fail to liaise with the for-profit organizations.

Consequently, smaller municipalities in South Africa tend to fail to exploit local economic advantages that would enhance the local economic climate. Instead, they concentrate on statutory stereotypes due to poor competency of LED personnel (Rogerson, 2010: 491). Glantz, (2010: 72) is clear that this poor competency of LED personnel to exploit local economic advantages has the potential danger that strategic leaders' influence may be restricted to developing and sustaining the partnerships that are essential to success by mobilising only those who buy into their own strategic vision. In other countries like Italy, there is evidence that local economic development efforts by small towns focuses on small business promotion (e.g. use of grants, equity participation, tax incentives or occasional provision of space) (Nel, 2001: 1006). Notably, Spain often focuses on "place-marketing and infrastructure development" (Nel, 2001: 1006). In this vein, there is a need to enhance our understanding of how LED strategic leaders themselves perceive their influence on the formulation of the IDP in a municipality.

It is noteworthy that the LED roles have become statutory and that the IDP practice has attained a mandatory status through the Local Government Municipal Systems Act, Republic of South Africa (RSA, 2000). This has enabled LED to become an official vehicle for locally initiated improvement of local economic circumstances. In light of this, LED strategic leaders are expected to focus on developing a holistic, strategic and broad organizational or municipal perspective (Rogerson, 2009: 481). Drawing from this train of thought, the influence of LED strategic leaders within a municipality is therefore not only holistic in terms of poverty alleviation but also results in well-researched plans for integrated and progressive economic development (Cashdan, 1998: 5). According to Jordán and Infante (2012: 539) LED strategic leaders' influence is also in terms of ensuring the link between transformation, short-, and long-range goals, industries and markets, economic baselines, and local communities and its residents.

Furthermore, the LED strategy formulation process initiates coalitions between "local governments, NGOs, community-based groups and the private sector" (Rogerson, 2009: 13)

for monitoring current facilities, enhancing employment and initiating economic activity in a particular local environment. In this way, LED functionalities may organize stakeholders and facilities, and start new enterprises through consultations and strategic coalitions. Concisely, this is achieved through local communities collaborating to bring about long-term economic growth and development for enhancement of community livelihood (Rogerson, 2009: 13). Rogerson & Rogerson (2010: 467) assert that the strategy formulation of LED within a municipality reflects four characteristics, namely: (1) participatory development process that encourages partnership arrangements between the main private and public stakeholders of a defined territory, (2) joint design and implementation of a common development strategy, (3) the use of local resources and competitive advantage, and (4) creating decent jobs and stimulating economic activity.

In a nutshell, the desired outcomes of LED are reduced poverty and more jobs through an enabling environment rather than LED through projects. The fact of the matter is that strategic integration is needed for successful LED (DBSA, 2008; Sibisi, 2008). Furthermore, LED requires closer cooperation between all LED stakeholders to avoid duplication of tasks and to establish complementary roles both for government departments and other stakeholders (Rogerson, 2010: 83).

The aim of this research was to qualitatively explore how Makana LED strategic leaders influence the formulation of the IDP for this municipality. The key research question therefore was: How do LED strategic leaders at Makana local municipality influence the formulation of the IDP at this municipality? This qualitative study focused on the perspectives of strategic leaders in the LED directorate of Makana municipality, regarding how they think they influenced the formulation of the IDP.

This study contributes to the body of knowledge on how LED strategic leaders influence the formulation of an IDP. Although not specific to the municipal context, Phipps & Burbach (2010) underscore the “need for and potential benefit of more research in the area of non-profit [strategic] leadership” and strategy formulation. The Makana local municipality, more so its LED directorate, and similar municipalities will benefit from this study by understanding the type of influence they actually have or do not have on the formulation of the IDP to meaningfully influence local economic development. More broadly, this study contributes to the academic study of the influence of strategic leaders, particularly in a municipal LED setting.

Initially, this paper will focus on defining the key concepts of this study. Subsequently, the paper discusses the research method adopted in this study, and finally presents and discusses the findings of this study.

1.3 LITERATURE REVIEW

This section focuses on exploring the meaning of the key concepts of strategic leaders, strategy formulation and the link between strategic leaders and strategy formulation. Ultimately, this section adopts a definition for strategic leaders and strategy formulation for

1.3.1 Definition Of IDP

Visser (2001:1673) defines IDP as a “mechanism that draws upon spatial imaginations as a method of re-directing the development of a city and shows an imagined urban space, expressed in the planning system of the integrated development plan, and functions as a device by which shared understandings of social justice are enabled”. On the other hand, Pillay *et al.* (2006:194) echoes IDP as “a participatory approach to integrate economic, sectoral, spatial, social, institutional, and fiscal strategies in order to support the optimal allocation of scarce resources between sectors and geographical areas and across the population in a manner that provides sustainable growth, equity, and empowerment of the poor and the marginalised”. Focusing on framework and execution of vision, Wilkinson (2002:3) defines IDP as “a framework within which municipalities can understand the various dynamics operating within their area, develop a concrete vision for the area, and formulate strategies for realising and financing that vision in partnership with stakeholders’. Notably, all the three definitions emphasise the notions of ‘shared understandings of social justice’, ‘participatory approach to integrate economic, sectoral, spatial, social, institutional, and fiscal strategies’ and ‘partnership with stakeholders’ respectively. The definition that this study has adopted is that of Pillay *et al.* (2006:194) because it specifies the ‘participatory integration of economic, sectoral, spatial, social, institutional, and fiscal strategies in order to support the optimal allocation of scarce resources between sectors and geographical areas and across the population in a manner that provides sustainable growth, equity, and empowerment of the poor and the marginalised’.

1.3.2 The Concept Of Strategic Leaders

Hitt *et al.* (2003) opines that top level managers are strategic leaders accountable for effective strategic direction. Makana LED directorate top level managers, namely the director and its three sub-directorates' managers are therefore strategic leaders. It is salient to understand that leadership and management are interdependent (Kotter, 1999). Leadership implies change, while management suggests stability (Barker, 2001). Similarly, leaders manage vision, strategy, and change, while managers implement the vision (Dubrin, 2001).

Hambrick & Mason's (1984: 193-206) upper echelon theory focuses on the dominant coalition and asserts that an organization is a reflection of its top managers. This view shifts our focus from supervisory leadership "within" to strategic leadership "of" the organization and from a micro-focus to a macro-perspective of leadership (Boal & Hooijberg, 2001: 515-516; Hoskisson, *et al.*, 1999: 440). Child (1972) argues that top management makes strategic choices to influence the performance of an organisation.

The decisions by strategic leaders are strategic because they are characterized by (a) long-term direction and sustainable success; (b) the link between the internal and external environment; (c) the overseeing of major resources; (d) having an effect on the entire organization; and (e) are shaped by the values and expectations of stakeholders (Louw & Venter, 2010:2). Furthermore, strategic leaders initiate, and ensure the successful implementation and management of organisational change (Boal & Hooijberg, 2001: 516-517). As such, the notion of strategic leaders explains what happens at the apex of the organisation (Vera & Crossan, 2004: 223-223). Notably, strategic leaders reflect the relational aspects between top management and organisational members (Raes *et al.*, 2007: 362), and exert influence, implement decisions, and enhance organizational performance (Clegg *et al.*, 2006).

Additionally, Hitt (1999: 44) assert that corporate strategic leaders develop a long-range "competitive advantage" which is an intended goal for all corporate organisations. Thus, strategic leaders need competency to learn, be flexible and manage wisely (Boal & Hooijberg, 2001) to understand complex and abstract issues about the distant future (Phillips & Hunt, 1989; Steele & Walters, 2001).

1.3.2.1 Municipal Strategic Leaders

It is crucial to broadly define municipal strategic leaders in this study in order to understand LED strategic leaders as a subset of municipal strategic leaders. Shrivastava & Nachman, (1989: 51) define strategic leaders from the perspective of the municipality. Thus, strategic leaders are those involved in “integrating societal ethics with organisational ethics, aligning philosophies regarding the roles of a leader, society and organisational constituents, enacting these philosophies, and aligning the organisation with respect to influence and power in society”. Municipal strategic leaders are a dominant coalition of municipal senior managers that is vested in the office of the Municipal Manager and heads of department (Van der Waldt, 2010: 256). Thus, municipal strategic leaders manage municipal “programmes and projects, finances, change, knowledge, service delivery innovation, problem solving and analysis, public interest, client orientation and customer focus, communication, accountability and ethical conduct“ in the municipality (Koma, 2010: 117).

It is vital to note that municipal political leaders also form part of the municipal leadership landscape. These include municipal councillors led by the Mayor and the Council Speaker (Glantz, 2010: 72). Municipal political leaders mobilise partnerships of community stakeholders with whom they cooperate to achieve a common vision (White Paper on Local Government, RSA, 1998; West *et al.*, 1993). Drawing from the work of Louw & Venter (2010: 442); Boal & Hooijberg (2001: 516); Guilot (2003: 6); and Quong & Walker (2010: 23) for the purpose of this study, strategic leaders in a municipal context are people ‘in-charge of a directorate, part of top management planning and monitoring, forming a dominant coalition, and making consequential or strategic decisions in a municipal setting’.

1.3.3 The Roles Of Strategic Leaders

It is necessary to understand the roles of strategic leaders in this study, because strategic leaders’ influence emanates from the roles they play regarding IDP formulation. Generally, strategic leaders help in achieving cross-cultural communication with internal and external organizational stakeholders (Ireland & Hitt, 1999).

Strategic leaders’ other roles are to garner stakeholder collaboration, situational analysis, financial projecting, resource allocation, creating achievement standards and control, and

laying priority schedules (Poister & Streib, 2005: 53). Additional roles are, forward planning for proactive prevention of unintended eventualities (Quong & Walker, 2010: 23-32), and relating short-, and long-range goals (Davies & Davies, 2004: 30-34).

Strategic leaders also ensure consolidation of community ethics and implement leadership roles for the community and the organisation (Shrivastava & Nachman, 1989: 51), and implement and monitor political ideological mandates (Van der Waldt, 2010: 254). Similarly, strategic leaders develop transformed reasoning for the ever-changing scenarios (Quong & Walker, 2010: 23), by recognising diverse views, decisions, backgrounds, achievements, and cultural orientations for the purpose of on-going progress (Sá and Kanji, 2010: 132).

LED strategic leaders promote community-level initiated local economic growth and development, and local-, provincial-, and national government aligned collaboration. They also enhance non-profit and for-profit aligned local-based economic growth and development mechanisms (Rogerson, 2009: 11). Furthermore, LED strategic leaders enhance strong and long-range local economic growth and development (Rogerson, 2010: 481; Pike *et al.*, 2006; Valler & Wood, 2010). They also participate in municipal economic development planning programmes (Local Government Municipal Systems Act, RSA, 2000: *sec.* 23).

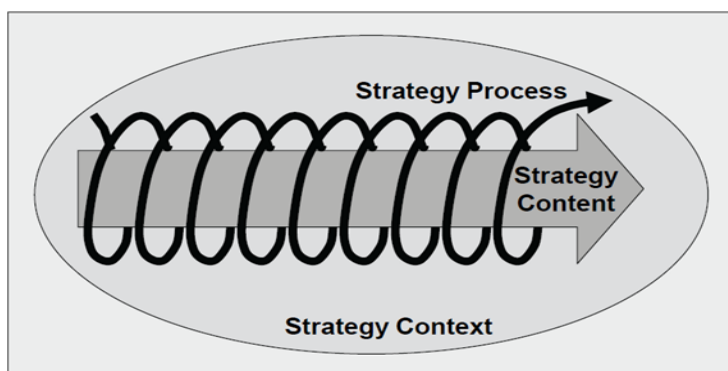
1.3.4 The Concept Of Strategy Formulation

There is a need to unpack the concept of strategy formulation which is a key factor in this study. Furthermore, the concept of strategy formulation should throw light on LED strategy development. Out of a myriad of definitions of strategy formulation, this study has adopted Boal & Hooijberg's (2001) definition of strategy formulation. As such, strategy formulation in this study refers to a 'series of strategic leaders' choices that influence organisational outcomes'. Many other definitions throw light on other aspects of the concept thereby concretising the understanding of this concept. For example, Hambrick & Finkelstein's (1987) definition emphasises the level of discretion of top managers as a determining factor of the relationship between strategic choices and organisational outcomes because "discretion is critical in participatory strategy formulation involving top management teams and stakeholders" (Cannella & Monroe, 1997; Boal & Hooijberg, 2001: 519).

To borrow from the words of Rogerson (2010: 481), local economic development is about “re-engineering local government in South Africa”. Fundamentally, this is characterised by (1) widespread trends towards a more decentralised, bottom-up approach to economic development, (2) building on economic strengths of each locality and supporting the foundations for economic growth (Rogerson, 2009: 9). This takes full cognizance of the fact that strategy in a commercial organisation is established by evaluating strategy alternatives and for profit potential, consideration of competitors, and other stakeholders before choosing the one that maximises long-term profit. In a public organisation, societal interests take the foreground (Rogerson, 2009: 9).

From a strategy formulation perspective, it is critical to highlight that local economic development is not solely for economic development, but eventually for achieving long-term economic, community, and environmental growth goals (Rogerson, 2009: 14-15). As such strategy context, strategy process and strategy content are all very important. In a nutshell, people who are involved in determining strategy deal with strategy process, strategy context as well as strategy content. Strategy context “as circumstances under which both strategy process and content are determined” makes an emphasis on locality. It is notable, that strategy content is concerned about the “what of strategy” (Meyer, 2007: 29). Figure 1: below reflects the relationship between strategy process, content and context.

Figure 1A: Strategy process, content and context



Source: Meyer (2007: 30)

Generally, strategy “encompasses direction-setting, broad aggregated agendas, a perspective to view the future and a template against which to evaluate current activities” (Davies, 2004: 30). Broadly, this suggests that an organisation’s desired state of affairs can be achieved by forward planning, crafting a vision, welcoming diverse views, forward reasoning,

collaborating with others to introduce innovation for the continued successful productivity of the organisation (Ireland & Hitt, 1999: 43). Mintzberg & Lampel (1999: 22) proposed schools of thought or typologies which focused on the operational activities of strategists, rather than the strategic issues which strategists must decide on. These are presented below in Table 1:

Table 1A: Mintzberg’s Ten Schools of Thought in Strategic Management (adopted from Mintzberg, 1998)

SCHOOL OF THOUGHT	‘THOUGHT’	‘SCHOOL’
Design School	Strategies are formed as a result of internal and external valuation (Conception)	Economics
Planning School	Strategies are formed as a result of formal planning models (Formality)	Economics
Positioning School	Strategies are formed as a result of strategic positioning (Analysis)	(Industrial) Economics
Entrepreneurial School	Strategies are formed as a result of a single leader (Vision)	Psychology, Sociology
Cognitive School	Strategies are formed as a result of the cognitive mind (Mentality)	Psychology
Learning School	Strategies are formed as a result of experience (Emergence)	Psychology
Power School	Strategies are formed as a result of politics (Negotiation)	Political Science, Sociology
Cultural School	Strategies are formed as a result of the organisation’s mind (Collectivity)	Anthropology
Environmental School	Strategies are formed as a result of the challenging setting (Reactivity)	Biology

Configuration School	Strategies are formed as a result of a complex interplay of factors (Transformation)	Many
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Source: Meyer (2007: 27)

According to, Mintzberg & Lampel (1999) strategies are formed through various ways, namely: as a result of (1) a comparison of internal and external evaluation; (2) formal planning; (3) analysis which culminates in strategic positioning; (4) a vision of a single leader; (5) negotiations, (6) the organisation`s mind, and, (7) a reaction to challenging settings or a complex interplay of factors, just to mention a few.

According to Ireland & Hitt (1999: 43) an organisation`s desired state of affairs can be achieved by forward planning, crafting a vision, welcoming diverse views, forward reasoning, collaborating with others to introduce innovation for the continued successful productivity of the organisation. Concisely, the emphasis on systematic process, future-orientation, and multiple stakeholder engagement are some of the aspects of strategy formulation.

1.3.5 The Link Between Strategic Leaders And Strategy Formulation

Koma, (2010: 116) suggest that the link between strategic leadership and strategy formulation is necessary for integrated and progressive political and administrative elements of leadership. The interface between the concept of strategic leaders and strategy formulation is described as “formulating strategy and enacting strategic leadership for the moral purpose of effective strategic leadership” (Davies & Davies, 2010: 13). Municipal strategic leaders “create an overall sense of purpose and direction, and integrate strategy formulation and implementation in organisations” (Shrivastava & Nachman, 1989: 51).

Mindful that strategy formulation is developmental in nature, the political and administrative capacities and insight should be for enhancing local authority to develop the local community (Maserumule, 2008: 441). Municipal strategy formulation, for example, is typified by strategic leaders collaborating with local stakeholders to craft and execute strategies to renew local government decentralised decisions to reflect community planning for taking care of disadvantaged regions and coming up with an integrated strategy (Bailey, 2003: 444).

In South Africa, IDP's are meant to specify statutory implications of local authority's responsibility of enhancing community and economic growth. This takes cognizance that local economic development plans are crucial to this responsibility as LED strategic plans are subsequently incorporated into the IDP (Pillay *et al.*, 2006: 15). It is noteworthy that LED strategies tend to resort to basic features of the IDP approach to specify their content. LED strategies have core features, namely: (1) necessity for cooperation and community stakeholder co-operation, (2) local highlights, (3) garnering community infrastructure, and (4) developing comparative advantage, community ownership and monitoring (Rogerson & Rogerson, 2010: 466-467).

According to Valler & Wood (2010: 140), previous research on the link between LED strategic leaders and LED strategy formulation in South Africa has focused on two aspects, namely the conduct of economic development policy and relative efficacy of different policy choices. Rogerson & Rogerson (2010: 471) maintain the view that the "bulk of writings engage with policy development and critical evaluative research on unfolding LED activities in particular localities, with a view to advance the practice of LED". In this vein, Pycroft (1998) identifies studies in South Africa which focus on whether current strategy guidelines in South Africa are in line with developmental local authorities and whether these guidelines enhance attempts to bring strategy planning closer to the community or otherwise. Interestingly, Binns & Nel, (2002) adopted a resource based view to investigate how economic, community and ecological infrastructure is used to enhance tourism as a strategic plan for community economic growth.

Studies outside South Africa have investigated perceived successes or failures of municipal innovations dealing with privatisation, customer service and strategic planning in the American federal states (Ihrke *et al.*, 2003: 79). This study concluded that "managerial leadership and policy board-administration relations explain a significant amount of variation in successes and failures and that the credibility of executives and board-staff relationships is an important determinant of innovative behaviour in local government".

1.4 RESEARCH METHOD

For qualitative research, a naturalistic approach was used to understand phenomena in context-specific settings where the researcher did not attempt to manipulate the phenomenon of interest (Patton, 2001: 39). In other words, qualitative research is "any kind of research

that produces findings not arrived at by means of statistical procedures or other means of quantification” (Golafshani, 2003: 600).

1.4.1 Research Paradigm

Three logical questions helped the researcher to understand the research paradigm namely: “what is the form and nature of reality or what is the form of the knowable?” (*ontology*), “what is the relationship between the knower (inquirer) and the known (or knowable)?”, (*epistemology*) and “how should the inquirer go about finding out knowledge?”, (*methodology*) (Guba 1990: 18). This qualitative study therefore adopted a social constructionist paradigm to understand subjective ontology of how LED strategic leaders influenced the formulation of IDP at the Makana local municipality. There was consequently a need for interaction between the researcher and interviewees to understand reality which is socially constructed rather than objectively determined.

1.4.2 Sampling

All four of the four strategic leaders at Makana LED participated in this study. Sampling in this research study was purposive sampling of incidents upheld by LED strategic leaders which reflected how they perceived their influence on the formulation of the IDP at Makana municipality. These were incidents held by strategic leaders of LED who included the LED directorate head (director) and three LED sub-directorate managers for (1) agricultural development; (2) Small-, Medium-, Micro-Enterprises (SMMEs), trade and investment development, and, (3) tourism and heritage development. The sample of participants was small as Makana LED has a total of four strategic leaders.

Purposive sampling method was employed to conduct this research in order to select and explore incidents from participants who were suitable or particularly informative, to answer the research questions which specifically related to the work of Makana municipality LED strategic leaders. This purposive sampling enhanced the understanding of selected individuals or groups experiences of how they perceived their own influence on strategy formulation. Makana local municipality LED strategic leaders have both knowledge and sufficient hands-on experience in the formulation of the IDP at this municipality. The head of the Makana

municipality LED directorate has 25 years of experience in social, economic, and community development, and had participated for five consecutive years in IDP formulation at Makana local municipality and annual IDP reviews. The other LED strategic leader has 11 years' experience in agricultural development and had participated for three years in IDP annual reviews while the third strategic leader had nine years' experience in Tourism and Heritage business and participated for two years in IDP annual reviews at Makana municipality. The fourth strategic leader had ten years' experience in the Small Enterprise Development Agency (SEDA) business and had participated for two years in IDP annual reviews at Makana municipality. Thus, this qualitative study privileged the views of Makana LED strategic leaders and how (e.g. scope, level etc.) they influenced the formulation of the IDP.

1.4.3 Description Of Interviewees

The directorate of LED at Makana has only four LED strategic leaders, namely (1) the head of the LED directorate; (2) the manager for agricultural development sub-directorate; (3) the manager for Small-, Medium-, and Macro-Enterprises (SMMEs), trade and investment sub-directorate, and (4) the manager for tourism and heritage development sub-directorate. Two of the members of the LED strategic leaders were females. All the four managers focusing on these four different local economic aspects of the Makana municipality LED directorate were included in the research to gain depth of understanding of their perceived influence on the formulation of IDP at this municipality.

Each one of the four LED senior managers brought insights to this study as a head of his or her own unique aspect of the Makana municipality LED directorate while the LED director was in-charge overall. The head (director) of the Makana LED directorate engaged regularly with the Makana LED senior management team to provide strategic leadership for the directorate and also made regular efforts to ensure alignment between the LED directorate and the Makana local municipality IDP processes, thereby influencing the formulation of the IDP.

1.4.4 Data Collection

Research data was collected after written approval had been obtained from the then Makana municipality Acting Municipal Manager to conduct this research study with LED directorate's four strategic leaders. A pre-research planning session was held with the Makana LED senior management team to prepare the ground for the actual interviews. An initial interview guide was therefore cautiously crafted based on the literature on the role of strategic leaders to satisfy the requirements of this study's research objectives (see appendix A). The initial interview guide had "questions predetermined to allow latitude for probing and following the interviewee's sense of what is important" (Bresler & Stake, 1991: 85).

To collect the incidents of LED strategic leaders which reflected their perceived influence on the formulation of the IDP, a total of ten interviews were conducted with four Makana LED strategic leaders. Seven of these were face-to-face individual interviews. Of these seven, four were initial in-depth interviews with these LED strategic leaders held at the municipality's LED directorate offices in Grahamstown between October and November, 2012. The other three were face-to-face follow-up interviews with three of the original four Makana LED strategic leaders to seek clarity and also share the emerging findings in the study. The average duration for each of the interview sessions was 55 minutes. Furthermore, three telephonic individual interviews were also conducted in August, 2013. Thereafter, two e-mails to seek clarity were sent in August, 2013.

Upon obtaining informed and voluntary consent secured from interviewees, face-to-face as well as telephonic interviews were recorded on a Dictaphone for maintaining accurate records of the interviews since it was otherwise not possible to capture every detail during an interview. In the Dictaphone the various interviewees were clearly recorded as strategic leader 1; 2; 3; or 4 to identify the interviewee concerned for purposes of keeping a correct record of each interview (Noor, 2008: 1603-1604). Out of a total of ten interviews, four were the initial face-to-face individual interviews, and six were individual follow-up interviews conducted, (three as face-to-face, and three telephonic individual interviews) to saturate what the interviewees were saying. Two emails were also sent to interviewees to share with them the emerging findings. Subsequently, the interview data was transcribed.

1.4.5 Data Analysis

Data analysis in this study followed the inductive approach as described by Strauss & Corbin (1998). Similarities were observed, grouped together, labelled or coded and constantly compared with each other in order to further develop the emerging themes. Codes were “generated from the data themselves” Sandelowski (2000: 338). The approach to data analysis as proposed by Groenewald (2004: 17-21), which has “five steps or phases of explication process” was useful in understanding qualitative data analysis. These steps are:

- Bracketing or phenomenological reduction: preventing researcher’s interpretations from presupposing the respondents’ meanings;
- Delineating units of meaning: identifying responses that throw light into the phenomenon in question;
- Clustering units of meaning to form themes: identifying the importance of meaning given by the units of meaning within the full context of the research to form themes;
- Summarising each interview, validating it, and where necessary modifying it: summary that includes all themes to form one whole context;
- Extracting general and unique themes from all the interviews and making a composite summary: after going through phases 1 to 4 for each interview, the researcher identifies common and differing themes. The researcher then puts together a composite summary from all the themes to elucidate the context of the research.

1.4.6 Research Quality

With credibility conceived as parallel to internal validity in the quantitative research paradigm, the researcher conducted follow-up interviews and member checks to avoid misrepresenting the views (Houghton *et al.*, 2013: 13). In the same vein, Meiers & Tomlinson (2003: 195) define credibility as a “faithful depiction of the participant’s lived experience that would be recognised by the participants, achieved through prolonged engagement.

To further observe credibility in this research, it was ensured that all “categories and themes covered data so well that no relevant data was advertently or systematically excluded or irrelevant data included”, through the researcher’s commitment to constant comparison of

data from all four Makana LED strategic leaders. As a result of this, the research report has included sufficient data in the form of direct quotes to “allow the reader to judge whether the interpretation proffered is adequately supported by the data” (Mays & Pope, 2000: 51). As a result of the audit trail, this study has also ensured dependability. Furthermore, dependability has been enhanced by providing a detailed description of steps followed in this study for any researcher to replicate the study.

This study has therefore ensured maintenance of confirmability by following up on the original interviews, and used the actual words of interviewees for the researcher’s interpretation to stay as close as possible to the original data. In the same manner, details of the collected data that seemed ambiguous or unclear were subsequently confirmed with follow-up research interviewees to ensure clarity of meaning. Consequently, the findings provided in this study reflect the actual interviewees’ contributions as quoted excerpts from the interview transcripts. Very few amendments were effected in the findings as a result of the member check.

1.5 FINDINGS

As highlighted earlier on, the aim of this study was to understand the multiple perspectives of how LED strategic leaders at Makana municipality influence the formulation of the IDP. In this regard, perspectives of how LED strategic leaders perceived their influence on the formulation of IDP at Makana municipality revealed four key themes. The most recurrent of these themes among LED strategic leaders depicts their perceived influence on the formulation of the IDP in terms of (1) setting evidence-driven direction. Additionally, it was also predominant that these LED strategic leaders commonly perceived that they influenced the formulation of the IDP by their (2) search for fitness of activities and issues with LED strategy.

Besides these two predominantly agreed perceptions, it is also noteworthy that (3) facilitating clarity and local relevance of LED mandates and also (4) integrating of multiple economic voices of stakeholders into the IDP were conceived by these strategic leaders as some of the key ways in which they influenced the formulation of the IDP at Makana. Each of these findings is discussed in detail below.

1.5.1 Setting Evidence Driven Economic Direction

Firstly, it was notable that all the four LED strategic leaders agreed that they engage in situational analysis to formally and also informally gather useful information in line with the economic realities of Makana. With emphasis on setting economic direction grounded in evidence, strategic leader 1 espoused on how respective managers in the local economic directorate gathered information to delineate critical issues in each sector and presented a situational analysis at strategic planning sessions:

‘the other process is during the year the managers have their contact with all these stakeholders that they are working with, the Agriculture Manager will have regular contact with the Department of Agriculture, with the farmers and commercial farmers and so they get issues from those groups which they will bring to this strategic planning session, the Manager: SMME (Small-, Medium-, and Micro-Enterprises), Trade and Investment have a Kaolin Project Steering Committee, deals with SMMEs (Small-, Medium-, and Micro-Enterprises) on a regular basis, deals with EPWP (Expanded Public Works Programme) so all the issues that are coming from those programmes....come here... there are also community issues.....’

In a slightly different way of elaboration on the notion of setting direction, LED strategic leader 2 highlighted the importance of a sector by sector analysis of the current situation not only to decide which areas needed urgent intervention, but also as an approach to more responsive LED strategy formulation and its subsequent incorporation into the IDP at Makana:

‘What we basically do... we do the analysis of the current situation in terms of economic development and we do it sectorally, and we have four main sectors that drive the economy at Makana, agriculture, tourism, SMMEs (Small-, Medium-, and Micro-Enterprises), and mining, so we do an analysis of these sectors, their performance and how they contribute towards the agenda of the municipality, that is of creating the environment that is conducive for people to be economically active, the findings of that analysis informs our interpretations, that is the strategy planning and those interventions are packaged into projects where each responds to the issues that are identified in the situational analysis’.

As if to highlight the informality of alternative means through which some of the evidence was gathered, strategic leader 3 highlighted how initial requests for support by people visiting LED offices served as an impetus of what to investigate to get a more realistic sense of the pressing economic needs of the business community:

‘.....people walk in here (LED office) and request assistance with a particular matter then I consult and engage to see what are the necessities here, ...through that I am able to pick up what are some of the needs of the business community and include them in my plan’.

1.5.2 Searching For Fitness With LED Strategy

Besides the consensus on setting direction based on evidence, it was also notable that all the four LED strategic leaders shared the view that their role was to ensure that they executed economic projects that were carefully matched with the local economic development strategy, which also gave them some influence to champion projects for Makana. Strategic leader 4 aptly echoed how this search was done as follows:

‘So LED as a directorate [we] also go and source funding from different government departments,..., like the Neighborhood Partner hood Grant, we sourced 90 million rand for tourism,... from Cacadu [region], I think this year we got something like 10 million rand, ..., if there is an agricultural programme, we will source funding from the Department of Agriculture. Our focus on economic development is in any sector to improve economic activities in Makana. That’s how we influence the IDP...we are in every aspect’.

With emphasis on projects, LED strategic leader 1 echoed how they were also instrumental as gate keepers of local economic development projects that were being discussed at higher levels of the municipality to respond to local economic challenges:

‘...last year the New Growth Path came out, so we take the policy documents, looked at the issues from the community, and asked what we can do in terms of the policy. We then aligned issues from the community with policy...take some and leave some. Come up with the programmes and strategic objectives for the LED, so that is how it happens every year. Only the priorities agreed here then become the LED to be discussed at IDP strategic planning session. Here

different departments` priorities are looked at and prioritized so that all the priorities for the municipality...economic...health or education fit together`.

LED strategic leader 3 concurred how they continuously searched for fitness of local economic projects identified by the community not only with policy at directorate level, but also as a way of diversifying economic activities within Makana:

‘stalls will be built at Glen Road, so it is part of implementation of the SMME (Small-, Medium-, and Micro-Enterprises) strategy, so the focus changes, to say that we leave ‘A’ because we have done ‘A’ in 2011/12 and then under 2012/13 what is it we are going to do, what are the projects’.

1.5.3 Facilitating Clarity And Local Relevance Of Led Mandates

Findings of this study also show that only one of the four LED strategic leaders did not concur that her influence on the formulation of the IDP was through the facilitation of clarity and local relevancy of mandates to local economic development within Makana municipality. Exemplifying the views of the majority, LED strategic leader 2 alluded to a White Paper on Local Government, RSA, (1998) which specifies municipal powers, priorities and mandates which generally uphold local economic development as integral to IDP:

‘it is because the municipality has a mandate given [to it] to develop local economy, the White Paper on Local Government (RSA), 1998, which gives the municipality, you know, powers to and the mandate to make sure that due attention is given to the local economy, so it is important. We clarify this importance’.

Focusing on their interpretive role, some strategic leaders aptly described mandates as ‘authorities as per national outcomes’. Strategic leader 3 had the following to say on their interpretive or clarifier role to promote clarity on the local relevance of development priorities to the economic developmental agenda to be manifested in the IDP:

‘...Department of Agriculture will list what they have got, a million, R3million, I mean they have got CAS (Comprehensive Agriculture Support) programmes, whereby they are able to give farmers fencing, the agricultural infrastructure, dams, sometimes livestock improvementthese developments in agriculture are a long our economic priority and also tourism is a priority at Makana... the

festivals [*National Arts Festival*] ...we ensure projects in these are treated as priorities of local economic development in this municipality’.

Stressing the role of LED strategic leaders in facilitating clarity of LED mandates, LED strategic leader 1 underscored that these mandates were clarified to stakeholders as useful economic guides in Makana to consistently diffuse or cascade appropriate attention to economic growth and developmental efforts at the local level:

‘Yes we have a team of managers ... we are the only municipality that has a fully-fledged LED directorate in the Cacadu region, ... I have a manager: SMME, Trade and Investment, and I have a manager: Tourism and Heritage,...These are core sectors for us in Makana community to develop our people...and my LED strategy is always based on our situational analysis in these areas... again this guides us, guides what is put in the IDP when it comes to economic growth and development’.

1.5.4 Integrating Economic Voices Of Stakeholders

Interestingly, the integration of multiple voices of various economic stakeholders in pursuit of economic direction and road map for growth of the local economy was the least highlighted perspective of LED strategic leaders a perceived by their influence on the formulation of the IDP. However, very few of the strategic leaders highlighted that they employ concerted efforts to find the right stakeholders to participate in crafting the LED strategy. In this vein, the choice of stakeholders was regarded by these LED strategic leaders as an essential building block and critical to tap into the reservoir of information, local priorities and ambitions regarding economic growth and development to be portrayed in the IDP. In an attempt to capture the viewpoints of various stakeholders, LED strategic leader 1 further specified the different forums in which they engaged and gathered specific concerns of stakeholders that influenced the nature, direction and growth of LED activities and overall economic development to be included in IDP for Makana:

‘as the (LED) directorate we have various forums, we have Kaolin mining forum, we have a Tourism forum, we have a Creative City forum, that is, all the cultural and art and cultural organizations, these are, you know, organic farming,There are various forums: National African Confederated Chamber

of Commerce (NAFCOC)etc., so those are the forums that we consult with, plus the councilors and all the directorates within the municipality and there's an Inter-Governmental Relations (IGR) forum where we meet with the government departments'.

In a slightly different vein, LED strategic leader 2 illustrated how they thoroughly embraced the viewpoints of stakeholders from a variety of key sectors so that the LED strategic plan was responsive enough to the local and multiple developmental realities in Makana:

'Yes we have stakeholders in the various sectors, for me specifically, I have stakeholders in tourism which I interact with and when I formulate strategies I consult with those stakeholders and their inputs are incorporated when we get to a phase where we formulate projects and programmes... for me it is Makana Tourism, and Makana Ecotourism project, and the National Arts Festival, the wildlife industry, which are the game reserves, and Rhodes University as well, and various stakeholders that we consult when we formulate strategies,....,filter their views in'.

In particular, LED Strategic Leader 4 asserted that while it is important to carefully determine who is engaged and also the actual rationale for their engagement. According to strategic leader 4, this is how LED strategic leaders were influential in bringing into the fore the specific roles, interests, resources and contribution of various economic stakeholders that could promote or impede economic development efforts:

'Yes you can see stakeholder rep forums, sector departments, Rhodes University, East Cape Midlands College, you group them together and we have sessions with them as they have their interests...., social partners are the NGO's and CPO's and faith-based organizations,... we also have a session with business community which includes suppliers and general businesses.... and also meet with rural development representatives forum mostly to do with agricultural related issues, the farmers, so these are the stakeholders here...and they say whatever they want and we pick the relevant issues and bring them together when formulating the LED and also IDP'.

1.6 DISCUSSION

This study has identified “setting of evidence-driven direction” as one of the ways in which Makana LED strategic leaders influence IDP formulation at Makana municipality. Makana LED strategic leaders develop their LED strategy based on the evidence gathered from the Mayoral *Imbizos* and other local stakeholder consultations. According to Kameda *et al.* (2003) evidence-driven style refers to “a deliberation process to review evidence closely and to try and reach a common understanding of actually what happened in the focal case”. In other words, Makana LED strategic leaders ‘review the evidence’ of Makana local stakeholders and not technical experts in order to ensure that this evidence forms the basis of the participatory process of Makana LED development and the IDP. This therefore is a significant finding because Makana LED strategy that is not based on the evidence of Makana local stakeholders would not necessarily be relevant to the local realities in Makana, but also lack of technical and systematic input beyond project perspective is not helpful.

Additionally, this study has also found that Makana LED strategic leaders ‘search for fitness of activities and issues with pre-determined LED strategy’. Strategy is “creating a fit among a company’s activities” (Augier and Teece, 2009:419). Augier and Teece (2009:419) further endorse that “if there is no fit among activities, there is not distinctive strategy and little sustainability”. Makana LED strategic leaders therefore take pains to ensure that Makana local stakeholders’ issues that are incorporated into the IDP fit properly with the LED strategy and mandates. This therefore is a significant finding that highlights emphasis on the process by Makana LED strategic leaders ensure that Makana LED activities and issues to be fit with Makana IDP and mandates.

In the same vein, this study subsequently found that these Makana LED strategic leaders “facilitate clarity and local relevance of LED mandates”. In a nutshell these Makana LED strategic leaders gather real LED issues from Makana community to come up with what they incorporate into the Makana IDP. This suggests that technocrats merely convey economic aspirations of the people of Makana through a participatory process to ensure that Makana IDP is based on local content. As systematic view of the economy is complex and may be beyond comprehension of many local stakeholders, it is important that LED strategic leaders bring this technical knowledge to the various stakeholders in the *Imbizos* rather than play the passive role of simply capturing the economic aspirations of the community.

Furthermore, this study found that these LED strategic leaders “integrate multiple economic voices of stakeholders into the IDP” through seeing to it that Makana LED issues incorporated into the IDP represent the aspirations of a variety of Makana local stakeholders. Integrating multiple economic voices of stakeholders refers to participation of local communities “in every phase of the project from the identification of the needs, the definition of objectives to follow up and evaluation, including design, implementation, management training and maintenance of the project” Ribot (2001:5). Makana LED strategic leaders therefore collaborate with various Makana local stakeholders to identify Makana LED needs, set Makana LED objectives, and design the implementation of the Makana LED strategy that is incorporated into the Makana IDP.

In response to the research question of how LED strategic leaders influence the formulation of IDP at Makana municipality, findings of this study are discussed in the light of extant literature. Notably, findings of this study reflect great emphasis on how LED strategic leaders perceived their influence on strategy process and also the managing of economic stakeholders. From the prescribed bottom-up strategy process associated with municipal planning in South Africa, it is not strange that they perceive their influence on the IDP predominantly through interaction with stakeholders for the purpose of gathering evidence of the prevailing situation to give them direction, gather information from stakeholders regarding projects to be conducted and prioritized. However, of particular interest is the strategic leaders’ predominant emphasis on complying with the bottom-up process of formulating strategy rather than strategy content. Additionally, the notion that LED strategic leaders influence the formulation of the IDP by gathering, filtering and integrating the economic voices collected from stakeholders underscore their focus on managing stakeholders. Notably, this way of influencing strategy formulation is in line with both the core features of LED strategies as well as IDP. In the words of Rogerson & Rogerson (2010: 466-467) LED strategies should reflect not only the “necessity for cooperation and community stakeholder cooperation, but also be locally driven and bottom-up development, to enhance community ownership and monitoring.

Managerial stakeholder theory uniquely agrees with the findings of this study by highlighting stakeholder management as focusing on “legitimate interests of all appropriate stakeholders” in the determination of the participants, strategy, and planning mechanisms in an organisation

(Heath & Norman, 2004: 249). This theory resonates with the findings of this study that Makana LED Strategic leaders reinforce the “bottom-up” strategy process of getting information from various municipal stakeholders by participating in various Imbizos, and forums. In this way, Makana LED strategic leaders play a very influential role in managing various stakeholders to elicit local economic issues to be included in the IDP formulation.

Stakeholder theory delineates stakeholder relevance in terms of “power, urgency and legitimacy” (Flak & Dertz, 2005: 9). Put differently, the basic rationale of the strategy formulation process being reinforced by LED strategic leaders is the facilitation of effective transfer of local economic knowledge of stakeholders into their economic aspirations that are reflected in the municipal IDP. Subsequently, this knowledge becomes crucial information in “government processes, practices and culture”, for distribution to various government structures to “create public policy” (Riege & Lindsay, 2006: 27). Through various interactions and forums, “stakeholder obligations” are elicited to advise LED strategic leaders about stakeholder aspirations to consider when drawing up strategic plans.

Notably, there is also the ‘explanatory stakeholder theory’, which suggests that management of stakeholder relations caters for “understanding what people in the corporations actually do” rather than “managing inputs and outputs” of the corporation (Heath & Norman, 2004: 249). This theory does not explain the findings of this study because Makana LED strategic leaders manage Makana municipal stakeholders to voice the stakeholders’ community issues for LED strategy and hence influence IDP formulation rather than what people do or do not do inside the municipality. Likewise, ‘strategic stakeholder theory’ which proposes a direct proportionality between the degree of resource allocation and management focus to stakeholders and organizational outcomes is also not relevant to the findings of this study (Heath & Norman, 2004: 249). In the same vein, the ‘stakeholder theory of bonding and corporate culture’, which is a theory within the ‘strategic stakeholder theory’, and proposes particular focus on aspirations of certain stakeholder clusters, and “environmental or human rights” activists to formulate a “brand and culture” of an organization is also irrelevant as it focuses on the internal dynamics of an organisation (Heath & Norman, 2004: 249). In this study, the influence of LED strategic leaders is not about branding the Makana LED or IDP formulation, nor Makana municipality, but rather about mobilizing the Makana community voices to identify the community’s economic needs to be included in the IDP.

Similarly, the ‘stakeholder theory of Governance’ which regards the role of stakeholders as “oversight and control over management” (Heath & Norman, 2004: 250), or the “Regulatory stakeholder theory” (Heath and Norman, 2004: 250) which focuses on statutory “protection of interests and rights of specific stakeholder groups’ activities” does not explain the findings of this study. With a focus on stakeholder management, findings in this study are predominantly about how LED strategic leaders collect and integrate multiple economic voices of stakeholders into the IDP, and ensure that activities proposed by stakeholders fit with the LED strategy. LED strategic leaders also ensured that stakeholders were clear about the local relevance of LED mandates. In this view, Makana LED strategic leaders use the management of stakeholders as a medium to influence IDP formulation at Makana municipality.

Mindful that strategy content was derived from stakeholders, it is evident that LED strategic leaders were mainly focusing on strategy process by ensuring evidence-driven direction. LED strategic leaders were predominantly getting evidence regarding future direction in terms of projects from local stakeholders (e.g. integrating of multiple economic voices of stakeholders into the IDP), as opposed to economic technocrats. In particular, LED strategic leaders gathered evidence of local economic development issues during Imbizos, various Makana business forums, interaction with tertiary institutions, government departments, Non-Governmental organisations, and Community-based organisations, among others.

This view of the findings supports the study by Scholl (2002) which used the case of an e-government initiative in New York State to study stakeholder theory and concluded that the status of public sector managers is becoming “one of public facilitation”, is “more network-type” and “demands inclusion and management of constituencies”. In particular LED strategic leaders facilitate clarity and local relevance of LED mandates. LED strategic leaders mainly play the role of “facilitators” of a bottom-up, out-side-in strategy process. This does not resonate with what most of the literature holds as the roles of strategic leaders. Commonly, strategic leaders set and communicate strategic intent (Bartlett & Ghoshal, 2000), craft long-term strategic vision (Browne, 1997), establish and maintain a shared vision, strategic objectives, and organisational strategy (Mosia & Veldman, 2004), and nurture core competencies and values to enhance institutional well-being, and derive human and intellectual capital out of social capital (Hitt & Ireland, 2002). In this regard, the findings of this study reflect that Makana LED strategic leaders are merely facilitators or conveyors of the economic needs of Makana stakeholders to build their LED strategy into IDP at Makana.

Furthermore, strategic leaders develop an enabling environment to attain cross-cultural linkages with immediate and remote organizational stakeholders to enhance ethical values, namely integrity, trust, commitment to cultural diversity of the social milieu, and extrinsic and intrinsic organizational behavior controls (Ireland & Hitt, 1999). This is relevant to how Makana LED strategic leaders ensure that their LED strategy is informed by issues that originate from the culturally diverse Makana community that reflects Makana ethical values and the social milieu in order to influence IDP formulation in a locally cultural manner (Imbizos). The findings of this study show that Makana LED strategic leaders consult stakeholders in various fields, namely community stakeholders themselves, business forums, and so forth.

While LED strategic leaders clarify LED mandates to stakeholders outside their directorate, it is not clear whether they had latitude to express their own leadership thinking or simply adhered to LED mandates and oversaw implementation of political ideologies (Van der Waldt, 2010: 254). Makana LED strategic leaders translate the issues that they collect from the community into tangible projects that are included in the IDP. The findings of this study also show that Makana LED strategic leaders clarify LED mandates to all stakeholders, meaning that the feasibility of the LED strategy that is incorporated into the Makana IDP is tested in these forums.

In the South African context LED strategic leaders emphasise “bottom-up, decentralised and vertical cooperation” with other structures of South African government, coupled with formal collaboration with local public and private bodies, locality branding, flexible economic development agenda for locally specific conditions and an enabling environment to facilitate economic involvement (Rogerson, 2009: 11). The implications of this approach is that Makana LED strategic leaders use their strategic expertise to organize the various Makana stakeholders to participate in the LED strategy development so that it will reflect the wishes of the people of Makana. The drivers of the Makana LED strategy content therefore are the Makana community stakeholders, while the Makana LED strategic leaders merely drive the strategic process and stakeholder management. While it’s argued that LED strategic leaders enforce strong and long-range local economies that are suited to the South African conditions (Rogerson, 2010: 481), it remains questionable whether stakeholders are well-informed to not only understand the local economic systems, but also develop meaningful economic plans for the integration of the local economy into the national and global economic system.

Furthermore, it has been noted that according to Rogerson (2010: 491), many municipalities in South Africa have enormous challenges in terms of effective development and implementation of local integrated economic development. For example, these challenges include (1) a cumulative trend towards the production of low-quality LED plans characterized by a project focus, (2) unrealistic targets, (3) inability to identify the drivers of local economic development, (4) poor implementation, (5) an unhealthy, if not exclusive reliance on consultant driven strategies for LED as a result of low skills in poorer municipalities, and (6) lack of technical staff. Of these challenges that are experienced by municipalities according to (Rogerson, 2010: 491), a glaring challenge at Makana municipality is the ‘inability to identify the drivers of local economic development at Makana. In this study, Makana LED strategic leaders focused on projects, and getting LED information from Makana stakeholders which they evaluated on the basis of whether this informationFor example, Makana LED strategic leaders focus fits the description of Makana LED. In other words, there is no technocratic evidence long term ‘drivers of local economic development and linkages with broader economy which were identified’ and acted upon. This lack of technocratic evidence and focus on economic linkages could be due to ‘lack of technical staff’ at Makana municipality in the domain of LED.

It is notable that the “large part of the strategy process” involves ironing out differences of conjuring strategic matters and the development of a shared viewpoint about the way forward for organisation (Dutton & Dukerich, 1991; Hambrick & Mason, 1984) and this calls for a smarter approach to stakeholder management. Thus, the more diverse the stakeholders in the strategy development process (by background, function, and industry) the larger variation in schools of thought (Dutton & Dukerich, 1991; Hambrick & Mason, 1984). Strategy process and stakeholder management therefore are invariably two concurrent approaches that explain how Makana LED strategic leaders have influenced IDP formulation at Makana, since a varied number of stakeholders were involved in the Makana LED strategy development. Similarly, views of a varied number of community stakeholders form part of community issues that were integrated into a Makana LED strategy for IDP formulation. Significantly, the findings of this study reflect an “emphasis on the information-processing aspect” (Dutton & Dukerich, 1991; Hambrick & Mason, 1984) of Makana LED strategic leaders to influence the IDP formulation. This study shows that the Makana LED strategic leaders enter into dialogue with various community stakeholders who have views about economic development and come out with an LED strategy that integrates all these views.

Concisely, it is imperative to note that strategy process is concerned with “the ‘how’, ‘who’, and ‘when’ of strategy”, namely the conception, planning, visioning, crafting, application, review and monitoring of persons concerned, and timing of strategic activities, while strategy content as a product of strategy process is concerned with “the ‘what’ of strategy”, the form and substance of the strategy for an organisation (De Wit & Meyer, 1994). Findings of this study indicate that Makana LED strategic leaders determine their LED strategy content through integrating economic voices of Makana stakeholders and thus influence Makana IDP formulation. In other words, Makana LED strategic leaders derive their LED strategy content from a variety of stakeholder consultations, namely Makana community Imbizos, business, Non-Governmental organisations, Community-Based organisations, government departments, and tertiary education institutions and forums.

Strategy tension is evident when Makana LED strategy is facilitated by LED strategic leaders who are specialists in the LED field but yet do not feed their LED expertise into Makana LED strategy content because it must reflect the interests of Makana community issues (Meyer, 2007: 37). In other words, the bottom-up strategy approach dictates that the content of the LED strategy should be the prerogative of the Makana community stakeholders, while the top-down strategy development approach would mean that the LED strategic leaders themselves would author the content of the Makana LED strategy.

This approach to strategy formulation does not resonate with Meyer (2007: 76) who asserts that strategy encapsulates strategy “formulation and action”, and it is the prerogative of strategic leaders to manage the whole process of strategy formation in order to enable the organisation to “act strategically” (Meyer, 2007: 76). In other words, strategy formulation coupled with strategy action is a recipe for an organisation that functions according to the whims of strategic leaders. The findings of this study reflect that Makana LED strategic leaders’ strategic behavior, if any, is influenced by stakeholders rather than economic realities as understood by them as experts.

Notably, strategy formation is not easy as it involves strategy conception: option generation (investigating various approaches for every strategic matter), and option selection (determining which strategic option will deliver the expected outcomes) (Meyer, 2007: 79). With this challenging nature, strategy conception undertaken by non-experts may yield results that may not optimize resources.

Kroukamp (2001) asserts that Batho Pele principles developed by the South African government emphasizes consultation with the wider community in the delivery of services, including the “private sector, non-governmental and community-based organizations, academic institutions and citizens themselves”. Makana LED strategic leaders’ approach of influencing IDP formulation through stakeholder management is in line with Batho Pele, which means ‘people first’.

Van Rooyen (2003), reflecting on the need of a culture of community participation and stakeholder negotiation in South Africa, suggested that stakeholder management should be “established and institutionalised, and be viewed as a continuous process of local government”. Similarly, Baccus *et al.* (2008), examining the actual practice in the policy and legislative framework for public participation, concluded that the municipal planning and programme implementation process should be “truly accessible, participatory, and empowering for local communities”.

This suggests that strategy content is not necessarily technocratic in nature, but serves to facilitate economic self-development of the people. Mindful that local economic development, as a task of identifying economic drivers and economic opportunities embedded in a locality is technical, there is a potential danger that LED strategic leaders’ focus on complying with strategy formulation may negatively impact the robust and bottom-up driven strategies, especially in relatively poor municipalities like Makana. With this in mind scholars such as Butterworth *et al.* (2010) who studied integrated local resource management in a municipality in the Netherlands suggested a “combination of bottom-up and top-down” approaches to strategy development to maintain a balance between stakeholders and management.

1.6.1 Limitations Of The Study

Firstly, the small number of research participants in this study is a limitation. The sample was small simply because Makana LED directorate has only four strategic leaders and all of them participated in the study. Although interviews were in-depth, follow up interviews and member checks were conducted to enhance credibility, there is a need for great caution in transferring the findings of this study to other contexts. Mindful that the research context is a small municipality, this poses limitations on the transferability of the findings of this study to other larger more urban local municipalities. Similarly, transferability of these findings to other local municipalities of the same size as Makana is only sensible if the context has

similar characteristics. Furthermore, the fact that only one person was interviewed as a strategic leader in each of these sub-directorates imposes a limitation in the variety of perspectives captured in this study.

1.6.2 Value Of The Research

The study has focused on LED in a very small municipality and provided insights into how LED strategic leaders influence the formulation of the IDP. Mindful that local economic development is a relatively technical area, the study raises questions on the merit of LED strategic leaders' focus on predominantly strategy process instead of strategy content. The study also highlights that the influence of LED strategic leaders in a municipal context is more on of facilitating a bottom-up strategy process, ensuring stakeholder involvement and not strategy conception.

The study provides a practical view of strategy formulation in a municipal context from the perspective of strategy practitioners. Understanding the strategic perspective of local economic development in a municipal context needs a systemic view, which requires more technical capabilities than most of the community members or other stakeholders may have to perceive, and integrate economic opportunities and also perceive risk in the short and long term. This study also reveals that in some cases, strategic leaders may not be responsible for all three aspects of strategy context, strategy process and strategy content, and this brings a different perspective to how strategic leaders influence strategy formulation.

1.6.3 Recommendations

The following recommendations are made:

1. The technical influence of LED strategic leaders on IDP needs to be more pronounced even within the existing bottom-up strategy formulation process.
2. Systemic and more strategically-oriented rather than project-orientation of local economic development should be entrenched to embrace and link short and long-term local economic development goals in a dynamic economic system.

3. The limit of the influence of LED strategic leaders to predominantly strategy process and not strategy content needs to be reviewed as this dilutes the technical input into the strategy content that is required for meaningful local economic development.

1.6.4 Possible Areas For Future Research

Future research may focus on the influence of municipal political leaders on the formulation of the IDP or take a broader view of strategic leaders within the layer of municipal officials and go beyond the local economic development directorate. In this regard, there is therefore a need to find out how other municipal forces, other than those investigated in this study, influence IDP formulation with regard to LED.

1.7 CONCLUSION

This study has successfully answered the key research question in this study, namely: How do strategic leaders of Makana LED directorate influence the formulation of the municipality's IDP? This study has thus demonstrated that these Makana LED strategic leaders have influenced the Makana IDP formulation process in mainly four explicit ways, namely (1) setting evidence-driven direction, (2) searching for fitness of activities and issues with LED strategy, (3) facilitating clarity and local relevance of LED mandates, and (4) integrating multiple economic voices of stakeholders into the IDP. This study has further found that all these findings are significant LED strategic leaders' contributions to the formulation process of the Makana IDP as they represent key features of Makana LED.

These LED strategic leaders are strategic leaders because they made strategic decisions characterized by (1) long-term direction and sustainable success, (2) the link between the internal and external environment, (3) the overseeing of major resources, (4) having an effect on the entire organisation, and (5) are shaped by the values and expectations of stakeholders (Louw and Venter, 2010:2).

The study focused on how LED strategic leaders influence on the formulation of IDP at Makana municipality. In-depth interviews were used to collect data from LED strategic leaders at Makana municipality. Results of the study showed that LED strategic leaders influence the formulation of IDP through managing of economic stakeholders and focusing on compliance to the bottom-up strategy formulation process. Consequently, strategy content

is derived from stakeholders under the facilitation of LED strategic leaders. This has potential implications of diluting the technical input by LED strategic leaders into the strategy content that is required for meaningful local economic development. Additionally, as local economic development is also about strategic economic development not to just develop, but also link the local economy to other economic systems, the technical challenges seem to be too complicated to be left to community stakeholders, while technocrats simply mind the process. Recommendations are made in the light of how LED strategic leaders influence the formulation of the IDP at Makana municipality.

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SECTION 2: LITERATURE REVIEW

This study focuses on the influence of local economic development (LED) strategic leaders on the formulation of IDP at Makana local municipality, in the Eastern Cape. This section therefore explores two concepts of strategic leaders and strategy formulation in a municipality. Strategic leaders play a very critical role in formulating, but also in day-to-day implementation of strategy. It is arguable that the upper echelons of a directorate within the municipality influence both how strategy is formulated and executed. However, this study focuses mainly on how strategic leaders from the LED directorate influence how strategy is formulated in a municipal context. The section will initially discuss the concept of strategic leaders broadly before focusing on municipal strategic leaders. Furthermore, this section progresses to focus on what strategy formulation is, and the link between strategic leaders and strategy formulation is explored. Lastly, this section dwells on the influence of strategic leaders on strategy formulation in a municipal environment.

2.1 Definition of IDP

Visser (2001:1673) defines IDP as a “mechanism that draws upon spatial imaginations as a method of re-directing the development of a city and shows an imagined urban space, expressed in the planning system of the integrated development plan, and functions as a device by which shared understandings of social justice are enabled”. On the other hand, Pillay *et al.* (2006:194) echoes IDP as “a participatory approach to integrate economic, sectoral, spatial, social, institutional, and fiscal strategies in order to support the optimal allocation of scarce resources between sectors and geographical areas and across the population in a manner that provides sustainable growth, equity, and empowerment of the poor and the marginalised”. Focusing on framework and execution of vision, Wilkinson (2002:3) defines IDP as “a framework within which municipalities can understand the various dynamics operating within their area, develop a concrete vision for the area, and formulate strategies for realising and financing that vision in partnership with stakeholders”. Notably, all the three definitions emphasise the notions of ‘shared understandings of social justice’, ‘participatory approach to integrate economic, sectoral, spatial, social, institutional, and fiscal strategies’ and ‘partnership with stakeholders’ respectively. The definition that this study has adopted is that of Pillay *et al.* (2006:194) because it specifies the ‘participatory integration of economic, sectoral, spatial, social, institutional, and fiscal strategies in order to

support the optimal allocation of scarce resources between sectors and geographical areas and across the population in a manner that provides sustainable growth, equity, and empowerment of the poor and the marginalised’.

2.2 THE CONCEPT OF STRATEGIC LEADERS

Boal & Hooijberg (2001: 515) consider new leadership theories (charismatic, transformational and visionary leadership theories) and emergent theories (behavioural, cognitive and social intelligence theories) as building blocks of the concept of strategic leaders. On the other hand, Hitt *et al.* (2003) is of the opinion that top level managers are strategic leaders who are accountable for effective strategic direction. For the purpose of insight into leadership, the applicable leadership context should be taken into account (Bryman *et al.*, 1996) when defining the concept of strategic leaders. In the context of Makana LED directorate, therefore, top level managers are the LED directorate head [*and director*] and managers of LED sub-directorates. This study thus focuses particularly on the influence of these LED strategic leaders on the formulation of the IDP. It suggests that LED Strategic leaders are accountable for effective LED direction at Makana. It is vital to note that managing diversity is essential, especially to municipal strategic leaders. Municipalities are a truly diverse community held together by common needs and aspirations but competing for the same municipal resources particularly in terms of resources. LED strategic leaders therefore have to put up with diverse expectations due to diverse backgrounds and cultural differences.

It needs to be highlighted that top managers are strategic leaders and that leadership and management are interdependent (Kotter, 1999). The concept of leadership implies change, while the concept of management implies stability (Barker, 2001). Leaders manage vision, strategy, and change, while managers implement the vision (Dubrin, 2001). Top level managers therefore take the initiative in setting the vision, mission, and strategy of the organisation and create key performance areas to ensure that the strategy is implemented.

This study is concerned with a type of leader, known as a strategic leader. In this vein, strategic leaders who bring forth effectiveness in an organisation (Thorne, 2000), are characterized by organizational evolution (Boal & Hooijberg, 2001: 516), an aim to achieve

long-term sustainability and short-term financial viability (Rowe, 2001), envision, anticipate, and ensure flexibility, and initiate strategic change in the organization (Hitt *et al.*, 2003).

Organizational cultural challenges necessitate that strategic leaders should induce, nurture and manage development and maintenance of organizational culture based on organizational or group dynamics relating to accepted beliefs about the organisation (Ireland & Hitt, 1999). Strategic leaders therefore ensure adherence to development of organizational relationships with the internal and external environment (Ireland & Hitt, 1999). In this way, strategic leaders nurture and monitor organizational culture that is associated with group or organizational beliefs about understanding the immediate organizational environment (Ireland & Hitt, 1999), and ensure honesty, respect, reliability, active listening, and committed communication, and openness among stakeholders in the organisation. (Simonsen, 1997).

The seminal works in strategic leadership illustrate that “organisations are a reflection of their top leader” (Hambrick and Mason, 1984: 193). Strategic leaders engage in a specific form of leadership which requires relevant abilities and skills to execute strategic roles and responsibilities. In summary Vera & Crossan (2004: 222) emphasise that top managers are “crucial to the firms outcomes because of the decisions they are empowered to make” while Hambrick, (1989: 5) argue that these leaders “ultimately, account for what happens to the organisation”. Additionally, Summer (1980) suggests that strategic leadership is the activity of strategic leaders. Hambrick & Mason (1984), assert that the “special knowledge, experience, values, and preferences of top managers will influence their assessment of the external environment, and ultimately the choices they make about organisational strategy”. Hambrick & Pettigrew (2001) suggest that the concept of strategic leadership as a theory “has evolved from the original upper echelons theory developed by Hambrick & Mason (1984) to a study of not only the instrumental ways in which the dominant coalition influences organisational outcomes but also the symbolism and social construction of top executives”. Furthermore, leadership and strategic leadership as theories are not the same, hence Hambrick & Pettigrew (2001) posit that “leadership theory refers to leaders at any level in the organisation whereas strategic leadership theory refers to the study of people at the top of the organisation”. In particular, strategic leaders are (a) in charge “of” rather than leaders within an entity such as the organisation, a division or directorate; (b) they are part of top management planning and monitoring; (c) they form a “dominant coalition”; (d) they “make

consequential or strategic decisions in volatile, uncertain, complex and ambiguous environment” (Louw & Venter, 2010: 442; Boal & Hooijberg, 2001: 516; Guilot, 2003: 6; Quong & Walker, 2010: 23). Wong *et al.* (2003: 1-3) suggest that there are three basic functions of strategic leaders, namely “path-finding, aligning, and empowering”.

Vera & Crossan (2004) developed a theoretical model of the influence of CEO and top manager leadership styles and practices on organisational learning, looking at the processes and levels of organisational learning to describe how strategic leaders influence each element of the learning system. Wong *et al.* (2003: 2) suggest that strategic leaders have self-efficacy which is about “individual’s judgment of capabilities for performing specific tasks and effective influence on one’s environment”. Furthermore, strategic leaders require self-awareness and adaptability which centres on the “ability to assess own abilities, determine strengths in the environment and learn how to sustain strengths and correct weaknesses, and the ability to recognise changes to the environment, determine what is new, and what must be learned to be effective” (Sashkin,1992).

Glantz (2010, 78-79) concurs with Davies & Davies (2005) in suggesting that the following characteristics of successful strategic leaders: “dissatisfaction or restlessness with the present, prioritising their own strategic thinking and learning, creating mental models to frame their own understanding and practice, and having powerful personal and professional network”. Alternatively, there is also an emphasis on strategic and symbolic aspects as “strategic leadership research focuses on executive work, not only as a relational activity but also as a strategic activity and a symbolic activity” (Vera & Crossan, 2004: 223). Dargie (1998) studied two hospitals and revealed that non-profit strategic leadership differs from corporate strategic leadership in “informational, interpersonal and decisional roles”. Leaders who had led both profit and non-profit organisations concluded that non-profit strategic leaders have not only a small scope of authority, but also a wider range of stakeholders who expect consensus (Taliento & Silverman, 2005). Furthermore a study on municipal strategic leaders conducted in Portuguese municipalities found that public service quality was value-based as strategic leaders had the primary responsibility of not just shaping the organisations values and but also motivating their employees to achieve results (Sá and Kanji, 2010).

2.3 MUNICIPAL STRATEGIC LEADERS

Shrivastava & Nachman, (1989: 51) defines strategic leaders from the perspective of the municipality. From this domain, strategic leadership is a “multi-faceted concept which involves the integration of societal ethics with organisational ethics; the alignment of philosophies regarding the roles of leader, society and organisational constituents, and enactment of these philosophies; and the alignment of the organisation with respect to influence and power in society” (Shrivastava & Nachman, 1989: 51). Contrary to strategic leadership in the corporate context, municipal strategic leaders are municipal administrative leaders, a dominant coalition of municipal senior managers, that is vested in the office of the Municipal manager and heads of department (Van der Waldt, 2010: 256) the influence of which is in the form of new approaches to resolution of local governance problems, enhancement of “financial viability, effective marketing of the local area, and effective crisis resolution” (Rogerson, 2011: 155). Consequently, municipal managers are responsible for strategic leadership in the form of managing municipal “programmes and projects, finances, change, knowledge, service delivery innovation, problem solving and analysis, public interests, client orientation and customer focus, communication, accountability and ethical conduct” in the municipality (Koma, 2010: 117). Corporate strategic leaders differ from public strategic leaders: municipal strategic leaders represent non-profit strategic leaders (Dargie, 1998). It can be argued that objectives of corporate strategic leaders are characterized by economic rather than public service delivery orientation.

Alternatively, strategic leaders in a commercial firm “execute strategic leadership [operate] in a competitively superior manner to facilitate the firm’s efforts to earn superior returns on investment thereby creating a sustainable competitive advantage which is the universal objective of all (corporate) companies “(Ireland & Hitt, 1999: 44). This shows that strategic leaders in the corporate world make strategic choices in their functional encounters and during interactions with “stakeholders especially customers, suppliers, and the communities in which they operate” (Rowe, 2001: 83).

It is vital to note that administrative leadership of municipalities is “mainly vested in the Municipal manager and heads of department” (Van der Waldt, 2010: 256). Municipal strategic leaders led by the Municipal manager are therefore a dominant coalition in the

municipality and their influence is measurable in terms of “innovativeness of solutions to local challenges, improvement of financial viability, effective marketing of the local area, and effective crisis resolution” (Rogerson, 2011: 155). According to the Municipal Systems Act (2000) for South Africa, municipal managers’ responsibilities includes strategic leadership; programme and project management; financial management; change management; knowledge management; service delivery innovation; problem solving and analysis; people management; client orientation and customer focus; communication and accountability; and ethical conduct” (Koma, 2010: 117).

From the municipal management perspective, it is sound to acknowledge that municipal managers work with those who lead specific functions or directorates (e.g. education, economic development, etc.). In particular, local economic development is an obligatory mandate for all South African local authorities (DPLG, 2000). Succinctly, Rogerson (2009) echoes that LED, has become a significant vehicle for “an enhanced importance of place and locally driven development process”.

Strategic leaders within the directorate of local economic planning at a municipal level envisage what the desirable future of economic development will be, and create conversations to build viable and exciting pathways to create capacity to achieve that future. In this way, LED strategic leaders, namely the head of LED directorate and managers of LED sub-directorates, move away from operational details and develop a holistic and broad organisational or municipal perspective (Davies & Davies, 2010: 6). These strategic leaders are in-charge of all LED activities in the LED directorate hence their role is that of strategic leaders. As strategic leaders within the local economic development directorate, they evaluate alternative courses of strategic action. It can also be argued that they influence formulation and execution of municipal strategy such as the IDP in South Africa. In this way, strategic leaders’ influence within a municipality is notable in terms of “the holistic strategy for poverty alleviation, and plans for integrated development” (Cashdan, 1998: 5). This influence is also evident in terms of “leading change, bridging the gap between long-term objectives and short term practice, linking sectors and actors, recognising the value of sustainable infrastructure, turning ‘green’ into business and building the city for people together with people” (Jordán & Infante, 2012: 539).

While it is salient to note that municipal managers also work with municipal political leaders, this is not the concern of this study. In a nutshell, municipal political leadership is the domain

of municipal councillors led by the Mayor and the Council Speaker (Glantz, 2010: 72). Specifically, this study focuses on municipal strategic leaders within the LED directorate. This resonates with the notion that municipal leadership is the domain of municipal bureaucrats led by the Municipal manager and Heads of Department as divisional managers. LED as a directorate, has a director and key managers who are strategic leaders of economic development in a municipality. Studies conducted on South African municipalities have focused on the role of community participation in the IDP process (Tshabalala & Lombard, 2009: 396). Van der Waldt (2010: 251) observes that there are also studies which explored existing practices and leadership challenges specifically on political and administrative interfaces, organisational placement of project governance structures, and monitoring and oversight of projects.

Among municipal strategic leaders, LED strategic leaders are a select team of municipal officials who by virtue of their qualifications, contextual exposure, and experience hold positions of strategic importance in the LED directorate, e.g. agricultural development, Small-, Medium-, and Micro-Enterprises (SMMEs), trade and investment development, and/or tourism and heritage development. Lawrence & Hadingham (2008: 45) opine that LED strategic leaders could influence local economies were it not for “limited capabilities of LED staff that have the consequence that many small municipalities focus on compliance with statutory requirements rather than attempting to proactively manage economic opportunities that could have widespread local influence” (Rogerson, 2010: 491).

Furthermore, Rogerson (2010: 491) recognises some causes of lack of proper influence of LED strategic leaders to “uneven character of training landscape, both in terms of training availability for the basic LED Qualifications Framework at National Qualifications Framework Levels 4, 5, and 6, and for tertiary level training in LED at tertiary institutions”. In a different vein, Glantz (2010: 72) acknowledges that strategic leaders’ influence resides with the “building and nurturing of coalitions of support that are critical to success by discovering who has a vested interest in one’s own vision and capitalising on ways to involve them”. Furthermore, Glantz (2010: 72) raises the fact that strategic leaders’ influence lies in “diversity of ideas and points of view because they realise that the strategic plan will be made even stronger through diversity of ideas and points of view”.

In this study, the term strategic leaders is used for people ‘in-charge of the organisation or division or directorate; part of top management planning and monitoring; forming a dominant coalition; making consequential or strategic decisions in a volatile, uncertain, complex and ambiguous environment’(Louw & Venter, 2010: 442; Boal & Hooijberg, 2001: 516; Guilot, 2003: 6; Quong & Walker, 2010: 23). This definition includes an uncertain, complex, and ambiguous environment, typical of LED directorate in a municipal setting involving municipal political leaders and various local stakeholder leaders.

Other definitions cited in this study are also important and complement this adopted definition in various ways. For example Phillips & Hunt (1989) and Steele & Walters (2001) definition mentions strategic leaders with cognitive complexity to deal with abstract and long term issues. Boal & Hooijberg (2001) articulate creation and maintenance of learning and wisdom of a manager to adapt to whatever situation. Sashkin’s (1992) definition highlights strategic leaders’ abilities with respect to his environment. Wong *et al.*’s (2003: 2) definition entails recognition of personal abilities to perform specific tasks to effect influence on the environment, while Vera & Crossan’s, (2004) definition emphasizes the influence of top management on organisational learning to influence the learning system.

Notably, Hambrick & Mason’s (1984) definition adds to the adopted definition the idea of special knowledge, experience, values, and preferences of top managers to influence their assessment of the external environment and choices they make about organisational strategy. Wong *et al.*’s (2003:1-3) definition highlights the notion of path-finding, aligning and empowering functions of strategic leaders. Finally, Sashkin’s (1992) definition complements the adopted definition by emphasising the ability of strategic leaders to assess their own ability, determine strengths and correct weaknesses, and the ability to recognise changes to the environment, determine what is new, and what must be learnt to be effective.

2.4 ROLES OF STRATEGIC LEADERS

Strategic leaders are characterized by specific roles that are evident in their actual strategic actions, namely setting and communicating strategic intent (Bartlett & Ghoshal, 2000), developing long-term strategic vision (Browne, 1997), and ensuring the development of shared vision, strategic objectives, and organizational strategy (Mosia & Veldman, 2004). For this envisioning and strategy development, strategic leaders should ensure development of

core competencies to create value and improve performance of the organisation (Ireland & Hitt, 1999).

Furthermore, strategic leaders use human relationships to create human and intellectual capital from social capital Hitt & Ireland (2002) for the organisation in order to develop a competitive organisation and communicate across cultural boundaries with respect to the internal and external organizational stakeholders (Ireland & Hitt, 1999). Strategic leaders are also responsible for the following: developing decision making structures and processes in the organisation thereby creating the organisation's culture for communication and decision making matrix; developing organizational ethical values including integrity, trust, commitment to one another and to cultural diversity of the environment of the organisation; and creating and utilizing flexible and innovative centralized and decentralized control systems for organizational behavior in the long-term (Ireland & Hitt, 1999: 51)

Strategic leaders' first responsibility is to ensure that there are people that they should lead, that there is a plan of action, and that resources are available, meaning that they engage in "stakeholder mobilisation, feasibility assessment, budgeting, performance management and measurement, resource allocation and prioritisation" (Poister & Streib, 2005: 53). Additionally, strategic leaders should have a mind map of the way ahead which is "establishing the vision" (Ireland & Hitt, 1999: 48-52), "establishing strategic direction", (Jackson, 1993: 10), "ensuring a shared vision" (Davies & Davies, 2010: 14-19), "countering and overcoming unexpected situations" (Quong & Walker, 2010: 23-32), "bridging short-term activities and long-term objectives" (Davies & Davies, 2004: 30-34), and "making strategic decisions, creating and communicating vision, developing key competencies, capabilities, structures, processes and controls" (Boal & Hoiijberg, 2001: 516). Strategic leaders need to have behaviour parameters and "enforce ethical standards" (Rowe, 2001: 87), ensure that their organisation's planned behaviour standards are interpretable as "integration of social ethics, alignment and enactment of philosophies about a leader, society and the organisation" (Shrivastava & Nachman, 1989: 51). Strategic leaders also have to "execute and manage policies developed at political level" (Van der Waldt, 2010: 254). Finally strategic leaders' roles are to develop "new ways of thinking and understanding of rapidly changing knowledge" (Quong & Walker, 2010: 23). Hughes & Beatty (2005: 46-48) investigated the link between business and leadership strategy in one of the largest not-for-profit hospital systems in the United States and concluded that a strategic leader has an

opportunity to be an individual champion of strategic change needed to produce desired results over the long haul throughout the organisation .

In particular, municipal [*strategic*] leaders' roles include development of "new relationships with organisation's stakeholders that call for higher levels of involvement and decision sharing" (Sá & Kanji, 2010: 132). Furthermore, "new competencies and responsibilities" are required of municipal strategic leaders. These include sharing of the "organisation's values", inspiring "urgency for change, network across traditional boundaries, organisation-wide culture of soliciting and valuing everyone's opinions, sharing information with all decision makers, appreciation and recognition of other people's achievements and contributions, and developing a culture of continuous improvement" (Sá & Kanji, 2010: 132).

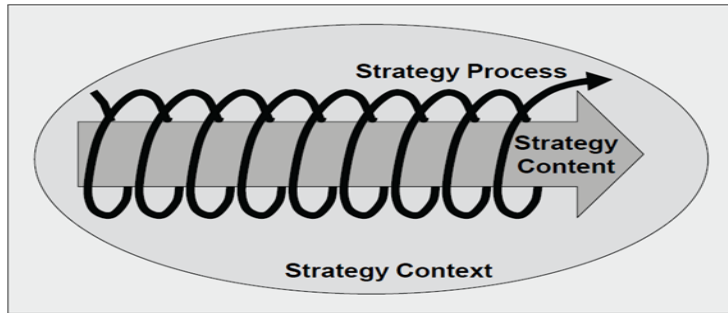
The roles of LED strategic leaders in South Africa pertain to nature of LED in the South African context, namely encouragement of bottom up local economic growth and development and inspiring a "locality development approach" (Rogerson, 2009: 11). Furthermore, LED strategic leaders' roles include encouraging local stakeholders to "adopt a more proactive stance with respect to their own [*economic*] future" (Rogerson, 2009: 13).

LED strategic leaders are also charged with the responsibility to ensure enhancement of "local economic development in order to forge robust and sustainable local economies, in the South African context" (Rogerson, 2010: 481). LED strategic leaders are charged with the role of enhancing the "importance of place and locally driven development process" (Pike *et al.*, 2006; Valler & Wood, 2010). Furthermore, LED strategic leaders are responsible for promoting a "decentralised, bottom-up approach to economic development, building on the economic strengths of each locality, and supporting the foundations for economic growth such as productive investment and enterprise upgrading" (Rogerson, 2010: 481).

From a strategy formulation perspective, it is critical to highlight that local economic development is not solely for economic development, but eventually for achieving long-term economic, community, and environmental growth goals (Rogerson, 2009: 14-15). As such strategy context, strategy process and strategy content are all very important. In a nutshell, people who are involved in determining strategy deal with strategy process, strategy context as well as strategy content. Strategy context "as circumstances under which both strategy

process and content are determined” emphasizes on locality. It is notable, that strategy content is concerned about the “what of strategy” (Meyer, 2007: 29). Figure: 1 below reflects the relationship between strategy process, strategy content and strategy context.

Figure 1B: Strategy process, content and context



Source: Meyer (2007: 30)

Generally, strategy “encompasses direction-setting, broad aggregated agendas, a perspective to view the future and a template against which to evaluate current activities” (Davies, 2004: 30). Broadly, this suggests that an organisation’s desired state of affairs can be achieved by forward planning, crafting a vision, welcoming diverse views, forward reasoning, collaborating with others to introduce innovation for the continued successful productivity of the organisation (Ireland & Hitt, 1999: 43). Ultimately, the strategic leaders’ role with respect to LED is the building of the “competitive economic base of localities” (Meyer-Stamer, 2002: 8).

2.5 THE CONCEPT OF STRATEGY FORMULATION

Municipal strategy formulation culminates in the concept of integrated development planning in South Africa. Thus, the Constitution, RSA, (1996) stresses the role of municipalities to “assume a greater and significant role in economic and social development to appropriately respond to local needs, interests and expectations of communities as a government closer to the people” (Koma, 2010: 113).

Strategy formulation is different in a municipal context. Here, the Municipal manager and senior officials play a particularly important role in providing leadership for administrative

action through the promotion of new strategies and managing the implementation of projects and programmes (Van der Waldt, 2010: 256). Municipal strategy formulation in South Africa is also different from corporate strategy formulation in various ways. In the seminal White Paper on Local Government (1998), the “purpose of integrated development planning is to provide a framework within which municipalities can understand the various dynamics operating within an area, develop a concrete vision for the area, and formulate strategies for realising and financing the vision in partnership with other stakeholders” (Wilkinson, 2002: 1-2).

This study therefore adopts the definition of strategy formulation of Boal & Hooijberg (2001) which describes strategy formulation as a ‘series of strategic leaders’ choices that influence organisational outcomes’ because it suggests that strategy formulation is serial selection of actions that would positively influence the course of existence of an organisation. There is a need for great care to accommodate the aspects of strategy formulation which are unique to the municipal context in South Africa. There is also a need to understand the municipal strategy formulation elaborated in a White Paper on Local Government, RSA (1998) that entrenches four developmental approaches, namely “integrated development planning, service delivery, local economic development and democratisation” (Cashdan, 1998: 4). Premised on these four municipal developmental approaches, municipal councils are now “required (RSA, 1996c) to produce IDP’s with spatial, institutional and financial components, including needs assessments, prioritisation exercise, implementation programmes, and monitoring systems” (Cashdan, 1998: 4). To elucidate this point further with an example of the application of such a strategy, Cashdan (1998: 5) suggests that “with the participation of poor communities, IDP’s for example, should help municipalities to develop holistic strategies for poverty alleviation, Republic of South Africa (RSA, 1998a: 27) and ensure better use of existing infrastructure, and correction of the historically distorted spatial patterns” (RSA, 1995). This is unique and different from the business world where strategy may be “Porter’s (1980) three generic competitive strategies of cost leadership, differentiation and focus, Miles and Snow’s (1978) four strategy types of defenders, prospectors, analysers and reactors, or Herbert and Deresky’s (1987) classification of developing, stabilising, turnaround and harvesting strategies”. Tan (1995: 172) concurs with Deresky (1987) in this respect.

Generally, Mintzberg and Lampel (1999: 22) proposed strategy formulation schools of thought or typologies which focused on the operational activities of strategists, rather than the strategic issues which strategists must decide on. These are presented below in Table 1:

Table 2B: Mintzberg’s Ten Schools of Thought in Strategic Management (adopted from Mintzberg, 1998)

SCHOOL OF THOUGHT	‘THOUGHT’	‘SCHOOL’
Design School	Strategies are formed as a result of internal and external valuation (Conception)	Economics
Planning School	Strategies are formed as a result of formal planning models (Formality)	Economics
Positioning School	Strategies are formed as a result of strategic positioning (Analysis)	(Industrial) Economics
Entrepreneurial School	Strategies are formed as a result of a single leader (Vision)	Psychology, Sociology
Cognitive School	Strategies are formed as a result of the cognitive mind (Mentality)	Psychology
Learning School	Strategies are formed as a result of experience (Emergence)	Psychology
Power School	Strategies are formed as a result of politics (Negotiation)	Political Science, Sociology
Cultural School	Strategies are formed as a result of the organisation’s mind (Collectivity)	Anthropology
Environmental School	Strategies are formed as a result of the challenging setting (Reactivity)	Biology

Configuration School	Strategies are formed as a result of a complex interplay of factors (Transformation)	Many
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Source: Meyer (2007: 27)

According to Mintzberg and Lampel (1999) strategies are formed through various ways namely as a result of (1) comparison of internal and external evaluation; (2) formal planning; (3) analysis which culminates in strategic positioning; (4) the vision of a single leader; (5) negotiations; (6) the organisation`s mind; and (7) a reaction to challenging setting or a complex interplay of factors, just to mention a few.

2.6 LOCAL ECONOMIC DEVELOPMENT PHENOMENON

Cashdan (1998: 13) subscribes to the view that a “vision for LED in South Africa should be home-grown and be an African alternative based on the cultural and political heritage of the country, the survival strategies of the poor over many decades, and with the tradition of community organisation and mobilisation”. Aptly, Rogerson (2010: 481) surmises that LED is about “re-engineering local government in South Africa”. Local economic development is characterised by widespread trends towards a more decentralised, bottom-up approach to economic development, building on economic strengths of each locality and supporting the foundations for economic growth such as productive investment and enterprise upgrading” (Rogerson, 2009: 9). For example, Rogerson (2010: 485-486) emphasises that “in larger metropolitan areas the focus in LED practice is on developing a more supportive and competitive business environment, institutional support for competitive sectors or clusters, business retention, removal of red tape, and even consideration of the introduction of local investment incentives”. Additionally, Rogerson (2010: 486) asserts that “in most of smaller centres LED concentrates mainly on ‘increased service delivery, extension of the social grant system, public works and Small-, Medium-, and Micro-Enterprise (SMME) initiatives”.

Municipal strategy formulation in terms of LED is clearly depicted by Rogerson (2010: 481) as a significant shift in the nature and organisation of development planning in South Africa that relates to the rise of LED planning, an “integral component of place-reshaping”. The activity of LED is “concerned with local people working together to achieve sustainable economic growth that brings economic benefit and quality of life improvements for all in the community” (Rogerson, 2009: 13). The strategy formulation of LED within a municipality

reflects four characteristics, namely, “participatory development process that encourages partnership arrangements between the main private and public stakeholders of a defined territory, joint design and implementation of a common development strategy, the use of local resources and competitive advantage in a global context, and pursuit of the final objective of creating decent jobs and stimulating economic activity” (Rogerson & Rogerson, 2010: 467).

Ruecker & Trah (2007: 15) posits that LED is “not simply about economic growth, rather than it is geared ultimately towards attaining a sustainable development pattern which accommodates and reconciles economic, social and ecological issues and objectives”.

Rogerson (2010: 481-484) “analysed 15 years’ experience of LED planning in order to identify strategic challenges that face LED planning in South Africa”. He found that until 2006, no national government guidelines existed to assist South African authorities in pursuing LED activities (Rogerson, 2008). He also found that the central debate was about whether LED initiators should take a “competitive or social welfare approach; that there is considerable overlap between the roles and responsibilities of leading LED stakeholders in South Africa; and there is a lack of awareness and understanding of the most appropriate scale for accommodating LED in South Africa”.

2.7 THE LINK BETWEEN STRATEGIC LEADERS AND STRATEGY FORMULATION

The relationship between municipal strategic leadership and strategy formulation is further indicated by “the way organisational values that provide the foundation of vision, mission, strategy and other key issues are developed and implemented, as they determine the quality of [strategic] leadership in an organisation so that organisational values will be reflected in the municipality’s vision, mission and strategy” (Sá & Kanji, 2010: 134). Municipal strategic leaders make decisions on local government innovations including the notion of “treating the citizen as a customer (Denhardt, 2000), and implementing formal strategic planning technologies (Bryson, 1995). The relationship between strategic leadership and strategy formulation in municipal policy implementation is echoed by Meyer and Cloete (2006: 305) noting that “there is a need for strong, coherent and transformative political and executive leadership to steer implementation process in the right direction to achieve organisational

objectives, supported and coordinated by committed administrative support services whose actions do not have contradictory results on service delivery” (Koma, 2010: 116). Furthermore, strategy formulation is about a better future for the organisation and is therefore developmental in essence. In this regard, Maserumule (2008: 441) opines that “the political and administrative components of the municipality should have skills, competencies and knowledge that benefit the imperatives of a developmental system of local government”.

Municipal strategy formulation, for example, is typified by strategic leaders having to:

engage key stakeholders in designing and implementing a strategic approach to regeneration at the local authority level, devolve decision-making away from central government with greater emphasis placed on promoting local leadership structures, and work to an integrated and locally agreed community strategy which includes targeting areas of deprivation and rationalising single-policy partnerships (Bailey, 2003: 444).

Focusing on the effectiveness of participatory planning model in the municipality of Stellenbosch, Cash & Swatuk (2011) elaborates on IDP as follows:

Note that this post-apartheid practice promotes participatory planning to create a socially and environmentally sustainable society. They also note that stakeholders, including those from business and industry, commercial and subsistence farming, and urban and peri-urban residents, have varying needs and that sharing of resources and planning for social equality is particularly challenging. Furthermore they note that IDP promotes an integrated, participatory approach whereby all sectors and affected individuals must legally be consulted. It is a process whereby communities are consulted and their concerns are meant to be captured in the IDP, the main tool for carrying public opinion to decision makers. This ultimately is intended to inform all planning, budget, management, and decision making in a municipality (Cash & Swatuk, 2011: 53-54).

Making an assumption that local governments are likely to engage in innovations, Ihrke *et al.*, (2003) investigated the perceived successes or failures of municipal innovations dealing

with privatisation, customer service and strategic planning in the American federal states of Wisconsin. The study concluded that “managerial leadership and policy board-administration relations explain a significant amount of variation and that the credibility of executives and board-staff relationships is an important determinant of innovative behaviour in local government” (Ihrke *et al.*, 2003: 79). Likewise Pycroft (1998) focused on whether South Africa’s “existing planning policy contributes to the construction of developmental local governments and whether policy strengthens or weakens efforts to decentralise decision”. In a slightly different way, Binns & Nel (2002) examined how “economic, social and environmental resources are being utilised to promote tourism as a local economic development strategy”.

The current study is unique as it focuses on the influence of LED strategic leaders on IDP formulation. As such, it is different from a lot of studies that have been conducted on LED or on IDP. This study uniquely relates strategic leaders to IDP formulation by way of determining the strategic leaders’ influence on IDP formulation. Other studies have looked at other variables like policy, strategy formulation, and related matters without looking at the originators of strategy and their subsequent influence on the bigger picture. In this regard Phipps & Burbach (2010) have pronounced the “need and potential benefit of more research in the area of non-profit [strategic] leadership”.

2.8 SUMMARY

This section has discussed the concept of strategic leaders which is about the dominant coalition of an organisation. On the other hand, the concept of strategy formulation process is conceived as a series of strategic leaders’ choices that influence organisational outcomes. In a nutshell, strategy formulation in LED entails a series of choices made through a participatory exercise that involves top management teams and stakeholders.

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SECTION 3: DESCRIPTION OF RESEARCH METHODOLOGY

This section seeks to discuss the research methodology that has been used in this qualitative research. The aim of this qualitative study was to explore how LED strategic leaders perceived their influence on the formulation of the IDP for Makana municipality. In other words, the key research question was: How do LED strategic leaders at Makana local municipality influence the formulation of the IDP? This qualitative study sought to explore multiple perspectives of reality. In this vein, the study focused on the perspectives of strategic leaders in the LED directorate of Makana municipality, regarding how they think they influenced the formulation of the IDP.

Prasad (1997: 2) correctly argues that research methodology is an “intricate set of ontological (claims about truth) and epistemological assumptions that a researcher brings to his or her work”. This section starts by discussing the research paradigm which entails a focus on the ontology, epistemology and methodological orientation of this study. Subsequently, this section describes the aims and objectives of the study before focusing on the sampling process, description of interviewees, data collection procedures, data capturing and data analysis. Ethical issues in this study are discussed before the summary.

3.1 RESEARCH PARADIGM

Paradigm frames the world into a set of interrelated concepts and assumptions that guide understanding about the world and how it works (Greene & Caracelli, 1997: 6). In the words of Babbie (2011: 32) a paradigm is a “model for observation” that allows researchers to assess reality so that they understand the reality that they see. Three logical questions help researchers to understand research paradigm namely: “what is the form and nature of reality or what is the form of the knowable”, (*ontology*); “what is the relationship between the knower (inquirer) and the known (or knowable)” (*epistemology*) and “how should the inquirer go about finding out knowledge”, (*methodology*) (Guba, 1990: 18). Drawing from this philosophical understanding of research, this qualitative study adopts a social constructionist paradigm to understand subjective ontology of how LED strategic leaders influence on the formulation of IDP at Makana local municipality. Epistemologically, there is

a need for interaction between the researcher and interviewees to understand reality which is socially constructed rather than objectively determined.

While Hoepfl (1997) notes that qualitative research seeks “illumination, understanding and extrapolation to similar situations”, Patton (2001: 39) argues that qualitative research is the “kind of research that produces findings arrived at from real-world settings where the phenomenon of interest unfolds naturally”. In the same vein, Patton (2001: 39) adds that qualitative research “uses a naturalistic approach that seeks to understand phenomena in context-specific settings such as a real world setting where the researcher does not attempt to manipulate the phenomenon of interest”. In a nutshell, qualitative research means “any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification” (Golafshani, 2003: 600). This study therefore seeks to use real-world settings to understand multiple perspectives on how LED strategic leaders infuse their LED strategy into the Makana local municipality IDP. The research “process, the heart of any research methodology, is the application of scientific methods, to the complex task of discovering answers (solutions) to questions (problems)” (Nunamaker *et al.*, 1991).

3.2 AIM OF THE RESEARCH

The aim of this research study was to explore and understand how LED strategic leaders influence the formulation of Makana local municipality IDP. To express the research problem as a research question, the study sought to find answers to the question: How do LED strategic leaders influence the formulation of IDP at Makana local municipality? This study therefore seeks to understand who LED strategic leaders are at Makana local municipality in the first instance.

This study therefore seeks to understand the actual activities of LED strategic leaders and how these actions contribute to the formulation of the IDP thereby influencing the formulation process of Makana IDP. In this way, this research seeks to understand the consequences of the various ways in which the activities of these LED strategic leaders influence the actual formulation of the IDP.

3.3 THE OBJECTIVES OF THE RESEARCH

The goal of this research was to find out how strategic leaders of Makana municipality LED directorate perceive their influence on the strategic formulation of the IDP at Makana municipality. In trying to explore this, the following research question was used:

- (1) How did the LED Strategic leaders at Makana municipality influence the formulation of Makana municipality's IDP?

As strategic leaders deal with economic development, they are in a suitable position to articulate their own actual LED actions that influence the formulation of IDP at Makana municipality in one way or another. It is therefore the goal of this study to learn how these LED strategic leaders have already influenced the course of the formulation of the IDP at Makana municipality. The LED actions of these strategic leaders therefore should lead to identification of their influence on the formulation of IDP at Makana municipality.

3.4 SAMPLING

The choice of a sample is a very critical issue in research as it has the potential to affect the outcome of the research endeavour (Remenyi *et al.*, 1998: 113). Furthermore, Remenyi *et al.*, (1998: 113) advises that this is very important in qualitative research which is by nature open to bias because it is primarily based on the subjective perceptions of reality by people. A purposive sampling method was employed to conduct this research to select participants that were suitable or particularly informative for answering the research questions which specifically relate to the work of LED strategic leaders.

Purposive sampling technique is “a type of non-probability sampling that is most effective when one needs to study a certain cultural domain with knowledgeable experts within” (Tongco, 2007; 147). Furthermore, purposive sampling technique “also called judgment sampling, is the deliberate choice of an informant due to qualities the informant possesses” (Tongco, 2007; 147). Additionally, purposive sampling techniques are primarily used in qualitative studies and may be defined as selecting units (e.g. individuals, groups of individuals, institutions) based on specific purposes associated with answering a research study's questions” (Teddlie and Yu, 2007: 77). Similarly, purposive sampling is defined as a

type of sampling in which “particular settings, persons, or events are deliberately selected for important information they provide that cannot be gotten as well from other choices” (Maxwell, 1997:87). This study adopts the definition of Maxwell (1997:87) because Makana LED strategic leaders were deliberately selected for specific information they can provide which cannot be given by anyone else. This study also agrees with Tongco’s (2007:147) definition that purposive sampling is a “non-probability sampling”.

This resonates with the view that purposive sampling may “enhance understanding of selected individuals’ or groups’ experiences or for developing theories and concepts by selecting “information rich cases that provide the greatest insight into the research question” (Devers & Frankel, 2000: 264). Thus, purposively, LED strategic leaders at Makana local municipality, comprising two males and two females participated in this study. Furthermore, it was important that the LED strategic leaders had both knowledge and sufficient hands-on experience in the formulation of the IDP at Makana municipality. In this regard, the head of the LED directorate had 25 years of experience in social, economic, and community development. Furthermore, the head of LED directorate had participated for five consecutive years in IDP formulation at Makana local municipality and annual IDP reviews. The other LED strategic leader had eleven years’ experience in Agricultural development and had participated for three years in IDP annual reviews while the third strategic leader had nine years’ experience in Tourism and Heritage business and participated for two years in IDP annual reviews at Makana municipality. The fourth strategic leader had ten years’ experience in the Small Enterprise Development Agency (SEDA) business and had participated for two years in IDP annual reviews at Makana municipality.

According to Saunders *et al.* (1997: 145) purposive sampling is useful to enable the researcher to select cases which will best provide answers to the research question and meet the research objectives and is often used when working with very small samples. The study focused on a homogeneous, sub-group of employees who constitute strategic leaders of the local economic directorate at Makana municipality.

This study seeks to understand LED strategic leaders’ influence on the formulation of the IDP. The IDP as an overall strategy for a municipality includes insight provided by LED directorate based on LED strategy. In this way, LED strategic leaders at Makana municipality have mandates, priorities and strategic activities which they ensure are ultimately and

sufficiently reflected in the Makana local municipality's IDP final document. In this regard, this qualitative study sought to privilege the views of LED strategic leaders and understand how (e.g. scope, level etc.) they influence the formulation of the IDP. In other words, how did they infuse LED strategy into Makana IDP?

3.5 DESCRIPTION OF INTERVIEWEES

There are few LED strategic leaders at Makana who are involved in the strategic activities of the directorate. Precisely, there are only four LED strategic leaders, namely (1) the head of the LED directorate; (2) the manager for agricultural development sub-directorate; (3) the manager for Small-, Medium-, and Micro- Enterprises (SMMEs), trade and investment sub-directorate; and (4) the manager for tourism and heritage sub-directorate who may influence the process of IDP formulation to reflect LED matters. As the sample is very small, all the four managers focusing on these four different local economic aspects of Makana municipality were included as the emphasis was on gaining depth of understanding of their influence on formulation of IDP at Makana municipality.

LED strategic leaders participated in this study as they have technical and professional direction or advice on local economic priorities that may not otherwise be provided by others. Notably, each of the four senior managers who participated in this study was heading his/her own unique aspect of the LED at Makana. While they were strategic leaders in the specific function of LED, it is notable that they were not strategic leaders at the overall municipal level. The head (director) of the LED directorate at Makana local municipality engages regularly with the senior management team in the directorate to provide strategic leadership for the directorate and also makes regular efforts to ensure alignment between the LED directorate and the IDP of Makana local municipality, thereby influencing the formulation of the IDP.

3.6 DATA COLLECTION

Written approval to conduct this research study with LED strategic leaders at the LED directorate of Makana local municipality was obtained from then acting Municipal Manager. (See **appendix B**). A pre-research planning session was held with the LED senior management team to prepare the ground for the actual interviews.

A total of ten in-depth interviews were conducted with four Makana LED strategic leaders in this study to collect data. Notably, seven of these were face-to-face individual interviews. Four were initial in-depth interviews with these LED strategic leaders held at the municipality's LED directorate offices in Grahamstown between October and November, 2012. The other three were face-to-face follow-up interviews with three of the original four Makana LED strategic leaders. These were conducted for purposes of member checks. The interviews were conducted at the LED directorate offices of the Makana local municipality in Grahamstown. The average duration for each of the interview sessions was 55 minutes. Furthermore, three telephonic individual interviews were also conducted in August, 2013. Thereafter, two e-mails to seek clarity were sent in August 2013. Initially, an interview guide informed by the literature on strategic leaders' role was used in the interviews. The average duration for each of the interview sessions was 55 minutes; interviews were recorded on a voice recorder and transcribed before the qualitative data was analysed using open coding and constant comparison to induce themes. Member checks were used to ensure confirmability and also to allow participants to comment on the emerging findings.

Upon obtaining consent from interviewees, interviews were recorded on a voice recorder for maintaining accurate records of the interviews since it is otherwise not possible to capture every detail during an interview. Interviewees' identities were recorded as strategic leader 1, 2, 3, or 4 in the voice recorder that was used to capture their responses for purposes of keeping a correct and anonymous record of each interview (Noor, 2008: 1603-1604). Data was thereafter transcribed.

3.7 DATA ANALYSIS

Data analysis in this study followed an inductive approach described by Strauss & Corbin (1998). Sandelowski (2000: 338) emphasises that codes are "generated from the data themselves". Using open coding and constant comparison, similarities were observed, grouped together, and labelled and constantly compared with each other in order to further develop the emerging theme.

According to Coffey & Atkins (1996: 9) analysis is the "systematic procedure to identify essential features and relationships" (Groenewald, 2004: 17). The work of Groenewald

(2004: 17-21) is generally informative to understand analysis as an “explication process that has five steps or phases”, namely:

- Bracketing or phenomenological reduction: preventing researcher’s interpretations from presupposing the respondent’s meanings;
- Delineating units of meaning: identify responses that throw light into the phenomenon in question;
- Clustering units of meaning to form themes: identify the importance of meaning given by the units of meaning within the full context of the research to form themes;
- Summarising each interview, validating it, and where necessary modify it: summary that includes all themes to form one whole context;
Extracting general and unique themes from all the interviews and making a composite summary: after going through phases 1 to 4 for each interview, the researcher identifies common and differing themes.
- The researcher then puts together a composite summary from all the themes to elucidate the context of the research.

Mindful of the above, this study primarily used open coding and constant comparison to generate themes induced from the different perspectives of the interviewees.

3.8 RESEARCH QUALITY

The researcher conducted follow-up interviews and member checks to avoid misrepresenting the views of the strategic leaders, and also seek more clarity or further insights. In this approach, it is essential to note that credibility is conceived as parallel to internal validity in the quantitative research paradigm (Houghton *et al.*, 2013:13). In the same vein, (Meiers & Tomlinson (2003: 195) define credibility as “faithful depiction of the participant’s lived experience that would be recognised by the participants, achieved through prolonged engagement”.

To further observe credibility in this research, it was ensured that all “categories and themes covered data so well that no relevant data was advertently or systematically excluded or irrelevant data included”, through the researcher’s commitment to constant comparison of data from all four Makana LED strategic leaders. As a result of this, the research report has

included sufficient data in the form of direct quotes to “allow the reader to judge whether the interpretation proffered is adequately supported by the data” (Mays & Pope, 2000: 51).

An audit trail is a tool for ensuring “trustworthiness of a qualitative inquiry”. As such it enables readers “to determine whether findings may be relied upon” (Carnary, 2009:11). For this reason the researcher ensured that an audit trail was “as a pathway of decisions made in the data analysis” (Cutcliffe, 1999:377) for readers and other researchers to check trustworthiness of a study. In the same vein, the researcher pursued dependability “through a process of auditing” the degree to which this research reflected “logic, trailable, and clearly documented” steps and procedures (Tobin and Begley, 2004:392). Ultimately, audit trail permits a reader “to trace the course of the research step-by-step via decisions and procedures described” (Shenton, 2004:72). This study has thus depicted a step-by-step track of research events to ensure a clear audit trail and to enhance dependability through logical, traceable, and clearly documented paper trail.

This study has therefore ensured maintenance of confirmability by following up on the original interviews, and used the actual words of interviewees for the researcher’s interpretation to stay as close as possible to the original data. In the same manner, details of the collected data that seemed ambiguous or unclear were subsequently confirmed with follow-up research interviewees to ensure clarity of meaning. Consequently, the findings provided in this study reflect the actual interviewees’ contributions as quoted excerpts from the interview transcripts. Very few amendments were effected in the findings as a result of the member check.

3.9 ETHICAL ISSUES

Ethical issues were upheld throughout this research. The researcher started off by obtaining approval from the then acting Municipal manager to conduct this research, and subsequently held a pre-research briefing with the Makana LED strategic leaders to clear the air of any unethical issues and to ensure informed and voluntary consent and also willingness on the part of all the prospective interviewees for the ensuing interview sessions. The researcher therefore had to take extra care to maintain a professional relationship with all the research participants, because “desire to participate in a research depends upon the participant’s willingness to share his or her experience” (Orb *et al.*, 2000: 93). A pre-research planning

session between the researcher and participants familiarised the two parties with the expected actual research scenario as “the process of engagement, discovery, and understanding the phenomenon being studied relied on dynamic human interaction” (Robley, 1995: 45). The researcher emphasized “truthfulness, openness, honesty, respectfulness, carefulness, and constant attention” (Davies & Dodd, 2002: 281). Confidentiality and anonymity of data was also promoted throughout the study. Furthermore, to enhance openness, all interviewees were briefed on the aim of the study before the interviews and that this research was done for academic purposes and not commissioned by the municipality.

3.10 SUMMARY

This section discussed the methodology used in the study to understand how LED strategic leaders at Makana local municipality influence the process of IDP formulation. Furthermore, this section has highlighted the aim and objectives of this research. The research paradigm of this study is premised on the idea of understanding subjective and multiple-reality. Additionally, this section also reflects that purposive sampling was used in this research to gain rich, context-specific and relevant data from LED strategic leaders with hands-on experience in local economic development and IDP formulation process. Qualitative data collected through semi-structured interviews with LED strategic leaders was transcribed and analysed using open coding and constant comparison techniques to induce themes depicting how LED strategic leaders influence the formulation of the IDP.

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4. APPENDICES

4.1 Appendix A

INITIAL INTERVIEW GUIDE

1. LED Strategy formulation

- How do you come up with your strategy as LED strategic leaders (senior managers)?
- Do you consult anyone in the course of putting together your LED strategy?
- If yes: Whom do you consult in the course of preparing your strategy?
- Why you consult the people/parties you consult for strategy preparation?
- At what stage/s (when) do you consult the people/parties you consult during your strategy preparation?
- Who else is involved in putting together your LED strategy?
- How do you involve the people/parties that you involve in the preparation of your LED strategy? Why?
- When (at what stage/s) do you involve the people/parties that you involve in your strategy preparation? Why?
- Why (what are the reasons) do you involve the people/parties that you involve in this strategy preparation, and what are the outcomes?
- Is there any type of research that you conduct to prepare your LED strategy other than the consultations, and how?

2. IDP formulation process

During IDP formulation:

- Who represents LED directorate and why?
- Who else is involved in the IDP formulation process and why?
- Do you always manage to get LED strategic priorities included in the IDP?
- Can you mention examples of LED strategic priorities that you have succeeded in including in the IDP and how?
- Are there any priorities that you have not managed to include in the IDP and why?
- How do you think you as a LED strategic leader influence/fail to influence the formulation of IDP at Makana? Any example.

3. Research Follow-up

- Are there any remarks/comments/observations you would like to make about this conversation?

4.2 Appendix B: Letter Of Approval



Appendix B: Letter of Approval to Conduct Academic Research at Makana unicipality