



**ASSESSING THE EXTENT OF THE APPLICATION OF STRATEGIC THINKING  
IN MANGAUNG METROPOLITAN MUNICIPALITY**

**By**

**Thabo M. Ramodula  
(212559509)**

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**College of Law and Management Studies**

**Supervisor: Ms Cecile Gerwel**


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## DECLARATION

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I, **Thabo M. (Oupa) Ramodula** declare that:

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- (ii) This dissertation has not been submitted for any degree or examination at any university.
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Signature:  .....

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## ABSTRACT

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The meaning of the concept strategy has had many interpretations since adaption in other domains beyond its origin in the military realm. Its historical development illustrates that scientific inquiry in 'organisational strategies' and perspectives have been twisted to cognitivist and constructivist paradigms. As a result, two intrinsically linked concepts – strategic planning and strategic thinking have dominated the scene in the study of strategy. The purpose of this study, therefore, was to assess the extent of application of strategic thinking in the Mangaung Metropolitan Municipality. It was aimed at initiating an inquiry in the relevance of strategic thinking to local governance: its concept and its theoretical orientation in the systems approach paradigm and/or science of complexity. The practice of strategy has been defined by characteristics such as winning, provision for coherence and direction towards the realization of organizational vision are its core purposes and its formulation is predominately a managerial function. The rise and the fall of every organization depend largely on its strategic objectives. This is because strategy gives precedence to organizational vision or development as well as the deployment of its resources (human and financial) in order to survive within a particular domain. While the conventionalist approach assumes strategy as a linear, programmatic and analytical thought process, strategic thinking adopts a broader perspective articulating strategy as a thought process involving nonlinearity, creativity and divergence. Due to its reliance on the thicket of legislative prescripts (command-and-control), the Integrated Development Plan (IDP), a principal strategic planning instrument for municipalities in South Africa, resembles conventional strategic planning.

The study adopted a qualitative methodology, following a deductive process as the general and established theories were considered and applied to the municipal strategy making context. Hence the study gave primacy to the key role-players in the IDP process, which was treated as equivalent to a strategy making process. The participants interviewed involved senior staff members, ward councillors and ward committee members because of their strategic positions to influence the current and future strategic decision making as well determining how to improve it. This is because of uncertainties and messy problems as

defined by systems thinkers and/or complexity theorists. As a result, an holistic approach, wherein every element of a municipal system including its environmental factors (as strategic thinking advocates), was endorsed.

Findings confirm conventional prescripts involving a managerialist approach or linearity remain intact in municipal governance. This is due to a demand for compliance by the many legislative prescripts, including oversight institutions. The study recommends a paradigm shift towards the incorporation of strategic thinking into municipalities in order to improve the current conventional planning practices and encourage effective participatory democracy. In this context, strategic thinking should not be embraced as rendering the IDP obsolete, but rather as complementing it. It further recommended that strategic thinking should precede strategic planning or IDP per se.

## ACRONYMS

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ANC	-	African National Congress
AsgiSA	-	Accelerated and Shared Growth Initiative for South Africa
CAS	-	Complex Adaptive System
CBO	-	Community-Based Organisation
CBP	-	Community-Based Planning
CSH	-	Critical Systems Heuristics
DPLG	-	Department of Provincial and Local Government
DWAF	-	Department of Water Affairs and Forestry
CoGTA	-	Department of Cooperative Governance and Traditional Affairs
IDP	-	Integrated Development Plan
EMT	-	Executive Management Team
FEPD	-	Forum for Effective Planning and Development
FSPGDS	-	Free State Provincial Growth and Development Strategy
GEAR	-	Growth, Employment and Redistribution
JIPSA	-	Joint Initiative on Priority Skills Acquisition
KPA	-	Key Performance Area
KPI	-	Key Performance Indicators
LGTAS	-	Local Government Turnaround Strategy
MAYCO	-	Mayoral Committee
MDB	-	Municipal Demarcation Board
MEC	-	Member of the Executive Council (Provincial Cabinet)
MLM	-	Mangaung Local Municipality

MMM	-	Mangaung Metropolitan Municipality
MOC	-	Managerial and Organisational Cognition
MTREF	-	Medium Term Strategic Framework
NDP	-	National Development Plan
NGO	-	Non-governmental Organisation
NPC	-	National Planning Commission
PEST	-	Political, Environmental, Social and Technological
R	-	Respondent (used to maintain anonymity of participants)
RDP	-	Reconstruction and Development Programme
SALGA	-	South African Local Government Association
SD	-	System Dynamics
SDBIP	-	Budget and Service Delivery and Budget Implementation Plan
SODA	-	Strategic Options Development and Analysis
SSM	-	Soft Systems Methodology
SWOT	-	Strengths, Weaknesses, Opportunities and Threats
US	-	United States
VSM	-	Viable Systems Model
VUCA	-	Volatility, Uncertainty, Complexity and Ambiguity



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# CHAPTER 1: INTRODUCTION

## 1.1 INTRODUCTORY BACKGROUND

The practice of strategy is associated with characteristics such as winning, coherence and direction towards realization of organizational vision as its core purpose, and its formulation is predominately a managerial function. From the origin of strategy in the realm of warfare, it is quite evident that armies depended solely on the wisdom of their military commanders to design strategies in order to conquer their adversaries (Neigberg, 2011; Carron, 2010; Ho, 1997). The practice of strategy in realms other than military, for example business (the private and public sectors), is still largely assumed by senior management teams (Reed, 2006).

Although the concept of strategy originated about 2500 years ago in the military, it gained prominence after World War II (Shaheen, Ali and Shah, 2012). Since then, it has dominated the scientific scene under the label 'strategic planning'. Strategy (planning) has become rooted in reductionist thinking as it involves "analytical tools and a highly structured process" (Booth and Segon, 2008:320). Reductionist thinking, or reductionism, refers to a method of inquiry or analysis whereby an organized system (e.g. municipality) is reduced to smaller parts, and studied individually (Zokaei, Elias, O'Donovan, Samuel, Evans and Goodfellow, 2010). This type of thinking is premised on the reliance on rules and analysis as tools of study. Hence, strategizing within the public sector is predominantly reductionist due to bureaucratic and legislative prescripts.

It is worth noting that the word 'strategy' is sometimes used interchangeably with 'plan'. Whilst traditional planning is mainly concerned with step-by-step descriptions of tasks to be executed (Mintzberg, 1994), strategy-making focuses on a vision, experience gained from past years and the intuition of strategy makers (Yazdani, 2010). However, recent studies in these closely related concepts demonstrate a drastic shift from reliance on step-by-step articulation of programmes in accordance with legislative requirement (Agar, 2007). This shift is premised on the acknowledgement of the impact of both complexities and uncertainties that cannot be contained by legislative prescripts since their emergence is often chaotic and/or unpredictable (Lissack, 1999). This implies that effective strategy-making within a domain is characterized by highly structured processes or procedures. For

example, in the public sector, flexibility, although ideal for effective strategic planning, is often discouraged by undue administrative and organizational rigidity, and deviations emanating from uncertainties or complexities are not tolerated.

The Office of the Presidency in South Africa released The Green Paper on National Strategic Planning, which provides normative guidelines for strategic planning for provincial and local spheres of government (The Presidency, 2009). Briefly, the green paper provides for a long term strategic planning as opposed to ad-hoc and fragmented planning in government. This implies that provincial and local governments must consider their strategic plans in accordance with the national guidelines. The government's approach to strategic planning could therefore be categorized as classically top-down, hierarchical and linear (Chapman, 2004; Reed, 2006).

The history of South Africa's strategic planning (socio-economic policies), particularly since 1994, bears testimony to this effect. Embedded in the Freedom Charter, a core policy framework of the ruling party, the African National Congress (ANC), the Reconstruction and Development Programme (RDP) was adopted by a democratic government as an ideal plan to address the social and economic problems facing South Africa. Since the RDP was not considered extensive enough for rebuilding and restructuring the economy, the Growth, Employment and Redistribution (GEAR) policy was later adopted as the government's macroeconomic strategy. Although GEAR was considered as an alternative strategy to meet the challenges outlined in the RDP, it did not succeed in enhancing growth, employment or redistribution as envisaged. Hence, in 2006, twelve years later, the Accelerated and Shared Growth Initiative for South Africa (AsgiSA) and the Joint Initiative on Priority Skills Acquisition (JIPSA) were launched with the particular intention to confront unemployment and skills shortage. Again, in 2012, a new plan called the National Development Plan (NDP) was adopted by the national government, which aims to eliminate poverty and reduce inequality by 2030. Today, planning at both provincial and municipal levels must respond to national targets as encapsulated in the NDP. While the NDP constitutes a premise upon which the programmes of the provincial government must be drafted, municipal planning is guided by both the NDP and the Provincial Growth and Development Strategy.

This study gives primacy to this complex environment and its implications on strategic decision-making in local government. The study utilises the complexity theory to explain the nature of the local government environment because this theory provides tools for strategy makers to wholly understand (government) systems as well as their emergent priorities and transformational potential (Byrne, 2005). According to Lissack (1999), complexity theory challenges established ways of doing things and challenges the status quo of placing too much reliance on the set of rules.

Because municipalities wrestle with both complex and unpredictable challenges facing local communities, in the context of complexity theory, a municipality is considered to be a complex system defined by complex relationship(s) among its elements (Brown and Lerch, 2007; Funtowicz, 1998). Most significantly, a core theme is the role strategic thinking plays in the municipal strategy making process. With regard to strategic thinking, reference is made to the strategy theory, which portrays emergent characteristics as triggered by complexities and uncertainties (Gharajedaghi, 2011; Meehan, 2003).

This study does not suggest that the traditional approach to strategy is obsolete, but rather aims to broaden the scope of strategic decision making in accordance with the key features of strategic thinking.

## **1.2 THE RESEARCH PROBLEM**

According to the South African Department of Cooperative Governance and Traditional Affairs, local government is currently in a state of distress (CoGTA, 2009). Such 'distress' manifests in different forms – insufficient funds, unemployment, poverty, poor service delivery, violent conflicts (civil unrests and labour disputes), billing crises, as well as many other forms of political decay, such as corruption. Thus, the institutional integrity of individual municipalities is also at stake.

Municipal authorities assemble annually to review how they plan to meet the institutional strategic objectives as prescribed by the Municipal Systems Act. In the context of this legislative requirement, the IDP is treated as equivalent to the normal strategic planning practices at both provincial and national government as encapsulated in the Framework for Strategic Plans and Annual Performance Plans (National Treasury, 2010). Ideally, the



provision for annual review of strategic objectives (or plans) should present a great opportunity for the local government leadership to detect discrepancies between the IDP and the realities shaping local governance. However, municipalities do not always take advantage of such opportunities because of the reductionist prescripts of command-and-control, implying that municipalities merely endeavour to comply with what has been prescribed. Furthermore, inherent to traditional strategic planning practice, strategy making is dominated by those at the helm of governance, whilst real executors (non-executives) and the affected (communities) are often pushed to the periphery and endeavours to solicit public opinion are for conformity purposes only (Tovstiga, 2010).

However, local authorities are faced with challenges and unless municipalities adapt to the uncertainty and complexity of today's turbulent environments, they will fail to execute their constitutional mandate. To overcome these uncertainties, one must invoke the tools offered by the science of complexity, particularly strategic thinking (Amagoh, 2008).

Since strategy is currently separated into two concepts, strategic thinking and strategic planning, it is necessary to analyze the current paradigm regarding municipal strategy (Haycock, Cheadle and Bluestone, 2012). A municipal system is too complex, ever-changing and nonlinear to be contained by conventional prescripts such as step-by-step planning (Brown and Lerch, 2007). Strategic thinking should therefore be considered as it has the potential to improve the current conventional planning practices and promote participatory democracy, which is necessary towards the establishment of a developmental local government or state, as purported by the Local Government Turnaround Strategy (LGTAS). Furthermore, leaders or managers need to be proficient in strategy-making, which they acquire through the two types of data, 'soft' and 'hard' data, and synthesise it accordingly in pursuit of a vision of the organisation or business concerned (Mintzberg, 1994).

### **1.3 PURPOSE OF THE STUDY/MOTIVATION**

The literature suggests that local government in South Africa tends to follow the practice of conventional planning, with minimal application of strategic thinking. Therefore, the topic of this study is particularly significant since attainment of good governance not only depends on the quality of the leadership, but also on their understanding of a municipal system and the strategies they employ to achieve a long term goal of developmental local government.

In accordance with the five units of analysis identified by Gharajedaghi (2011) to examine a system, this study seeks to investigate the openness, purposefulness, multidimensionality, emergent property and counterintuitive of a municipal system. Here primacy is given to the interconnectedness of different elements of a (municipal) system (Agar, 2007; O'Connor and McDermott, 1997).

This study initiates an inquiry into the relevance of strategic thinking with respect to local governance: with its concept and its theoretical orientation in the systems approach paradigm. The intention is not to propose an alternative approach to the current traditional strategic planning practices as encapsulated in the IDP document, but to provide a conceptual framework to think and act strategically. For this reason, the study is premised on the recognition of the IDP as the principal strategic planning instrument or approach for municipalities, as a legislative requirement. In the IDP Guide Pack, compiled by the Department of Provincial and Local Government (DPLG, 5), now called the Department of Cooperative Governance and Traditional Affairs (CoGTA), the IDP is defined as an “instrument which municipalities can adopt to provide vision, leadership and direction for all those that have a role to play in the development of a municipal area”.

This study seeks to examine whether the national policy directives (e.g. NDP) stand in the way of strategic thinking or not. It is aimed at demonstrating the practicality of implementing strategic thinking within the very complex municipal system. The intention of the study is to show how the municipal authorities can make provision for the manifestation of strategic thinking at both individual (e.g. employer) and organisational (municipal) levels to enhance a holistic understanding of a municipality and its environment; eliminate complacency; instil a culture of learning organisation and pro-activeness; and promote long term planning (Sharifi, 2012; Senge, 1990).

Furthermore, since the legislation provides for community involvement in municipal affairs, this study also investigates the involvement of other stakeholders in the IDP process, the ward committees in particular. This study is based on a number of premises. Firstly, although strategic thinking and strategic planning complement each other as they constitute two sides of the same coin, strategic thinking usually precedes strategic planning. Secondly, the emergence of complexity science provides a new framework for thinking and

responding accordingly to the current challenges facing municipalities. Therefore, strategic thinking is presented as a tool to assist municipalities to better understand their turbulent environments and overcome these challenges. However, this depends on the readiness of the concerned municipality to transform and adopt the principles of strategic thinking. Finally, the study provides for the continuous evaluation of strategic plans to reap maximum benefit by revealing the implications for the development of strategic thinking in local government.

A thorough understanding of the principles underpinning strategic thinking can contribute towards good governance, particularly performance enhancement and sound leadership within municipalities. For example, during the adoption of the LGTAS by CoGTA in 2009, in what may seem to be an astonishing turn of self-critique, the Ministry of Local Government in South Africa joined many other critics in the likes of commentators, analysts, practitioners and academics within the local government fraternity, in admitting that the current state of municipalities was 'distressing' (Mamela, Mautjane, Nzo and van Hoof, 2008; CoGTA, 2009). Through LGTAS, the CoGTA sought to restore the confidence of the people on municipalities.

The study pays particular attention to the strategy making process with respect to the IDP, as practiced in Mangaung Metropolitan Municipality (MMM). Following a decision of the Municipal Demarcation of South Africa in 2010, the MMM is a metropolitan Category A municipality. This process was preceded by the disestablishment of Motheo District Municipality and Mangaung Local Municipality (MLM). Prior to this, Mangaung municipality had been operating as a local Category B municipality since 2000, with its jurisdiction covering Bloemfontein, Botshabelo and Thaba Nchu. The MMM continued to cover the same areas after its elevation to Category A.

While a single case study cannot fully explain the extent of the application of strategic thinking in local government, the case study under review is considered to circumvent generalization. The relevance of the study lies in what seems to be inconsistency between complex realities and the conventional paradigm dominating the municipal strategic planning process at present. This study constitutes a first look at the relevance of the topic of this research.

The study was located within the jurisdiction of the MMM in the Motheo Region (Free State Province), which is comprised of three administration centres – Bloemfontein, Boshabelo and Thaba Nchu.

#### **1.4 THE OBJECTIVES OF THE STUDY**

In light of the above, the main purpose of the study is to clarify some of the salient issues surrounding the definition of 'strategic thinking' and its key features that could play a pivotal role in promoting good governance. Although they have an intrinsic relationship, it is necessary to distinguish between strategic planning and strategic thinking because, in order to reap the maximum benefit, neither of these concepts must stand in the position of the other. The complexity of contemporary forces shaping the local sphere of government in South Africa requires the use of both analytic and synthetic tools to improve service delivery. In this regard, primacy is given to the difference between strategic planning which is similar to the normal municipal IDP, and strategic thinking, which offers alternative tools to manage and understand complexity as it relates to the whole phenomena of strategy making (Mintzberg, 1994).

More specifically, the study seeks to:

- evaluate strategic planning within the MMM against the idealized strategy making process deemed relevant for local government environment;
- examine the process followed by the MMM during the strategic planning process;
- provide strategies to enable the improvement of service delivery, and
- identify possible limitations of the current practice of strategy.

#### **1.5 RESEARCH QUESTIONS**

In the context of the foregoing analysis, the primary research question to be investigated by this study is:

- Can strategic thinking be applied at any of the stages of the IDP process?

Added to this, the study also seeks to respond to the following questions:

- How does the local authority manage multiple inputs from different stakeholders during the IDP process?
- What happens if the latest developments seem to contradict the approved IDP?
- What are the key elements of the municipal strategy-making process and who are the key participants?
- How does strategic thinking complement strategic planning?
- When it comes to strategic thinking and/or strategic planning, which one of the two comes first?

## **1.6 RESEARCH METHODOLOGY**

The research methodology for this study was qualitative research, using a case study. Precedence was given to observation and interpretation of a situational reality. The study therefore moves from a general to a specific focus. The researcher wished to follow an exploratory path and a case study on MMM presented a great opportunity to understanding strategy making phenomena in local government, especially in the context of the IDP process and other related policy directives, such as the NDP and Free State Provincial Growth and Development Strategy (FSPGDS). The qualitative methodology uses different techniques of data collection. In this study, interviews were conducted. A qualitative analytical method, called thematic analysis, was used to analyse all data collected throughout the study. Thematic analysis embraces “... identifying, analysing and reporting patterns (themes) within data. It minimally organises and describes your data set in (rich) details. However, frequently it goes further than this, and interprets various aspects of the research topic” (Braun and Clarke, 2006: 79).

The literature review will focus on the historical evolution of strategy and the practice of strategy in recent years. It will provide a deeper level of understanding on the nature of the strategy phenomenon, and its practice within the context of a municipality such as MMM. Various theoretical perspectives will be discussed, including cognitivist and constructivist paradigms, systems approach, complexity theory and strategic thinking.

The study took cognisance of all ethical and moral dilemmas that needed to be observed. The study only commenced once ethical approval had been granted by the concerned research ethics committee. All participants were treated with dignity and respect within the dictates of ethical conduct.

### **1.7 SCOPE AND LIMITATIONS**

As stated earlier, the purpose of this study was to assess the extent of application of strategic thinking in local government, with a particular focus on the MMM. Although certain elements of strategic thinking are quite evident in the municipal strategic planning process, its theory and practice within the local government fraternity is well articulated compared to the traditional strategic planning procedures. Hence the study examines the extent of application under-view in the context of the conventional approach to strategic planning as this lays a solid foundation for the introduction of the other construct, strategic thinking. However, the study does not intend to conduct an in-depth investigation or provide an extensive study of these concepts, but at least the nexus between them. Therefore, if any extensive analysis of either concept is provided, it will be for clarity purposes only, with respect to providing the historical background within the scope of the study and emphasising the extent to which strategic thinking is applied or not.

### **1.8 OUTLINE OF THE DISSERTATION CHAPTERS**

The study comprises of the following six chapters:

#### **Chapter 1**

Chapter 1, which has already been outlined in the foregoing discussions, outlined the background, problem, aim and objectives, and methodology.

#### **Chapter 2**

Chapter 2 explores the practice of strategy in MMM and presents an analysis of the IDP as a prototype of a conventional strategic plan.

#### **Chapter 3**

Chapter 3 presents an analysis of the research problem, with particular focus on the historical development of strategy from the military realm to the corporate world, as well as

its relevance for the public sector. The analysis is premised on the relevant theoretical perspectives and management tools considered ideal to examine strategy. It focuses on the framework of the study, which is strategic thinking, and its intrinsic relationship with conventional strategic planning. As a multidisciplinary endeavour, strategy is therefore explored in terms of the principles of the science of complexity and systems thinking. The latter approaches provide for invitation and facilitation of multidisciplinary (interest) groups in strategy making. This chapter serves the purpose of acquainting the reader with existing theoretical perspectives and research relative to the subject under inquiry.

#### **Chapter 4**

Chapter 4 explains the research methodology upon which the study is based. In the case study of MMM, key elements of municipal strategic planning are examined and critically discussed against the elements of strategic thinking.

#### **Chapter 5**

Chapter 5 presents the findings of the study as they relate to the research questions and discussions thereof. It further presents a narrative summary based on the interviews conducted.

#### **Chapter 6**

Chapter 6 constitutes the final chapter of the study and therefore presents the summary of the study, as well as recommendations for the future studies.

### **1.9 SUMMARY**

This chapter presented the historical development of strategy from its origin in the military realm to its current practice today. The problem statement highlighted the complex and unpredictable challenges facing the local government as well as their subsequent impact on its integrity. In this regard, strategic thinking is presented as a tool capacitating municipalities to adapt accordingly. The purpose of the study explores the MMM's practice of strategy and its limitations thereof. The research objectives and questions seek to examine the relevance of strategic thinking and its potential contribution in promoting good governance. The main assumption of the study is that strategic thinking can contribute significantly to improving service delivery. The research methodology, scope and limitations

of the study were also presented in this chapter, as well as an outline of the chapters of the study.



## **CHAPTER 2: OVERVIEW OF THE INTEGRATED DEVELOPMENT PLAN**

### **2.1 INTRODUCTION**

This chapter focuses on the MMM case study, which is presented as follows: first a brief reference is made to the background of the MMM, which places it in context, then the practice of strategy within the MMM is outlined, as well as the IDP's legislative context and processes.

The MMM was selected for the investigation in terms of the objectives of the study. This municipality was selected for a variety of reasons. It not only undertakes a continuous (annual) strategic planning process and was willing to allow its staff members, ward councillors and ward committees to participate in the study, but was known and easily accessible to the researcher.

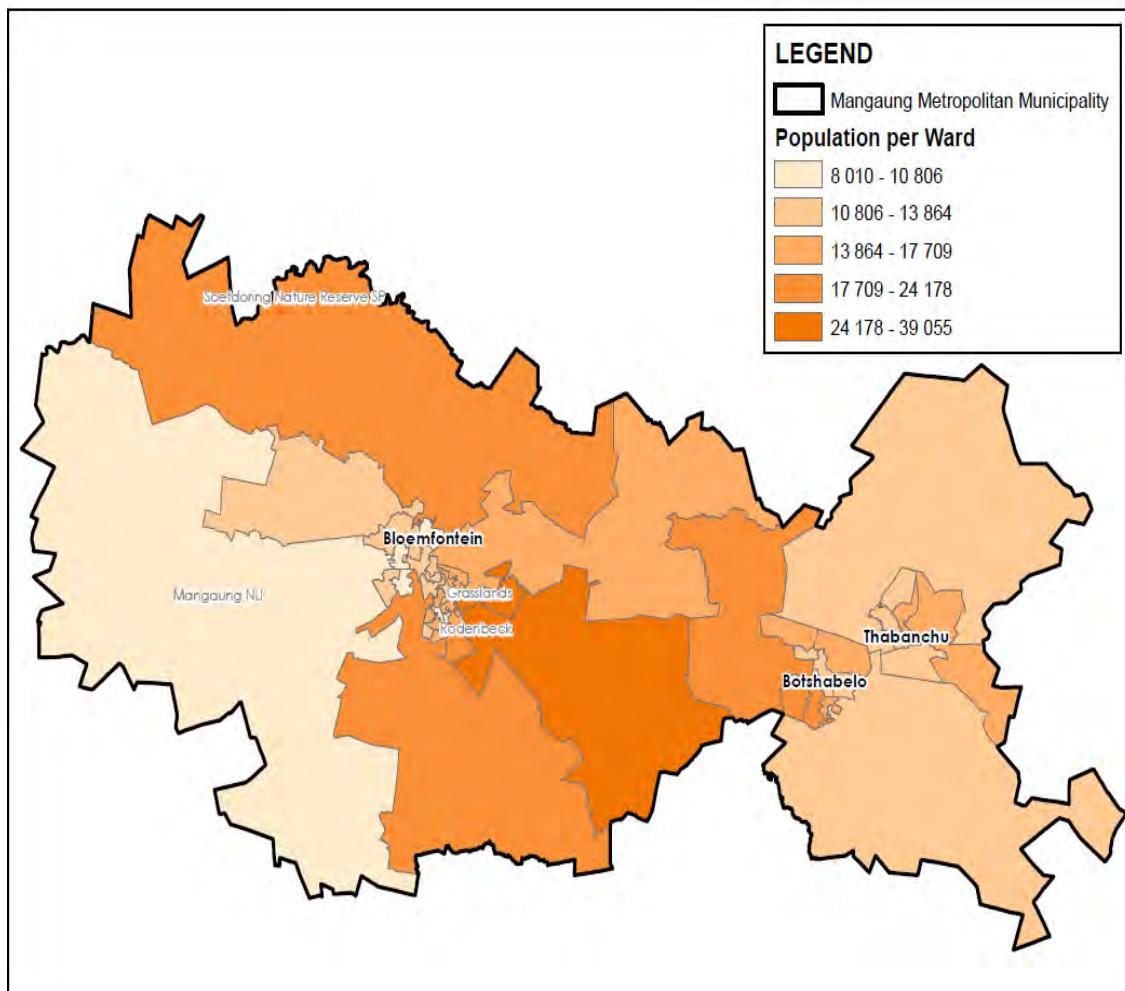
As its developmental strategy, MMM strives to establish “a progressive municipality that is globally safe and attractive to live, work and invest in [by 2030]” (Manyoni, 2011: 9). The entire process of strategy-making within MMM endeavours address the latter vision.

In the past three years, two leaders (mayors) of the MMM have made profound statements relevant to this study. In 2010, Councillor Playfair Morule (former Executive Mayor) maintained that the “people of Mangaung are its greatest resource” (Morule, 2010: 1). A year later in 2011, his successor (current incumbent) Councillor Thabo Manyoni reasoned that the strategic location of Mangaung at the epicentre of South Africa, with major national roads (including N1, N6 and N8) traversing through the city, as well as being the judicial capital of the country and having a rich political, sporting and cultural history provide Mangaung “untapped opportunities to inspire growth and finally becoming the pulse of South Africa” (Manyoni, 2011:15). Fusing the ideas of the two mayors together, it becomes apparent that the uniqueness (competitive edge) of Mangaung towards a better future is dependent upon its greatest resource, the people.

### **2.2 BACKGROUND**

The background information was obtained from the IDP documents of the MMM (2011/12; 2013/14). The MMM is centrally located within the Free State Province of South Africa and

can be easily accessed by various major roads, including the N1 (traversing through the Free State, Gauteng, Limpopo and Western Cape), the N6 (linking the Free State and the Eastern Cape) and the N8 (which links the Free State, Lesotho, Kwazulu-Natal and Northern Cape). It covers 6 863 km<sup>2</sup> and includes three urban centres – Bloemfontein, Botshabelo and Thaba Nchu. According to Statistics South Africa (2011), MMM has a population of approximately 747 431 distributed throughout its jurisdiction area, as illustrated below.



**Figure 2.1: Mangaung population distribution**

Source: MMM IDP (2013/14: 42)

### **2.3 A BRIEF OVERVIEW OF THE MMM**

Studies in the practice of strategy within the public sector demonstrate conventional strategic planning has been inspired by public management reform (Carron, 2010). According to Poister and Streib (2005), studies at that time gave primary to the introduction of strategic planning and management in local government. Further, it has already been explored that the practice of strategy at that time was aimed at promoting effectiveness and efficiency within the public sector (Schutte, 2000). This policy shift within the public sector coincided with the South Africa's beginning of transition to democracy in the early 1990s (Harrison, 2001). Subsequently, the IDP emerged as South Africa's post-apartheid "municipal planning system" (Harrison, 2001: 186). The White Paper on Local Government presents the IDP as a means towards "developmental local government". The implementation of the IDP runs parallel with South Africa's municipal elections held over a five year-cycle (Harrison, 1996) as this provides a good opportunity for the newly elected political leadership to determine the direction of the municipality during their tenure.

The Constitution of the Republic of South Africa (Act 108 of 1996) and the Local Government Municipal Structures Act (Act 117 of 1998) provide for the establishment of three categories of municipalities, namely: metropolitan municipalities as Category A; district municipalities as Category B and local municipalities as Category C. MMM is a Category A municipality, situated at the epicentre of South Africa within the Free State Province. Mangaung is comprised of three urban centres, Bloemfontein, Botshabelo and Thaba Nchu, and is surrounded by extensive rural areas. The current population of Mangaung is estimated at 747 431 (Stats SA, 2011).

Mangaung had been operating as a local municipality since the year 2000 following the amalgamation of former transitional councils. However, together with Buffalo City, Mangaung acquired metropolitan status following the pronouncement of the Municipal Demarcation Board (MDB) during 2010, and was formally re-categorised after the 2011 municipal elections. These newest metros increased the number of metros in South Africa from six to eight. The others are the cities of Johannesburg, Tshwane, Ekurhuleni, Cape Town, eThekweni and Nelson Mandela Bay.

During the years 2001 and 2002, Mangaung had become one of the forerunners of community-based planning (CBP) in South Africa. According to Sydney Mafumadi, the then Minister of the Department of Provincial and Local Government (DPLG), “[t]he Mangaung community-based planning process has not only been an opportunity for households and communities to contribute to the IDP; it has provided them with access to information. This is the first step towards re-skilling our people to participate in the knowledge economy” (Mafumadi, 2002). CBP was considered as a means to entrench and improve community involvement in local governance.

This initiative was in a way, responding to a critical question: “Why should the local people be the beneficiaries, but not the producers of their own development” (Kent, 1981: 74). To Kent, CBP served a two-fold purpose – the development of the nation and the development of individual members of the community (Kent, 1981). According to the joint report by the DPLG, Mangaung Local Municipality (MLM) and South African Local Government Association (SALGA) (2004), CBP changed the course of integrated development planning in Mangaung. This implies the planning was not conventionally top-down, but inversely, planning was bottom-up, with the IDP taking a cue from the ward plan. Briefly, the CBP was embraced for the following reasons:

- There was a significant improvement in planning and a paradigm shift from traditional municipal standard items (e.g. infrastructure) to community priorities such as economic development, HIV/AIDS and community safety, etc.;
- There was improved service-delivery as service providers participated actively in drafting ward plans;
- The process was empowering and encouraged community members to take ownership of developmental projects and be action-orientated;
- The needs of the ordinary people were uncovered and prioritised accordingly; and
- The CBP process was highly supported by the political leadership – the municipal council approved an amount of R50 000 for each ward (DPLG, MLM and SALGA, 2004).

This methodology (CBP) placed the ward committees at the helm of local governance. In his speech at the Community/Ward-Based Planning hosted by the then Mangaung Local Municipality (Bloemfontein), Minister Sydney Mafumadi further argued that “[w]ard committees are seen as the vehicle for deepening local democracy and the instrument through which a vibrant and involved citizenry can be established. It is at the local level within wards that all development issues converge. Ward committees therefore have a crucial role to play as an interface between government and communities (not just local government). The ward planning process piloted in Mangaung is exemplary in this regard”. This presented Mangaung as the best model of CBP.

### **2.3.1 What is the Integrated Development Plan (IDP)?**

Considered from a legislative perspective, the Local Government: Municipal Systems Act, 32 of 2000 defines the IDP as follows:

- Section 35(1) (a) “...the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality”; which, according to
- Section 35(1) (b), “binds the municipality in the exercise of its executive authority...”

Metaphorically, the foregoing definition presents IDP as the mother of all plans of the municipality, which becomes a law in itself (i.e. upon approval).

According to the Forum for Effective Planning and Development (FEPD) (in SALGA, 2001: 2) the IDP can be further characterized as “[a] participatory approach to integrate economic, sectoral, spatial, social, institutional, environmental and physical 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 the empowerment of the poor and the marginalized”.

In this context, the IDP expands the scope of municipalities far beyond service delivery and implementation of regulations, as was the case prior to 1994 (IDP Practical Guide to Municipalities). Its key features involve the following:

- Involvement of all relevant stakeholders;
- Identification of key developmental priorities;
- Formulation of appropriate strategies;
- Development of appropriate of appropriate organizational structure and systems to realize the vision and mission; and
- Alignment of the resources with the developmental priorities (IDP Practical Guide to municipalities).

Geyer (2006: 1) argued that the IDP provides for coordination of “developmental efforts of different spheres and sectors and other institutions...at local government level”. Geyer further explored a deeper meaning of the acronym ‘IDP’ as follows:

- Integrated means an holistic approach involving a combination of elements or “parts into a whole”, consideration of all aspects (or circumstances) of a subject matter (e.g. housing) and coordination of all relevant stakeholders;
- Development signifies “growth” manifesting in the form of the improvement of the local community’s quality of life, “evolution” involving enhancement of opportunities and “progress” which implies maximizing choices; and
- Planning, which fosters order, discipline and management (Geyer, 2006: 1-2).

As a ‘principal’ tool for planning, an ideal IDP is envisaged to entail “an assessment of the existing level of development [1] and the identification of key development priorities [2]. The vision and mission statements [3] for the long term development flow from the aforesaid [4], with specific reference to critical developmental and internal transformational needs [5]. The development strategies and objectives will be directed at bridging the gap between the existing level of development and the vision and mission [6]. A very critical phase of the IDP process is to link planning to the municipal budget (i.e. allocation of

internal or external funding to the identified projects) [7] because this will ensure that the IDP directs the development and implementation of projects” (DPLG, 2002).

Today, the practice of IDP has developed far beyond the original intent of focusing on planning and coordination at municipal level, as it links provincial, national and some international plans (Harrison, 2002; 2004). Furthermore, the evidence of intergovernmental planning involving all the spheres of governments and international policy directives are traceable in the MMM’s IDP practice. Briefly, these policy directives involve, amongst others: the Medium Term Strategic Framework (MTREF); the National Development Plan (NDP); the Free State Growth and Development Strategy (FSGDS); and the Millennium Development Goals (MDGs) (MMM’s IDP, 2013).

### **2.3.2 Strategic planning within the MMM**

Strategic planning within the MMM is subject to certain policy directives and legislative requirements. The Constitution of the Republic of South Africa is the country’s supreme law superseding of all other laws (national, provincial and local). Sections 151, 152 and 153 of the Constitution outline the purpose of local spheres of government, especially municipalities, as involving the following:

- Provision of democratic and accountable government for local communities;
- Ensuring the provision of services to communities in a sustainable manner;
- Promoting social and economic development;
- Promoting a safe and healthy environment;
- Encouraging the involvement of communities and community organisations in the matters of local government;
- Structuring and managing its (municipality) administration, budgeting and planning processes which give priority to the basic needs of the community, and promoting the social and economic development of the community.

In pursuit of the above constitutional mandate of local government, the Municipal Systems Act 32 of 2000 provides that municipal planning must be “developmentally-orientated”; that

the principles of “co-operative government” must be observed and adhered to (enshrined in Chapter 3 of the Constitution); and that “integrated development” must be adopted.

Prior to the adoption of the NDP in 2012, the IDP superseded every municipal development plan (Department of Provincial and Local Government (DPLG), 2002). Since the advent of democracy in South Africa, local government and development planning, especially the IDP, has been subjected to various legislative requirements, such as the Local Government Transition Act (1993), the Development Facilitation Act (1995), the Constitution of the Republic of South Africa (1996), the Local Government Municipal Structures Act (1998), the Municipal Systems Act (2000) and the Municipal Finance Management Act. These policy directives and legislative requirements make municipal strategic planning a prescriptive or linear process.

However, the White Paper on Local Government provides for the choice of alternative options for effective and efficient service delivery. It states that “[i]n assessing the appropriateness of different service delivery mechanisms, it is important to note that the choice is not between public and private provision. Rather, the real issue facing each municipality is to find an appropriate combination of options which most effectively achieves their policy objectives” (DPLG, 1998: 79). In practice, such considerations must take cognisance of the existing service delivery mechanisms, and review them critically. The institutional plan in question must then be incorporated accordingly into the IDP. Therefore, to some extent, this encourages creativity and innovation in municipalities.

Although the concept of strategic planning has been discussed in detail in the previous chapter, this chapter highlights the uniqueness of a municipal system and the context in which a strategy is practiced by the MMM. Brown and Lerch (2007: 79-80) argued that “[j]ust about everything that your municipality does or is responsible for can be thought of as a set of relationships, and therefore as a system”. These relationships involve activities or services, such as the budgetary process, revenue and expenses, service delivery and the various departments within the municipality, such as maintenance, etc. An organization as a system was also discussed under theoretical perspectives, specifically systems thinking. The essence of systems perspective is to understand the relationships among the elements of a



(municipal) system and the changes thereof – in accordance with the principles of systems thinking and strategic thinking.

Strategy formulation in the MMM is mainly a continuous political decision-making process. For example, in its 53<sup>rd</sup> Conference Resolutions, the ruling party in South Africa, the ANC, took the following decisions, which affect the strategic planning of the entire public sector:

- There should be greater integration of planning across all spheres, with alignment between the NDP, PGDS and IDP;
- Ward committees should be made up of a diversity of community interests, not be dominated by political activists; and
- Possible devolution of certain functions to the ward committees e.g. fixing potholes, pavements, street lights and similar issues.

The NDP is the South African government's vision of 2030 released under the auspices of the National Planning Commission (NPC), a ministry in the Presidency. It envisions a future South Africa as follows:

- Grown economy capable of creating jobs and livelihoods;
- Expanded infrastructure;
- Transitioned to a low carbon economy;
- Transformed urban and rural spaces;
- Improved education and training;
- Improved health care;
- Capacitated state;
- Fought corruption and enhanced accountability; and
- Transformed society and united nation (The Presidency, 2011: 5-6).

In addition, the Free State Provincial Government has drafted a Provincial Growth and Development Strategy (FSGDS). This serves as an overarching strategic framework for development in the province, instilling a sense of direction in strategic decision-making. It

constitutes the provincial vision of 2030. In pursuit of this vision, the FSGDS outlines the following six priority areas:

- Inclusive economic growth and sustainable job creation;
- Education innovation and skills development;
- Improved quality of life;
- Sustainable rural development;
- Efficient administration and good governance; and
- Building social cohesion (MMM IDP Review 2013/14).

In the context of the policy directives of the NDP and FSGDS, the MMM has also taken a major step in drafting its own long-term vision. At the time of completion of this study, the MMM's Growth and Development Strategy (GDS) was still at draft stage, envisaged to be approved in early 2014 [see the attached IDP Review/Budget Plan 2014/15].

## **2.4 THE IDP PROCESS**

Guided by Section 28(1) of the Municipal Systems Act, 32 of 2000 and the IDP Guide Pack, MMM began the IDP process by adopting a 'process plan' outlining the phases from the beginning to the end [process plan attached]. In this context, the following persons and structures were selected and established to facilitate the IDP process:

**Table 2.1: Primary stakeholders during IDP stages**

<b>Role-players</b>	<b>Roles and responsibilities</b>
Municipal Council	Approval of the final draft and monitoring periodic progress on the implementation of the IDP, PMS and budget
MAYCO Lekgotla	Take stock of the implementation of approved IDP and budget and make political pronouncement on the political priorities that should inform the subsequent review of the IDP and budget processes
Executive Mayor, Members of Mayoral Committee (MAYCO) Councillors These individuals constitute the political components – comprised of both ward councillors and those nominated through proportional representation system.	Approval of the planning process, delegate responsibilities to monitor process and overall management and monitoring.  Lead the IDP, monitoring and budget processes of the city and provide periodic progress reports on the implementation of the IDP and budget to Council.  The ward councillors assist and facilitate community consultation and participation.
City Manager, Executive Management Team (EMT)  These individuals form the executive of the administration led by City Manager and heads of departments	Facilitate the development of the IDP review. Support the development of IDP and budget for the city and ensure that critical components of the IDP and budget, such as sector plans as required by statutes, are considered and incorporated accordingly. Ensure the integration of strategic planning, budgeting and monitoring and evaluation processes are also incorporated.
IDP Manager	Coordinate the process of compilation
IDP Steering Committee	Supportive structure to the Municipal Manager throughout the IDP process
Budget Committee	Advise on financial implication and allocation of financial resources.
Community	Consulted during formulation and approval of the IDP

The actual process of IDP is comprised of five stages involving the analysis phase; development of strategies phase; project phase; integration phase and approval phase (MMM's IDP and Budget Process Plan, 2013/2014). The compilation of the IDP is a lengthy process spanning approximately nine months.

#### **2.4.1 Preparatory Phase**

This is the most critical stage wherein stakeholder involvement is crucial. It is often referred to as situational analysis because it focuses on the relevant aspects of the existing situation (CoGTA's IDP Guide 3). Determining the degree of relevance depends on the extensiveness of the analysis process or methods as there is a vast amount of information emanating from multiple stakeholders. As a result, the most relevant issues are considered as key priorities. This implies that the IDP process begins with consultations. In Mangaung, primary actors during this stage are members of the portfolio committees established in terms of the provisions of the Local Government: Municipal Structures Act, 117 of 1998. These include the Section 80 committees: IDP and Finance, IDP Steering, and Budget Committees. This stage is sometimes referred to as the "analysis phase" since it involves the analysis of the status of the municipality's development, priority issues and problems, as well as availability of resources (DWAF, MMM IDP/BUDGET PLAN 2013-2014). The time frame for the analysis stage is three months, from late August (or September) until December. In accordance with the IDP guide, by the end of the preparatory phase, the municipality must be in the position to provide:

- *An assessment of the existing level of development*
- *Details on priority issues and problems and their causes*
- *Information on available resources (DWAF, 2003: 2).*

#### **2.4.2 Strategies Phase**

The main content of the IDP/Budget is determined at this stage. It outlines the strategic vision of the Council, which is shared with the political leadership (executive mayor/other councillors) and executive management team (EMT) by means of sketches, objectives, KPAs, KPIs and targets for allocation of financial resources. The strategic vision of the MMM as envisaged by the political leadership is the development of Mangaung as a progressive

municipality that is “... globally safe and attractive to live, work and invest in by 2040” (Manyoni, 2011; 2013).

The main activity during this phase is the MAYCO Lekgotla, a strategic planning session reviewing tariffs and budget policies - that is, confirming the IDP’s Budget and Service Delivery and Budget Implementation Plan (SDBIP). This stage is usually scheduled for two months, January and February.

#### **2.4.3 Project Phase**

This stage is mainly characterised by the development of the Medium Term Strategic Framework (MTREF) budget and alignment of the IDP/budget (costs and budget estimates). The directorates present their SDBIP’s to the portfolio committees for vertical (national and provincial governments) and horizontal (institutional programmes) alignment. This stage is also scheduled to take place over two months.

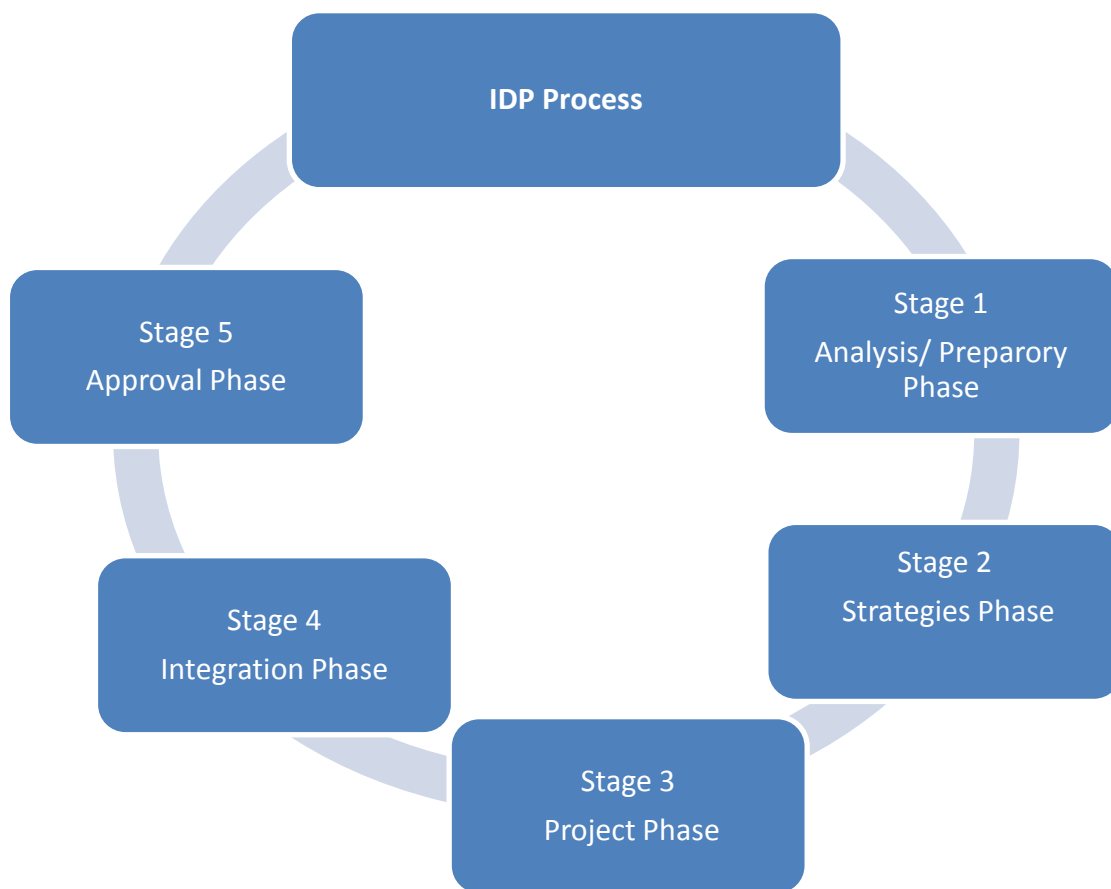
#### **2.4.4 Integration Phase**

This phase is an integration process involving the financial plan, the capital investment programme, directorates confirming projects and programmes with external stakeholders, sector plans and institutional programmes, the spatial development framework, the human settlement development plan, the disaster management plan and the economic development strategy. This process is completed within a one month period.

#### **2.4.5 Approval Phase**

The IDP and MTREF budget is tabled for approval by the Municipal Council. This tabling is preceded by submission of the draft IDP and MTREF budget to the two members of the Executive Council of the Free State Provincial Government, the MEC for Cooperative Governance and Traditional Affairs Department and the MEC for Provincial Treasury.

This shows that the MMM follows a predetermined step-by-step process of strategic planning. As illustrated below, the IDP process is actually cyclical in nature (MMM IDP/BUDGET PLAN 2013-2014).



**Figure 2.2: IDP Process illustrated [Adapted from MMM’s IDP/Budget Process Plan (2013-2014)]**

It can be seen from the above discussion that the IDP phases are a legislative requirement aimed at promoting co-ordination among the three spheres of government, and providing for the allocation of resources towards realization of the municipality’s key priorities.

## **2.5 SUMMARY**

The preceding chapter presented the practice of strategy in the MMM, with a particular focus on the IDP. The fact that the case study focuses on strategic planning does not presuppose deviation from either the research topic or the objectives of the study. This is because the practice of strategy within the MMM is commonly known as strategic planning or integrated development planning. However, the process that was followed and the key

features of the IDP will be contrasted accordingly with the key features of strategic thinking in the next chapters. In this context, the extent of the application of strategic thinking in the MMM will be confirmed.

## CHAPTER 3: LITERATURE REVIEW

### 3.1 INTRODUCTION

The theoretical framework of this study concentrates on systems thinking and complexity theories that can provide appropriate strategies towards the improvement of service delivery. Studies on the history of strategy (management) embrace those which consider its evolution from the military realm to the private sector, where it gained momentum after World War II, until the late 1980s and early 1990s, from which the practice of strategy remains intact in the general public sector (Carron, 2010). The evolution of strategy in the post-war era coincided with the emergence of systems thinking, yet another important and relevant theory in contemporary management thinking. This chapter therefore presents both the latter theory and the complexity theory because they provide the tools for a better management of change, as well as formulation and implementation of strategy in today's highly complex and interconnected world system.

Notably, throughout the process of organisational strategic decision-making, the roles of both leaders and managers are vital and should be complementary (Funda, 2012). The attributes distinguishing the two concepts of leadership and management set a premise for understanding the difference and relationship between strategic thinking and strategic planning. This is because in real practice, as illustrated in the discussions below, while leaders exert much focus on strategic thinking (mainly synthesising), managers also devote much time to strategic planning (analysing).

Although literature abounds with historical perspectives on the evolution of strategy theory, it is not the purpose of this study merely to augment the list to this effect. However, this chapter seeks to illustrate the evolution of strategy theory as a brainchild of the public sector and its generic relevance in contemporary public management.

The emergence and penetration of the notion 'strategy' to other fields beyond warfare has been shaped by the two major paradigms in management studies, the cognitivist and constructivist schools of thought. In this chapter, the differences and relationship between strategic thinking and strategic planning are highlighted before outlining the basic



theoretical assumptions of these paradigms. Lastly, the study provides an analysis of how systems thinking and complexity theory affect the practice of strategy today.

### **3.2 OVERVIEW OF THE HISTORICAL DEVELOPMENT OF STRATEGY THEORY**

The concept strategy has its origin in the realm of warfare. Sun Tzu, esteemed as the best (Chinese) strategist of all the times, wrote a military treatise commonly known as the “Art of War” in about 500 BC, which still remains relevant to most strategists and leaders today (Shaheen et al., 2012: 166; Neigberg, 2011: 1; Carron, 2010:7; Ho, 1998: 41). Military thinkers in both ancient and modern discourses of war endorse Sun Tzu’s “five fundamental factors” that characterise a war. These include: “the moral, the weather, the terrain, command and doctrine” (Critzler, 2012: 1; Holmes, 2000: 1; Gray, 1998: 93-94). In addition to these five elements, Ho (1998: 47) examined another two elements completing the seven dimensions chart, namely: leadership capacity or ability of “generalship” and reward or punishment. The integration of these elements bears significance for the traditional classification of war as an “art, and not science” (Gray, 1998: 94).

Although it is about two centuries since Sun Tzu’s comprehensive checklist in pursuit of a victory was drawn as a guide for strategic decision making, the checklist is still outmatching modern days’ planning methods of analysis, such as PEST (political, environmental, social and technological) and SWOT (strengths, weaknesses, opportunities and threats) (Ho, 1998: 47). Perhaps this was because of the value that Tzu attached to strategy as he implored governments to consider the art of war as similar to “life or death, or a road to safety or ruin ... [hence] ...subject to be studied thoroughly” (Critzler, 2012: 1). Such vigilance is inescapable since war as a social phenomenon cannot be predicted due to its adversity, dynamism, complexity and uncertainty (Storr, 2001: 39). The notion ‘unpredictability’ and the latter characteristics of a war are almost a perfect description of complexity theory and/or strategic thinking.

Although history is replete of many non-military phases in the evolution of modern strategies and includes historians (Hans Delbruck and Charles Oman), socialist journalists (Leon Trotsky), industrialists (Rathenau), social revolutionaries (Karl Marx and Friedrich Engels) and economist (Adam Smith) (Earle, 1993: ix), military thinkers have dominated the scene of strategy science. Specifically, the sterling contribution of Clausewitz and Jomini,

renowned as major ancient Western military theorists, cannot go unnoticed (Otero, 2011: 1). Their influence delves into both the art and science of war strategy. Maxwell AFB (1997: 1) identifies three levels of war according to modern military theory, which are strategic, operational and tactical. Clausewitz and Jomini concerned themselves with the operational level while Sun Tzu covered all the three stages of war as well as a human factor (individual) as part of a continuum (Holmes, 2001: 1).

Furthermore, the historical development of modern strategy would be incomplete without reference to the Vietnam War. Reliance on the scientific analysis of a problem, as was the case with the US Defence Secretary, Robert McNamara, whose strategy seemed to have omitted the complexities and uncertainties that might have shaped the Vietcong (or Vietnam itself), resulted in his country (US) losing the battle (Tovstiga, 2010: 10-11). Despite the US's application of the right metrics involving "right data, a proper analysis, and an application of military supremacy to win", they lost a war nevertheless (Tovstiga, 2010: 10).

The strategy phenomenon evolved beyond military realms, gaining prominence a decade after World War II (Pascale, 1999: 83). The reawakening of other domains regarding the significance of strategy, especially in business, coincided with the emergence of the systems approach, yet another key branch of science in the study of management (Hughes and Hughes, 2000: 1). However, such concurrence does not presuppose that the systems approach became the predominant approach in strategy making after the World War II. Its expansion to other fields, such as the private and public sectors, can be traced back to the machine age, the dawn of the systems age (Ackoff, 1997: 1).

The re-emergence of the strategy phenomenon after the war is also noteworthy as it manifested differently from its earlier holistic form. It boomed in the private sector in the mid-1960s as 'strategic planning', putting much emphasis on analysis (Carron, 2010: 7; Mintzberg, 1993: 107). According to Sharifi (2012: 72-73) its progression after the World War II could be summarised in terms of five developmental phases, namely:

- i. The 1950s , wherein primacy was given to basic financial planning;
- ii. The 1960s, when focused based planning, including long-term horizons, environmental as well as multi-year focus SWOT analysis, emerged.

- iii. The 1970s, when external orientated planning emerged as a direct response to markets and completion.
- iv. Early 1980s, the strategic management phase, when primary focus was placed on of the firms' resources to achieve competitive advantage.
- v. Mid-1980s, critiques of strategic management phase endorsed strategic thinking and holistic approach to strategic management (Mintzberg, 1993: 107).

### **3.2.1 Conceptual orientation: Strategic Planning and Strategic Thinking**

The study so far indicates the proliferation of both strategic planning (since 1950s) and strategic thinking (mid-1980s). These historical developments have also affected the original meaning of the word 'strategy'. For this reason, Mintzberg (1994: 107) argued that in order to revert to the original meaning of strategy-making as "...capturing what the manager learns from all sources ... and then synthesising that learning into a vision of the direction that the business should pursue", the difference between strategic planning and strategic thinking must be understood. Since the word 'strategy' is the common denominator between these two concepts, it is essential to begin with its definition.

The history (etymology) of strategy provides that it (strategy) emanates from the highest military rank, of 'General' or 'Strategos' (in Greek), meaning "the art of war" (Horwath, 2006: 1; Janczak, 2005: 64). Sun Tzu, who is celebrated as the best Chinese military strategist of all time, wrote a book titled, Art of War, which has influenced the study and practice of strategy since the 6<sup>th</sup> century BC (Jofre, 2011: 3). This military treatise remains relevant as it remarks the significance of the following issues to both scholars and strategists today:

- Positioning;
- Environment;
- Competitive actors (adversaries)
- Response to changing conditions (messy or uncertainties)
- Planning – this is deal in stable environment (Jofre, 2011: 3).

To Sun Tzu, the unavailability of change does not mean accepting it the way it manifests itself, but rather subduing it through understanding and anticipating these five interrelated

conditions. His strategy was to “subdue the enemy’s army without battle” (Mische, 2000: 41). In pursuit of victory, Sun Tzu sought answers to the following critical questions: “[w]hat is changing, ... how it is changing, ... how fast it is changing, ... what will be the depth and breadth of change, and why is it changing” (Mische, 2000: 3).

Thus, the onus rests upon the strategist (manager or leader) to draw lessons from the uniqueness of the environmental factors characterising their organisations and the five conditions provide a framework or normative guideline of some sort. This implies strategy is a product of learning. This point is further confirmed by Mintzberg (cited in Tovstiga, 2010: 1) who argued that a strategy is “an invention, figment of someone’s imagination ...” According to Mintzberg (1987: 11-18), the notion ‘strategy’ could also be defined in accordance with what he referred to as the “five Ps for strategy” that include “plan, ploy, pattern, position and perspective”. In this regard it becomes evident that strategy encompasses a wide range of factors.

This refutes the conclusion by Haugstad (1999: 2), who argued that strategy put more emphasis on what the general does than the general himself. As to which of the strategic issues deserve primacy, circumstances and a time in history will guide strategists. However, putting much emphasis on the decision-maker per se constitutes the very reason for the dominant culture to associate strategy with “mystery and esoteric rituals” for the selected few such as the ‘generals’ or senior managers (Tovstiga, 2010: vii).

Just as beauty is in the eyes of the beholder, the meaning of strategy is ambiguous as it means different things to different people. To a commissar, strategy has got something to do with a political plan, to a business manager strategy strives for a competitive advantage against existing competitors, and so forth. However, in general, strategy is embraced by many practitioners as a “plan” (Mintzberg, 1987: 11). Regarding the nature of the plan in question, the context dictates accordingly.

Although strategy acknowledges that the future itself is unpredictable, strategy does provide for “prediction of the future”, extensive exploration, and “anticipation and manipulation” (if possible) of the environment (Yarger, 2006: 6-9). According to Yarger, a good strategy involves the following six principles: (1) strategy is proactive and anticipatory,

but predictive; (2) political purpose dominates all strategy; (3) strategy is subordinate to the structure of strategic environment; (4) strategy is holistic in outlook; (5) strategy creates a security dilemma for strategists and other actors; and (6) strategy is grounded in what is to be accomplished and why.

This implies, therefore, the outcomes of a strategy could still be predicted, but not with certainty until a decision (in pursuit of a strategy concerned) is implemented (Ketchen, Jr., Snow and Street, 2004). This uncertainty is premised on the ever-changing environment. Now, if a strategy is negotiated as postulated by Kabir (2007), then a strategy is a product of a decision-making process. According to Kabir (2007: 6), there is no consensus on the definition of strategic planning except to say it is "...a complex process where different stakeholders are involved".

Mintzberg (1990) divides the literature in the study of strategy into two categories of ten schools of thought and three groupings. These categories embrace the prescriptive approach - focusing on the manner in which strategies ought to be formulated, and the descriptive approach, which defines the prescribed strategy (Mintzberg, 1990: 171). In accordance with these two groupings, the ten schools are classified as follows:

**Table 3.1: Schools of thought in strategy making**

PRESCRIPTIVE (primacy on contents)	School	Method	Contribution	Limitation
	Design	Information conception process	Simple, informal and controlled conscious decision making; support leadership vision	Command-and-control decision making restricts creativity; ideal under stable environment only
	Positioning	Analytical process	Deals with hard facts	Neglects other factors such as power and politics
	Planning	Formal process	Provides clear direction and control	Command and control (reductionist)
DESCRIPTIVE	Entrepreneurial	Visionary process	Skills and resources are rallied towards realisation of one vision	Predicative – could discourage proactivity and anticipation
	Environmental	Reactive process	Consciousness on environmental factors affecting the organisation/ strategy making	Often vague
	Cultural	Social process	Acknowledges the role of social norms and values	
	Cognitive	Mental process	Encourages creativity through individual (strategist) brilliance/ Expertise	Only effective at conceptual stage
	Learning	Emergent process	Learning of many others involved than a single leader, ideal for uncertainties and complexities	Not ideal for stable conditions
	Power	Negotiation process	Provides for consensual approach in strategic decision-making	Political interference, too much of power
	Configuration	Transformation process	Integrates strategy and organisational development	Often misconstrued and misunderstood

Adapted from Mintzberg and Lampell (1999: 22-26)

As illustrated in Table 3.1, albeit that these ten issues are referred to as ‘schools of thought’, they are rather stages in the process of strategy formulation. In this context, the process of strategy formulation can be defined as “...judgemental designing, intuitive visioning, and emergent learning; it is about transformation as well as perpetuation; it must involve individual cognition and social interaction, cooperative as well as conflictive; it has to include analysing before and programming after as well as negotiation during” (Adamides and Pomonis, 2008:113).

Briefly, positioning means being distinct from others because of a unique way of doing things; planning instils order and formality; being entrepreneurial forges a bond with the horizon; environmental calls for vigilance against the surrounding (uncertainties/messes); culture, a social process forges recognition of other elements of a system other than the senior staff; cognitive refers to the development of knowledge structures through past experiences (the manner in which information is processed); learning dispels complacency; power strategy is a process of engagement or influence through negotiation (internal and external factors); and configuration seeks congruence between what the organisation does and the needs of the environment. This implies that a strategy is characterised as both a deliberate plan, institutionalised or organisation activity, and an emergent pattern that cannot be prescribed or predicted.

### **3.2.1.1 Strategic Planning**

In this section, much emphasis is placed on strategic planning as practiced in the public sector context. Upon its arrival in the realm of planning or strategic management, strategic planning was embraced as a panacea to most governance related issues (Mintzberg, 1994; Kaufman and Jacobs, 1987). It was considered as “the one best way to device and implement strategies” (Mintzberg, 1994: 107). Its proponents were content that strategic planning is destined to offer “revitalisation of governments and the public service” (Kaufman and Jacobs, 1987: 24). It was believed that if correctly applied, strategic planning could accrue the following benefits:

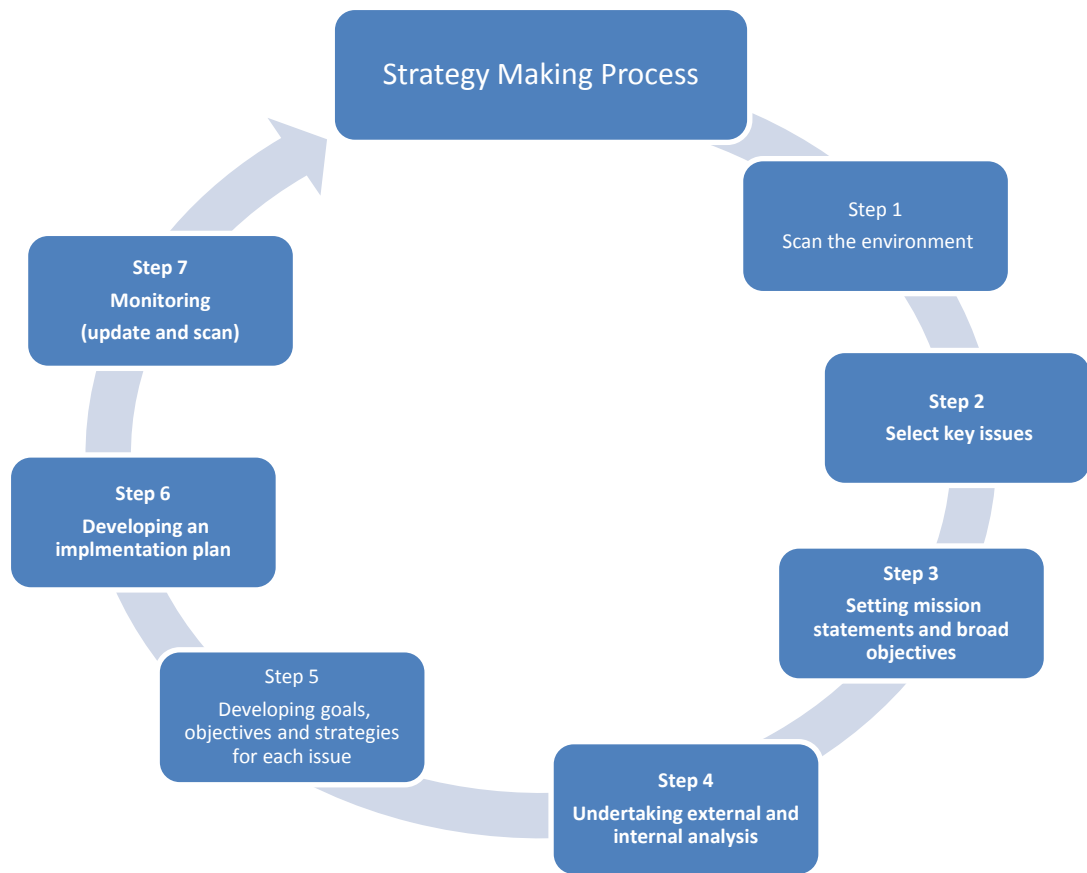
- *getting important things done;*
- *educating the public;*
- *building consensus;*

- *developing a shared vision;*
- *positioning a community to seize opportunities;*
- *shedding new light on important issues;*
- *identifying the most effective uses of resources; and*
- *providing a mechanism for public-private cooperation* (Kaufman and Jacobs, 1987: 23-24).

The practice of strategic planning in the public sector domain was inspired by public management reform, with the idea of “cost-effective” dominating the scene (Carron, 2010: 7). As a result, the public sector became result-orientated (Carron, 2010). Like many other organisations, the public sector wanted to be “effective and efficient” (Schutte, 2000: 3). Effectiveness relates to the organisation’s interaction with its environment and efficiency involves tasks to be implemented internally (Schutte, 2000). These internal and external factors affecting the service (business) are often coined in a strategic plan. According to Mische (2000: 249), “great strategies focus on changing the environment, creating a new environment or changing the resources and methods of companies to harmonise or optimise performance within the existing environment.”

Together with tactical planning, strategic planning seeks to ensure the efficiency and effectiveness of an organisation (Schutte, 2000: 3). As a process, it involves decision-making on the vision and objectives, and use of resources in pursuit of goals (Schutte, 2000: 6). Traditionally, the concept planning is “... concerned with foresight and the provision of decision support for the formulation and implementation of projects, programmes and policies” (Leleur, 2008: 32). It involves the “step-by-step instructions” for the strategists (managers or leaders) to remain focused (Mintzberg, 1994: 107). This implies that the conventional (traditional) approach to planning propagates “systematic planning” (Leleur, 2008: 36). The latter implies purposeful action executed ‘step-by-step’. According to Sorkin, Ferris and Hudak (1984) the strategic making process involves the following seven steps:





**Figure 3.1: Strategy making process (adapted from Sorkin et al., 1984)**

This step-by-step prescription affirms that strategic planning is a “programmatically and analytical thought process” (Heracleous, 1998: 481). In this sense, strategic planning is rooted in reductionist thinking because of the analytical tools and step-by-step (structured) process it often follows (Both and Segon, 2008). Reductionism is a method of inquiry or analysis whereby a whole system is dismantled into smaller parts and studied the (parts) individually (Zokaei et al., 2010).

In summary, the definition of strategy suggests that strategic planning is a “bastion of long-term thinking ...instead it is often more about today’s activities” (short-term orientated) and reactive to problems (Senge, 1990: 210). Hence it becomes difficult for conventional planning to produce effective strategies due its programmatic, formalised and analytical nature (Heracleous, 1998). For this reason Mintzberg (1989: 146) concludes that it has

become an “oxymoron” in that strategy and planning are contradictory terms appearing side by side in strategic planning.

### **3.2.1.2 Strategic Thinking**

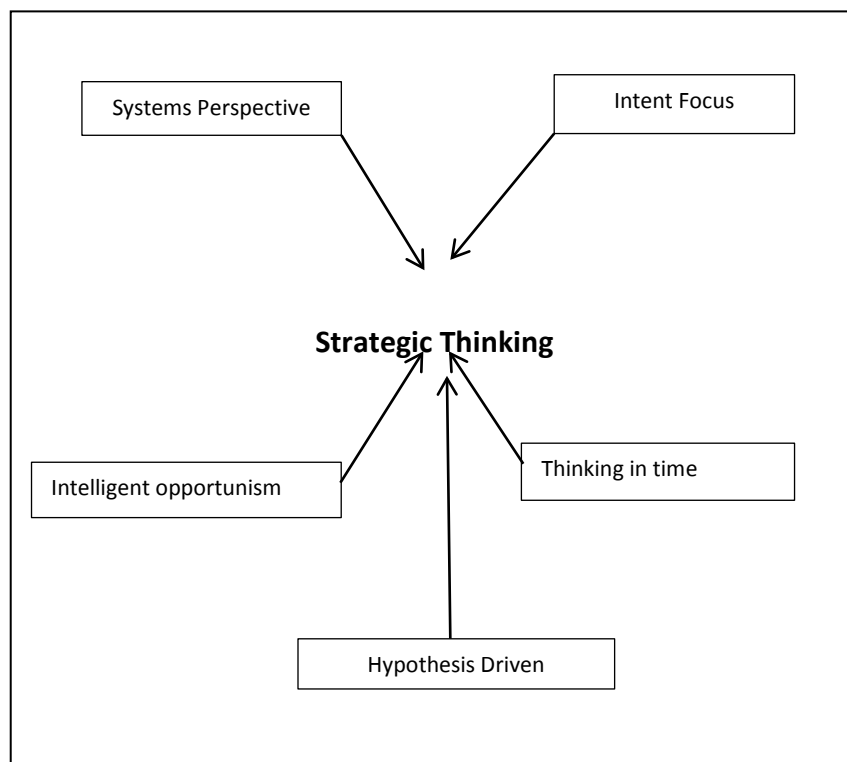
The core content of strategic thinking is captured by the term ‘synthesis’ (Mintzberg, 1994). The latter word is derived from the Greek word *syntithenai* meaning “to put together”, which is often used in contrast with analysis (nucleus of generic strategic planning) meaning “to loosen up” (Ritchey, 1991: 21). Together with other dichotomies, such as soft versus hard systems, open versus closed systems, holism versus reductionism and organismic versus mechanistic, the synthesis versus analysis contrast confounded the systems approach for many years (Barton and Haslett, 2007: 151). According to Yolles (1999: 103), synthesis involves “selecting, inventing, creating, designing, or developing possible options or scenario for use as strategies for action”. Synthesis denotes the combination of separate elements of a system to form a coherent whole. The attainment of coherence (inter-relationship) among elements of a system makes it different from other systems or competitors within a particular domain. Strategic thinking as a process is metaphorically likened to “planning for gold” (Brown et al., 1999: 509). Obviously, such planning has to precede the actual process of mining (of gold). In the same vein, strategic thinking heralds the “linear process of developing strategic plan” because it builds a vision (Haycock et al., 2012: 1).

According to Porter (cited in Heracleous, 1998: 482), strategic thinking is about “...asking two critical questions. First, what is the structure of your industry, and how it is likely to evolve overtime ... Second, what is your company’s relative position in the industry?” This implies that the formulation of strategy follows a robust engagement in pursuit of responses to these critical questions.

Organisational structures are designed according to their nature and the services they render. For example, different departments of a municipality, such as water and sanitation, rates and services, electricity, sewerage and so forth, match the services rendered by local government. But within the context of strategic thinking, primacy is given to the position in the industry or “a competitive edge” (Haycock et al., 2012: 1). In essence, strategic thinking inspires the exploitation of what makes an organisation unique from others through the investment of maximum resources and skills (Sutton, 1998). Heracleous (1998: 483) uses an

analogy to differentiate between strategic planning and strategic thinking, describing the former as a “double-learning loop” and the latter as a “single-learning loop”. While conventional strategic planning refers to changes that are considered to correct mistakes, strategic thinking involves making corrections after examining and changing the governing variables as well as actions (Heracleous, 1998).

Goodman et al. (cited in Haycock et al., 2012: 3) provide a practical explanation of strategic thinking as “an individual thinking activity that benefits the organisation significantly differently from the present. Thinking strategically is not the same as preparing a strategic plan, which details tactics to be taken to achieve goals and objectives. Strategic thinking is thinking that contributes to broad, general, overarching concepts that focus the future direction of an organisation based on anticipated environmental conditions.” Strategic thinking seeks to create and sustain a competitive position (advantage) within a particular domain through interrelated attributes as demonstrated below:



**Figure 3. 2: Key elements of strategic thinking - Liedka (cited in Sharifi, 2012: 80)**

- a) The systems perspective is the most entrenched characteristic of strategic thinking. It is premised on the consideration of an organisation as a system comprised of different elements, operating as a whole. This implies that no single element exists by default, but that all are significant and interdependent on each other for the survival of a system. In this sense, strategic thinking propagates a “holistic and systematic” viewpoint or approach during the strategy-making process (Ghorbani and Fattahi, 2013: 138). The notion ‘systematic’ implies a disciplined or purposeful action following a ‘step-by-step’ process.
- b) Intent-Focused: this implies that whatever the organisation does, the focus of its members, individually and collectively, must never be deterred from realisation of its goals – especially the long-term objectives. This calls for members of the organisation to “marshal and leverage their energy” in pursuit of the goals they have set (Sharifi, 2012: 79). Congruence of what the organisation does and its intent must be tested consistently, thus instilling a sense of direction.
- c) Intelligent Opportunism: keeping the vision intact (intent-focused) does not presuppose being opposed to new ideas or alternative strategies. Intelligent-opportunism encourages intelligible incorporation of emergent strategies relevant in attaining the strategic vision. In this sense, strategic thinkers are not held ransom by command-and-control tendencies of rigid bureaucracy or orthodoxy. If the circumstance dictates the adoption of emergent strategies as triggered by specific environmental factors, this must be allowed (Sharifi, 2012).
- d) Thinking in time: albeit energy (resources and skills) are marshalled and leveraged towards the realisation of strategic vision, the past and the present matters. The gap(s) between the past, present and future must be managed properly. Importantly, learning from the past (good or bad) plays a pivotal role in creating the present to get to the future. Strategic thinking instils a culture of understanding the times – being vigilant about the changing times or trends (Sharifi, 2012).

- e) Hypothesis-Driven: envisioning the future is equivalent to generating a hypothesis, which must be tested accordingly through programmes and activities undertaken by the organisation. That is, walking the talk. That is why strategic thinking is said to be hypothesis-driven (Liedka, 1998).

These characteristics summarise a journey from an individual idea to new possibilities in pursuit of a competitive advantage. Hence, strategic thinking is considered as a catalyst to competitive advantage.

To Heracleous (1998: 481), strategic thinking is a thought process involving creativity and divergence. This process, according to Brown et al. (1999: 510-511) involves the following main activities:

- Assessing the landscape – scanning the horizon and contours of the current business and organisational landscape at all levels of the organisation.
- Discovering core questions – once the core questions have been posed, the next step is to look for patterns. Although strategic thinking is disciplined and systematic, it is not a mechanical process. To discover deeper themes, questions must be clustered and be assessed in terms of their relationships.
- Creating images of possibility – imagine what the structure will look like and explicate this by creating clear images of possibility.
- Evolving workable strategies – such strategies are triggered by responses to compelling questions and images of possibility evoked by these questions. The process is never-ending, but cyclical.

In the context of the preceding discussions, it is impossible to confirm with certainty the outcomes of a strategy until a decision is implemented (Ketchen, Jr. et al., 2004). The uncertainty is rooted in the ever-changing environment.

Since strategy is a product of the negotiations process, it therefore involves decision-making (Kabir, 2007). It is an indisputable fact that decision making is a critical part of all types of planning including strategic, tactical and contingency. The decision-making process in

relation to a strategy or being 'strategic' cannot be considered as a one-time event, but is a continuous process (van der Heijden, 1997). Hence strategic thinking is long-term orientated. In this regard, strategic decision-making, as Janczak (2005: 64) postulates, is analogous to both the strategic planning and simply strategy for the purposes of "generic organisational phenomena".

### **3.3 STRATEGIC PLANNING OR STRATEGIC THINKING?**

So far it been demonstrated that strategic planning and strategic thinking are two distinct models or thought processes. While the former is short-term, programmatic and analytical orientated, the latter is long-term, creative, divergent or synthesis orientated, (Heracleous, 1998; Mintzberg, 1993; Senge, 1990). Asking the question of which comes first, strategic planning or strategic thinking, is like trying to solve the chicken-and-the-egg equation. Rationally, a chicken must hatch from an egg, meaning the egg must have come first. Another view says a chicken hatches from an egg, and so forth. This leads to many possible answers to the question. Actually, this diversity constitutes the essence of strategic thinking.

As indicated earlier, much of what constitutes a definition of strategy had already existed for thousands of years and had spread from military to other domains. The emergence of strategic thinking as a paradigm upon which strategic decision-making is premised, does not necessarily render rationalism obsolete but rather supplements it with the "resources of the unconscious mind" (Roth, 1999: 72). That is, strategic thinking puts a special emphasis on the importance of "perception, intuition, creativity, and the connection between the conscious and unconscious mind" (Roth, 1999: 74). However, both strategic thinking and strategic planning are required for effective strategic management as they are "interconnected in a dialectical process" (Heracleous, 1998: 846).

This implies that the process of designing a strategy is informed by the prevailing circumstances of an organisation, the leadership and a particular era in history. From ancient times until the present age there are two predominant schools of thought contending each other – one is premised on analysis, and the other on synthesis. These schools are discussed further under theoretical perspectives.

### **3.4 MAJOR PARADIGMS**

As discussed in the previous chapter, studies in contemporary organisational strategies and perspectives have been marked by the two epistemological paradigms, namely: cognitivism and constructivism (Chia, 2001).

#### **3.4.1 Cognitivist perspective on strategy**

The role of cognitive science in the study of strategic management has gained popularity in recent years (Das and Teng, 1999). Scholars such as Stubbart (1989) and Walsh (1995) have examined its contribution in strategic decision-making (Sinha and Sinha, 2012). This approach gives precedence to the cognitions of decision-makers pertaining to the organisational strategy. Budhwar (1996: 18) characterises cognition as “intentional, representational and computational”.

Schwenk (1988: 42) argued in favour of prioritising “cognitive simplification”, a theory which suggests that those entrusted with decision-making (e.g. managers) must “construct mental models when dealing with complex problems” adding, however, that they (decision-makers) cannot speak with certainty due to the unpredictability of messy problems. The two forms of cognitive activities that characterise this perspective involve rationalism and intuitionism (Wang, Cheng and Dong, 2012; van Riel, Ouwersloot and Lemmink, 2003; and Das and Teng, 1999). While the former is rooted in the works of Aristotle and Descartes relating to logical and rational reasoning respectively, the latter denotes thinking based on “expertise and experience” (van Riel et al., 2003: 14). To its protagonists, the strength of this perspective is the faith put on the thicket of rules or “heuristics” as a means of exercising control under complexity and uncertainty (Das and Teng, 1999: 760). This implies that the cognitive paradigm is not purely deductive and analytical in orientation, but intuitive as well.

The emergence of the domain of “managerial and organisational cognition” (MOC) is a product of an increased interest in cognitive science (Sinha and Sinha, 2012: 2). This domain gives primacy to the mental development of strategy as perceived by the decision-makers. In this context, Sinha and Sinha (2012) argued that the idea of strategy involves:

- a. The managers’ perspectives about the world, as well their views about the position of their respective companies (organisations) in the world

- b. which are embodied in the companies' activities, set rules, orders and routes.

This implies that for one to understand the strategy of an organization, one needs to find out both the mental and physical aspects of the organisation concerned.

### **3.4.2 Constructivist perspective on strategy**

This paradigm involves “epistemology, a learning or meaning-making theory that offers an explanation of the nature of knowledge and how human beings learn” (Ultanir, 2012: 195). According to this paradigm relating to the construction of knowledge, both experience and existing understanding (knowledge) matter. The process involves analysis and synthesis as new information that is learned is compared with what is already known. Its label ‘constructionism’ is derived from the understanding that “meaning is socially constructed” (Hurd, 2008: 300).

The contribution of the constructionist school in the realm of strategic decision-making is embedded in the idea of ‘holism’ involving historical backgrounds, as well as the environmental and cultural factors of an organisation (Levy, Alvesson and Willmott, 2003; Chia, 2001). Proponents of this school endorse a holistic approach to the study and practice of strategy since it provides consideration of all elements of a system when developing a strategy (Ackoff, 1997; Gray, 2002; Williamson, 1996; Sull, 2008; Jackson, 2003). This implies that constructivism goes far beyond the limitations of the cognitivist approach (reductionism), which, in essence, only embraces analysis and synthesis in the study of strategy.

For more details on analysis and synthesis, the study provides a brief presentation on systems thinking and complexity theory, which bring together other theoretical perspectives to form a holistic approach to strategic management.

### **3.4.3 Systems Thinking**

The development of systems thinking as a scientific discipline under the tutelage of Ludwig von Bertalanffy and its major pioneers, including Russell, Ackoff, Parsons, Boulding and Forrester, is premised on the discrepancies associated with the three historic paradigms,



namely, scholastic, renaissance and mechanistic schools (Skyttner, 2005; Fischer, 2006; Ackoff, 1996). In summary these are the discrepancies in question:

- a. The scholastic paradigm represented a way of 'thinking' during the medieval world under the guidance and supremacy of papal authority and the church as a form of social system. Any critical thinking contrary to these religious prescriptions was treated with contempt - for example Giordano Bruno (1548-1600) was martyred for heresy (Ackoff, 1996).
- b. According to the renaissance paradigm, the development of social institutions other than religiosity challenged the theological methodologies of science, with the hallmark of science subsequently being built upon "neutrality and impartiality" (Skyttner, 2005: 8-11). This implies being neutral and impartial to any unscientific influence, including papacy or religiosity. Scholars such as Galileo Galilei and Rene Descartes made a sterling contribution in separating religion and science, which edified the corpus of scientific knowledge with a new faith – the belief that it is possible to understand the world wholly (Ackoff, 1996).
- c. The mechanistic paradigm is embedded upon the assumption presented by the renaissance school of thought concerning a complete understanding of the world, but further prescribes reductionism or analysis as a method of inquiry (Skyttner, 2005; Ackoff, 1996).

The obvious question at this point would be "what is discrepant about these three foregoing schools of thought?" This brings us to the fourth school of thought – the systems paradigm. This paradigm is rooted in the aphorism that says 'don't miss the forest for the trees' (Ackoff, 1996). Recent studies in this paradigm present both change and complexity as key factors exposing the weaknesses of the other three paradigms due to their reductionist and deterministic orientations (Skyttner, 2005; Senge, 1990; Ackoff, 1996). To this effect, Skyttner (2005: 38) maintains that the edification of the systems paradigm is threefold: "an outlook to see better; a network to understand better and a platform to act better". Systems thinking is founded upon this enlightenment.

The systems approach is an interdisciplinary field of study accredited to the theoretical and empirical works of scientists from various scientific disciplines involving, amongst others, Jay Forrester (IT Specialist); Ludwig von Bertalanffy (biologist); Kenneth Boulding (economist); Peter Senge (engineer); Anatol Rapoport (mathematician), etc., (Skyttner, 2005: 38; Jackson, 2003: 139-142; Laszlo and Krippner, 1997; Ackoff, 1997: 6-7; Senge, 1990: 8-9). The basic concept underlying the systems approach is that a system is studied holistically; a paradigm shift from the reductionist approach that was dominant until the 20<sup>th</sup> century, which studied a system's elements individually (Zokaei et al., 2010: 5).

The concept of a system connotes a complex interaction of two or more elements, each of which affects the functioning of the whole system and are interdependent on at least one element and any other possible subsystems possessing the latter two properties (Laszlo and Krippner, 1997; O'Connor and Dermott, 1997; Ackoff, 1981). Embedded on this understanding of a system phenomenon, Reynolds and Holwell (2010) consider systems thinking as the five-fold trans-disciplinary approach comprised of the following approaches ideal for managing change:

#### **3.4.3.1 System Dynamics (SD)**

System dynamics was pioneered during the mid-1950s by J. W. Forrester, an engineer, as a study seeking to narrow the gap between science and society through understanding the dynamic characteristics of complex systems (Morrison, Rudolph and Carroll, 2008; Jackson; 2003; Wu, 1991; Lebel, 1981). This approach provides the basics for understanding complex systems with a particular emphasis on “feedback loops” and “simulation model within the systems paradigm” (Morecroft, 2010: 25-37; Jackson, 2003: 65-68). According to Hazy (2006: 58), organizations are typical examples of complex systems that seek to “sustain and adapt to a changing environment”.

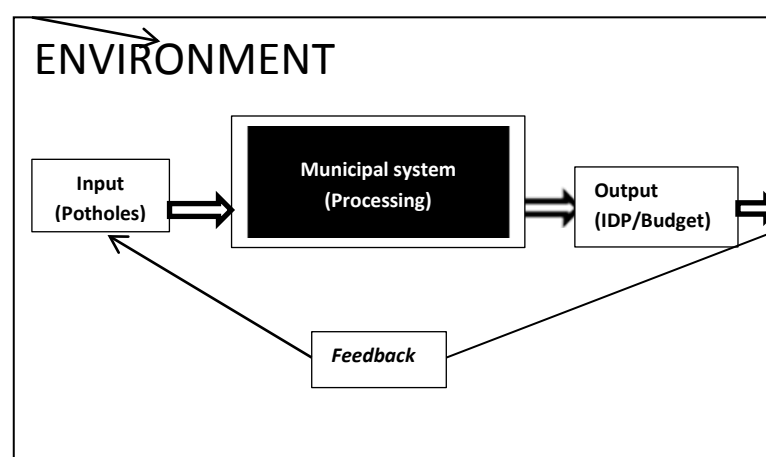
According to Lebel (1981: 7-11) systems dynamics is characterized by the following basic assumptions:

- i) Feedback*** – given the nature of systems wherein units or elements are interconnected and work together or influence each other to form a whole, feedback is essential. As it relates to systems thinking, feedback goes far beyond of a mere

reversion of the effects a process (strategy or policy) by putting much more emphasis on the subsequent actions of the policy maker or strategists. Regardless of whether the feedback entails information about the failure or success of a process under review (e.g. strategy), such analysis is considered to “adjust and direct” alternative efforts in response to emergent challenges (Fishback, Eyal and Finkelstein, 2010: 517).

By virtue of its very nature of providing for the adjustment (control) and response (communication), the concept feedback is founded upon ‘the art of steering’ meaning cybernetics in Greek. According to Norbert Weiner, the father of cybernetics, it is a “science of communication and control in animal and machine” (O’Connor and McDermott, 1997: 236). Cybernetics is often used synonymously with systems theory and focuses on the elements of a system, which include input, process, output and feedback. Jackson (2003) maintained that cybernetics introduced the two key concepts of “communication and control” into the systems thinking realm. Feedback supporting goal pursuit can be both negative and positive (Fishback et al., 2010: 517-528). Feedback is considered positive when the commitment increases towards goal(s) realisation, promoting “growth and change”, whereas it is referred to as negative when such commitment declines in stabilising a system (Fishback et al., 2010: 517; Krieger, 2006: 9).

The diagram below illustrates a feedback system in the context of local governance.



**Figure 3.3: Schematic diagram of a feedback system** (constructed by the researcher, 2014)

Recalling how an open system operates – interaction with the environment or surroundings, Figure 3.3 demonstrates the role of feedback in a municipal system.

Supposedly, no provision had been made in either the IDP or the budget (output) for the resealing of the roads, and a heavy rain suddenly strikes the city, destroying major local roads. Upon receipt of community complaints about the state of roads, the municipal authorities are left with no choice but to process this input and adjust the budget to accommodate this deviation. This is just a single example of numerous cyclical instabilities characterizing an open system such a municipality [See Chapter 3 for a more detailed discussion on a municipal system].

The reciprocal relationship between the entire system and its individual parts is called a “loop” (Krieger, 2006: 16). As demonstrated in Figure 3.3 above, when processed information (output) is ‘fed back around to the input side of a system’, then the relationship is classified as a feedback loop.

**ii) Uncertainty:** Literally, the notion ‘uncertainty’ refers to not being precisely sure about something. As it relates to strategic decision-making, however, uncertainty challenges the ability of the decision-makers to “predict and adjust” accordingly (Cavana, 2010: 220). Lebel distinguished four forms of uncertainty as follows:

- Ignorance – things not known due to lack of effort.
- Randomness – things not known until they take place e.g. trend.
- Semantic confusion – conceptually powerful words or statements, but utterly meaningless in practice. For example, provision of free basic services for all whilst the state’s budget cannot afford it; attaining zero percent unemployment rate by a particular period – then who will be working for who by then.
- Indeterminism – things unknown to us. For example, inflation rate by 2020 or political stability in South Africa five years from now. Indeterminism is equivalent to a butterfly effect (Lebel, 1981).

The purpose of uncertainty in strategic decision-making serves a paradoxical purpose as it can relate to either risks or opportunities (Kauffman, Jr., 1980: 6).

**iii) Validation:** While in natural science enquiries are validated through experiment, social science's "keystone" is data (Lebel, 1981: 10). However, as it relates to system dynamics, validation is concerned with the accuracy of a model in its representation of a particular system (Wu, 1991: 4).

**iv) Simulation:** The main content of system dynamics is "thinking about and simulating situations and organizations of all kinds and sizes" (Morecroft, 2010: 25). The term 'simulation' refers to a technique for imitating a reality, especially in the study of complex systems (Gary et al., 2008).

Some scholars postulate that the system dynamics theory contributed to the development of systems thinking due to its provision of models that help to interpret complex situations. Rooted in the nonlinear dynamics and feedback control approaches, SD gives primacy to the 'why' questions of a situation (Gharajedaghi, 2011; Morecroft, 2010; Sterman, 2000).

#### **3.4.3.2 Viable Systems Model (VSM)**

The most essential element distinguishing the VSM from the other systems approaches is the notion 'viability'. The latter is needed most for the organization to survive and succeed in its "environment" (Ahmad and Yusoff, 2006: 90). The brief descriptions of the substantive elements of a viable system are given as follows:

- i. **Self-sufficient:** This implies the ability of a system to solve its own challenges or problems without external help (Espejo, 2003: 4). In the context of the South African local government system, a classic example of a municipal system that is not viable is when a municipality is subjected under Section 139 of the Constitution of the Republic of South Africa. This Section authorises the relevant Member of the Executive Council of a provincial government to intervene and provide a form of administrative assistance that will enable it to execute its legislative mandate.
- ii. **Self-existing:** Viable systems have the capacity to maintain a "separate existence" (Espejo, 2003: 5)

- iii. **Co-evolving:** Viable systems possess the capacity to “evolve and adapt” to their environment (Ahmad and Yusoff, 2006: 90). This implies the existence of interdependence between a viable system and its environment. Such a reciprocal relationship is dubbed co-evolutionary in the realm of complexity science. For example, while on the one hand a municipal system could depend on the resources (land) within its environment and/or jurisdiction, the environment is equally dependent on the municipality for its sustainability (environmental by-laws and policies) (Boons and Gerrits, 2008: 4; Middleton-Kelly, 2003: 7-9).

The second main characteristic of a viable system model is “recursion” (McEwan, 2001: 8). The meaning of the concept ‘recursion’ as it applies to the VSM is equivalent to its literal meaning as a process of repeating items (i.e. divisions or departments) after their own kinds (Van Caspel, 2011; Hilder, 2005; Espejo, 2003; Jackson, 2003). These divisions are hierarchically structured such that there are higher and lower levels of viable systems (Jackson 2003: 87; McEwan, 2001: 8). In the context of the principle of holism, lower divisions, just like the higher ones, play a significant role in a particular organisation (Hilder, 2005). According to Hilder (2005: 44), the VSMs are “nested inside each other”. The same author maintains that VSM discerns organisational problems, provides a framework for planning (reengineering), and is used as a base for new IT tools and for managing change (reform).

The third core element of VSM is called “requisite viability”, which is used to define and regulate complexity within the VSM (McEwan, 2001: 7). This third element is attributed to the contribution of Ashley (1956) regarding his ‘requisite law of variety’ which assumed that “[o]nly variety can destroy variety” (Schwaninger and Rios, 2008: 171). This refers to variety characterising a particular organisational system (variable system) versus variety describing the environment of the organisation in question. For example, a municipality can be considered as possessing requisite variety with regard to a situation variety relating to civil unrest wherein its intervention strategy enables it settle disputes amicably. Hence, the response of “the controller” (policy-maker or governor) must be compatible with environment or situation variety (Espejo, 2003: 6). Therefore, maintenance of synergy between both organisational and environmental variety becomes the core function of control or management per se (Ahmad and Yusoff, 2006: 90). Briefly, the role of

management serves five generic functions to each viable system involving policy, control, intelligence (planning/analysis/syntheses), coordination and implementation (Schwaninger and Rios, 2008: 151; McEwan, 2001: 9).

### **3.4.3.3 Strategic Options Development and Analysis (SODA)**

This approach has its roots in operational research, which is used by different types of organizations (profit and nonprofit) as a tool for decision making (Agrawal, Subramanian and Kapoor, 2010: 200). SODA also emerged as a multidisciplinary discipline pioneered by Colin Eden in 1986 (Badal, 2010: 46). The primary role of SODA in the systems science is that it provides for the consideration of “problematic solutions to be explored before making decision” (Ackermann and Eden, 2010: 136). In this regard SODA gives primacy to the development and analysis of options for strategic decision making (Beasley, 2011: 28). The development of these options follows a process of conducting interviews with individual members of an organization (e.g. municipality) by a facilitator or operational research specialist (Ackermann and Eden, 2010: 147; Badal, 2006: 48). The ‘options’ emanate from the views raised by the individuals during the interviews and are analyzed or conceptualized at the discretion of the facilitator for consideration as agenda items (Badal, 2006: 49).

Throughout the process of developing and analyzing options, scholars agree on the four connecting theoretical perspectives that guide the application of SODA, namely: the individual, the nature of the organization, the consulting practice, and information technology and technique (Ackermann and Eden, 2010: 137; Badal, 2006: 48). These perspectives are discussed briefly as follows:

- i. **The individual:** SODA recognizes the contribution of individual members within an organizational system. Such recognition is explored by means of cognitive psychology whereby the thinking (views, expertise, wisdom, perceptions, suggestions, etc.) of individual members on a particular subject matter (e.g. policy making) is valued and provided for (Ackermann and Eden, 2010: 137; Badal, 2006: 48). According to Wang and Ruhe (2007:73), decision making is a cognitive process. As indicated earlier, the appointed facilitator solicits individual’s inputs through the interview process.

- ii. **The nature of the organization:** The politics and power relations influence decision making and define the nature of a particular organization (Badal, 2006: 48). That is, individuals are grouped in such a way as to make a significant impact on the issue under discussion at the particular time.
- iii. **The consulting practice:** Guided by the perspectives of the individuals and the nature of the organization, a consultant consolidates those inputs and provides for “problem negotiation” (Badal, 2006: 48). This implies that a consultant facilitates the negotiation process based on the alternative options that he/she has analyzed.
- iv. **Technology and techniques:** The three perspectives discussed above are then fused together through the fourth perspective, technology and technique, using a cognitive map (Ackermann and Eden, 2010: 147).

#### **3.4.3.4 Soft Systems Methodology (SSM)**

Subsequent to a thirty year action research programme undertaken by Peter Checkland and his colleagues, the SSM was initially introduced as part of action research and general systems theory, but was later “developed as a multipurpose and flexible methodology” (Hindle, 2011, 32; Checkland and Poulter, 2010: 195; Durant-Law, 2005: 11). Today it has developed further as a tool for modelling, learning and development (Williams, 2005: 2). According to Khisty (1995: 94), the development of the SSM emanates from “dissatisfaction with the limitations of the traditional hard systems methodology”. Within the Systems Thinking paradigm, the SSM serves the purpose of “... locat[ing] the use of systems concepts in the process of inquiry rather than objective observations of the real world” (Leonard and Beer, 1994: 32). There are few examples of how the SSM has been applied in various institutions, for different purposes. Briefly:

- In the context of the South African situation, reference could be made to the sterling contribution by Lockett and Grossenbacher (2003), who explored the SSM as a governing methodology at the District Health System, in KwaZulu-Natal. Also, the academic works of Cordoba and Farquharson (2008), who examined the feasibility of this methodology by inquiring into Skills Development with a particular focus on the South African situation;



- In Israel, the SSM was tested through an inquiry for Environmental Impact Statements wherein deep rooted conflict issues were examined (Hakly, 1999);
- In Kenya, the SSM was introduced for the purposes of performance measurement in the water sector (Karanga, 2006);

In the UK, the SSM is widely applied by institutions such as the Wales Audit Office (Zokaei et al., 2010), etc.

SSM gives precedence to what individuals, groups or organisations do within a particular situation – it is a paradigmatic shift from hard to soft systems (Checkland and Poulter, 2010: 195; Huaxia, 2009: 166; Rose, 2000: 3). Amongst others, the SSM provides the following tools towards better understanding of complex systems:

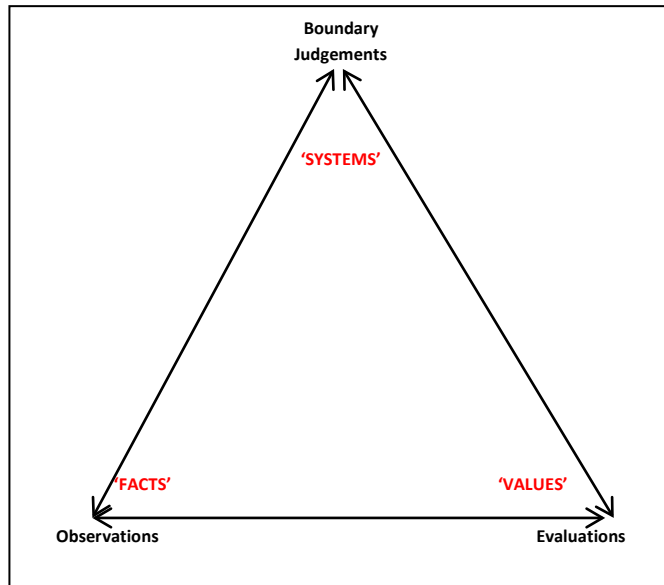
- A root definition of a system comprising three elements – what, how and why. That is, what is the purpose of a particular system (e.g. clothing bank), how does it seek to achieve the purpose or mission it endeavours and why relates to its significance in the long run or future;
- CATWOE analysis – CATWOE is an acronym for customers (C) (those affected – positively or negatively), actors (A) for participants in operating a system under review, transformation (T) refers to the actual process or operation of a system itself, worldview (W) stand for worldview, owners (O) involve primary stakeholders e.g. local communities in local governance as a system and environment (E) referring to factors suppressing effective operation of a system;
- Seven stage conceptual model focusing on situation considered as problematic, expression of such situation, root definition of a relevant system, conceptual models, comparing models with real world, changes and action; and
- Rich picture (Checkland and Poulter, 2010; Jackson, 2003).

### **3.4.3.5 Critical Systems Heuristics (CSH)**

This is a systems thinking approach based on practical philosophy (Ulrich and Reynolds, 2010: 243). It was developed by Warner Ulrich (1983) as one of the major disciplines in the field of systems science with its introduction of critical dimension in planning and decision (making) (Jackson, 2003: 213). Its contribution in managing messy problems is well captured and conveyed through its name, 'Critical Systems Heuristics' (Parker, 2000: 48). The essence of this approach is also captured by the three major concerns embedded in its name 'critical systems heuristics'.

Firstly, this approach is 'critical' in the sense that it examines the deficiencies associated with the other systems approaches and seeks to avoid such errors (Jackson, 2003: 213; Parker 2000: 48). Proponents of this approach, including systems analysis, systems engineering and cybernetics, believe that there is "no single system" that is absolutely "right" (Jackson, 2003: 214). Here much emphasis is placed on the practical reason. The second major concern of CSH is the "totality of the elements" of a system (Jackson, 2003: 215). For example, possible solutions and outcomes of a community dispute depend on the prior judgments about the entire municipal system. Thirdly, CSH is heuristic since it serves as a technique for learning or inquiring. According to Ulrich (2005: 1) the word heuristic is derived from "the Greek verb 'heurisk-ein', [which] means to find or to discover." Heuristics play a significant role in the scientific study of any phenomena.

Since every system is characterized by both internal and external factors, such underpinning judgments are known as boundary judgments in CHS. This can be illustrated as follows:



**Figure 3.4: Argumentative triangle - Source: Ulrich (2000: 252)**

The diagram is about putting a particular focus on each corner of the triangle – the facts embedded in what has been observed, values (norms) as a premise for evaluations and understanding a system in the context of its boundary or environment.

### 3.4.4 Complexity Theory

Complexity theory has its roots in chaos theory (dealing with disorder, irregularity and randomness) and provides a means for adaptation in complex and uncertain situations (Jackson, 2003). To understand this theory, however, precedence must be given to the definition of the concept 'complex system'. Agar (2007: 99-105) defines a complex system as a "nonlinear dynamic system." It is nonlinear, since it cannot be prescribed (non-reductionist), dynamic, for "moving through time" and systemic, due to the interconnectedness of its elements. Both the chaos and complexity theories "serve as appropriate metaphors for understanding the nature of the strategic environment" in terms of its key features and how it functions (Yarger, 2006: 18).

Agar (2007: 102) premised his definition of the complexity theory on the metaphor of a 'butterfly effect': "A little tweak can have major effects and major inputs may have no effect." The literal meaning of this metaphor is that what may seem to be a minor change

has the potential to cause major outcomes. Thus, nothing must be taken for granted within a complex system. According to Byrne (2005: 97), complexity theory involves “the interdisciplinary understanding of reality as composed of complex open system with emergent priorities and transformational potential”. This implies that complexity theory provides for multiple stakeholders, who interact within an open systems (including internal and external environments), who are not perplexed by unexpected change (emergence) as a means towards a better state (transformation potential). In this context, Agar (2007: 100) argued that “[a]ny intervention in a complex system may or may not have intended results, but will inevitably create emancipated and often undesirable results.”

Within the science of complexity, a strategic environment is characterised by “VUCA” – an acronym used by the US Army War College for “volatility, uncertainty, complexity and ambiguity” (Yarger, 2006: 17-18). In this regard, complexity theory helps the strategists to understand these four earmarks. According to Valle, Jr., complexity theory has the following key elements:

- a. *“a large number of similar, but independent elements;*
- b. *persistent movement and responses by these elements to other agents;*
- c. *adaptiveness so that the system adjusts to new situations to ensure survival;*
- d. *self-organization, in which order in the system forms spontaneously;*
- e. *local rules that apply to each agent; and*
- f. *progression in complexity, so that over time the system becomes larger and more sophisticated” (Valle, Jr. 2000: 4).*

Maxfield (1996: 1) argues that complexity theory emanated from the rise of interdisciplinary scientific efforts known as the “science of complex systems” under the auspices of the Santa Fe Institute. This theory represents a cluster of ways of thinking that have their roots in the branches of new science focusing on the behaviour of a natural system, such as chaos theory, dissipative structure theory, quantum physics and complex adaptive systems (Tosey, 2002: 2).

One of the most entrenched branches in the science of complexity relates to complex adaptive systems (CAS) (Antonacopoulou and Chiva, undated: 4). CAS plays a significant role

in the study of strategic thinking because organisations are considered as CAS (Stacey, 1996). This model is “...composed of interacting ‘agents’ following rules, exchanging influence with their local and global environments and altering the very environment they are responding to by virtue of their simple actions” (Sherman and Schultz, 1998: 17). This envisaged adaptation (of an organisation) is solely dependent on the quality of leadership and strategies they design. Vroom (1960: 327) argued that leadership (supervision) is an “adaptive process” involving “fit[ting] the expectations, values, and interpersonal skills of those with whom he is interacting.” The literature in the study of complexity theory provides that CAS is characterised by the following:

**Table 3.2: Principles of Complex Adaptive Systems**

CAS principle	Meaning
Agents with schemata	Agents are the elements (individuals or groups e.g. employee or department) within a system (organisation). Individual schemata refer to (human action), while shared schemata refers to rule following (Dooley, 2002: 15).
Self-organisation	According to Goldstein (cited in Dooley: 2002: 15), self-organisation refers to the emergence of new “... structures, patterns and properties... without being externally imposed on the systems”.
Sensitive dependence	Susceptibility to the butterfly effect (Kleiman, 2011; Lorenz, 1961).
History	Agar (2007:101) defines the past trajectories (history) as “...the wind at our backs that sailed us to where are today”. History plays key role in mapping the future – strategic management.
Path dependence	Path dependence is “...a dynamic process whose evolution

	is governed by its own history” (David, 2006: 1). That is, a set precedence affects strategic decision-making.
Emergence	Due to their nonlinearity, CAS provides for the creation of “... irreversible structures or ideas, relationships and organisational forms, which become part of history of individuals and institutions...” (Mittleton-Kelly, 2003: 21).
Co-evolution	Complex systems exist within an environment upon which it is dependent (Boons and Gerrits, 2008).
Fitness landscape	Metaphorically, adaptation is likened to hill-climbing. In this regard the fitness peaks are points in the landscape representing institutional ability or fitness to move up the right peaks (Whitt, 2009). This serves a great deal for motivation.
Edge of Chaos	This literally implies a system being on verge of rising or falling. This calls for creativity, coherence and expertise (Remington and Pollack, 2008: 11-12).
Artefacts	This implies organising function within a system e.g. delegation of responsibilities.
Far-From-Equilibrium	Meaning lack of absolute stability (equilibrium) due to messes and uncertainties (Linchtenstein, 2009: 6).
Egalitarianism	All elements of a system are egalitarian (equal).

**Adapted from Bodhanya (2012: 18)**

As complexity theory and CAS principles relate to strategic management, they both empower strategists to understand organisations' complex systems. The nonlinear, dynamic and systemic nature of complexity theory provides for flexible and dynamic leadership in strategic decision-making. This allows strategists to invoke an holistic and integrative approach in strategic decision-making. The properties of CAS set a firm foundation for strategists to consider a far wider range of tools for managing complexity.

### **3.5 SUMMARY**

In this chapter, both the historical and contemporary developments as well as the theoretical framework upon which the study is based have been established. The historical aspect presents the term strategy as a leadership concept with military roots. The practice of strategy in modern organisations is still taking a cue from the profound teachings of Sun Tzu, revered as the best strategist of all times. Dating from as far back as 500 BC, he employed an holistic approach in designing his art of war (strategy) by embracing three levels, strategic, operational and tactical, while other military strategists, such as Clausewitz and Jomini, concerned themselves with only the operational level. Inversely, the US Defence Secretary, Robert McNamara's strategy failed during the Vietnam War due to his reductionist approach.

In accordance with these military lessons (Sun Tzu and Robert McNamara), literature splits strategy into two major concepts: strategic thinking (synthetically orientated) and strategic planning (analytically orientated). While the former is premised on the principle of holism, promoting creativity, intuition, diversity and innovation, and is long-term inclined, the latter is rooted in the principle of reductionism, encouraging step-by-step articulation of the activities to be carried out in a programmatic manner, and is short-term orientated.

Pursuance of the meaning and practice of strategy along these concepts have been marked by two epistemological paradigms – cognitivism and constructivism. The cognitivist perspective considers strategy making a mental process (based on human minds/their thinking) and the constructivist perspective is based on experience and understanding. Furthermore, the practice of strategy has been influenced by two other important theoretical perspectives, namely: systems thinking and complexity theory. These theories

assist strategists to understand organisation as systems and complex adaptive systems and both present a variety of tools in managing change in turbulent environments.



## **CHAPTER 4: RESEARCH METHODOLOGY**

### **4.1 INTRODUCTION**

This chapter is aimed at presenting the methodology and design used in the investigation of the primary research question of this study: “In what ways would the strategic thinking, driven strategy making process be appropriate and beneficial for MMM, and why?”

This is aimed at exploring ways of integrating a strategic thinking orientation into MMM’s strategy making process. A qualitative research method as well as a case study on the MMM were selected for this study. As a result, the study will not be using quantitative methods, which reduce the data to figures or statistics, but will rather use qualitative methods, which use words to describe and analyse the research phenomenon. Since the context in the study of organisations and management plays a significant role (Yin, 2003), an empirical inquiry (i.e. case study) was explored.

### **4.2 RESEARCH DESIGN**

A qualitative research method was selected for this study, using a case study design. The study applied a qualitative research method because its focus is premised on the observation and interpretation of a particular real-life context (Rubin and Babbie, 1993). Creswell (2007: 37) describes qualitative research as an inquiry that “... begins with assumptions, a worldview, the possible use of a theoretical lens, and the study of research problems inquiring into the meaning individuals or groups ascribe to a social or human problem”. It locates a researcher in a real life situation and provides “a set of interpretive, material practices that make the world visible” (Denzin and Lincoln, 2000). As a result, conclusions are drawn on the basis of “constructivist perspectives” - multiple meanings due to different individual experiences (Creswell, 2003: 18). In this regard, the study is not based on statistical data (often associated with quantitative methods), but rather applies the use of words and reasoning to describe the situation in accordance with the topic of the study (Rajasekar, Philominathan and Chinnathambi, 2006).

A quantitative approach refers to an inquiry wherein researchers primarily apply ‘post-positivist’ conclusions in developing knowledge, that is, cause and effect or reductionist thinking, especially using measurement or statistical analysis (Creswell, 2003). In this sense

the study provides the actual meaning of the phenomenon under review by sharing opinions as well as descriptions, as examined through a case study. The study adopts a deductive approach since general and established theories and concepts are utilized and applied to the MMM's strategic planning context. It therefore moves from a general to a specific focus.

The research design represents a combination of exploratory, descriptive and explanatory strategies. Exploratory inquiry investigates a situation in order to establish facts (Mouton, 1996). Exploratory research plays a key role in the provision of qualitative data. The study is exploratory in the sense that an argument is advanced on the basis of the discrepancies associated with the generic strategic planning against potential improvement(s) subject to exploration of what strategic thinking offers. In this regard, the study seeks for new ideas and insights. Of primary importance is the descriptive focus, where the key features of both strategic planning and strategic thinking are examined. These include primary stakeholders, objectives, strengths and weaknesses.

It needs to be pointed out that strategic thinking is neither a remedy to what seems to be the discrepancies of the conventional strategic planning, nor represents the only options available, but it does seem the most likely option for improvements. In this regard, the strategy would be to achieve new insights into the phenomenon of strategic planning as practiced in the MMM.

As examined in Chapter 2, strategic thinking is not merely a synthesis process rendering conventional strategic planning (analytical process) obsolete. Rather, it is connected to strategic planning in what Heracleous (1998: 846) defines as "a dialectical process". Its key features involve the following:

- Consideration of an organisation as a system (systems thinking/perspective);
- Instilling a sense of direction or giving primacy to the future (Heracleous, 1998; Mintzberg, 1993);
- Fosters a culture of learning organisation or openness to new ideas and experiences (Senge, 1990);

- Provides for dealing with discrepancies or gaps between reality and long-term vision (complexity theory); and
- Provides for creative and critical thinking (Heracleous, 1998).

However, the organisational context plays a significant role in assessing the extent of the application of the above characteristics of strategic thinking.

A case study design was chosen because it would be impossible for the study to uncover a true picture of the MMM's strategic planning (or strategic thinking) without the context, a case study, particularly the role of those individuals or groups involved in the strategy making process (Baxter and Jack, 2008). As an empirical inquiry, a case study provides for investigation of a present-day issue such as strategic decision making within the real-life situation (Yin, 2003). It is considered for its proven and potential significance in providing answers if the focus of the study is premised on the 'why and how' questions, and when a particular target group (MMM) covering a particular context (strategic decision-making or strategic thinking) has been identified (Baxter and Jack, 2008; Yin, 2003).

### **4.3 SAMPLING METHOD**

The study was conducted in a metropolitan municipality located in the Free State Province, South Africa. When undertaking empirical research, it is vital to select a sample which is generally accepted as a fair representation of a population under study. This is because the validity of the findings depends on a sample selected (Higson-Smith, Parle, Lange and Tothill, 2000). For this study, the researcher followed a process of purposive or qualitative sampling. This implies that the sample was chosen at the discretion of a researcher based on the knowledge of the population and the purpose of the research under review (Denzin and Lincoln, 2000). It was therefore deemed appropriate to select five individuals who had substantive experience and who were directly involved in strategic decision-making within the MMM. The aim of interviewing these individuals was to explore and describe the municipality's (1) strategic vision; (2) strategic planning process; (3) approach to participation and consultation; (4) provision of critical and creative thinking or new ideas; and (5) general understanding of strategic thinking. The study was guided by the following questions:

- To what extent can we see elements of strategic thinking in the MMM's current process of strategy making?
- To what extent does this model adhere to or differ from the idealised (strategic thinking orientation) strategy making process?
- What are the advantages and disadvantages of the traditional strategic planning approach?
- How does strategic thinking differ from strategic planning?

Throughout the study, particular consideration was given to the question: "In what ways would the strategic thinking-driven strategy making process be appropriate and beneficial for Mangaung Municipality, and why?"

It was further decided to include the ward councillors (wards 1, 16, 22, 33 and 42), as well as their ward committees, due to their direct involvement in the development of the strategic plan of the municipality. The involvement of multiple stakeholders in this study was aimed at reducing errors in data collection. The "use of multiple methods of data collection" is known as triangulation (Mouton, 1996: 156; Denzin, 1978).

**Table 4.1: Demographic information of the respondents**

<b>Respondents</b>	<b>Position</b>	<b>Department</b>	<b>Involvement in strategy making (IDP)</b>	<b>Number of years at MMM</b>	<b>Number of years in current position</b>	<b>Management level</b>
R1	IDP Manager	Office of the City Manager	All stages of the IDP	6 years	2 years	Middle management
R2	General Manager: Public Participation	Office of the Speaker	All stages involving public participation and Office of the Speaker as a directorate	16 years	5 years	Senior management
R3	Executive Director: Human Settlement	N/A	N/A	N/A	N/A	N/A
R4	Executive Director: Corporate Services	Corporate Services	Stages involving directorate's inputs and overseeing implementation after adoption	3 years	3 years	Senior management
R5	Chief of Staff	Office of the Executive Mayor	Execute political oversight function as directed by the Executive Mayor	3 years	15 years	Senior management
R6	Ward Councillor: Ward 1	Municipal Ward	Public participation exercises and adoption/ approval stage	3 years	3 years	Community representative
R7	Ward Councillor: Ward 16	Ward Councillor	Public participation exercises and adoption/ approval stage	3 years	3 years	Community representative
R8	Ward Councillor:	Ward	Public	3 years	3 years	Community

	Ward 23	Councillor	participation exercises and adoption/ approval stage			representative
R9	Ward Councillor: Ward 33	Ward Councillor	Public participation exercises and adoption/ approval stage	3 years	3 years	Community representative
R10	Ward Councillor: Ward 42	Ward Councillor	Public participation exercises and adoption/ approval stage	3 years	3 years	Community representative
R11	Ward Committee: Ward 1	Ward Committee	Public participation sessions (e.g. public hearing, quarterly reports, etc.)	3 years	3 years	Coordinate and facilitate community involvement
R12	Ward Committee: Ward 16	Ward Committee	Public participation sessions (e.g. public hearing, quarterly	3 years	3 years	Coordinate and facilitate community involvement
R13	Ward Committee: Ward 23	Participation declined due non-availability of ward committee members	N/A	N/A	N/A	N/A
R14	Ward Committee: Ward 33 (was not elected)	N/A	N/A	N/A	N/A	N/A
R15	Ward Committee: Ward 42	Ward Committee	Public participation sessions (e.g. public hearing, quarterly	3 years	3 years	Coordinate and facilitate community involvement

#### **4.4 METHOD OF DATA COLLECTION**

In the light of the multiple sources of data used in qualitative studies identified by Creswell (1998; 2009), the study applied the following four basic types of data collection: interviews, observations, documents and audio-visual materials. However, it must be noted that although audio material was used, there were no pictures taken.

Since 1994, the local government development and planning (including provincial and national spheres of government) have been affected by a significant number of policy initiatives [see the case study below on the IDP legislative context]. The study therefore scrutinized relevant speeches of the political office-bearers as a primary source for the strategic vision of the municipality. Further, to be able understand and interpret the inputs of the selected participants [see sampling below], the study analyzed official documents of government, including reports, IDP and budget documents, council resolutions and policy directives as the primary sources of data. The accuracy and feasibility of this information were verified during the interviews with the participants. Added to these, the participants provided more detailed information on request.

A total of twelve (12) interviews were conducted involving four senior staff members, five ward councillors and four ward committees due to their direct involvement in the strategic planning process at the MMM. Since the sampling was drawn randomly, the researcher only discovered that there is no ward committee in Ward 33 when he phoned the wards that had been identified. Also, in ward 23, the scheduled interviews with the ward committee were postponed infinitely due to non-availability of its members. As a result, no data was sourced from some participants including R3, R13 and R14.

Although similar questions were asked at the various interviews, the semi-structured nature of the interviews allowed a little flexibility (Wisker, 2001). The questions posed to the councillors were exactly the same because their respective responsibilities and roles are similar and the same applied to the questions that were asked to each ward committee. However, it is worth mentioning that although the questions asked to the five staff were not identical, they all captured the essence of investigating the extent of the application of the strategic thinking in the MMM. These participants were specifically selected as it was felt that each of their contributions would be significant to the study. For example, the office of

the executive mayor (represented by the Chief of Staff) was selected to share the strategic vision of the MMM, the IDP Manager for outlining the strategic planning process, Public Participation (Head of the Office of the Speaker) for consultation and facilitation of community involvement and the executive directors for their strategic positions throughout all processes (phases) of the IDP/strategic planning.

The validity and reliability of their inputs were tested against relevant documents, including political speeches, as well as IDP and other related documents. These interviews were conducted between the 1<sup>st</sup> of September and the 11<sup>th</sup> of October 2013. The interviews lasted between thirty minutes and an hour and a quarter, the longer sessions being those of the ward committees due to the large number of participants.

#### **4.5 METHOD OF DATA ANALYSIS**

The study made use of thematic analysis, a conventional practice in qualitative research involving scrutinizing data in order to examine recurrent issues (Creswell, 1994). Thematic analysis is considered better placed to enable a researcher to interpret and analyse interview data which has been transcribed into a readable form. This approach (thematic) provides for flexibility and for the establishment of themes or clusters to link different expressions conveying similar meaning (Ryan and Bernard, 2003). A deductive thematic analysis was performed in this study whereby themes emerged from the data collected during the semi-structured interviews. Through these themes, the study seeks to capture “something important about the data in relation to the research question[s] and represents some level of pattern response or meaning within the data set” (Braun and Clarke, 2006: 82).

A six-step guide of conducting a thematic analysis as recommended by Braun and Clarke (2006) was explored in this study. The six phases include:

- Becoming familiar with the data;
- Generating initial codes;
- Searching for themes;
- Reviewing themes;



- Defining and naming themes; and
- Producing the report.

#### **4.6 VALIDITY AND RELIABILITY**

Validity in the context of qualitative research involves the steps taken by the researcher in ensuring that the findings of the study are accurate, while reliability seeks to establish congruency with the existing studies or body of knowledge (Creswell, 2009). While these two concepts, reliability and validity, are often used interchangeably, they are not the same. According to Bryman (2008), reliability refers to consistency in measuring data (getting the same results) irrespective of who undertakes a study. On the other hand, “[v]alidity is not a commodity that can be purchased with techniques ... [it is], like integrity, character and quality, to be assessed relative to purposes and circumstances” (Brinberg and McGrath 1985: 13).

In accordance with the guidance and recommendations of Golafshani (2003: 599), while the validity of the study refers to ensuring that “means of measurement are accurate and ... measure what they intended to measure”, reliability is aimed at ensuring that results are “replicable”. Hence in this study, a detailed protocol for data collection was developed and adhered to in conducting the case study. This was aimed at ensuring maximum reliability and validity of the findings of the study (Yin, 2003). The data collection process involved five distinct phases:

- i. During the first phase, the MMM was identified, selected and approached for approval for the case study;
- ii. The second phase involved conducting interviews in accordance with a selected sample. To avoid validity errors, interview questions were based on the research questions (Kirk and Miller, 1986);
- iii. Thirdly, the interviews were transcribed, coded and analysed accordingly;
- iv. Fourthly, the report of the case study findings was prepared; and
- v. Lastly, recommendations based on the findings of the study were presented.

#### **4.7 ETHICAL ISSUES**

A formal request for permission to undertake the study was sent to the Director Corporate Services of MMM, who granted the necessary approval. Ethical clearance to undertake this study was also obtained (see Appendix D). All respondents were requested to complete an Informed Consent letter (see Appendix A). The first part of the Informed Consent letter outlined the aims and objectives of the study as well as ethical matters relating to the rights of the respondents to refuse to participate or withdraw from the research project at anytime with no negative consequences. This part of the Informed Consent form was left with them (respondents) as way of demonstrating objectivity and openness on the side of a researcher by giving them the opportunity to confirm the authenticity of the study with the Graduate School of Business and Leadership at the University of KwaZulu-Natal or report any concerns to the supervisor of this study. The second part of the Informed Consent form was signed by all respondents and these were retained by the researcher for record purposes.

The interviews were recorded with a digital recorder with the consent of the respondents.

#### **4.8 INTERVIEW QUESTIONS**

The research questions were given primacy and used as a framework during the formulation of interview questions [see Appendix C].

#### **4.9 SUMMARY**

The foregoing chapter on research methodology illustrates why the qualitative research method was selected for this study. This is due to the fact that precedence was given to the observation and interpretation of the real-life situation involving the practice of strategic planning at MMM. Hence the latter municipality was selected for case study purposes. A deductive approach was adopted wherein general and established theories and concepts on the case study were reviewed. In this regard the research design for this study represented a combination of exploratory, descriptive and explanatory approaches. Regarding the method of data collection, the study used semi-structured interviews, observations, documents and audio materials. The population comprising a sample for the study was strictly limited to include those who were directly involved the strategic decision process

(e.g. IDP). The conventional method of data analysis called 'thematic analysis' was considered for this study. The study further affirmed the validity and reliability of the measurements, consideration of ethical issues, as well continually being mindful of the research questions.

## **CHAPTER 5: RESULTS AND DISCUSSION**

### **5.1 INTRODUCTION**

This chapter outlines the findings of the study illustrating the assessment of the extent of application of strategic thinking in MMM. It presents the results of the research in a form of comparisons between conventional strategic planning, especially the IDP, and the strategic thinking in the MMM. These findings are further supported by, and/or integrated accordingly with the literature review as discussed in Chapter 3.

In the case study, respondents were asked to share their respective experiences with regard to the nature and practice of strategy as applied by the MMM. Particular emphasis was placed on the key elements characterising the two thought processes in strategy making – strategic planning and strategic thinking.

Thus a review of the historical development of strategy was inevitable in order to clarify critical approaches and trends in the practice of the strategy phenomenon. The purpose and historic essence of strategy is that of individuals' or institutions' endeavours to emerge victorious in whatever they intend to do. Thus, the rise and the fall of such individuals or institutions depend entirely on the strategy they employ for survival. The study drew critical lessons from historical treatises, especially *The Art of War* by Sun Tzu, who applied strategy to win wars (Horwath, 2006). Contemporary practitioners and scholars have also pursued the art of strategy in their various fields with the same ideals of winning, although they differed in approaches (Levy et al., 2003). Scholars such as Mintzberg (1998) presented a wide range of perspectives involving the ten schools of thought (see literature review) and the five Ps, defining strategy as a plan, perspective, position, pattern and ploy.

Comparative considerations of strategy from the conventional paradigm and complexity paradigm, which provided the conceptual framework of the study, are used to discuss the findings of the study.

### **5.2 MANGAUNG METROPOLITAN MUNICIPALITY'S PRACTICE OF STRATEGY**

This theme is embedded in objective one (1) of the study, which seeks to evaluate the strategic planning within the MMM against the idealized strategy making process deemed

relevant for the local government environment (IDP). The theme further responds to objective two (2), which seeks to examine the process followed by the MMM during the IDP or strategic planning process.

The study established that in recent years, especially before adoption of the NDP, the IDP superseded all municipal planning (developmental) (DPLG, 2002). But the NDP is now providing for municipalities to adopt their own growth development strategies (GDS) upon which the IDP will take a cue [during the study under review the Mangaung Growth and Development Strategy was still a draft]. It was elaborated that:

*The GDS is the smart way to go ... the material conditions on the ground dictates to you that the IDP is not adequate for you to be able to run a municipality effectively and efficiently. Even on a national level we have gone the route of a longer plan of the NDP, now we are able to extrapolate from the NDP and be able to make our own longer plan which falls under the NDP. The IDP must also conform to the NDP, your IDP must be a vehicle that would get you into a destination if your GDS is the NDS then the IDP must take you to that 30 years, and be able to produce desired results for that 30 years (R5).*

It was further clearly established through this study that the NDP inspires municipal long-term planning to go beyond the five year term of the electoral cycle. The pursuit of long-term planning along the principles of the NDP (and FSGDS) may be viewed to be exemplifying a change of mind towards strategic thinking. This is due to the fact that long-term planning is one of the key features of strategic thinking (Mintzberg, 1993). But it could also be seen as entrenching red-tape and bureaucratisation of the strategy-making process since national and provincial directives (or targets) are outlined in NDP and FSGDS respectively.

The study further found that the IDP is currently the municipal umbrella term used to embrace planning, management and development, and that it is a national legislative requirement in South Africa (Local Government: Municipal Systems Act, 32 of 2000). The IDP can be summarised as "... the principal strategic planning tool which guides and informs all

planning, budgeting, management and strategic-decision making process in a municipality” (Local Government, 2000: 4).

The respondents expressed that the practice of strategy within the MMM must be understood within the broader context of South African local governance. Local government in South Africa is enshrined in the Constitution of the Republic of South Africa (1996) as an autonomous sphere of government. Other spheres include the provincial and national governments. One respondent defined the IDP process as talking

*... directly to what the community would like to see happening in their ward[s] or in their own localities, because people become directly involved with the processes. Number two, the other benefit is that you have communities that are empowered in the sense that they better understand how the government works, and the result is that even though you will have limitations but because the community were part and parcel of the planning they would know why are there limitations with regard to the resources. So whatever gets implemented the community owns that and they take care of the product that comes out of the session. The other result is that people know and have decided how the resources are going to be allocated, and you've got fewer and lesser incidents of community discomfort or unrest as you would witness in other municipalities. So the higher the level of engagement the better in terms of people owning to what you are implementing and end up protecting the decision that they have made, unlike when you plan alone, but also the resources talks to exactly what needs to happen (R2).*

In the main, the MMM's practice of strategy is premised on three major principles dictated by the relevant local government legislations, namely: primacy on increasing community participation, development-orientated planning and co-operative governance. The study found that IDP does put a strong emphasis on the latter three principles. Further, the IDP process is defined as “synonymous” to strategic planning (Local Government, 2000:5). Paradoxical as it may sound, these definitions presuppose the IDP is treated as both the tool of and equivalent to strategic planning. What is questionable is the fact that, especially when defined as a tool, the end product or final document will still retain its title as the

‘integrated development plan’. However, for the purposes of this study the IDP is treated as ‘synonymous’ to strategic planning. This is because it (IDP) has emerged as the most prevalent theme in this study given its equivalence to the traditional strategic planning as practiced within a municipal context.

Thus far, idealised strategy has been illustrated as a means, and not an end, towards realisation of mid- to long-term objectives of the organisation. In this sense, the practice of strategy is contextually-based since goals differ from one organisation to the other.

In essence, both the IDP and traditional (conventional) strategic planning display similar characteristics involving scanning the environment; selecting key issues; setting mission statements and broad objectives; undertaking external and internal analysis; developing goals, objectives and strategies for each issue; developing an implementation plan and monitoring (Sorkin et al., 1984). These characteristics are also considered as the step-by-step process of strategy making. According to some respondents, some of these characteristics do features significantly under the IDP as illustrated hereunder.

## **5.2.1 Tenets of IDP**

### **5.2.1.1 Vision-orientated**

It was cited by the respondents that IDP is vision-orientated. Harrison (2002) maintained that a vision is one of the core components that must be reflected in the IDP. Such provision in the IDP is a legislative requirement enshrined in Section 26(a) of the Municipal Systems Act 32 of 2000 which states that such vision must put a “... special emphasis on the municipality’s most critical development and internal transformation needs.” It became evident during this study that incorporation of a municipality’s vision in the IDP is a common practice at the MMM. It was therefore emphasised that a vision in question

*... emanates from the office of the Executive Mayor, meaning your vision would be politically directed. Like any other municipality, Mangaung [MMM] wants to position itself in a manner that:*

- i. It is able to service all categories of people in its jurisdiction; meaning that Mangaung [MMM] must be able to cater for children, the working class and for the elderly, pensioners; [and]*

- ii. *Mangaung [MMM] must also be attractive to those coming from outside; meaning it must be able to attract investment and business. Basically, that is what drives the vision of this municipality (R5).*

This respondent was making reference to MMM's vision, which is all about building a progressive metropolitan municipality 'globally safe and attractive to live, work and invest in by the year 2030.'

One respondent added that although the municipality's vision is often referred to as the executive/mayor's vision, it is actually a product of a series of extensive community and stakeholder consultations. He therefore highlighted that:

*The strategic vision of a municipality is developed through a consultative process by the Mangaung Metro, its Council and its communities, out of that particular consultative process and out of the determination of the needs, challenges and opportunities that the city has, the Executive Mayor craft and coin a vision statement which gets adopted by the Council and it is on the basis of that vision statement that we [officials and other stakeholders] develop strategic document [IDP] of the municipality (R1).*

It was highlighted that while there seems to be no objection to the consultation process itself, there are some reservations about the quality of time allocated for this exercise and the inherent tendency (by the authorities) to omit some of the valuable contributions made during public hearings.

### **5.2.1.2 Logistical issues**

It was elaborated that some of the critical factors influencing the quality of inputs in drafting local vision (strategy) embrace logistical issues. The research findings identified two logistical issues that were highlighted throughout the IDP process, namely; inconvenient venues and meeting times. Since some wards cover rural areas and/or informal settlements, community meetings are often held at venues that are not easily accessible due to distance and lack of transport arrangements. This is what Linchtenstein (2009) meant when he classified complex system as being far-from-equilibrium. They dissipate institutional orders. In some instances, this has led to a situation wherein ward councillors are:



*...accused of preferring certain areas than others [for convenience purposes]*  
(R15).

The respondents argued that as there are no community halls in the villages/rural areas, community members are forced to travel to areas with a better infrastructure. This was identified as a serious challenge facing the MMM with regard to effective participation of rural communities (R10).

Another logistical issue that was highlighted by the respondents was the convening of community meetings (e.g. public hearings) at times when some members of the community are at work, i.e. during business hours. The respondents argued that some valuable inputs are omitted since no alternative arrangements are made to capture the views of those unable to attend consultative sessions during working hours. Most of the respondents at ward level exclaimed that they have been raising this time factor repeatedly, but in vain. This demonstrates how difficult it is to predict a nonlinear system. This is a typical characteristic of complex and messy systems or problems (Schwenk, 1988).

### **5.2.1.3 Party-politics**

It was explained that the nature of the multi-party political system characterising post-apartheid local government, results in party-politicking during the IDP process. The political allegiances shown by certain members of the community versus the ward councillor's political orientation have a significant bearing on effective governance at ward level. The study uncovered that in a scenario characterised by a shared ideological (political) belief between a ward councillor and the most active community members, engagements are constructive and result in valuable contributions (R12).

The study established that some leaders tend to panic if faced with opposition or conflict (R7 and R12). Protagonists of complexity theory would suggest that this implies that the municipal system is pushed to the edge of chaos (CAS principle) – meaning the beginning of transformation dispensation (Kleinman, 2011; Remington and Pollack, 2008). But it was highlighted that it usually occurred in cases whereby a ward councillor and the most active community members belong to rival political parties. Some respondents alluded to this issue as follows:

*... ward committees are the ones working with the communities on the ground. They actually know in a ward what [are] the needs of a community. But sometimes what we actually get is, it seems some of the ward councillors – especially in our ward, where a ward councillor is a [name of political organisation] councillor things are [done] differently. He [ward councillor] does not discuss anything with us [ward committee] or phone us about what is happening in a ward. We are like head-less chickens, ... just like robots. We do not even have the powers like they [municipality's officials during workshop on the role and powers of ward committees] explained to us. But still, the councillor is not working with us (R12).*

Another participant also attributed lack of progress to party-politics. He argued that his ward

*“... [used to] belong to [name of a political party] and [he] took it away [as a councillor] two years ago [after the 2011 local government elections] ... [he now is sitting] with all their [community] promises. [I] hold a meeting once a quarter and ... said to them ‘speak to me people and support me [instead] they [ward committee] fight against me [but fails to do] their job’ (R7).*

The story of Robert McNamara (Tovstiga, 2010) demonstrates that leaning on what seems to be the right metrics or scientific analogy does not necessarily produce the expected results in a complex environment. People are natural critical thinking agents with schemata, and what matters is the substance of what they say rather than their political allegiance (Dooley, 2002). In this context, the study established that strategic thinking encourages increased participation of all elements within a system in pursuit of decision-making or strategy-making per se (Dooley, 2002). Thus, strategic thinking provides diversity in strategy development.

In this regard, another respondent apportioned blame to party-politics as a reason why there is no ward committee in his ward. He maintained that:

*I refused politics to cloud the election of a ward committee because, first and foremost, it does not have to be ideological to be in ward committee. Ward committee must be representative of [diverse] views and geographic locations of the people. It does not have to be about a dominant population group because in building [community development] ...we need diversity of opinions. Diversity of opinion does not only become relevant only when we are going to vote ... [but also,] in terms of our choices, our life styles and so forth. So, I did not like the approach in which it was preferred ... [meaning] in which ... secret ballot which was not transparent and things like those. Because I felt at that time that this thing [election of ward committee] was more political than constitutional. I also know that being constitutional does not mean being political, it means that we respect all people. So I was afraid of one party affair thing (R9).*

This implies that members of the community in the ward in question may lose all other benefits associated with the ward committee system, such as community participation, while on the other hand, the workload may be burdensome to a ward councillor.

#### **5.2.1.4 Budget constraints**

It was cited that according to the Municipal Structures Act and Municipal Financial Management Act, the budget of a municipality must be based on and aligned to the IDP. However, it became clear during the interviews that not all inputs raised for incorporation in the IDP are implemented due to financial constraints. Overemphasis of the financial constraints that a municipality faces appears to be negatively affecting the quality of public participation. One respondent argued that although individual community members were encouraged to express their views, they felt that the

*...major problem is lack of implementation ... [in some instances] due to financial constraints (R6).*

#### **5.2.1.5 Time constraints**

In pursuit of its own and national targets (e.g. 2014 Operation Clean Audit), there was a general feeling among respondents that a municipality is always operating under

tremendous pressure to meet deadlines. Liedka (1998) argues that planning involves 'thinking in time'. By this he meant maintaining synergy between history, present and future as a premise for decision making and performance assessment.

It was elaborated that time is a key dimension throughout the IDP process. The study found that every IDP activity is subject to specific timeframes, often sketched in the IDP Process Plan (see appendix D). Given the approval of the latter plan by the municipality's executive and legislative authority, the Council, deviations from timeframes may be treated as undermining the authority. According to the current predetermined schedule the IDP/Budget Process Plan 2014/15 anticipates the IDP process (all phases) to begin in August 2013 and end in May 2014. It was emphasised that in some instances

*community consultative process is just a compliance arrangement ...let us arrange a meeting [community], let us get attendance register and when the Auditor General comes we will always tell them that we have consulted (R4).*

The respondent further maintained that:

*The threat, however is, and this is critical to your [researcher's] studies...the primary responsibility of the municipality in the country has become reporting and not necessarily service delivery because of a plethora of legislations compelling you [municipality] to continuously report ... service delivery is secondary, not primary. [As a result,] managers are just busy with paper exercises and in the case of your strategic planning document – is it just one of those processes. Managers just see it [strategic document or IDP] as just another day [or moment] that they have to report ... there are so many reports to submit on monthly basis (R4).*

A primary focus in one the approaches in systems thinking, the SSM, is the persons (i.e. local communities) involved in decision-making, and secondary focus is then placed on the problem itself (Checkland and Poulter, 2010).

### 5.1.2.6 A step by step process

All the respondents appeared to be conscious of the two-fold process of the municipal strategic planning involving the consultation and the approval of the IDP process plan as well as the actual IDP process. The IDP process unfolds according to what is commonly known as IDP Process Plan, which outlines the phases from the first to final stage. Evident from the case study is the fact that the IDP phases include preparatory (focusing on the situational analysis), strategies (vision/other policy directives), project (alignment with the budget), integration (sector plans) and approval (adoption of IDP and MTREF budget by the Municipal Council).

Firstly, the process plan outlines the timeframes, a guide to planning, drafting, adopting and reviewing of the IDP in accordance with the provisions of the Municipal Systems Act (Act 32 of 2000). Secondly, commensurate with the process plan, the actual IDP five-step [discussed in chapter three] process is followed. Such a predictive tendency assumes the municipal environment is supposed to stay the same while the plan (IDP) is being developed and implemented by the municipal authorities.

The study found that this systematic (step-by-step) approach to municipal strategy development subscribes reductionist thinking using analysis and highly structured process (Booth and Segon, 2008). This implies the strategy is not considered wholly in terms of putting a particular emphasis on interconnectedness of different units or departments comprising a municipal system as strategic thinking provide (O'Connor and McDermott, 1997). In an attempt to follow for the prescribed steps, a respondent argued that the IDP

*...process is just a compliance arrangement (R4).*

The entire municipal system is therefore reduced to smaller units or departments, and studied or analysed individually to determine whether they conformed (to steps) or not (Zokaei et al., 2010).

### 5.1.2.7 Consultative process

A critical focus of this was also a process followed by MMM in strategic planning. One of the specific conclusions drawn from the case study was that the IDP is embraced as one most effective instrument enhancing participatory governance (Harrison, 1996). However, some of the participants of the study expressed different opinions relating to their experiences of consultation with stakeholders. They believe that lack of implementation of previous decisions discourages members of the community from participating actively in subsequent consultations. In terms of strategic thinking, especially drawing lessons from Sun Tzu, strategy should focus on critical questions such as “[w]hat is changing, ... how it is changing, ... how fast it is changing, ... what will be the depth and breadth of change, and why is it changing” (Mische, 2000:3). This would fundamentally decrease the omission of key inputs.

A respondent attributed declining involvement of communities in the IDP processes to lack of commitment on the side of the employees of the municipality.

*Since my arrival here at the municipality, the engineers are very lazy [as] they don't care about their work. I have also observed that even other officials, they do not take their work very serious as there are no control measures [guiding their performance]. They do things for just [displaying don't care attitude] and then claim to have finished [their work] (R10).*

Other participants described the municipal consultative process as nothing other than a concerted effort by both officials and politicians to conform to the legislative requirements. One participant illustrated this fact arguing that:

*There is no proof [record keeping of the proceedings] that the comments which the community makes are incorporated into the IDP. Where are the comments that were made, what's the Section 80 meeting why is it not incorporated into the document, there is a space where councillors raised issues ...[and later] sent to the Office of the Speaker and a lot of those issues are day to day maintenance issues, for example cleaning of a park is not an IDP issue, that is a day to day maintenance issue. Street lights, potholes, cleaning of storm water drains etc, those are maintenance issues. IDP issues are things which are put on to your*

*capital budget so that would be a special budget that would be for instance the broadening of the road, or the building of the road to where it was once a gravel road to now being a tarred road or even the resealing of the road, but it's not the fixing of the potholes, so, those issues look for the issue of the Mangaung on the first of the pages I think comments of the council were listed not all of those issues are IDP related (R8).*

It was found that other omissions during the recent public hearings included a certain stream running through residential area which was highly polluted and posing a serious health risk; the building of a multipurpose sport centre that included a soccer field; high mast lighting; and rural development. The respondents (R6; R11; R15) maintained that these inputs were raised repeatedly.

Recent studies in strategy are not only concerned about the consultative process, but rather the degree of involvement by both internal and external stakeholders in strategy making (Booth and Segon, 2008). In the same vein, what matters is not whether or not a municipality consults with local communities; the main issue is the quality of the inputs.

#### **5.1.2.8 Alignment**

Respondents cited that after soliciting different viewpoints from multiple stakeholders, municipal authorities (leadership/management) have a duty to ensure that they are 'intent focused' by aligning the divergent plans of all stakeholders towards realization of the constitutional mandate of local government within the governmental system of South Africa. The concept of alignment is embedded in some of the key elements of strategic thinking, such as focused intent and a system perspective, as outlined by Liedka (1998).

The study revealed that the basis for alignment is entrenched in Section 40(1) of the Constitution of the Republic of South Africa, which prescribes that "the three spheres of government are distinctive, interdependent and interrelated." In this context, alongside the responsibilities performed exclusively by a municipality, some duties are shared (concurrent) between the three spheres of government – local, provincial and national. Classic examples of concurrent responsibilities involve, amongst others, water, electricity, emergency service and infrastructure. This implies that the alignment of IDP with plans and

programmes of the other spheres of government (national and provincial) is mainly premised on the system of intergovernmental relations and co-operative government.

Omission of community inputs during alignment of IDP and budget emerged strongly during the study as mainly caused by a failure to keep records of such inputs or keep institutional memory in this regard.

The respondents in the study also indicated that:

*In that plan (IDP) there are numerous diverts that are divided into different phases of the IDP where community participation are held, it's not that only one is held through the different phases and then communities are requested to attend these meetings and give input but again I would like to emphasise that I would like to know where the written notes are of these meetings. Where are the minutes of these meetings, why do those minutes do not serve the communities, why are they not attached onto the IDP document submitted to the council (R8).*

#### **5.1.2.9 Legally binding**

The study established that the IDP itself is a legislative requirement that, once it has been approved, is legally binding. This is a drastic shift from reliance on legislative requirements, which often prescribe a step-by-step procedure during strategy making (Agar, 2007). The shift in question is triggered by the emergence of complexities and uncertainties dissipating institutional orders (Lissack, 1999). The findings revealed that reliance on legislative prescripts restricts a thorough process involving creativity and divergence – strategic thinking (Heracleous, 1998: 481). It was elaborated that this is because compliance is demanded by the authorities. It was emphasised that the IDP

*... is the law (R5).*

Jackson (2003) argued that CHS is premised on the fact that no single system is perfect – giving high priority on the context or practical reason rather than reductionist thinking. This critical approach empowers strategists to leave no stone unturned when designing a strategy instead of being complacent with a plan that seem to work.



### 5.3 LIMITATIONS OF CONVENTIONAL STRATEGIC PLANNING

This theme is based on objective three (3) of the study aimed at identifying possible limitations of the current practice of strategy at the MMM. It focuses specifically on the IDP as a prototype of a conventional approach to strategic planning. The study established that the IDP is still embraced as a necessary tool to deliver municipalities from their distressing situation. Idealistically, as a form of strategic plan, the IDP is “one best way to devise and implement strategies” (Mintzberg, 1994:107). The respondents maintained that although the IDP had brought a new hope of revitalising municipal governance, reality suggests otherwise.

The study established that the IDP as a form of conventional strategic planning is often associated with the following weaknesses:

- It unfolds systematically because activities are undertaken step-by-step (Leleur, 2008). Furthermore, deviations to the approved plan (IDP) are treated with contempt by the authorities. This study found that because the IDP process (steps to be followed) is approved by the authorities, nonconformities (to approved plan/s) are sometimes treated as a misconduct of some sort or poor performance;
- It limits creative thinking as the outcomes are predicted and the process is too formalised (Mintzberg, 1998). The respondents elaborated that precedence is often given to reporting instead of service delivery issues;
- Some respondents were deeply concerned about pressures exerted by oversight institutions such as municipal public accounts committees, the office of the Auditor General, the Public Protector and many others, saying that these bodies place precedence on compliance instead of the constitutional mandate of municipalities; and
- It is very difficult for conventional planning to yield envisaged outcomes because of its programmatic, formalised and analytical nature. The performance of a complex system, such as a municipality, cannot be merely predicted due emergent properties (Heracleous, 1998).

It became evident throughout the study that the foregoing challenges have a significant bearing on the poor institutional capacity displayed by some municipal departments or units. Specifically, a blatant admission in recent years by CoGTA (2009) that the local government in South Africa is in a state of distress has raised serious concerns about the quality and nature of strategic thinking within municipalities. Wiltshire (2012:7) argues that an organisation needs a good strategy to project it as a “trend-setter” in the area of its competence. A good strategy is what will deliver the Constitutional mandate of local government in South Africa calling municipalities to provide democratic and accountable government in order to render services to communities in a manner that would stimulate sustainable social and economic development.

Although the IDP seems to have elements of holism, integration and a wide-range of consultation for increased public participation (Hollards, 2006), it was uncovered through this study that there are serious challenges with regard to its preparation and implementation. According to CoGTA (2009) these challenges involve service delivery backlogs, leadership and governance failures. Despite the adoption of LGTAS by both CoGTA and municipalities (individually) in attempt to overcome these challenges, some of them remain intact. This proves that a municipal system is indeed ever-changing and characterised by complexity and therefore the conventional approach to strategy is not sufficient (Brown and Lerch, 2007).

However, the study established that the reductionist approach is still holding a significant influence on the municipal strategy-making process, especially strategy execution which is subjected to a demand for compliance with legislative prescripts (e.g. public accounts committees, treasury, etc.).

#### **5.4 RELATIONSHIP BETWEEN STRATEGIC THINKING AND IDP**

This theme stems from a research question: “To what extent does this model adhere to or differ from the idealised (strategic thinking orientation) strategy making process?”

Heracleous (1998: 481) argued that although the meaning of strategic planning can be ambiguous due to its many definitions, it has become more sophisticated following the introduction of strategic thinking. Literature presents these two concepts, strategic planning

and strategic thinking, as major domains in the study of strategy. While the former concerns analysis, the latter concerns synthesis (Haycock et al., 2012). The similarities and differences between strategic planning and strategic thinking are discussed hereunder.

#### **5.4.1 Similarities between strategic planning (IDP) and strategic thinking**

It has been established through this study that although strategic thinking is founded upon systems thinking principles such as holism or synthesis, it also analytical since a whole is (and should be) understood in terms of its parts. Analysis is the major similarity between these orientations on strategy. It was found that other similarities involve:

- They are both thought processes. However, whilst strategic planning is analytically orientated, strategic thinking embraces both analysis and synthesis tools (Heracleous, 1998) ;
- They both (IDP and strategic thinking) involve learning processes – single-loop (strategic planning) and double-loop (strategic thinking) (Sutton, 1998; Heracleous, 1998);
- They are both essential tools in the process of strategic management;
- Guided by the postulation of Roth (1999), that strategic thinking complements rationalism, IDP as a form of strategic planning and strategic thinking are therefore complementary.

#### **5.4.2 Differences between strategic planning and strategic thinking**

The study demonstrated that the environment (socio-political, natural) wherein strategy is practiced is changing rapidly and becoming increasingly complex. The difference between strategic planning and strategic thinking is rooted in what the protagonists of these approaches do during strategic decision making in the face of uncertainty. This study established that although these two concepts are linked intrinsically, they have the following fundamental differences:

- The respondents maintained that IDP constitutes the principal strategic planning instrument of a municipality. The study found that strategic planning is driven by

the conventional thinking to strategy making, which considers strategy as exclusively the domain of senior managers, whilst the involvement of the rest of many other elements with a system (e.g. municipal) is partial (Mintzberg, 1994). Strategic thinking, on the other hand, is rooted in the science of complexity or systems thinking, providing and encouraging maximum involvement of every element (individual municipal employee or community member) within an organisational system (municipality), both senior and junior (Dooley, 2002). In strategic thinking everyone is seen as an agent of change because of the butterfly-effect.

- In the light of a predetermined agenda or Process Plan, which the respondents consensually agreed guides the IDP process, the IDP, therefore, propagates systematic and logical pursuance of approved plans or strategies, demanding compliance, while strategic thinking allows for continuous scanning of emergent properties emanating from the changing environment, inspiring creativity and innovation (Leleur, 2008; Roth, 1999).
- The IDP review process (annual) seeks to maintain the status quo as it seeks to operationalize existing strategies (five year plan), but strategic thinking seeks to generate new/alternative strategies that challenge the status quo towards improvement (Heracleous, 1998).
- The demand for compliance in terms of the *legislative requirements as confirmed by the respondents presupposes IDP* is driven by red-tape and bureaucratic tendencies of believing that inspection or control drives improved institutional performance, i.e. reliance on rules and regulations or command-and-control, strategic thinking embraces the uniqueness of a situation as a key factor influencing decision-making. This promotes creativity and innovation subject to the material conditions (Remington and Pollack, 2008).
- Through scenario planning, strategic thinking provides for a proactive mitigation of risk, whilst strategic planning is often reactive in the form of periodic reviews (Yolles, 1999). That is, IDP review which provides for critical analysis of whether a

plan works or not, is only considered after the implementation. Hence it is reactive and not proactive.

- It was established through this study that IDP is predominately a senior management affair. In conventional thinking, institutions are managed as hierarchies, promoting a managerialist approach in strategy making, whereas strategic thinking provides for their management as complex systems – wherein everyone is a leader within a particular span of control (Tovstiga, 2010).
- Strategic thinking inculcates a culture of free debates in the form of two-way communication between junior and senior leaders/employees (both bottom-up and visa-versa), and conventional thinking directives or communication flows classically top-bottom - which to some extent, it is influenced by policy directives of the upper spheres of government, including the NDP and provincial GDS.
- Conventional thinking is content with what seems to yield results as the prescribed mechanism by the relevant authorities and strategic thinking encourages setting new trends and avoidance of dwelling in old traditions in striving for the competitive edge (Haycock et al., 2012). It became evident during the study that IDP review is subject to whether there is a need to undertake such review or not, but if what seems to work remains on track, status quo remains.
- Strategic planning follows a systematic and deliberate process of developing strategies (e.g. process plan) and strategic thinking is characterized by nonlinearity – giving precedence to emergent properties (Mittleton-Kelly, 2003).
- Significantly, strategic planning is based on a rational or analytical approach, whilst strategic thinking is rooted in synthesis or the principles of the science of complexity theory (Mintzberg, 1994).

## **5.5 EVIDENCE OF STRATEGIC THINKING ELEMENTS IN THE IDP**

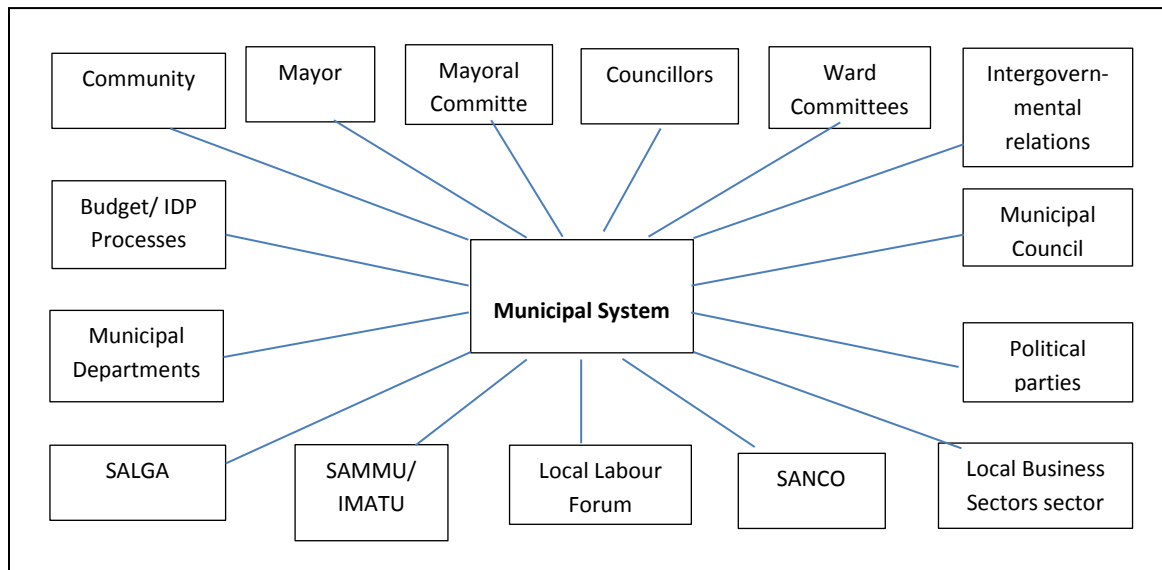
By contextualising the elements of strategic thinking within the realm of the MMM's strategic planning practices, it does not, however, presuppose that strategic thinking is fully incorporated, neither does it imply the willingness of local authorities to do so. However, when taking into account the complexities of service delivery or municipal governance

(Brown and Lerch, 2007), the municipal system itself can be considered as ripened to embrace principles of strategic thinking. With the introduction of long-term planning (NDP), the study has discovered that gone are the days when the IDP was seen as a plethora of instant solutions. However, effective implementation of the NDP is likely to be smothered by bureaucracy and red-tape prevalent in the public sector in general.

Although it would appear that the dominance of conventional thinking in the municipal strategy making process stands in the way of effective strategic thinking, it was established through this study that there are certain elements of strategic thinking noticeable in the current strategic orientation at the MMM (Tovstiga, 2010). This implies that strategy is not simply considered as a “plan” (Mintzberg, 1987: 11). It was emphasised that

*... it is critical that you have a strategic plan or a strategic planning document, which is your IDP – which is a statutory document approved by the council, which will inform the specific service delivery area for a specific financial year. Those are the advantages; identifying the problem and how to deal with the problem and how are you going to do that. There are however, in my view, some disadvantages. I do not know how objective the document is, there is a threat that your IDP could be informed by your municipal leadership, political and administrative leadership and that the real need identified by communities are not always reflected in your IDP document (R4).*

However, as illustrated in Figure 5.1 (below), a wide scope or mandate of local government shows complexity as a unique characteristic of a municipal system. For example, it exemplifies diversity of stakeholders and interventions, in pursuit of service-delivery. The mandate illustrates a multiplicity of responsibilities to be executed by the local sphere of government in general. These properties of a complex municipal system illustrated below are neither ‘deterministic’ nor ‘random’, but “exhibits both characteristics” as examined by Yarger (2006: 21):



**Figure 5.1: Municipal system** [Adapted from Yarger (2006: 21)]

Complex as it is, the current municipal system is predominantly deterministic, as it is subjected to a multitude of legislative requirements (national/provincial laws, by-laws, rules and regulations). This parallelism between complexity and social services (e.g. housing) hinders the actual transformation of municipalities to a developmental local government as purported in the White Paper on Local Government (Agar, 2007: 97).

The very adoption of the turnaround strategy is equivalent to “[getting] things under control, get better information, standardise procedures ...” (Agar, 2007: 97). In this context, the complexity theory emerges as a relevant approach to strategy-making as it takes cognisance of the fact that “human activity allows for possibility of emergent behaviour” (Lissack, 1999: 110). Adaptation to change and the environment is the way to go towards sustainable service delivery (Hazy, 2006).

### 5.5.1 Specific elements of strategic thinking in the IDP

According to the literature, the IDP is a development strategy that has been implemented in municipalities by South Africa’s post-apartheid local government (Harrison, 1996). In the light of the objectives of this study involving an investigation of the elements of strategic thinking in the MMM’s practice of strategy, a number of sub-themes emerged. For the purposes of this study, the sub-themes discussed hereunder are treated as equivalents of the key elements of municipal strategic plan (IDP).

### 5.5.1.1. A system approach

In line with the theoretical perspectives underpinning this study, especially based on the research work by Brown and Lerch (2007), a municipality can be regarded as a complex system. Furthermore, in accordance with the systems approach's principle of holism, the IDP provides a holistic approach in municipal planning. This is evident in its ability to integrate a wide range of activities of the upper spheres of government (provincial and national), business and civil society into a holistic municipal plan. Idealistically, the IDP brings together the ideas of all people affected in decisions making – from the presidency to an ordinary member of a community. However, this study found that although the municipality is a complex system, strategy makers continue to predict behaviour rather than adapting to the complexity of the environment. This is because of its (complex system) non-linearity created by either positive (the IDP being amplified) or negative (actions, programmes or vision is dampened) feedback loops (Sutton, 1998).

The IDP process is centrally controlled at the headquarters of the MMM, Bloemfontein and a dilemma with a 'centrally controlled' complex system is the possible omission of emergent behaviour taking place between agents (e.g. NGOs, CBOs, individual community members, etc.) in remote areas (e.g. rural areas) or ward level. According to SODA, the contributions of individual members of the community are recognized in line with dilates of cognitive psychology wherein decision making is viewed as a cognitive process (Ackermann and Eden, 2010; Badal, 2006). Such recognition contributes significantly in strengthening participatory development. One respondent argued that:

*... [there is] no proof that the comments which the community makes are incorporated into the IDP [final document adopted by the Council] (R8).*

The respondent further maintained that precedence is given to:

*... day to day maintenance issues [such as] cleaning of a park [which] is not an IDP issue, that is a day to day maintenance issue. Street lights, potholes, cleaning of storm water drains etc, those are maintenance issues. IDP issues are things which are put on to your capital budget so that would be a special budget that would be for instance the broadening of the road, or the building of the road to*



*where it was once a gravel road to now being a tarred road or even the resealing of the road, but it is not the fixing of the potholes so those [listed] issues [are not] IDP related [but rather maintenance related] (R8).*

Another participant added that in some instances the inputs are captured, but not implemented:

*...we sit and [get] involved in the IDP [process], we meet annually [to review IDP] and we draft what we want to do in our wards, but nothing has happened [no implementation] (R7).*

### **5.5.1.2 Vision-driven (Intent-Focussed)**

Another key element of strategic thinking is being “intent focused” (Liedka, 1998: 122). This is like a navigator instilling a sense of direction towards the aims and objectives of the organisation. It has established that although the IDP is a national legislative requirement, its formulation is based on the vision of the municipality concerned, for example the MMM.

Throughout the history of the formal practice of strategy (from the times of Sun Tzu), literature provides that organisational strategies are derived from the vision of those entrusted with leadership responsibility in the organisations concerned (Horwath, 2006; Janczak, 2005). It is also strongly believed that an effective strategic plan produces a shared vision amongst others (Kaufman and Jacobs, 1987).

Many of the respondents discussed their perceptions of vision in the context of IDP in the MMM. It was highlighted that although strategic planning within the MMM is premised on a vision, the vision is often presented by the political leadership (executive mayor and/or municipal council).

*The vision of the municipality emanates from the Office of the Executive Mayor, meaning your vision would be politically directed. Like any other municipality Mangaung wants to position itself in a manner that:*

- 1. It is able to service all categories of people in its jurisdiction; meaning that Mangaung must be able to cater for children, the working class and for the elderly, pensioners; and*

2. *Manguang must also be attractive to those coming from outside; meaning it must be able to attract investment and business (R5).*

The development of a vision (or strategy) within a municipality seemed to be a political process, culminating in a continuous review (annually). Hence the IDP runs parallel with the:

*... political term of office of the council, for five years is legislated; that is the law.  
Every municipality must have an IDP, which gets reviewed every year (R5).*

The respondents emphasized that municipal elections are held every five years in South Africa and that it is the vision of the newly elected or inaugurated municipal council that dictates planning and development of the municipality. The vision that is currently pursued (since the previous municipal elections in 2011) seeks to develop Mangaung as a progressive place that is "... globally safe and attractive to live, work and invest in by 2040" (MMM IDP, 2013-2014). The vision in question is premised on the constitutional mandate of local government and the broader (or long-term) vision of developmental local government as encapsulated in the White Paper on Local Government (1998). The White Paper on Local Government presents the IDP as a means towards "developmental local government". The notion 'vision-oriented' is often treated as equivalent to 'scanning the environment'. The essence of planning is to make special provision for thinking about the future – that is, being vision-orientated. The main activities in scanning the environment involve discerning the threats and opportunities relating to the core business of the organisation. However, the environment is not exclusively focusing on external factors but it does embrace internal factors. The link between strategy and vision emerged strongly during the interviews.

*I maybe just mention maybe for your own interest in terms of research, I am working on something because ...I think it's where studies like yours [researcher's] come in. Why I am saying, it's now twenty years into democracy, these plans that I am talking to you about are things that happened between 2000 – 2001. And now am saying shouldn't we now pause a minute and ask questions, let's go back to the basics, it's public participation, as we are doing it now the right thing, are we achieving what we want to achieve, are we doing it correctly, is there a need to review the whole system and to say are the*

*mechanisms being utilised appropriately and if not what would be the appropriate new mechanisms that we need to use to encouraged the effective public participation. Do we consult people for the sake of legislative compliance, public participation is a buzz word, so we need ask ourselves harsh questions and say let's find answers, so we are planning a forum, a lekgotla or summit where we need to answer some the questions and say the different systems used all over the country, are they relevant? The other aspect being in my area of work I would come across different people, you go to Home Affairs, as a Department they would say we've got our stakeholders around the issues of public participation and we've got programmes and we doing them with these people (R2).*

#### **5.5.1.3 The Time factor (Thinking in Time)**

The third element of strategic thinking could be summarised as “constant oscillation from the present to future to past and back” (Neustadt, cited in Liedka, 1998). It captures the very essence of strategic thinking, which is connecting the “past, present and future” (Liedka, 1998: 123). While one can only act in the present, mapping the future is based on, or acknowledges, history. In the same vein, the IDP is a five year plan (vision) derived from historical development to address the present realities of the municipality. The IDP is a process through which municipalities prepare a strategic development plan which extends over a five-year period. It emanates from a series of consultations (including public hearings). Although it runs concurrently with a political term of a municipal council, the IDP serves as the principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making processes in the municipality. Regarding allocation of time for possible creation of new innovative ideas one respondent believes that:

*... when you talk about strategic thinking, you looking at where you are coming from in terms of things that worked and those that did not work, where you are now in terms of implementing what is good, eliminating what is bad, you looking into the future to say you should not repeat the mistakes of yesterday and today,*

*when you are planning but how is this planning holistic in various facets of community development and institutional growth.*

*So you need to look beyond your five term horizon to say in twenty years or thirty years where will we be?! Things that we say today, will they still be valid, will they still be achievable, will they stand the test of time by that time? So if you think and focus your thinking into twenty, thirty years, then your planning will be skewed because even what you implement today you may have to dismantle in thirty years because it wouldn't be appropriate (R2).*

With respect to time frames, the IDP is regulated by a continuous review process with annual reviews, quarterly reports, etc. It is therefore more reactionary than proactively discerning of chaos or emergent properties. Issues wait for the said time.

#### **5.5.1.4 Hypothesis-driven**

The actual meaning of this fourth competency of the strategic thinking is perhaps derived from what is meant by the notion 'hypothesis.' The latter literally means an untested idea suggesting further investigation. This implies there is no predetermined answer or solution to the existing challenge. This calls for constant learning which, according to Senge (1990), is equivalent to 're-creation'. Multiple scenarios are therefore conceived by asking creative or innovative questions involving the word 'if.' As a noun 'if' brings the element of uncertainty and as a conjunction it propagates a conditional clause in whatever is envisaged. In this content, creation of a hypothesis during the IDP process could lead to posing critical questions such as "what if by 2030 Mangaung becomes worse than it is today?" or "if Mangaung realizes its 2030 vision what would be the next step then?"

To be hypothesis-driven implies that those involved in strategy making should be creative and critical, rather than pursuing predetermined solutions. While the annual review of the IDP should create an ideal environment for critical and creative thinking, its greatest deficiency is its reactionary tendency in that it focuses on failures of previous challenges rather than looking to the future. Hence a special provision for the IDP annual review.

It appeared that there is no element of IDP that matches hypothesis-driven competence. This is because the 'what if' question, which is the essence of the hypothesis-driven

element, is not precisely provided for. Emergent properties are examined only during the annual reviews of IDP.

#### **5.5.1.5 Intelligent Opportunism**

There is no doubt that the IDP process involves extensive exploration into strengths, weaknesses, opportunities, threats (SWOT analysis) during situational analysis, which takes place annually in the first stage of the IDP process. Situational analysis is explored to satisfy regulatory requirements, a scenario characterised as a pitfall in traditional strategic planning by David (2001).

However, in terms of strategic thinking, such analysis should be never-ending. There should be daily, weekly, monthly, quarterly or yearly activities in which emerging issues (e.g. threads or opportunities) are vigilantly discerned and attended to in time, without waiting for an annual or quarterly review or end of a municipal term. Taking heed of feedback is a key component of strategic thinking and/or systems thinking. In this fashion the dynamic nature of a municipality would be flexible enough to provide for change towards realisation of the goals and objectives of the Municipal Council.

This would require the increased involvement of all municipal employees, politicians and community members for multiple perspectives as every input is invaluable;

*You see what happens is, my main concern in my ward is [mainly] service delivery. I am sitting with a huge problem in my ward because in my ward the biggest worry is service delivery, it's housing because there is no housing for the people in ward 16. You know what actually happens I wrote letters to the city manager, there are grounds available in [area within ward], like here there's one in [street name], it belongs to the municipality.*

*There's an open field there and the ground belongs to the municipality. And the municipality knows in ward [name of the ward] that there's a huge problem of grounds. But ..., there is also an open field but I don't know how it is possible that the municipality can buy that ground back from the seller [private owner], because it is sold by a private person. What is happening there the ground has been open for the last couple of two years as an open field, and it is not being*

*used and they know that in [area within a ward] there's a big problem of housing (R7).*

If issues such as the foregoing, (exploring the possibility of buying land for municipal development, housing, etc.,) were thoroughly discussed as and when they emerged, local communities would be less frustrated and there would be fewer incidences of civil unrest.

One of the basic assumptions of SD is feedback (Lebel, 1981). This is the most critical area of local government due to its close proximity to the local communities. In the context of SD, the essence of feedback goes beyond reporting positively with regard to a system yielding anticipated result (reductionistly), rather it provides an opportunity to (re)adjust and (re)direct (Fishback, et al., 2010).

## **5.6 RICH PICTURE NARRATIVE**

In an attempt to further explore and define the current situation at MMM with regard to strategy making, the researcher has drawn a rich picture visualizing (through a diagram) the problematic situation. By this rich picture, as in accordance with the original intent of Checkland and Poulter (2010), the researcher sought to identify issues relevant to the study. This rich picture must be considered in the context of the above findings and discussions. The rich picture narrative is presented hereunder:

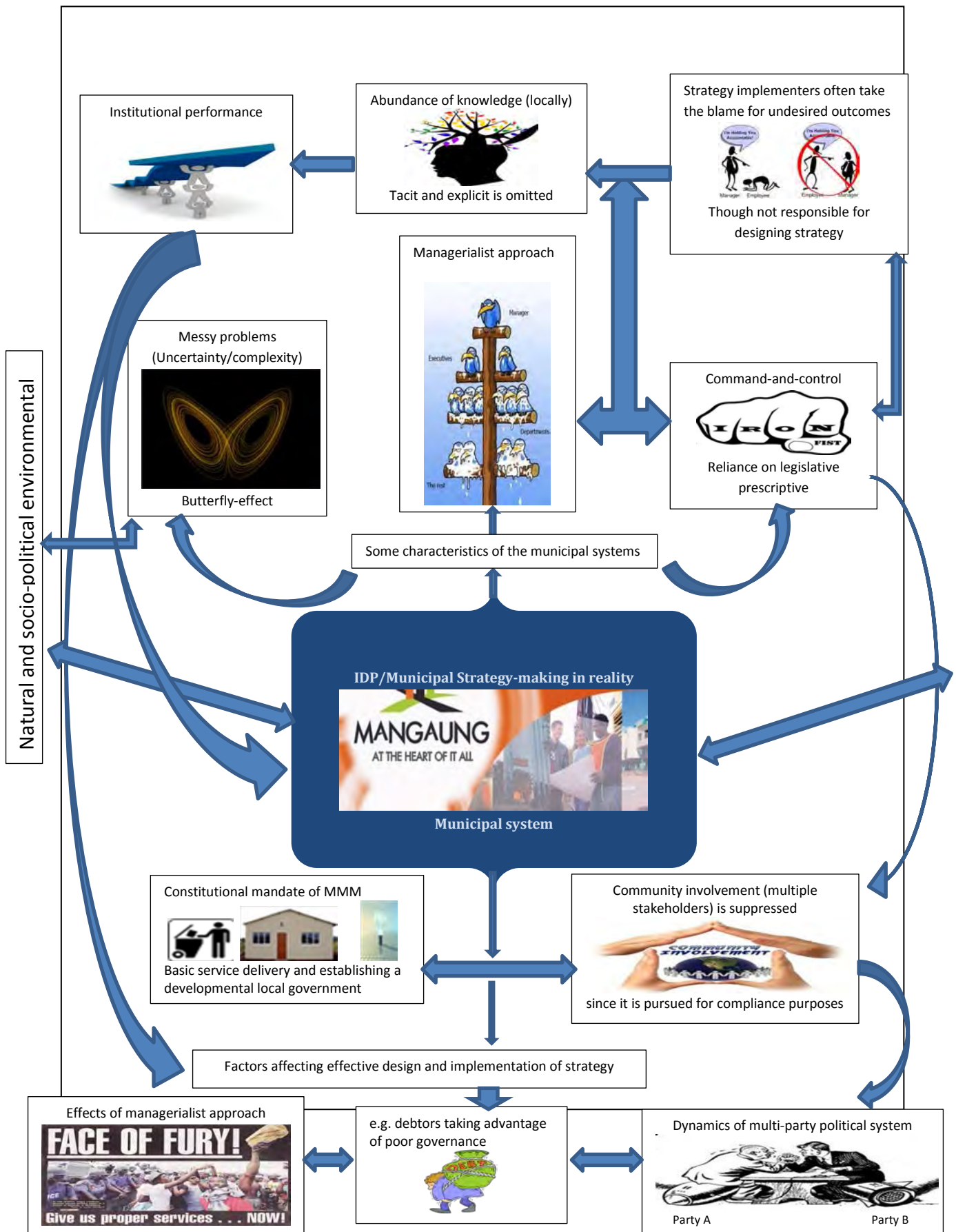


Figure 5.2: Rich Picture (constructed by the researcher, 2014)

- The environment (internal and external) under which municipal strategy is practiced is characterised by both natural and socio-political factors. In the rich picture, the environment, represented by the outer-box (external environment), is interconnected with the internal system (internal environment). It includes climate change, natural resources (land, water, etc.) unemployment, poverty, inequality, economic recession, globalisation, corruption, civil unrests, lack of skills, institutional capacity or performance and so forth. Those at the helm of strategy-making need to take cognisance of the interdependence between the municipality and its surrounding environment.
- The central picture represents a municipal system of the MMM and its approach to strategic-making. Although the system is characterised by messy problems due to uncertainty and complexity (butterfly-effect) prevalent in any complex systems such as a municipality, the system remains managerialist (hierarchical/top-down) and reductionist (iron fist) in orientation.
- The iron fist denotes (metaphorically) reliance and confidence in the legislative prescripts. Such prescripts regulate steps to be followed as well as times schedules to be adhered to in strategy making (e.g. IDP), inadvertently, a demand for compliance becomes inevitable.
- In pursuit of compliance, the strategy-making process has predominantly become a domain for the senior managers. Hence referred to as managerialist. Perhaps this scenario is embedded in senior managers' inescapable responsibility to submit compliance reports.
- However, given the messy nature of the municipal problems or challenges, reductionist thinking tendencies of predicting the outcomes and reliance of a thicket of legislations often fail to yield anticipated results. Subsequently, the opportunity to exploit (wholly) the abundance of knowledge (tacit and explicit) at MMM's disposal is often wasted – this is because potential mind-blowing ideas that could change the course of life in Mangaung are not sourced accordingly. The consultative process is not extensive, except for compliance purpose.



- The command-and-control and managerialist approaches raise critical questions relating to institutional capacity. These embrace whether municipalities are smothered by lack scarce skills or whether they are weakened by their failure to use the knowledge and skills they have embedded with the municipal system.
- As a prototype of multi-party political system or democracy, the MMM often finds itself subjected to party-politicking. Some respondents have already alluded to this fact.
- Thus suppressing participatory democracy, the results of which lead to weaken or poor local governance, civil unrests as well as debtors taking advantage of weakened internal capacity. That is, capacity related problems lead to poor service-delivery, and the latter inspires excuses for non-payment of services.
- When the system seems to fall apart due to capacity related crises, blame is often attributed to incompetent members of the municipality – especially those who are responsible for implementation rather than strategy making.

## **5.7 SUMMARY**

Analysis of such intrinsically linked thought processes like strategic thinking and strategic planning can be very ambiguous as it would appear that the differences between the two might be insignificant. However, by examining the conceptual orientation involving origins, comparisons and literal meaning of these concepts, the significance of the subtle nuances became apparent, thus dispelling any possible ambiguity. The study does not wish to display a preference for either of the two thought processes or perhaps suggest that either renders the other obsolete, but rather wishes to emphasise that strategic thinking, a major theme of the study, can be an interrelated and complementary tool to the conventional approach to strategy.

While, strategic planning (IDP) propagates linearity in pursuit of policy directives on the one hand, strategic thinking gives primacy to ‘individual thinking activity’ on the other. In the light of the fact that public sector’s (e.g. municipality) actions are legitimised through public policies, any innovative or creative idea emerging from strategic thinking could be incorporated accordingly in government/municipal policies. This study sought to assess the

extent of the application of strategic thinking in MMM and in the final analysis, the question might be asked whether the strategy as practiced at MMM provides for strategic thinking or not? If yes, to what extent? The MMM's strategic plan is constructed as a five year in consultation with multiple stakeholders, including members of the local community and other spheres of government (guided by cooperative government principles) and is reviewed annually. Although the MMM's undertaking of strategy is mainly linear, perhaps due to having to comply with the plethora of legislation (e.g. Constitution, acts of parliament, municipal by-laws, rules and orders, etc.), a few elements of strategic thinking are traceable in the IDP process. These include a systems approach, vision orientation and multiple stakeholders.

The findings emanating from this study demonstrate that although policy and the legislative framework governing municipalities in South Africa do create an ideal environment for strategic thinking, the greatest challenge is poor or lack of implementation. The first phase of the IDP process (situational analysis) presents all municipal functionaries with a good opportunity to share their respective perspectives on what constitutes the current level of development in the city. Instead, the IDP process has become compliance-orientated and follows a managerialist agenda. The significant corpus of knowledge (potentially critical and innovative) possessed by those at the lower hierarchical structure of the MMM is reduced to mere compilation of existing information. It seems theirs is not to think critically about the future of MMM, but to retrieve and submit information for senior managers or the municipal strategist. This supposes that precedence is given to hard-data. Obviously, there are few factors that account for minimisation of robust engagements. To plan properly, adequate time is needed by all those affected by the decision under review and both soft and hard data are needed for effective strategy-making process (Mintzberg, 1994).

The application of strategic thinking would enhance the current practices within the MMM in providing for the municipality's future events and issues. However, this study has found that the effects of intra-municipal situational analysis and decision-making have become diminished during public participation because options solicited are not understood or tested to the fullest due to lack of time.

## CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

### 6.1 INTRODUCTION

The main objective of the study was to assess the extent of the application of strategic thinking in the MMM in the Free State Province. The study investigated elements of strategic thinking against the idealized strategy making process deemed relevant for the local government environment. The municipal umbrella term for the practice of strategy in South Africa is simply referred to as the IDP and is considered a conventional approach to strategic planning. This study aimed to discover whether specific elements of strategic thinking were incorporated during the MMM's implementation of the IDP process.

It is interesting to note that despite the abundance of literature with studies on the key concepts characterizing this study (i.e. strategy, strategic thinking and strategic planning), there was no particular study on the application of strategic thinking in a municipality. As a result, it became a serious challenge to strike a correlation between the current study and previous studies. Nevertheless, the study was motivated by a need to explore the relevance of strategic thinking and its consequential benefit towards improved local governance.

The study recognises the IDP as the principal strategic planning instrument of the MMM. It was not the purpose of the study to present strategic thinking as an alternative approach to the IDP, but to present it as a conceptual framework that could be incorporated into it. Following a blatant admission by CoGTA (2009) about the distressing state of local government in South Africa, the leadership of municipalities was put under a spotlight. Albeit South Africa is a unitary state, its Constitution provides for the establishment of local government as an autonomous sphere of government. Such autonomy, especially as it relates to decision making, serves as a catalyst promoting strategic thinking. This is because creative and critical thinking are possible wherein autonomy in decision-making is legitimized.

This study became particularly significant in the MMM, because it recognises that the attainment of good governance depends on the quality of the leadership and its understanding of a municipal system wholly as well as the strategies they employ to achieve a long term goal of developmental local government (Brown and Lerch, 2007).

The objectives of the study were to:

- clarify some of the salient issues surrounding the concept, strategic thinking, and its key features that promote good governance;
- evaluate strategic planning within the MMM against the idealized strategy making process deemed relevant for local government environment, i.e. the IDP;
- examine the process followed by the MMM during the strategic planning process; and
- identify possible limitations of the current practice of strategy.

Obviously, a single case study could not fully explain the extent of the application of strategic thinking in local government. A particular focus on one municipality sought to circumvent generalization. The relevance of the study was premised on what seems to be inconsistency between complex realities and the conventional paradigm dominating the municipal strategic planning process at present.

The literature review gave primacy to studies in strategy and illustrated how in recent years scientific inquiry in organisational strategies and perspectives has been twisted to cognitivist and constructivist paradigms. Literature further illustrated the historical development of strategy culminating into two closely related thought processes, strategic planning and strategic thinking. These processes constituted the core content of the study.

The research method that was selected for the purpose of this study was qualitative research, using a case study. The study employed purposive sampling at the MMM, with Managung as the research site. In-depth interviews were used as the method of data collection as it was considered the best technique to establish people's understanding of the strategy phenomenon. Questions were phrased in a manner that enabled the interviewees to understand the subject of the research and respond accordingly in their own words. Twelve in-depth interviews were conducted in total, using thematic analysis to analyse collected data. The themes were drafted in accordance with the objectives of the study as well as the key features of both strategic thinking and strategic planning, with particular reference to the IDP.

The recommendations focus on the key findings of the study and suggest that the incorporation of strategic thinking would complement the IDP at MMM. Lastly, the study presents recommendations for future research.

## **6.2 KEY FINDINGS**

The key findings are discussed below as a direct response to the objectives of the study.

### **6.2.1 Key features of strategic thinking ideal for promoting good governance**

Key features of strategic thinking that have a significant bearing on good municipal governance were identified throughout the study. Although the study focused strategic thinking as the main theme rather than good governance, good governance would only be possible if a congruency exists between strategy outcomes (needs of the community or service delivery issues) and the vision of the organization.

The study uncovered strategic thinking as a “theoretically and conceptually rigorous” process which provides “for a wide range of possible outcomes” for overcoming local government distress (Tovstiga, 2010: 8). Some of the key features of strategic thinking that are best suited to promote good governance are highlighted below:

#### **6.2.1.1 Approaching strategy with a winning mentality**

The findings of the study demonstrate clearly that strategic thinking requires leadership skills for restoring, rediscovering and reawaking the original intent of the strategy. It reinstates the practice of strategy to its military origins and inspires leaders to have the tenacity to ‘win’ in whatever they do or wish to do (Levy et al., 2003). This was the same attitude that Sun Tzu imbued himself with, and today he is revered as the greatest strategist of all the times because he approached a war as an “art, not science” (Gray, 1998: 94). Art is random and provides for creativity, whereas science is embedded in rationalism. In the military realm, especially according to the wisdom of Sun Tzu, careful thought must be given to the following issues in order to win a war: “[T]he moral, the weather, the terrain, command and doctrine” (Critzler, 2012: 1). The researcher applied the relevance of these five fundamental factors of Sun Tzu towards improving local governance as follows:

- i. *Morality*, for officials or leadership in displaying ethical conduct or discipline which inevitably overcomes corruption;
- ii. *Weather*, for understanding both external and internal environments – a phenomenon well captured during the first stage of the IDP (situational analysis);
- iii. *Terrain*, for a span of control or mandate (knowing what to do and where). This will improve institutional capacity/performance;
- iv. *Command*, for knowledge and skills of both political deployees and administrative staff; and
- v. *Doctrine*, for a constitutional mandate (e.g. developmental local government) including institutional vision as well as other policy directives.

Ho (1998) amplified these five fundamental factors to complete what was referred to as the 'seven dimension chart' by including leadership ability and reward or punishment. The study further found that CoGTA (2009) is currently examining the same factors (e.g leadership failures, corruption, fraud, deployment without assessment of skill, etc.) although described in the common language of the local government fraternity.

The relative position of an organisation in the industry (e.g. municipal governance) is one of the critical issues in strategic thinking (Porter, cited in Heracleous, 1998). To have a competitive edge in the municipal milieu is not equivalent to being in competitive (who's who) with other municipalities (a spirit prevalent in private sector). Having a competitive edge is about excellence in maintaining good governance. That is what makes one institution unique from others in terms of investment of maximum resources and skills (Sutton, 1998).

#### **6.2.1.2 Holistic approach to strategic planning**

The study exposed MMM's practice of strategy as being smothered by a thicket of legislative requirements. Hence it (MMM) embraces a more reductionist-orientated approach in the strategy-making process. The implication for non-conformity to the legislative prescripts was considered as the main reason for being content with a linear municipal system. Holism applied to a municipal system denotes that performance is in terms of its 'whole', rather than its departments operating in silos.

The study found that a municipality is a complex system and must therefore have an holistic approach to strategy. Although there is evidence of MMM's ability to integrate a wide range of activities (provincial and national policy directives, business and civil society) into a holistic municipal plan, the principles of holism (systems/strategic thinking) are still compromised by an attempt to predict behaviour. The study demonstrated that it is difficult predict non-linear systems (Sutton, 1998).

#### **6.2.1.3 Vision-orientated strategy**

While on the one hand the respondents attested to the fact that the IDP is vision-orientated, culminating from a series of public consultations, they also admitted that the very good intention of the municipal authorities to involve everyone in crafting institutional vision seems to be frustrated by the fact that public consultation is undertaken merely for compliance purposes. Putting much emphasis on compliance implies that the municipality puts more emphasis on reporting progress in meeting deadlines etc. instead of coordinating and facilitating effective participatory development initiatives. Inversely, strategic thinking maintains that great endeavors emanate from the vision of individuals in the true meaning that institutional vision is a shared (collective) vision (Huaxia, 2009; Rose, 2000).

#### **6.2.1.4 Thinking in time**

The study established that a time factor does feature strongly in the conventional approach to strategic planning, though reductionistly. All reporting mechanisms of the IDP, including quarterly reports and annual reviews are the predetermined schedules fulfilling certain legislative requirements. Thinking in time as strategic thinking purports, instills vigilance on emergent properties. The municipality, as a complex system, often facilitates dynamic interactions among multiple stakeholders out of which (new) patterns (emergent properties) arise, challenging the status quo.

Unlike conventional thinking, which is reactive (thinking later) to emergent changes or problems, strategic thinking challenges the leadership to be up-to-date with issues characterizing the present reality, since the present glues history and future (vision) of the institution together (Yolles, 1999; Liedka, 1998). It was, therefore, established that thinking in time petitions leaders (e.g. councilors, ward committees, officials, etc.) to respond (for

adaptation) timeously to change (emergent issues). It does not necessary denote timeous reporting as oversight institutions (e.g. legislative committees) would probably desire.

#### **6.2.1.5 A system perspective**

Commensurate with the earlier research by Brown and Lerch (2007) on systems thinking as a tool for municipalities, it was established through this study that the 'butterfly effect', which is premised on the aphorism: "A little tweak can have major effects and major inputs may have no effect," does apply to a municipal system (MMM). The study identified that the very definition of a municipality as a complex system (Brown and Lerch, 2007: 79) propels municipal leaders to acquaint themselves with complex systems, especially as systems approaches or complexity science dictates. It was established that the 'butterfly effect' notion cautions that 'minor' local governance issues have the potential to cause major effects. For example, a maintenance issue involving a pipe spewing toxic chemicals can pose serious health risks to all those living within that specific municipal jurisdiction. In the same vein, a single opinion by a concerned resident has the potential to spiral into civil unrest.

Agar (2007: 100) argued that "[a]ny intervention in a complex system may or may not have intended results, but will inevitable create emancipated and often undesirable results." It was found that understanding a systems approach equips leaders with the ability to treat every local governance issue delicately. The findings of the study highlighted that a systems approach to strategic planning (IDP) could be a tool for municipalities. If the strategist at municipal level were introduced to the complexity theory and CAS principles they could improve local governance as follows:

- Treating employees and community members as strategic thinkers (agents with schemata);
- Allowing self-organisation structures, such informal brainstorming sessions, etc., thus applying free interactions in local governance (Goldstein, cited in Dooley, 2002);
- Butterfly effect on local governance (sensitive dependence);
- Relevance of history that drove the institution ( MMM) to where it finds itself today (Agar, 2007);



- Incorporating path dependence in local governance – taking to account precedence set and their impact on local governance today (David, 2006);
- Embracing emergence of new properties (Mittleton-Kelly, 2003);
- Sustainable use of the municipal environment (natural) or maintain co-evolution with it (Boons and Gerrits, 2008);
- Fitness landscape, or adaptation to change, and learning accordingly about the things improving local governance (Whitt, 2009);
- Remaining calm on the edge of chaos (when an institution is on the verge of chaos) and recognising such times present a great opportunity for creativity, coherence and expertise (Remington and Pollack, 2008);
- Municipal services are far-from-equilibrium because they are complex and/or messy – that is, equilibrium or total stability in local governance is impossible since complex systems are characterised by messy problems and uncertainty (Linchtenstein, 2009). This does not propagate anarchy, but recognition that change is a rapid and inevitable natural phenomenon; and
- The significance of egalitarianism (equal treatment) of all municipal role players because they all have a butterfly effect.

### **6.2.2 MMM’s approach to strategy practice**

The study found that the IDP’s arrival on the scene in the post-apartheid South Africa was embraced by both managers and political leadership as a long awaited tool to improve municipal governance (Harrison, 1996). Such enthusiasm is reminiscent of the manner in which conventional strategic planning was welcomed in corporate business in the 1960s (Mintzberg, 1994). The findings revealed that the IDP is a legislative requirement for the practice of strategy for all municipalities in South Africa. It is a municipal strategic plan designed for a five year municipal council (or mayoral) term, which is reviewed annually with budget cycle. In accordance with the Municipal Systems Act, 32 of 2000, MMM adheres to this national trend to fulfil certain legislative requirements.

The study identified that the MMM’s approach to strategy is more inclined to the conventional strategic planning that gained prominence after the World War II (Pascale,

1999). However, the study also established that the strategic planning of the IDP includes financial planning, long-term planning, and environmental and multi-year focus, features that were highlighted by Mintzberg (1993). The study established that the IDP is aligned with the annual budget (financial planning), long-term vision (GDS), five year tenure (multi-year focus of both the IDP and MTREF Budget) and analysis of both the internal and external environment.

The findings of the study further uncovered that the practice of strategy in MMM is somewhat different from the original intent of strategy, especially in accordance with the ancient science of warfare (holistic approach). MMM's strategic plan (IDP) is predominantly reductionist due its reliance on the prescriptions of public policy. This is because the actual IDP process (including its review) is legislatively prescribed to follow a step-by-step procedure (process plan). In this regard the IDP is reduced to a mere programmatic and analytical thought process (Heracleous, 1998). In a way, reductionism indirectly propagates a silo effect in municipal governance wherein inter-departmental (or directorates) communication and strategic support is inadvertently restrained. Subsequently, every department or unit seeks to win the approval of both the institutional authorities and institutions performing the oversight function. The overall performance of MMM in pursuit of its constitutional mandate becomes the domain of senior leaders/managers. Such individualism is reductionist since it approaches a strategy in a piecemeal approach (Zokaei et al., 2010).

### **6.2.3 Strategic planning process followed by MMM**

With respect to the case study presented in this study, the following observations were highlighted constituting the process followed by the MMM during strategic planning:

- The process is formalised from the first to the last stage. It begins with a municipal council approving a process plan and ends with a municipal council approving or adopting the final IDP;
- The process unfolds programmatically in accordance with the approved process plan;

- Despite the legislative requirement (Municipal Systems Act) that the Executive Mayor or mayoral committee is supposed to manage IDP process, the actual process is delegated to the City Manager;
- The internal process is predominantly managerialist as it involves senior management; and
- It involves multiple stakeholders.

#### **6.2.4 Limitations of the MMM's approach to strategy**

It became quite evident throughout the study that MMM's practice of strategy (IDP) subscribes to a conventional approach to strategic planning. The latter approach also been proven to be lacking in terms of keeping pace with to the latest developments characterized by complexity and uncertainty. Specific deficiencies in this regard are highlighted hereunder:

- Control-and-command encapsulated in numerous pieces of legislations applicable in local government (South Africa) extinguishes the community's zeal for active participation in local governance. Respondents attested to this and confirmed that public participation is merely for compliance (to legislations) purposes;
- A systematic unfolding of the IDP in accordance with a predetermined agenda (i.e. IDP process plan) thwarts creativity and innovativeness for both internal and external stakeholders;
- A narrow prediction of the outcomes shuns opportunities to anticipate alternative futures by using scenarios (asking questions such as 'what if?').

Compliance-orientation and the managerialist approach characterising MMM's IDP process stands in the place of strategic thinking. Although strategic thinking is essentially a leadership attribute, it provides for active involvement of everyone in a complex system such as a municipality. The practice of strategy at MMM has become the domain of senior managers and/or leaders. Other than submissions for the compilation of existing data needed during situational analysis, there is no record of active involvement of middle management and lower staff in the IDP process. Ironically, those excluded in strategizing are the principal functionaries in the implementation process, and therefore better placed to discern discrepancies between what is envisaged (approved strategy or IDP) and reality

(uncertainties). In this context, the question may arise: 'Do municipalities really run in scarcity of human capital with requisite expertise or is the staff in their employ underutilized?' Mintzberg (1994) postulated that strategy-making involves a learning acquired through soft and hard data, which is then synthesised towards the realisation of the vision of the institution concerned. The managerialist approach shuns other potential strategists whose wisdom could take MMM next level of good governance.

### **6.2.5 Extent of the application of strategic thinking in MMM**

The primary research inquiry that guided this study was: "Assessing the extent of the application of strategic thinking in MMM." Taking into cognizance the fact that strategic thinking is still perceived as an abstract concept, the researcher therefore had no other option but to examine the strategy phenomenon as practiced at MMM. In this context, the key findings of the study are discussed below.

There exists at MMM strategic intent to incorporate the principles of strategic thinking in its practice of strategy. MMM's concerted effort to possess a situational wisdom by employing an extensive consultative approach is the most salient example of strategic thinking. By its very nature the IDP is designed to link, integrate and co-ordinate plans in the spirit of cooperative government. Significantly, the IDP process facilitates and/or takes into account proposals for the development of the municipality. In the light of the definition of a municipality as a complex system (Brown and Lerch, 2007), a systems perspective therefore presents MMM as being an ideal institution to apply strategic thinking. A critical challenge facing MMM here relates to its intuitional capacity to managing (intelligibly) the interconnectedness of internal departments or directorates as well as its environments (external and internal).

The system of local government in South African and therefore MMM has mechanisms in place to explore strategic thinking effectively. Studies provide that rational planning model (i.e. conventional approach to strategic planning) appears to be unrealistic in the face of complex social interaction characterizing municipalities. A decade ago (2001/2002), whilst MMM (still a local municipality then) emerged as a good model of community-based planning (CBP) in South Africa, it is believed that planning gave primacy to community development instead of traditional items such maintenance (DPLG, MLM and SALGA, 2004).

Supposedly, the needs of the ordinary people were uncovered and prioritised accordingly since they were given enough time to design their future through the CBP mechanism. CBP epitomizes strategic thinking since the vision of individuals (community members) informed the shared vision (municipality). However, this does not presuppose that the conventional approach (strategic plan) does not provide for households and communities to contribute to the IDP. Due to the number of legislations which compel municipalities to report on a continual basis, the community consultative process has become just a compliance arrangement. Primacy is therefore given to reporting (e.g. in pursuit of clean audit) instead of service delivery.

It was further discovered that MMM lacks a mechanism to store its memory with regard to solicited public opinion as a robust consultative process and retrieve such memory when necessary. As a result, to some extent a disharmony exists between the needs of the community and approved IDP. The respondents argued that there is no record of their inputs during the IDP process should they want to retrieve such data to examine trends of development versus previous decision.

### **6.3 RECOMMENDATIONS FOR MMM**

Obviously, there are further steps and activities that can be derived from this study. There is no doubt that strategic thinking could make a significant contribution to the MMM's practice of strategy towards improved local governance. In this regard the following recommendations relate directly to strategic thinking and reflect on certain IDP matters or principles. The recommendations are addressed specifically to the MMM and generally to the local government fraternity in South Africa.

#### **6.3.1 Vision-orientated strategy**

To overcome leadership and governance challenges facing local government, the MMM must inscribe its mark on good governance. To achieve this, Brown and Lerch's (2007) study identified systems thinking, a paradigm which promotes strategic thinking as a tool for municipalities. Strategic thinking is premised on the notion of a 'vision-oriented strategy' in turbulent times (Horwath, 2006; Janczak, 2005; Liedka, 1998; Kaufman and Jacobs, 1987).

### **6.3.2 Institutional situational analysis**

The study uncovered possible underutilisation of knowledge and skills at the disposal of MMM due its approach on strategy as exclusively the domain of senior management (Minzberg, 1994). To ensure that all directorates do exactly what they are supposed to do and possess situational wisdom of almost every minute detail of their span of control (solid waste, parks, health, environment, etc.) interconnectedness of responsibilities and individuals concerned requires dynamic leadership. Dynamic leadership in this regard implies:

#### **6.3.2.1 Introduction of intra-departmental round-table thinking**

Literature presents that great strategies or visions emanate from the vision of individuals (Huaxia, 2009; Rose, 2000). Since a systems approach values the role of everyone (or every element) constituting a system, everyone in the employ of MMM is therefore indispensable. The functionality of MMM as a system depends on the contributions of everyone and their interconnectedness thereof. In order to invoke such contribution an introduction of intra-departmental round-table thinking is proposed. The concept 'round table' is founded upon the principles of complexity theory. It embraces the notion of progressive dialogue, which is conducive to the emergence of new ideas for creativity and/or innovation. This will capacitate departmental or sub-directorate leaders/managers who are susceptible to uncertainty (or emergent properties with a butterfly effect) not to panic but to embrace change positively (Agar, 2007).

Informal meetings such as 'round-table' discussions and social media could be explored for this endeavor (Agar, 2007). On daily, weekly, monthly, quarterly or annual basis, subject to the convenience of individuals involved, all members of the staff should converge in an informal way to share ideas on the challenges facing their respective departments and begin to brainstorm possible solutions. This could be done during tea breaks, lunch or internal strategic sessions.

Emergence of new ideas could have a positive impact on local governance as employees interact internally with each other and externally with the community, CBOs, NGOs and business people during workshops, seminars, public hearings, etc. This will enable even the

most junior municipal employees to feel safe and have a sense of belonging. In this regard, the SSM's acronym, CATWOE, could assist municipal strategist to improve their situational analysis as illustrated hereunder (Jackson, 2003):

	<b>DESCRIPTION</b>	<b>Application in the IDP process</b>
C	Customers – all affected by the very operation of a municipal system	<ul style="list-style-type: none"> <li>- Members of the community</li> <li>- MMM employees</li> <li>- Members of the MMM's Council (e.g. Councillors)</li> <li>- Other sphere of government – because of concurrent competences and/or cooperative government)</li> <li>- Interest groups</li> </ul>
A	Actors – role players in the operation of a system	<ul style="list-style-type: none"> <li>- Business, community, employees, creditors, etc.</li> </ul>
T	Transformation	<ul style="list-style-type: none"> <li>- Enhancing participatory democracy</li> <li>- Improving institutional performance towards promotion of good performance</li> <li>- Effective management and transformation of disputes – community/labour</li> </ul>
W	World view -	<ul style="list-style-type: none"> <li>- Distressing state of local government in South Africa, capacity related messy problems; steps towards establishing developmental local government, promotion of good governance, etc.</li> </ul>
O	Owners -	<ul style="list-style-type: none"> <li>- Those who can stop or review the process/activity e.g. partnership</li> </ul>
E	Environmental -	<ul style="list-style-type: none"> <li>- Unpredictability and complexity of challenges facing MMM</li> </ul>

### **6.3.2.2 Introduction of intra-departmental Lekgotla**

A dictionary defines *lekgotla* as a Setswana word for a meeting of the public, community council or traditional law court where decisions are always arrived at by consensus. The notion ‘consensus,’ presupposes that everyone takes ownership of the decision and its implications. In this context, everyone becomes a steward or custodian of what has been agreed upon and what is done. Thus, transforming institutional strategy-making to become everybody’s business, rather than remaining exclusively the domain of senior management will give effect to what CoGTA (2009) meant when it adopted the LGTAS saying that local government must be everybody’s business.

Intra-departmental lekgotla must precede any departmental submission on all critical local governance issues by the municipal council or whatever authority is behind the department concerned. Prior to compiling existing data during IDP situational analysis, through this mechanism of lekgotla, departments must extensively evaluate their respective operations. They must employ both the PEST and SWOT methods of analysis and master the current state of development as the IDP requires. That is, strategic thinking must precede strategic planning (IDP). Strategy is a matter of life and death (Critzler, 2012), and municipal departments must treat it delicately. This is the same seriousness that Sun Tzu attached to the strategy phenomenon.

### **6.3.2.3 Report emergent properties timeously**

Constant vigilance will enable the entire municipal system to discern changes and signal timeous warnings, rather than reacting to emergent issues. Reporting in accordance with the legislative requirements (e.g. quarterly, annually, etc.) will move beyond a mere interpretation of crises, but also the interventions effected. This could minimise fruitless and irregular expenditures at municipal level. That is, if reported emergent issues calls for a timeous review of expenditures.

### **6.3.3 Restoration of Community Based Planning**

CBP has proven to be a best practice mechanism towards realisation of what the Freedom Charter purports: “The People Shall Govern! ... All people shall be entitled to take part in the administration of the country.” CBP provides for a ward-based participatory process, which



is idealistically bottom-up planning (Mufamadi, 2002). By restoring the CBP, MMM will be mobilising and empowering its local communities to take their destiny into their own hands. All the organised formations within a ward (e.g. churches, CBOs, NGOs, business, political organisations, etc.) including families and individuals would be mobilised and capacitated accordingly towards reconstruction and development of their respective area. Inputs must begin from the very smallest unity of the society, the family, then the street, block and finally the ward. The IDP must take a cue from a vision of the ward.

#### **6.3.4 Encourage long-term planning or vision at ward-level**

Much as it is difficult to begin a journey if the destination remains a mystery, planning without a vision (long-term) is worthless. The adoption of the NDP encouraged long term planning at all spheres of government including municipalities (The Presidency, 2011). However, both municipal departments (directorates) and wards must plan beyond the electoral cycle of five years. In the context of history and current development trends characterising each municipal ward, a critical question would be:

*'Where do we [directorate/ward] want to be in the next 10, 15, 20 or 30 years?'*

A response to this critical question requires deep thought. Individuals or groups that are involved must do a thorough investigation in an attempt to distinguish causes (e.g. poverty, unemployment) from effects or symptoms (e.g. nonpayment of municipal services, crime, civil unrests, etc.), investigate or clarify underlying assumptions held by community members, consider the state of the ward broadly (e.g. economy, education) and lastly, design a long-term vision. During the IDP public hearings, communities (from different wards) would submit substantial inputs, separating maintenance issues from real reconstruction and development or strategic issues.

#### **6.3.5 Gradual application of strategic thinking**

It is advisable to start small with a pilot study in pursuit of strategic thinking. Due to obvious challenges involving scarce resources, such as finance and human capital with requisite knowledge and skill, on the theme of this study, it is recommended that strategic thinking be introduced in gradual and manageable units (department or directorate) as a pilot study. This will build evidence on how to explore strategic thinking fully.

The fact that strategy making depends on both soft and hard data as discovered in this study (Mintzberg, 1994), the Knowledge Management Unit, as stewards of tacit and explicit knowledge, must work closely with the IDP unit for this endeavour.

### **6.3.6 Archiving strategic planning related documents**

The past trajectory or history emerged strongly in this study as one of the principles of CAS. Agar (2007) likened history to a wind that navigated us to where we find ourselves today. In addition to the actual strategic plan (IDP), it is recommended that the wide range of inputs from multiple stakeholders must be kept for retrieval when the circumstances dictate.

### **6.3.7 Recommendations for future studies**

The focus of the current study was to examine the extent of the application of strategic thinking in a single municipality, MMM. The primary goal of the researcher was explore what strategic thinking offers towards improving good governance in South African municipalities. However, this first attempt will not suffice as there other areas that still need to investigated with regard to the theme of this study.

For the purposes of conceptual clarification, the definition of the IDP process as being analogous to 'strategic planning' as opposed to another definition of IDP as the 'principal strategic planning tool' requires further exploration. Inherent in these definitions (Local Government, 2000), are a number of assumptions including:

- IDP is not the actual municipal strategic plan but rather a 'principal tool' of strategic planning;
- If the 'IDP process' is synonymous to 'strategic planning', then IDP is synonymous to strategic plan; and
- If the IDP has been accepted as the principal tool for strategic planning, then the municipal strategic plan remains a mystery yet to be uncovered.

Further, another critical question that emerged during the study is whether the public sector has the option to incorporate emergent properties even if they contradict legislative prescripts. This is because government actions are legitimised through public policy. Future studies must therefore explore possible means to reduce reliance on the mass of legislations

in order to allow for greater creativity and innovative thinking within the public sector milieu. Does the public sector have an option not to rely on the legislative requirements?

There is also a dire need for more extensive research to study the possible viability of the MMM in accordance with principles of the VSM. Although the MMM has never been subjected under section 139 of the Constitution with failure to address issues characterized as causing the local government distress (e.g. corruption, lack of skills, etc.), it (MMM) could find itself under administration of provincial and/or national government. The study should explore the application of the substantive elements of VSM, including self-sufficiency, self-existence and co-evolution of the municipalities to their environment (Ahmad and Yusoff, 2006). These elements must be tested against the relevant opportunities pertaining to local economic development in order to overcome the triple challenge of unemployment, poverty and inequality. It was established throughout this current study that most of the plans are deferred due to financial constraints.

#### **6.4 SUMMARY**

An assessment of the extent of the application of strategy thinking in MMM without a succinct historical reflection on strategy would have been a serious omission in this study. By such reflection it was uncovered that strategy sprung from the military realm, with the one thing in mind 'to have upper edge over ones' enemies'. Of great significance, *The Art of War*, by Sun Tzu, illustrated how strategy was practiced on the basis of a principle of holism or science of complexity per se. Therefore, from its very origin in the military sector, the development of strategy required wisdom and courage to embrace complexity and uncertainty. In this context it becomes quite clear that strategic thinking is not a new concept, but rather restores, rediscovers and reawakens the original intent of strategy.

However, it is an indisputable fact that in recent years, a conventional approach to strategic planning has dominated the scene in the practice of strategy. In entrenching its hegemony, the conventional school has inadvertently created a top-down (bureaucratic) approach. The study established that MMM's practice of strategy is more inclined towards conventionalist predispositions. The study further demonstrated that because of this reductionist thinking, such as treating strategic planning as a domain of senior managers, the application of strategic thinking at MMM is disturbingly minimal.

MMM exists and executes its constitutional mandate in turbulent times – a period whereby the rise of complexity dissipates institutional orders. Today’s rapidly changing local government environment propels the powers-that-be to be creative and design dynamic strategies. These turbulent environments challenge those at the helm of the MMM’s leadership (politically and administratively) to master interactions of all elements comprising the municipal system, how such interactions (or structure) evolve over time and fully understand MMM’s relative position (uniqueness) in local government.

It is the researcher’s belief that strategic thinking is best suited for institutions such as the MMM since they seek to gain a competitive edge within the realm of local governance, and the implementation of the suggested recommendations would contribute immensely in promoting good governance. Therefore, strategic thinking should not be considered as rendering IDP or municipal strategic planning obsolete, but rather as complementing it.

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## APPENDIX A: INFORMED CONSENT LETTER

**University Of KwaZulu-Natal**  
**Graduate School of Business and Leadership**  
**Master of Commerce in Leadership Studies Project**

**Researcher:** Thabo Ramodula (05140508015)

**Supervisor:** Ms Cecile Gerwel (0312608318)

**Research Office:** Ms P Ximba (0312603587)

Dear Respondent,

I, Thabo Ramodula am a Master of Commerce (Leadership Studies) student in the Graduate School of Business and Leadership, at the University of KwaZulu-Natal. You are invited to participate in a research project entitled, **ASSESSING THE EXTENT OF APPLICATION OF STRATEGIC THINKING IN MANGAUNG METROPOLITAN MUNICIPALITY.**

The aim of this study is to: Assess the extent of application of strategic thinking in the normal municipal strategic planning process (Integrated Development Plan) and make recommendations for improvement towards good governance. Through your participation I hope to understand the specifics of the problem areas. The results of this study will contribute immensely in making local government, particularly the Mangaung Metropolitan Municipality, everybody business in accordance with the provision of the Local Government Turn Around Strategy (LTAS). The strategic thinking principles encourage increased participation of many other stakeholders in municipal affairs.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this research project. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN.

If you have any questions or concerns about participating in this study, please contact me or my supervisor at the numbers listed above. The interview should last about 45 minutes to an hour. I hope you will take the time to participate.

Sincerely

Investigator's signature \_\_\_\_\_ Date \_\_\_\_\_

*This page is to be retained by participant*

**University Of KwaZulu-Natal**  
**Graduate School of Business and Leadership**  
**Master of Commerce in Leadership Studies Project**

**Researcher:** Thabo Ramodula (05140508015)

**Supervisor:** Ms Cecile Gerwel (0312608318)

**Research Office:** Ms P Ximba (0312603587)

**CONSENT**

I \_\_\_\_\_ (full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire.

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Date

*This page is to be retained by researcher*

**APPENDIX B: INTERVIEW QUESTIONS**

Interviewee	Proposed Questions	Relevance of Interview Question(s) to Research Question(s), and citation of component/aspect of the Research Question(s) addressed
General Manager: IDP	Focus: To understand the basics of municipality’s strategy making process and confirm whether this process incorporates elements of strategic thinking	
	Questions	
	How would you describe the success and failures of the current strategic planning orientation (IDP) of the MMM?	Since strategic thinking is vision (long-term) orientated, this question is linked to this research question: “To what extent can we see elements of strategic thinking in the current MMM’s model of strategy making process?”
	What are the key features (criteria) you often focus on during the development of a strategic vision?	These features will be compared with the key features of strategic thinking as outlined under literature review. In this sense the interview question also linked to above research question.
<ul style="list-style-type: none"> <li>• How would you describe the IDP in terms of a strategic vision of the MMM?</li> </ul>	<p>As literature provides, strategic thinking considers short-term activities (programs/plans) as stages towards realisation of the strategic vision. It seeks to determine whether generic strategic planning is advantageous or disadvantageous. Therefore, it relates to these research questions:</p> <ul style="list-style-type: none"> <li>• “To what extent does this model adhere to or differs from the idealised (strategic thinking orientation) strategy making process?”</li> <li>• What are the advantages and disadvantages of the traditional strategic planning approach?</li> <li>• How does strategic thinking differ from strategic planning?”</li> </ul>	

	<ul style="list-style-type: none"> <li>Given the organisational structure of the MMM – senior management, middle management and lower management</li> </ul> <p>Who are the primary participants in strategic planning and why them?</p>	<p>input of everyone within a system (municipality) this question tries to whether everyone participates or not. The question linked to the ultimate objective of the study:</p> <ul style="list-style-type: none"> <li>“In what ways would the strategic thinking-driven strategy making process be appropriate and beneficial for Mangaung Municipality, and why?</li> <li>How may Mangaung Municipality integrate a strategic thinking orientation into its strategy making process? and,</li> <li>How does strategic thinking differ from strategic planning?</li> </ul> <p>Actually, it be difficult to recommend how may the MMM implement strategic thinking without any information on whether they are already doing so or not.</p>
	<ul style="list-style-type: none"> <li>How would describe strategic thinking? And, do you think it is necessary for MMM?</li> </ul>	<p>Strategic thinking is not a common approach, especially within the domain of public sector, therefore, the omission of certain precepts of this approach could either be deliberate or mistake (lack of knowledge). This question is also liked to the aforementioned ultimate objective of the study. Recognition of existing (old) knowledge is one of the key features of strategic thinking.</p>
<p>General Manager: Public Participation</p>	<p>Focus: To get evidence on the successes and failures of the generic strategic planning orientation in terms of addressing the needs of the local community.</p> <p>Questions</p> <p>How would you describe the success and failures of the</p>	<p>If the current strategic planning orientation does not produce expected</p>

	<p>current strategic planning orientation (IDP) of the MMM?</p>	<p>results there should be causes (weaknesses) to that effect, inversely, if the institution is making great strides there should be strengths (competitive edge) to exploit in accordance with the provisions of systems thinking. In this context, this question is linked to the research question: “What are the advantages and disadvantages of the traditional strategic planning approach”?</p>
	<p>Can you please share with me how does the process of developing a strategic vision for the MMM provide for community involvement?</p>	<p>Strategic thinking provides that great strategies emanate from individual strategies. The input of individual (or collective) community members in strategic planning is essential. These three questions seek to respond to the research question: “To what extent does this model adhere to or differs from the idealised (strategic thinking orientation) strategy making process?</p>
	<p>In terms of the inputs from the general public and other stakeholders</p>	<p>In terms of the legislative requirements, municipalities are obliged to solicit public opinion prior to making strategic decision. This question looks beyond conformity in accordance with the relevant legislations but searches evidence of the processing and incorporation of community inputs in the final strategic plan. This is because strategic thinking fosters creativity, intuition and innovation. These questions will lay a good foundation for the responses to a research question: How may Mangaung Municipality integrate a strategic thinking orientation into its strategy making process? and How does strategic thinking differ from strategic planning?</p>
	<p>Would you describe the strategic planning at the MMM as encouraging innovation and creativity? Please elaborate</p>	
	<p>How does the IDP incorporate the new ideas acquired through public participation process?</p>	
	<p>What in your opinion, what is meant by the notion strategic thinking? Do you think it is relevant for the MMM? Please</p>	<p>As indicated earlier, not everyone knows the principles of strategic thinking. This question is directly linked to the ultimate of the study.</p>

	elaborate	
Executive Director: corporate Services	Focus: To get evidence on how senior management view the advantages and disadvantages of the generic strategic planning approach.	
	Questions	
	Would you please share with me the benefits of the current strategic planning orientation of the MMM in pursuit of the strategic vision?	Getting a different perspective on whether the generic strategic plan works or not for the MMM. It is related to the research questions on “What are the advantages and disadvantages of the traditional strategic planning approach?” and “What are the advantages and disadvantages of the traditional strategic planning approach?”
	In shaping the future of the MMM, do you encourage individual thinking? Please elaborate	According to strategic thinking great strategies are derived from individual visions. This question searches answers for a research question on “ To what extent can we see elements of strategic thinking in current MMM’s model of strategy making process?”
	What do you think are the weaknesses of the current strategic planning orientation of the MMM?  How do you see the MMM overcoming these weaknesses in the near future?	These question are linked to the following research questions: <ul style="list-style-type: none"> <li>• “What are the advantages and disadvantages of the traditional strategic planning approach?”</li> <li>• How does strategic thinking differ from strategic planning?”</li> </ul>
What do you know about the concept strategic thinking? Would you recommend its practice in the MMM?	This is aimed at probing the interviewee to respond to the ultimate objective of the research	
Executive Director:	Focus: To understand the role of senior management in strategy making process in terms of facilitating submission of inputs from all stakeholders –	

Human Settlement	during preparatory stage, formulation and monitoring and evaluation of strategy. This will confirm the nature of the relationship between the two ideas of strategic planning and strategic thinking.	
	How would you describe the strategic vision of the MMM?	Skills and resources at the disposal of an organisation must be used to the fullest in pursuit of the strategic vision. Knowledge of such strategic vision by leaders/managers is important in decision-making. This question relates to the ultimate objective of the study.
	Can you please define the relation between this strategic vision and the annual and medium-term planning of the MMM?	Strategic thinking forges synergy between what the organisation does (short/medium) and future (vision, long-term). This question seeks to discover existence of such synergy between the IDP and the strategic vision of the MMM. It relates to a research question on: "How may Mungaung Municipality integrate a strategic thinking orientation into its strategy making process"?
	How would you define the key features of strategic vision in question?	Knowing these features is important for assessing similarities between strategic thinking and generic strategic planning. The question is aimed responding to a research question on: "How does strategic thinking differ from strategic planning"?
	How would you explain the management of the process of inviting and processing inputs in strategic decision-making?	This seeks to confirm the seriousness of the MMM about seeking advices (creative, innovative new ideas) from stakeholders in general. Is MMM a learning organisation or not? Specifically, it relates to a research question: "To what extent can we see elements of strategic thinking in current MMM's model of strategy making process"? And, the ultimate research in general.
	At what stage of planning/strategic decision	Strategic thinking propagates continuous thinking (before



	making do you entertain these puts?	formulation, during implantation and evaluation) throughout the strategy making process. This question addressees these research questions:
	Lastly, what is your understanding by the concept strategic thinking?	<ul style="list-style-type: none"> <li>• “To what extent can we see elements of strategic thinking in current MMM’s model of strategy making process?</li> <li>• To what extent does this model adhere to or differs from the idealised (strategic thinking orientation) strategy making process?</li> <li>• How does strategic thinking differ from strategic planning?”</li> </ul> <p>It is impossible to invoke strategic thinking if strategists in the employ of the MMM do not know it. This question gathers answers for the ultimate objective of the study.</p>
Chief of Staff: Office of the Executive Mayor	Focus: To get evidence on how senior management view the advantages and disadvantages of the generic strategic planning approach.	
	Questions	
	How would you describe the strategic vision of the MMM?  Can you please share with me at least three key features of this strategic vision?	<p>These two questions seek to discover the direction that the MMM is following in terms of strategic vision. The first is the main question and the second is probing based on the first. It relates to the following research questions:</p> <ul style="list-style-type: none"> <li>• To what extent can we see elements of strategic thinking in current MMM’s model of strategy making process?</li> <li>• To what extent does this model adhere to or differs from the idealised (strategic thinking orientation) strategy making process?</li> </ul>
	How would you describe the role of political leadership in designing a strategy for the MMM?	<ul style="list-style-type: none"> <li>• To what extent can we see elements of strategic thinking in current MMM’s model of strategy making process?</li> <li>• To what extent does this model adhere to or differs from the idealised (strategic thinking orientation) strategy making process?</li> </ul>

		<ul style="list-style-type: none"> <li>• And, the ultimate research objective.</li> </ul>
	Can you please describe a linkage between the annual/med-term planning and strategic vision of the MMM?	<p>Ideally, the political leadership are supposed to see to it that activities of an organisation (municipality) respond to the political vision (strategic vision). This question attempts to ascertain this. And, it relates to the following research questions:</p> <ul style="list-style-type: none"> <li>• “To what extent can we see elements of strategic thinking in current MMM’s model of strategy making process?”</li> <li>• To what extent does this model adhere to or differs from the idealised (strategic thinking orientation) strategy making process?”</li> </ul>
	Are you aware of any limitation of the current strategic planning orientation of the MMM? If so, what do you think must be done to improve?	It is often difficult for the managers or administration (mainly charged with implementation responsibility) to review strategies, unless there is a political directive to do so. This question is linked to a research question on: “What are the advantages and disadvantages of the traditional strategic planning approach?”
	According to your opinion, what is meant by the term strategic thinking? Would you recommend it for MMM? Why?	This is aimed at confirming whether the authorities are familiar with this concept ‘strategic thinking’ and it relates to the ultimate objective of the study.
Five ward committees as outlined in the sample (wards: 1; 16;	Focus: To examine whether coherence exists between activities undertaken by the municipality (as encapsulated in the IDP) and the needs of the local community. This will contribute in examining the successes and failures of the generic strategic planning orientation.	

23; 33 and 42)	Questions	
	How would you describe community involvement in designing strategic vision of the MMM? (i.e. individual community members and organised stakeholders within a ward)	<p>Both the legislative and executive powers of the municipality are vested with the municipal Council comprised of the Councillors. These councillors are the ambassadors of the community. This implies the voice of the local communities must occupy the centre of local governance. In the spirit of community based planning a ward based vision must be encouraged. These questions seek to assess the extent of community involvement in the strategic planning process and how the IDP encapsulates community based vision (if any). They relate to these research questions:</p> <ul style="list-style-type: none"> <li>• “To what extent can we see elements of strategic thinking in current MMM’s model of strategy making process?</li> <li>• To what extent does this model adhere to or differs from the idealised (strategic thinking orientation) strategy making process?</li> <li>• How does strategic thinking differ from strategic planning?</li> <li>• What are the advantages and disadvantages of the traditional strategic planning approach?”</li> </ul>
	What improvements would you like to see in your ward in the next five to ten years?	
	Are these envisaged improvements captured in the IDP/strategic vision of the MMM? Please elaborate	
	Do you think the current strategic planning orientation covers the needs of the community fully? Please explain	
Five ward councillors as outlined in the sample	Focus: To understand the extent of the application of strategic thinking at Mangaung Metropolitan Municipality (MMM). Specifically, determine how thinking (strategically) precede decision-making internally (Council) and at the ward level.	
	Questions	
	How would you describe your involvement in the municipality’s strategic planning? Both at ward level	Ward Councillors are the direct representatives of the community. The degree of their involvement regarding strategic planning processes matters. Here the issue is the value of their input

(wards: 1; 16; 23; 33 and 42)	and within the Council	as individuals within the Council and their role as ambassadors of the views of individual community members (or collectively). This question relates to these research questions:
	Do you think the current strategic planning orientation provides for individual creative, innovative and unconventional thinking?	<ul style="list-style-type: none"> <li>• To what extent can we see elements of strategic thinking in current MMM's model of strategy making process?</li> <li>• To what extent does this model adhere to or differs from the idealised (strategic thinking orientation) strategy making process?</li> <li>• Ultimate objective of the study.</li> </ul>
	At what stage of the strategic planning process is your opinion required?	
	At what stage of the strategic planning process is community involvement opinion required?	
	What improvements would you like to see in your ward in the next five to ten years?	This relates to individual vision as a base for strategic vision. It relates to the ultimate objective of the study.
	Are these envisaged improvements captured in the IDP/strategic vision of the MMM? Please elaborate	This is aimed at confirming whether the councillors (key stakeholders in strategic decision making at municipal level) are familiar with this concept 'strategic thinking' and it relates to the ultimate objective of the study

**APPENDIX C: MMM's PROCESS PLAN (IDP REVIEW/BUDGET 2014/15)**

<b>IDP PHASES AND PERFORMANCE REPORTING</b>	<b>ACTIVITY</b>	<b>DATES</b>
<b>PREPARATION PHASE</b>	Briefing session with Section 80: IDP and Finance, MAYCO	26 -27 Aug 2013
	Tabling of the IDP and Budget Process Plan to Council.	04 Sep 2013
	Advertisement of IDP and Budget Process Plan.	5 Sep 2013
	Preparation of budget framework to provide parameters and request budget inputs for the 2014/15 MTREF.	30 Sep 2013
	One day self assessment dialogue with EMT, MAYCO and Councillors and reviewing current implementation progress.	29 Oct 2013
	1 <sup>ST</sup> quarter section 52 report for the period ending 30 September 2013 on the implementation of the budget and financial state of affairs of the municipality	31 Oct 2013
	Final submission of Municipal Growth and Development Strategy for the City to the EM	31 Oct 2013
	EMT submits inputs on operational budget	04 Nov 2013
	EMT to submit budget inputs on Capital projects	18 Nov 2013
	Consideration, review and inclusion of any relevant and new information.	29 Nov 2013
	Initiate Cluster Based Public Participation process in line with MTREF to solicit input and comment from MMM publics on IDP thereby developing regional/cluster based plans.	25 Nov – 20 Dec 2013
<b>STRATEGIES</b>	Centlec submit draft budget and business plans.	22 Jan 2014

IDP PHASES AND PERFORMANCE REPORTING	ACTIVITY	DATES
<b>PHASE</b>	IDP Steering Committee and Budget Committee to review emerging issues/changes and to prioritize IDP and budget items.	23 Jan 2014
	2 <sup>nd</sup> quarter section 52 report for the period ending 30 December 2013 on the implementation of the budget and financial state of affairs of the municipality	30 Jan 2014
	Submission of Mid- Year Budget and Performance Assessment Report for 2013/2014 financial year	30 Jan 2014
	Approval of final GDS and implementation plan	30 Jan 2014
	Refining municipal Strategies, Objectives, KPA's, KPI's and targets so as to influence the budget.	6 Feb 2014
	MMM provides Centlec with comments on draft business plan and budget.	12 Feb 2014
	MAYCO Lekgotla to confirm IDP, SDBIP and Budget priorities (municipal objectives, strategies, KPIs and targets).	20 Feb 2014
	Review tariffs and budget policies.	25 Feb 2014
<b>PROJECT PHASE</b>	Institutional plan refined to deliver on the municipal strategy	28 Feb 2014
	Review and align National and Provincial allocation for inclusion in the draft IDP and MTREF budget.	28 Feb 2014
	Draft MTREF budget and IDP developed.	6 Mar 2014
	Directorates develop and finalise draft 2014/15 SDBIP and present to Portfolio Committees.	7 Mar 2014
	One and multi-year scorecard revised and presented to MAYCO.	11 Mar 2014

IDP PHASES AND PERFORMANCE REPORTING	ACTIVITY	DATES
<b>INTEGRATION PHASE</b>	Horizontal and vertical alignment with, Province and other stakeholders. Integration of sector plans and institutional programmes	13 Mar 2014
	Financial plan, capital investment, spatial development framework, human settlement development plan , disaster management plan, economic development strategy are developed and reviewed	13 Mar 2014
<b>APPROVAL PHASE</b>	Tabling of the Draft IDP including proposed revisions and MTREF Budget and related resolutions – MMM and Centlec.	27 Mar 2014
	Submission of draft IDP and MTREF to MECs Treasury and Cooperative Governance, Traditional and Human Settlements, and National.	4 Apr 2014
	Public participation process including hearings on Draft IDP and Budget.	07 -16 April 2014
	3 <sup>rd</sup> quarter section 52 report for the period ending 31 March 2014 on the implementation of the budget and financial state of affairs of the municipality	24 April 2014
	IDP Budget Lekgotla.	09 May 2014
	Executive Mayor with support of MAYCO to recommend approval by Council after considering inputs from Council and all sectors.	27 May 2014
	Council meeting to approve IDP and MTREF budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year.	29 May 2014

IDP PHASES AND PERFORMANCE REPORTING	ACTIVITY	DATES
	The Executive Mayor submits the approved IDP, MTREF budget, taxes and tariffs and budget related policies to the MEC : Cooperative Governance, Traditional Affairs and Human Settlements, National and Provincial Treasury, Office of the Auditor General and makes public within 14 days after approval.	6 June 2014
	Publication of approved IDP and budget on the website and in local newspapers.	6 Jun 2014
	Executive Mayor approves the 2014/15 SDBIP of the City within 28 days after the approval of IDP and budget. Executive Mayor ensures that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP.	26 June 2014
	Executive Mayor approves the 2014/15 performance agreements of the City Manager and the City Manager approves performance agreements of Heads of Department that are linked to the measurable performance objectives approved with the budget and SDBIP.	31 July 2014
	4 <sup>th</sup> quarter section 52 report for the period ending 30 June 2014 on the implementation of the budget and financial state of affairs of the municipality	31 July 2014
	Tabling of the IDP and Budget Process Plan for 2015/2016 financial year to Council.	28 August 2014
<b>ADJUSTMENT BUDGET</b>	Directorate inputs into the adjustment budget.	30 Jan 2014
	Council approves the adjustment budget	27 Feb 2014



## APPENDIX D: ETHICAL CLEARANCE APPROVAL



08 April 2014

Mr Thabo M Ramodula (212559509)  
Graduate School of Business & Leadership  
Westville Campus

Protocol reference number: HSS/1080/013M  
Project title: Assessing the extent of application of strategic thinking in Mangaung Metropolitan Municipality

Dear Mr Ramodula,

### Approval – Chair of Supervisors

I wish to confirm that ethical clearance that your application dated 14 March 2014 in connection with the above has been approved.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach/Methods must be reviewed and approved through an amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

Please note: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

Best wishes for the successful completion of your research protocol.

Yours faithfully

  
\_\_\_\_\_  
Dr Sharanjit Singh (Chair)

/me

cc Supervisor: Ms Cecile Gerwel Proches  
cc Academic Leader Research: Dr E. Mlunapo  
cc School Administrator: Ms Larina Bullym

Humanities & Social Sciences Research Ethics Committee

Dr Sharanjit Singh (Chair)

Westville Campus, Gwynn Bhabha Building

Postal Address: Private Bag X54001, Durban 4000

Telephone: +27 (0) 31 260 1087/85094307 Facsimile: +27 (0) 31 260 0609 Email: [ethics@ukzn.ac.za](mailto:ethics@ukzn.ac.za) ; [ethics@ukzn.ac.za](mailto:ethics@ukzn.ac.za) ; [ethics@ukzn.ac.za](mailto:ethics@ukzn.ac.za)

Website: [www.ukzn.ac.za](http://www.ukzn.ac.za)

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