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**A  
SYSTEMATIC  
APPROACH TO THE  
FORMULATION OF AN  
ORGANISATION STRUCTURE  
AND PROCESS OF MANAGEMENT  
FOR THE MUNICIPALITY OF MILNERTON**

**A thesis submitted in fulfilment of the requirements of the  
Degree of Master of Public Administration (M.Pub.Ad.)**

**by**

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## ABSTRACT

This study was prompted primarily by the fact that present-day municipal government and administration is confronted with a growing imbalance between the demand for additional and improved services on the one hand and on the other, the diminishing capacity of human and other facilitating resources. Although the means of overcoming this problem are limited, the optimal utilisation of human endeavour in municipalities can reasonably be regarded as a 'sine quo non' in this regard. Two areas which should receive attention are those relating to organisation structure and the process of management. This thesis develops a 'Code of Organisation and Management for the Municipality of Milnerton' and in terms thereof investigates and evaluates the organisation structure and management process pertaining to this Municipality as at June 1985. The purpose is to offer alternative avenues of thought upon which the senior management of the Municipality might draw, and, wherever appropriate, adapt and/or implement with a view to improving the organisation's efficiency and effectiveness.

The methodology followed was to gather data and information as a result of practical experience with the Municipality, literature research, and personal interviews/informal discussions with officials in local government. Although the focus of attention for this research work is specifically the Municipality of Milnerton, the 'Code of Organisation and Management' as presented in chapter six could, in the main, have application in other municipalities.

The town of Milnerton has experienced exceptional growth during recent years and a review of the Municipality's organisation structure and process of management to accommodate such growth would appear to be warranted. Such review should take into account recognised principles and theories of organisation and management as well as relevant local circumstances pertaining to the Municipality. All of the approaches to organisation and management contain important truths and the Municipality contains elements of all the approaches. The problem of planning or replanning the organisation is therefore one of finding the balance appropriate to the circumstances.

A modern synthesis is needed to pull together ideas from all the approaches. This is preferable to concluding that a one-sided attack on any problem is adequate.

Two primary areas for innovation concern the need to adopt a corporate approach to the management of the Municipality and the introduction of administrative measures whereby the efficiency and effectiveness of the organisation might be measured on a systematic basis. In this regard the management of the organisation must recognise the importance of identifying meaningful goals and objectives in respect of each of the services provided by the Municipality. Based upon an analysis of the relevant job descriptions and information obtained from the officials involved, a statement of goals and objectives, together with some suggested indicators, was prepared for selected services provided by the Municipality. In this regard there is a need to give common direction of effort, to establish team work and to harmonise the goals and objectives of the individual with the overall goals of the organisation.

## ACKNOWLEDGEMENTS

A work of this nature cannot succeed without the generous assistance and encouragement by many people.

The information received was from many sources and I would like to express my sincere gratitude to everyone who contributed in one way or another to this thesis. Many of the people involved are referred to in Appendices "B" and "D". In addition, I would like to make specific mention of the following persons:

First of all, I wish to acknowledge my supervisor, Professor R.A. Schrire, whose experienced guidance has made it possible for me to achieve my goal.

Secondly, my sincere appreciation goes to Rene Brook, my Personal Secretary, for her total commitment to this project and for her expertise in regard to the typing and overall presentation thereof.

Thirdly, thanks are also due to the many people, too numerous to mention, who in one way or another encouraged and urged me to complete this study and amongst whom I am particularly grateful to my friend, and colleague in local government, David Beretti.

Finally, my sincere thanks to my wife, Linda, and also my immediate family, for their considerable interest, encouragement, and understanding, throughout the period of this research work.

T.N. Hollis-Turner  
Cape Town, May, 1987.

## DECLARATION

I, TREVOR NORMAN HOLLIS-TURNER, submit this thesis for the Degree of Master of Public Administration. This thesis is my original work and has not been submitted in this or in any other form for a degree at any University.

## NOTE

The views expressed in this thesis do not necessarily reflect the views of the author's present employer, the Municipality of Milnerton.

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"The great thing in this world is not so much where we stand, as in which direction we are moving."

- Oliver Wendell Holmes.

## PREFACE

In selecting a subject for research, the criteria adopted were to find a subject in the field of public administration which would be meaningful to the author in both his personal capacity and as an administrator in local government.

The rationale for selecting "A Systematic Approach to the Formulation of an Organisation Structure and Process of Management for the Municipality of Milnerton" as the subject of this research work is twofold. Firstly, the author is employed by the Municipality of Milnerton in the post of "Director of Administration/Deputy Town Clerk" and, as such, is directly involved in the administrative management of this organisation at a senior level. The subject chosen for research is meaningful to the author not only in regard to his career as an administrator in local government but also in regard to his present position with the Municipality. Secondly, present-day municipal government and administration is confronted increasingly with a growing imbalance between the demand for additional and improved services on the one hand and on the other, the diminishing capacity of human and other facilitating resources. Although the means of overcoming this problem are limited, the optimal utilisation of human endeavour in municipalities can nonetheless reasonably be regarded as a 'sine quo non' in this regard. Municipalities should continuously and pro-actively strive for the efficient and effective use of their human resources. In this regard it is submitted that two areas which should receive attention are those relating to organisation structure and the process of management. The above problem is exacerbated in a town such as Milnerton which has experienced phenomenal growth during recent years. The question arises as to whether or not the organisation structure and process of management of the Municipality, which has evolved over some 30 years, is capable of responding in an efficient and effective manner to the present and future needs of the community in terms of the rapidly increasing demands associated with this growth.

It is appropriate to note that during April 1985, the author undertook a study tour of five 'Major Cities' in the Republic and held discussions with senior officials at each of these municipalities, being Cape Town, Johannesburg, Durban, Pretoria and Port Elizabeth. The primary purpose of the tour was

to afford the author the opportunity of acquiring deeper insight and understanding of various aspects of municipal administration. Whilst discussions were on an informal basis and specific findings are documented in general terms only in this thesis, the author would record that, as a result of these discussions, he was able to approach this present study with a far greater appreciation of the various factors involved. Documentation relating to the tour is presented as Appendices "A" and "B".

The primary purpose of this thesis is to develop a 'Code of Organisation and Management for the Municipality of Milnerton' and in terms thereof to investigate and evaluate the organisation structure and management process pertaining to the Municipality as at June 1985. The intention in this regard is to bring together a series of ideas and developments in these fields and not to attempt to prescribe a 'total solution'. Indeed, the scope of this thesis does not permit a work of the magnitude necessary to achieve this. Similarly, many of the concepts discussed prompt further investigation and could form the basis of an entirely separate subject for research at this level.

This thesis will achieve its purpose if it is able to offer practical alternative arrangements and avenues of thought upon which the senior management of the Municipality might draw and, wherever appropriate, adapt and/or implement, to improve the organisation's efficiency and effectiveness. Whenever appropriate, concept discussion is presented in conjunction with a reference to the position applicable to the Milnerton municipal operation. Whilst the focus of attention for this research is specifically the Municipality of Milnerton, it is submitted that many of the guidelines contained in the 'Code of Organisation and Management' as presented in chapter six, could be applied in other municipalities.

Because of the dynamic nature of any organisation there is a need to identify a 'cut-off' point for research work of this nature. It is necessary to record, therefore, that the research undertaken for this thesis takes into account the organisational arrangements and management processes within the Municipality up to and as at June 1985, i.e. the close of its 1984/85 financial year.

It is quite conceivable, therefore, that the situation in regard to the organisation structure and process of management applicable to the Municipality may have changed during the interim period of some sixteen months prior to the submission of this thesis. With the exception of the redelimitation of the municipal area of Milnerton into five wards and the concomitant appointment of two additional councillors, these subsequent developments have not been taken into account. It would be most interesting to compare the proposals in this research work with actual related developments at the Municipality during the next, say, five years.

It should be stressed that the scope of this thesis does not permit a comprehensive and in-depth study of all aspects of administration and emphasis is accordingly directed primarily at the organisation structure as a framework for management. The structure is examined with specific reference to the levels embracing the top management down to the level of branch heads. The methodology entailed the gathering of data and information based upon the author's personal experience with the Municipality, literature research and personal interviews/discussions (based on open-ended questions) with officials in municipal government.

The thesis is presented in four main sections as follows:

First Section : Chapters 1 - 5 : Background information and data relevant to this study. In a work of this nature it is not possible to discuss in detail the many aspects involved in the fields of organisation structure and of management. The selection of subject matter contained in the chapters of this First Section was made by the author on the basis that they warranted some priority in the context of the Thesis. This decision was based upon information derived from discussions with senior officials of the Municipality and on the basis of the author's personal experience with the organisation.

Second Section : Chapter 6 : Development of a set of guidelines for the organisation and management of the Municipality of Milnerton.

Third Section : Chapter 7 : Case Study.

Fourth Section : Chapter 8 : Findings, Overall Conclusions and Specific Proposals.

Chapter One deals with the nature of municipalities and the development of municipal government in the Cape Province. Specific reference is made to recent constitutional developments and also to the functions and powers of municipalities. Brief mention is made of certain of the legislation applicable to local authorities with a view to identifying some of the constraints within which municipalities must operate.

Chapter Two deals with the principles and theory of organisation and management and outlines briefly the thinking of various writers and practitioners in these fields.

Chapter Three discusses the concept of a corporate approach to the management of a municipality and the need for structural integration. Reference is made to three major reports presented on this subject and the chapter concludes with a reference to the appropriateness of a matrix organisation as a structural vehicle for corporate planning in local government.

Chapter Four deals specifically with a 'management by objectives' approach in municipal government and the importance of being able to identify goals and objectives in respect of the various services offered by municipalities.

Chapter Five examines efficiency and effectiveness as phenomena in the public sector and addresses the question of their measurability. Specific reference is made to factors which might promote efficiency and effectiveness in municipalities. An attempt is also made to identify factors which appear to be inhibiting optimum efficiency and effectiveness in the municipal operation in Milnerton.

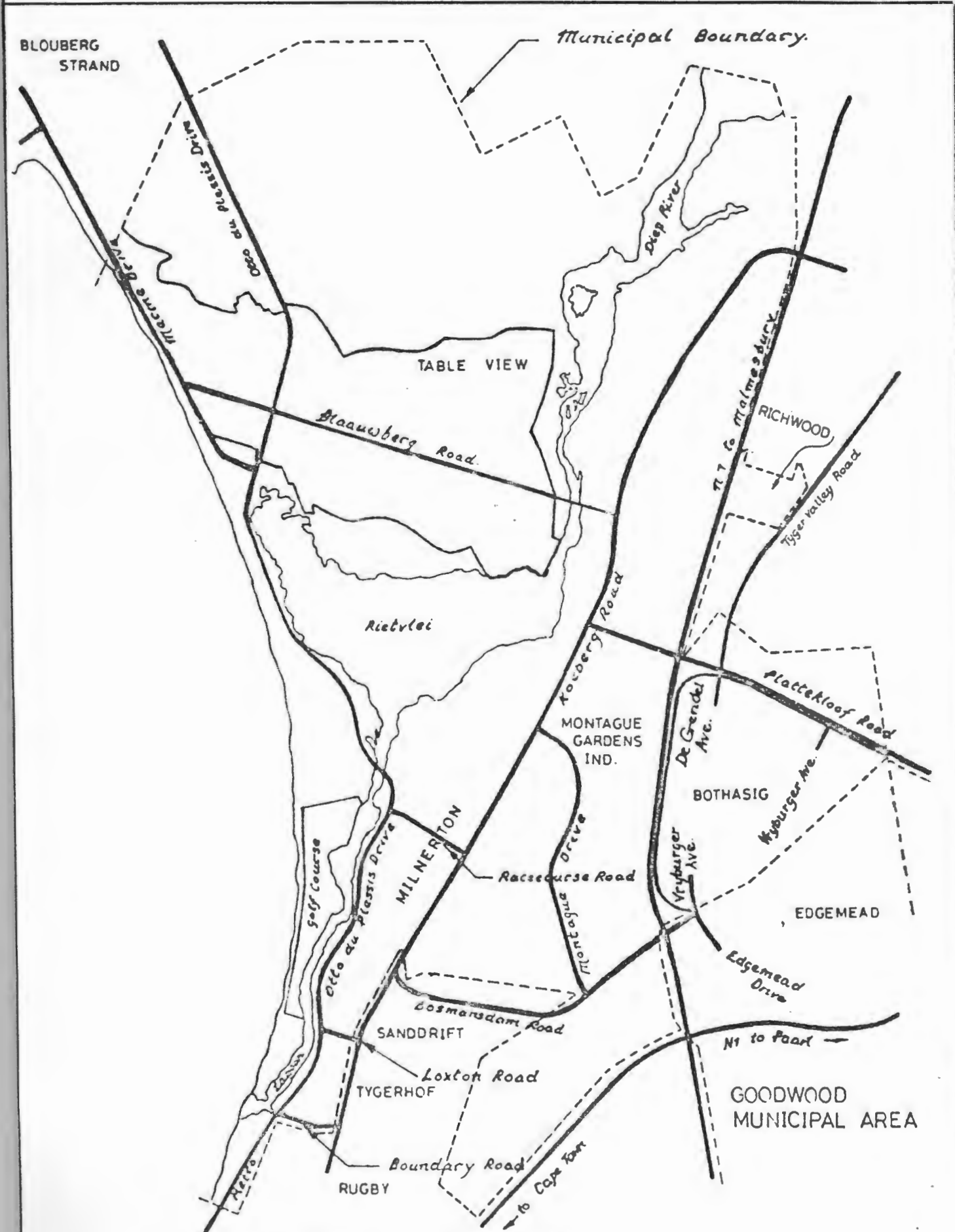
Chapter Six uses the data and information presented in Chapters One through Five to prepare a 'Code of Organisation and Management for the Municipality of Milnerton' (hereinafter also referred to as the 'Code'). This Code comprises a set of guidelines which, it is submitted, would serve a useful purpose should these be taken into account when reviewing the Municipality's organisation structure and process of management.

Chapter Seven deals with a case study in terms of which the Code developed in Chapter Six is used as a basis upon which to investigate and evaluate certain aspects of the organisation structure and management process of the Municipality as at June 1985. Wherever appropriate alternative arrangements/ proposals are recommended and described.

Chapter Eight presents a summary of the salient findings and conclusions together with some specific proposals resulting from this study.

In regard to the terminology used, it is necessary to point out that in this thesis the terms 'official' and 'officer' are used synonymously, as are the terms 'elected representative', 'councillor' and 'member'.

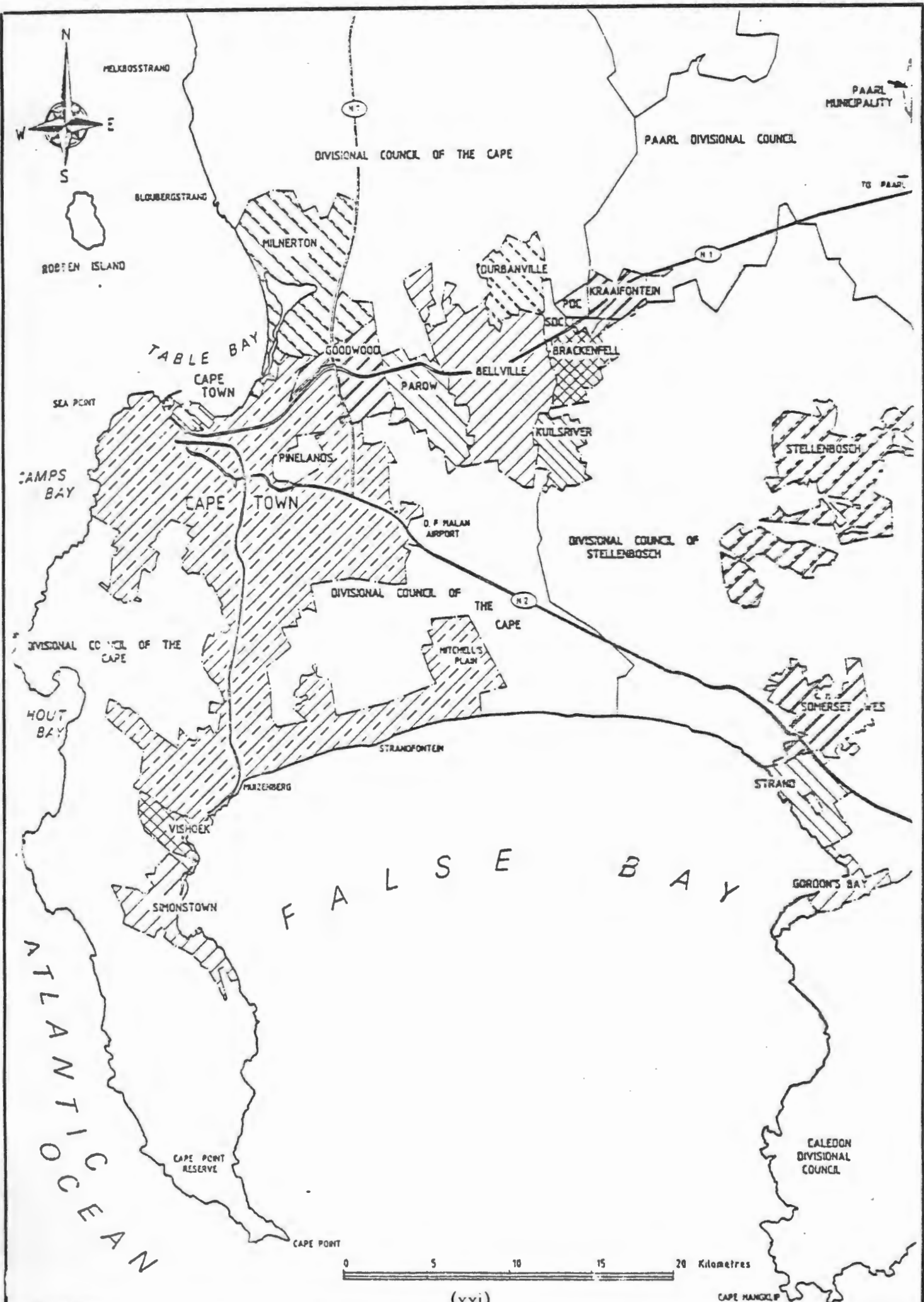
THE MUNICIPAL AREA OF MILNERTON



CAPE TOWN MUNICIPAL AREA

(xx)

THE POSITION OF THE MUNICIPALITY OF MILNERTON  
IN RELATION TO SURROUNDING LOCAL AUTHORITIES



**CHAPTER ONE**

**THE NATURE AND HISTORICAL DEVELOPMENT  
OF MUNICIPAL GOVERNMENT IN THE  
CAPE PROVINCE**

## CHAPTER ONE

### THE NATURE AND HISTORICAL DEVELOPMENT OF MUNICIPAL GOVERNMENT IN THE CAPE PROVINCE

#### 1.1 Introduction

In a later Chapter consideration will be given to the development of an organisation structure and process of management for the Municipality of Milnerton (hereinafter also referred to as 'the Municipality'). The relevant information and data pertaining to the Municipality will be documented in the case study presented in Chapter Seven. It is necessary at this initial stage to provide only some general background information on the type of organisation being dealt with. Municipalities in South Africa are presently experiencing perhaps their most interesting and challenging times yet. Although this thesis deals with one specific municipality, it is submitted that it is necessary in this first Chapter to review briefly certain of the historical developments that have influenced the system of local government and administration in South Africa with specific reference to the Cape Province. This review will include a reference to certain of the latest constitutional developments with regard to local authorities, the institutional framework within which local authorities operate, as well as the governmental relations that affect local government and administration. In addition attention will also be directed briefly to certain of the legal aspects of local government with a view to highlighting some of the basic differences between the nature of a municipal organisation and that of an organisation in the private sector. Stated succinctly, this Chapter purports to apprise the reader of details pertinent to the structure and management process of the municipal organisation, its historical development and some of the constraining factors surrounding its operation in the South African context with specific reference to the Cape Province. It is only against this background that significance can be attached to certain of the proposals advanced in later Chapters.

## 1.2 The Nature of Municipalities

In the Cape Province, a municipality is defined as follows:

"The inhabitants of every municipal area shall under the name assigned to it be a body corporate with perpetual succession and shall ... by such name be capable in law of suing and being sued (and) ... generally of doing and performing such acts and things as bodies corporate may by law do and perform."

In the other provinces it is the municipal council itself which is the corporate body, not the inhabitants of the municipal area. The difference is significant because the corporation created in the Cape is a *universitas personarum* with the following characteristics:

- "- it is an aggregation of all the persons in the municipal area who, together, form a persona or entity having the capacity of acquiring rights, incurring obligations, and having perpetual succession;
- it is a legal abstraction of fiction by which the law has created a new entity out of a group of persons, and which the law has endowed with a distinct juristic personality;
- it is a 'person' separate from the persons who comprise it;
- its capacity to acquire rights and to incur obligations is distinct from that of its members and therefore the property of the *universitas* belongs to it and not to its members;
- its debts and obligations are binding on it alone and not on its members;
- as a 'person' a *universitas* can also acquire, hold and alienate property, enter into contracts, sue and be sued, etc., although these capacities are usually stated in the founding statute." (Craythorne 1986 : 64)

The areas of municipalities are those which were lawfully defined by law or proclamation at the commencement of the current local government ordinance as determined by the Administrator in the exercise of his power to constitute or reconstitute municipalities. In the Cape Province reference is merely made to the area under the jurisdiction and control of a Council. (Municipal Ordinance No. 20 of 1974 - definition of 'municipal area' s 1(ii)(8)).

The Cape provincial law also provides that -

"... a municipality shall be governed and represented by a council ... and all acts of any such council shall be deemed to be acts of the municipality".

In *De Villiers and Others v Beaufort West Municipality* 1924 CPD 397 at 504, Watermeyer J, stated -

"...the council itself is not the body corporate; it consists of a number of members, whose acts are determined by the majority ... they act as agents for the body corporate, the municipality ... (the councillors) are statutory agents elected by the corporators to perform a mandate for the corporation, the terms of which are prescribed by law." (Craythorne 1986 : 65)

In the Cape Province the number of councillors is determined or redetermined by the Administrator (Municipal Ordinance No. 20 of 1974 s 8(1)(i) and 8(6)(a)(i)(iii)). The only definite provision which exists about the number of councillors is that in a municipal area divided into wards each ward must be represented by two councillors. (Municipal Ordinance No. 20 of 1974 s 32(b) see also 43(5)(a)).

The term of office is four years. One half of the councillors, or one councillor per ward, retires every alternate year. Initially those who have received the least number of votes retire first whilst those who have been in office the longest, retire at the subsequent biennial elections. If there is an equality of votes or for some or other reason it is not possible to determine the retirement date, the matter is determined by lot. Councillors retire from office on election day. The town clerk must be advised of the order of retirement. (Municipal Ordinance No. 20 of 1974 s 33(1)(a)(i)(ii) read with s 32(a)(b) and 43(2)(3)(5)(6)(7)).

A local authority is a creature of statute and it can only do what a statute (i.e. an Act of Parliament or a Provincial Ordinance) empowers it to do.

In this regard the following words by Van der Heever, J. at 231 in *R v Bethlehem Municipality* 1941 OPD 227 are relevant:

"A facile distinction is sometimes drawn between municipalities and other entities with legislative and executive powers on the ground that municipalities are mere creatures of statute. This is undoubtedly so, but so are provincial councils and, for that matter, the Union Parliament. With respect to authority of course, they differ vastly and are ordered in a definite hierarchy, but the function of each is government. A municipality is not merely a corporation like a company; it is a phase of government, local, it is true, but still government."

### **1.3 Functions and Powers of a Municipality**

In the Cape Province the Provincial Council on 29 November 1974 promulgated Municipal Ordinance 20 of 1974 which deals extensively with all functions of a municipality. This Ordinance, inter alia, covers the following aspects: establishment of municipalities, voters and voters' rolls, councillors, election of councillors, office bearers, committees and proceedings of councils, employees of the council, financial matters, immovable properties, streets and public places, municipal services, contracts and by-laws. From the above it is clear that the Ordinance covers virtually any function that could be carried out by a municipality.

To enable a municipality to carry out the above functions, it is necessary for such authority to raise the necessary funds. In this regard the Ordinance provides guidelines for the Council to honour its financial obligations. Specific reference is made to accounts which must be kept by the local authority, as well as estimates which must be prepared. Once the estimates have been prepared, a municipality may levy a rate to be applicable to all movable property. The Ordinance provides for the Council to raise a loan to cover

any large capital work which cannot be financed internally. It also determines that a local authority should establish a consolidated capital development and loans fund to which it should make contributions.

In regard to the functional activities of a local authority the provision of municipal services can be deemed one of the most important functions. Here the Ordinance provides that a local authority may within or outside its municipal area provide, establish and maintain municipal services. It can also acquire, construct, maintain and discontinue municipal services. The Ordinance lays down regulations as to how a council should carry out work on its services. The protection of municipal services is also fully covered by the Ordinance.

A municipality can make by-laws or regulations. The two words mean the same thing, namely subordinate legislation. This means that the local authority can only make by-laws or regulations in respect of matters for which it is empowered to legislate by an Act of Parliament or by a Provincial Ordinance. The concept of 'ultra vires' is applicable and the by-laws or regulations must not go beyond the powers conferred by the Act or Ordinance.

A municipality may determine its own staff organisation and although the organisation of the municipal service structure into different departments has been in operation in South Africa for more than 50 years and is the general practice, it is not adopted in compliance with any statutory requirement.

#### **1.4 The Influence of Dutch and British Colonial Rule**

The concept of local government and municipalities stems from two different origins in South Africa. The first concept of local government can be traced back to  $\pm$  30 years after the landing of Jan van Riebeeck in 1652 when the system of landdroos and heemraden was first introduced at Stellenbosch in 1685. This system resulted from the difficulty in administering local affairs in a settlement some distance from Cape Town. The system was later extended to other outlying settlements. It can be described as an extension of the Colonial Government but administered by locally elected or appointed

representatives. The landdros, who was the Colonial Government's chief representative, played a major role. All powers, including the judiciary function, were vested in this body.

The second major influence in South Africa insofar as local government is concerned, was the British Colonial Government. Where the Dutch rule mainly influenced the development before 1800 and the later Voortrekker settlements beyond the Orange River, the British rule principally influenced the development of urban municipal government, first in the Cape Colony, and later in all the other provinces of the country. Although the British rule left an ultimate predominant impression on the structure of municipalities, many of the Dutch views and institutions survived.

### 1.5 The First Town Government

Before 1786 no separate government existed in the Cape since all local matters were attended to by the central government. As a result of a petition signed by  $\pm$  500 persons living in or around Cape Town, a College of Commissioners to the Council of Justice was introduced in 1785. This consisted of three government officials and three burgers who were appointed to act as a Municipal Commission for Cape Town. In 1792 the Committee's powers were extended and wardmasters appointed by the British Government to attend to civil and judicial matters. These wardmasters can be seen as the forerunners of today's councillors. This system was later amended by the British Colonial Government to exclude all officials and it then consisted of six appointed burgers who served for five years.

Up to this stage the British rule had no significant influence on local government. The idea of an autonomous local body was still a long way off and all local governments were seen as an extension of the central government. It was mainly as a result of the influence of the French government at the beginning of the nineteenth century that the Dutch settlers became aware of a democratic spirit. With the assistance of Commissioner General De Mist, they called for a popularly elected Council known as Raad der Gemeente (community council) to replace the appointed Burger Senate. Although this

proposal was rejected by the Cape government at the time, the importance of this influence lies in the fact that from it the concept of municipal self-government amongst the Cape colonists had emerged.

### **1.6 The First Municipal Institutions**

This section concentrates on the development of municipalities in South Africa prior to this century. The justification for this emphasis lies in the fact that it is important to recognise and understand the link with the system of local self-government in England. To a large extent South Africa has inherited its local government system from the United Kingdom, and the system of elected town councils with multiple committees which applied in the United Kingdom until about 1974, has essentially formed the basis of the development of local authorities in the Republic.

A Royal Commission was appointed in 1834 to inquire into the position of English boroughs. The Commission found that there were mayors, town councils and citizens, but that the citizens had no share in the election of their officers and the officers themselves had lost all the characteristics of their former authority. The investigations led to the promulgation of the Municipal Corporations Act, 1835. This Act established, virtually for the first time, a uniform system of local government in England. Political abuses were eliminated to a large extent and the franchise was extended to ratepayers. The Act was in effect the beginning of the revival of local self-government in England and in spite of many subsequent amendment acts since 1835 the principle of local self-government has been adhered to. (Clarke 1955 : 43)

Barely twelve months later the first definite step towards a new municipal government system in South Africa was the promulgation of Municipal Ordinance No. 9 of 1836. It established a system of elected boards of commissioners which in practice was little more than the executive instrument of the popular will as expressed at public meetings of these boards. The legislation permitted the election of wardmasters to assist these commissioners. This Ordinance was mainly a product of the English Municipal Corporations Act of 1835 and embodied some of the principles of British local self-government but it made no provision for a Mayor, Alderman, Councillor and Town Clerk. The levying of an annual rate was also left to be determined by public meeting.

The Ordinance was effective from 1 October 1836, after which date any resident Magistrate or Justice of Peace could call a meeting of householders to decide whether or not to set up a municipal board. All decisions rested with the majority of householders present at a meeting. They selected a committee to prepare municipal regulations for submission to the Board. These regulations were limited to the municipal areas and once adopted were submitted to the Governor for ratification. All commissioners elected by householders were to serve gratuitously for a period of three years. Their meetings were also to be open to the public and they were obliged to hear any matter or complaint referred to by any person in connection with the Ordinance, the regulations or their work and powers.

Cape Town's local government was dealt with first in Ordinance 1 of 1840 (Cape) which introduced elected commissioners and wardmasters. The commissioners were required to consult the wardmasters when drafting legislation, framing estimates and appointing staff. Act 1 of 1867 (Cape) abolished the commissioner/wardmaster system for Cape Town, providing instead for elected councillors representing wards, with the councillors appointing a mayor. The Municipal Act of 1882 (Cape) abolished the commissioner/wardmaster system for Cape towns in general and introduced the idea of an elected council, the mayor appointed by the council, the committee system, and the appointment of a clerk and other necessary officers (Craythorne 1980 : 2).

Craythorne refers to a second important nineteenth-century English Municipal Act being the Local Government Act 1888, which created the Local Government Board. This Board allowed a measure of central co-ordination and would compel local authorities to use their public health powers. In addition certain administrative functions performed by judicial bodies or government departments were transferred to elected local bodies (Craythorne 1980 : 2).

Since unification in 1910, local authorities have been placed under the supervision and control of provincial authorities. After 1910 the broad British local government principles were incorporated into the various municipal ordinances of the respective provinces.

The unitary nature of the South African state has led to a strong centralised system of government and administration. This has influenced the development, powers and functions of local authorities which are organisationally located on the lowest or third level in the total governmental structure and who are directly and indirectly subordinate to the provincial and central

authorities respectively. The strong unitary nature of the state and the increasing centralisation of governmental functions over the years has undermined the status and autonomy of local authorities in South Africa.

The first significant change in the system of local government in South Africa occurred in 1960, when the Transvaal province adopted the single committee system (the management committee system) in place of the multi-committee system. The system was subsequently adopted by South West Africa, the Orange Free State and Cape Town.

Since Union in 1910, the basic complaint of local government in South Africa was the question of inadequate sources of revenue and commission after commission was appointed by the central government to investigate and report upon this matter - the so-called Browne Committee (1980) being one of the most recent. After the expression of much dissatisfaction on the report and the subsequent appointment of a working group (the Croeser Working Group) to investigate and report upon the Browne Committee report, additional sources of revenue were granted to local government.

### 1.7 Recent Constitutional Developments

The President's Council made its findings and recommendations known during 1982. Probably one of its most important recommendations as regards local authorities was that a maximum devolution of power and decentralisation of administration to local authorities be accepted in principle. It also recommended that provision be made for greater local autonomy and that the necessary legislative powers in this respect be delegated to local authorities (Republic of South Africa, *Gesamentlike verslag ... 1982* : 106).

The President's Council also recommended that local authority functions be divided into so-called 'soft' and 'hard' services. The 'soft' services would consist mainly of culturally orientated functions and would enable the various cultural groups to look after those functions that are culturally sensitive to and characteristic of each group, such as, for example, housing. The 'hard'

functions would be governed and administered jointly by all the local authorities in a particular area. Joint services committees should be established for this purpose and would be responsible for those general functions that affect the inhabitants of the whole area, such as bulk services including fire-fighting, sewerage, electricity and water supply, main roads, abattoirs and computer services (Republic of South Africa, Gesamentlike verslag ... 1982 : 117-18).

To ensure clarity in the process of constitutional reform, the government laid down certain guidelines that would form the basis of constitutional change. These guidelines also served as a basis for local government reform and can be summarised as follows:

- a democratic dispensation in which all individuals will have an effective say in decisions affecting their interests;
- domination of one group by another will be eliminated;
- the rights and legitimate aspirations of all will be guaranteed;
- self-determination must be assured for each group;
- provision should be made for co-responsibility in matters of common interest - this calls for consultation and co-operation among equals;
- political and constitutional adjustments must be embarked upon in a well-considered and evolutionary way and with a view to promoting a stable society;
- all guidelines must take cognisance of the requirement that constitutional change must be accompanied by adjustments in all other areas of society and that a sound balance must be maintained; and
- the successful launching of a new constitutional dispensation can only be achieved by continuous consultation and negotiation among the groups concerned.

From the above guidelines the principle was accepted that each ethnic group should enjoy self-determination over its own affairs and assume co-responsibility for matters of common concern. A distinction is therefore drawn between group affairs and affairs of common concern. Following from the above, certain proposals have been made for local government and administration (Haygarth 1983 : 5):

- maximum devolution of power and decentralisation of administration at local government level;
- minimum administrative control over local authorities;
- separate local authorities should be constituted for the various population groups wherever possible;
- certain services will have to be provided jointly on a regional basis; and
- effective co-ordination on the central governmental level should be established.

During 1983 the Minister of Constitutional Development and Planning announced that the government had accepted the recommendation of the President's Council that a Co-ordinating Council for Local Government Affairs be established to advise the central government through him on any matter of importance to local government (Heunis 1983 : 4-5). From the composition of the Council it seems that for the first time an attempt was made to establish an institution that would be able to co-ordinate the total and macro field of local government and administration in that the four Administrators, their members of the executive committees responsible for local government, and the representatives of most of the municipal associations and institutes, are represented in the Council (Act 9 of 1983).

At its first meeting during 1984 the Council for the Co-ordination of Local Government Affairs appointed six investigating Committees to undertake detailed investigations and make recommendations on the following six subjects (Van Zyl 1984 : 3):

- municipal electoral qualifications;
- the demarcation of geographical areas of jurisdiction of local authorities;
- the establishment of criteria for viable local authorities;
- the joint provision of regional services;
- personnel for local authorities; and
- control over local authority institutions.

All these reports were submitted to the Co-ordinating Council, which accepted them with minor changes and recommended them to the government.

### **1.8 Institutional Framework for Local Authorities**

Local authorities form an integrated part of the total governmental hierarchy. The Republic of South Africa Constitution Act, 1983 (Act 110 of 1983) stipulates that the State President and Parliament shall be the sovereign legislative power in and over the Republic and shall have the full power to make laws for the peace, order and good government of the country (section 30). It also stipulates that Parliament shall consist of three Houses, namely a House of Assembly (Whites), a House of Representatives (Coloureds), and a House of Delegates (Indians) (section 39(1)). Control over local government is regarded as an 'own affair' and is therefore the responsibility of the three different Houses constituting Parliament (schedule 1).

On the central level of government various governmental departments influence and control the local government and administration. This takes the form of either requiring local authorities to obtain prior sanction for specific projects, such as capital projects, or approving schemes and the expenditure involved, before financial aid is granted. Control is also exercised by means of regulations framed under the provisions of enabling legislation.

- the more effective rendering of services;
- political participation;
- collection and distribution of new sources of revenue.

Regional services councils will have all the powers and duties of local authorities including the following duties in their respective regions (Act 91 of 1983, section 4(1)):

- bulk supply of water and electricity;
- sewage purification works and main sewage disposal pipelines;
- land usage planning in the region;
- roads and storm-water drainage;
- planning of transport;
- passenger transport services;
- traffic matters;
- abattoirs;
- fresh produce markets;
- refuse dumps;
- cemeteries and crematoria;
- ambulance and fire brigade services; and
- health services.

### **1.9 The Importance of Sound Governmental Relations**

In the South African society, with its unitary governmental structure, the central institution of authority is established through the operation of a country-wide political process, i.e. periodical free general elections. The same voters, therefore, obtain, according to this political dictum, the opportunity to elect provincial and municipal policy-making and legislative institutions. Constitutionally, Parliament is vested with over-riding political supremacy and is sovereign in all its actions, whereas the subordinate authorities are politically supreme within their own governmental areas.

The leading political office bearers on central government level accept that the subordinate municipal councils, which each obtain a mandate from their

The Department of Constitutional Development and Planning is responsible for the implementation of the Promotion of Local Government Affairs Act, 1983. This Act makes provision for the co-ordination of functions of general interest to local authorities and those functions of local authorities which should in the general interest, be co-ordinated (Act 91 of 1983, section 2).

The Croeser Working Group (Republic of South Africa, Verslag van die Croeserwerkgroep ... 1982 : 92) recommended that supra-control over the expenditure of local authorities be exercised to obtain greater co-ordination, especially where the central and provincial authorities were making a larger contribution to the normal income of local authorities. The Croeser Working Group also recommended that this supra-control be exercised by the Directorate : Public Finance of the Department of Finance.

Provincial authorities have been given delegated powers over local authorities and are free to legislate on various matters concerning local authorities that are not repugnant to Parliamentary legislation (Gildenhuys 1981 : 40). Each provincial authority institutes a Department of Local Government that is usually charged with the execution of provincial ordinances applicable to local authorities and the promotion of the orderly development of communities. These departments are also charged with the regulation, control and administration of local authorities and the advancement of local government and administration in general. These departments are usually concerned with matters concerning the financial and general 'administration' of local authorities including the drafting, editing and promulgation of municipal by-laws and regulations.

During 1984 the Regional Services Council Bill, 1984, was introduced to Parliament. This Bill provides for the joint exercising and carrying out of powers and duties in relation to specific functions in specific areas by local authorities, management bodies and representative bodies within such areas. The Bill provides for the declaration of regions, the institution of regional services councils and the constitution, functions, powers, duties, assets, rights, funds and employees of such councils. The main motivation for the establishment of regional services councils revolves around three main objectives as follows:

voters, will follow the party-political direction of the government in power. The party-political objectives of the government, therefore, provide the basic guidelines according to which government policy on subordinate levels has to be implemented.

No legislative authority exists, however, in terms of which it is compulsory for the subordinate levels of government to follow the over-riding party-political policy. On the contrary, it is possible, as a result of the democratic process of free general elections, for subordinate municipal councils, which do not subscribe to the policies of the central government, to be elected.

On occasion it is found that local authorities which do not support government policy fail, or often refuse, to implement such policy, thus impairing inter-governmental relations and, in so doing, prevent the effective attainment of national objectives and goals. This state of affairs has been restricted mainly to the application and implementation of the provisions of the Group Areas Act, 1966, and the Reservation of Separate Amenities Act, 1953.

From the point of view of the central government, it is important that the decisions of municipal councils - even those that merely deal with municipal utilities - endorse the party-political considerations of the government of the day. The question arises whether or not the central government should exercise its supreme authority, through legislation, to expressly provide that local authorities shall comply with and implement specified policies of the government. Attitudes play an important role in the implementation of policy and even the most detailed legislation will not have the desired effect where a conducive attitude is lacking. The philosophy underpinning a true democratic system is, *inter alia*, that there should be the greatest degree of effective participation in the political process. The doctrine of devolution of power derived from this principle has the objective that every community should be placed in a position to determine its own priorities and needs. Interference with this democratic principle by inflexible and excessive administrative directives aimed at the enforcement of government policy by local authorities is undesirable and can only be justified in exceptional cases.

Local authorities have vertical relations with the central government, provincial authorities and the proposed regional services councils. Local authorities also have horizontal liaison or horizontal intergovernmental relations between themselves. In the light of the constitutional objective to guide Coloured, Indian and Black local authorities to self-governing status, horizontal intergovernmental relations between all local authorities will become more important.

It is also necessary to attend to the relations within governments, since sound intragovernmental relations ought to ensure efficient local government and administration. Intragovernmental relations are those found between the components of a particular local authority, and in this regard both vertical and horizontal relations can be identified. Vertical intragovernmental relations between the council and committees, the committees and the town clerk, the town clerk and the heads of departments right through to the lowest level in their departments, are of concern here. Horizontal intergovernmental relations, on the contrary, are influenced mainly by the division of government power among legislative, executive and judicial institutions. These relations are not only restricted between these institutions but are also found within them and between the members of each of them and include relations between councillors, heads of department and officials within a department.

Local authorities are established to promote the welfare of their various communities and extragovernmental relations with various institutions and associations in their communities are necessary to determine how and to what extent the needs and demands of these institutions, which represent the needs and aspirations of certain groups and individuals in the community, can be satisfied by the local authority concerned. Local authorities should therefore continuously ensure that they establish and maintain efficient and effective extragovernmental relations with political parties, voters, various pressure and interest groups, political élites and the media.

### 1.10 Grouping of Local Authorities

To date, municipal authorities in South Africa have been grouped according to income. This grouping has been used to determine the salary of the town clerk and automatically the salaries of other municipal employees. (The Remuneration of Town Clerks Act, 1984 (Act 115 of 1984)). The proposed new formula for the grading of local authorities comprises 13 factors (12 services plus income) which relate to the measurable services rendered by local authorities in general. These factors are listed as Income, Erven, Water Meters, Water Purification, Electricity Meters, Sewerage Points, Sewage Purification, Roads, Housing, Fire Services, Ambulances, Library Books and Trading Licences (Government Notice No. 477 of 1986).

The grading of a local authority may accordingly be substantially affected by :

- the transfer of services from the local authority to a regional services council; and
- the establishment of a local authority for a race group at present accommodated within the area of jurisdiction of the local authority.

The services already identified as possible regional services are indeed those factors which bear the greatest weight in the formula referred to above. The creation of independent local authorities with the power to levy rates and provide services to its residents must necessarily and detrimentally affect the 'points allocation' of the local authority on which it was previously dependent. It is possible that the devolution of power and a maximum number of functions to a local authority may partially compensate a local authority for the reduction in points which will occur as a result of the transfer of services to regional services councils or newly established local authorities.

Devolution of power implies the transfer of power from a higher to a lower authority to adopt final decisions on specified matters. The acceptance by the State of the principle of maximum devolution of power and decentralisation of administration on local government level has created the expectation that the transfer of final decision-making powers to local authorities will

be accompanied by the transfer of meaningful functions. To date there has been no authoritative indication of which powers and functions, if any, will be transferred to local authorities. In local authority circles there is an increasing measure of sceptical reference to government proposals to train councillors and officials to handle increased powers, whilst there is no indication of the additional powers which these functionaries will have to exercise.

It is to be understood that devolution is only possible when the local authority is in a position to exercise such functions and provided there is compliance with certain pre-requisites for the devolution of power such as effective voter control and sufficient financial resources. However, in order to ensure continued support for the reform proposals and to answer vexing questions by councillors and officials about the future status of their local authority satisfactorily, it is considered that at least a broad indication should be given to local authorities of the powers and possible functions which will be transferred to them to compensate for those municipal functions which, inter alia, are to be transferred to regional services councils. It is unreasonable to expect local authorities to support the transfer of functions to regional services councils or to new local authorities without the assurance that their present status, in terms of functions and powers, will not be drastically affected thereby (Botha 1985 : A18, A19).

### **1.11 Concluding Comments**

The historical development of municipal government and administration indicates that local government has always been subservient government. The so-called 'autonomy' of local government has been granted on the basis that powers granted could be withdrawn at any time. This still appears to be the case in South Africa. The struggle of local government appears to be not a struggle for greater powers, but rather a struggle to retain those powers which have already been granted. Reference was also made to certain of the constraints within which municipalities must operate. For example, municipalities are presently 'grouped' according to income. This grouping is used

to determine the salary of the town clerk and automatically the salaries of other municipal employees. This immediately presents a potential problem to the smaller to medium-sized municipalities which border on the larger municipalities in that their officials, particularly those in the senior ranks, could be attracted to the more lucrative remuneration packages which the larger municipalities are able to offer. There certainly is a need to distinguish between groups of local authorities but income as a sole factor upon which to base such grouping is totally inadequate. Any move towards a more meaningful formula for the determining of groups of local authorities is to be welcomed.

The section dealing with the nature of municipalities highlights some of the basic differences between a municipal organisation and an organisation which operates in the private sector. Some of these basic differences which will influence to varying degrees the organisation structure and management process of the municipal type operation may be summarised as follows:

- the profit motive which is the primary goal in the private sector is of secondary importance in the public sector. Municipalities must attempt continually to achieve optimal cost-effectiveness but the aim is not to show profit for the sake of profit;
- political sovereignty, in regard to which it will suffice to mention that political considerations govern the activity of every municipal official;
- public accountability, in terms of which every action of the municipal official is open for scrutiny by the public and every activity undertaken must, therefore, be defensible in public, irrespective of its importance. In the private sector activities are scrutinised mainly by clients or the shareholders. At the municipal level activities must be defended not only at the municipal level but also at the provincial level as well as the central government level;

- legislative requirements in terms of which the municipal operation is specifically governed by acts of Parliament and ordinances of the provincial councils.

During the course of this thesis it will become more apparent that the very nature of the municipal organisation will influence to some extent its organisation structure and management process. For example, a private business enterprise is usually forced by competitive conditions to adopt an organisation structure geared to most effective performance in order to survive. In the South African context local authorities normally find themselves in a monopolistic position regarding the provision of most of their services and some form of direct public supervision or control over their activities is therefore indicated.

In the Western world such control usually takes the form of democratic government at the local level, and this means that many of the political side issues which sometimes interfere with efficient and effective performance are encountered in the field of local government. In this respect the organisational problems that local authorities are faced with are in actual fact more difficult to handle than those of undertakings in the private sector (Browne et al 1980 : 60).

Other factors which have had a major impact on municipal development in general have been the removal of African areas from the jurisdiction of local government and also the changes in the racial composition of the voters' roll.

The author recognises these factors but the exclusion of any detailed discussion in this regard from this present study is justified on the basis that they do not hold any major impact for the situation in Milnerton at this time.

These factors are, however, noted and may have to be considered at some future time in the event of the situation in Milnerton being the subject of dramatic change in this regard.

## **CHAPTER TWO**

### **PRINCIPLES AND THEORY OF ORGANISATION AND MANAGEMENT**

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### PRINCIPLES AND THEORY OF ORGANISATION AND MANAGEMENT

#### 2.1 Introduction

In order to facilitate a systematic approach to the formulation of an efficient and effective organisation structure and management process for the Municipality, it is necessary to take cognisance of certain of the related principles and theories expounded by exponents in these fields. Brech (1957 :363) states that among those writers and practitioners who have given thought to the whole field of organisation and management the idea of basic principles has gained acceptance and a measure of attention has in consequence been directed to an endeavour to identify some as seen confirmed by practical observation. There is a widespread unanimity of view in regard to certain factors and these have been sufficiently frequently repeated by various thinkers and writers as to have some claim to status as an approximation to 'principles'. This Chapter outlines briefly some salient features of organisation and refers to certain of the principles and theories of organisation and management.

However, it is important to note that the 'principles' approach to management is not in line with the most modern approaches to management and has, in fact, recently come in for severe criticism. It is accordingly necessary in a work of this nature to give some consideration to certain of the more modern management texts which discuss the open systems approach with specific reference to the 'contingency' approach as the prevalent school of management thought. This school holds that there are no real management 'principles' but rather that there are certain strategies for management and organisation which should be adapted to specific circumstances and contexts.

In line with this argument and in developing a 'Code of Organisation and Management for the Municipality of Milnerton', cognisance will be taken of the various principles and theories referred to in this present Chapter but in the context of the specific circumstances of the Municipality of Milnerton. It is quite clear, therefore, that the 'Code' as presented in Chapter Six will not be the culmination of simply the theoretical discussion alone but will also take into account the practical circumstances and problems appertaining to the Municipality.

It is submitted that to base the 'Code' upon the theoretical discussions only, without taking into account the actual situation at the Municipality, would prove to be less than adequate for the intended purpose of this research work, which, in terms of its title, refers specifically to the "Municipality of Milnerton".

In terms of the foregoing the reference in this thesis to principles and theory of management and of organisation should not be seen as a search for the one best way of doing things in all situations. It is, however, submitted that there is much to be gained by the practising manager from knowing certain of the principles and theories of management and organisation.

The author's views on the correctness or otherwise of these principles and theories are not advanced in this Chapter. These comments are reserved for later Chapters when consideration is given to the possible application of these theories to the circumstances pertaining to the Municipality of Milnerton.

## 2.2 The Nature and Purpose of Organisation and Management

Organisation refers to both process and structure (Tausky 1971 : 6) and various activities must be exercised to obtain an organisation. A number of authors have endeavoured to define an organisation and a few definitions are cited here:

- "An organisation is a structure made up of two or more people who accept co-ordinated direction to achieve certain goals." (Robbins 1979 : 6).
- "An organisation is defined as a system of interrelated behaviours of people who are performing a task that has been differentiated into several distinct subsystems, each subsystem performing a portion of the task and the efforts of each being integrated to achieve effective performance of the system."(Litterer 1969 : 230).
- "An organisation is a collectivity with a relatively identifiable boundary, a normative order, authority ranks, communications systems and membership co-ordinating systems; this collectivity exists on a relatively continuous basis in an environment and engages in activities that are usually related to a goal or a set of goals."(Hall 1972 : 9).
- "Whenever many men are thus working together the best results are secured when there is a division of work among these men ... Work division is the foundation of organisation and the reason for organisation .... (O)rganisation .... is a process of logically grouping activities and responsibilities and establishing relationships to enable people to work together most effectively and accomplishing the objectives of the enterprise."(Lukens 1961 : 8).

From the definitions it can be concluded that organisation as a process consists of several activities based on work division. As a structure an organisation

- consists of people who accept co-ordinated direction to achieve certain goals; and
- provides a communication system of interrelated behaviours.

The first salient fact to grasp in regard to an organisation structure is that it does not exist of itself at all but rather as a framework within which, and by means of which, the process of management can be effectively carried out. Organisation structure is there for the purpose of helping along a certain process and should be regarded, in its essence, as a secondary thing. The structure of an organisation is the framework for carrying out the responsibilities of management, for the delegation of such responsibilities, for the co-ordination of activities, and for the motivation of members. Its true nature can therefore be appreciated only in terms of an understanding of the management process itself.

Brech (1957 : 10) defines management as follows: "A social process entailing responsibility for the effective (or efficient) planning and regulation of the operations of an enterprise, such responsibility involving - (a) the installation and maintenance of proper procedures to ensure adherence to plans; and (b) the guidance, integration and supervision of the personnel comprising the enterprise and carrying out its operations". But management has been defined in various ways depending upon the viewpoints, beliefs, and comprehension of the definer. Some other definitions are listed as follows:

- "the force that runs an enterprise and is responsible for its success or failure";
- "the performance of conceiving and achieving desired results by means of group efforts and consisting of utilising human talent and resources";
- "getting things done through people";
- "planning and implementing";
- "the satisfying of economic and social needs by being productive for the human being, for the economy, and for society";

- "a resource used by everybody to achieve goals";
- "a distinct process consisting of planning, organising, actuating, and controlling, performed to determine and accomplish stated objectives by the use of human beings and other resources".

There are, quite clearly, distinguishing features which make up the management process. These activities are performed to accomplish stated objectives and they are performed by people with the help of other resources (Terry 1968 :4).

"In a very real sense management is an abstraction designed to convert disorganised resources into useful and effective goal accomplishments. This is achieved by utilising nonhuman resources effectively and by working with people and motivating them in order to bring out their full capabilities and give reality to their dreams of having a richer, fuller life. Management is the most comprehensive, most demanding, most crucial, and most subtle of all human activities."(Terry 1968 : 5).

The definition favoured by the present author is that used by Terry (1968 : 4) which may now be stated as follows:

"Management is a distinct process consisting of planning, organising, actuating and controlling, performed to determine and accomplish stated objectives and they are performed by people with the help of other resources."

Thornill and Hanekom (1979 : 13) similarly regard organising primarily as a function of management as part of the generic administrative process since the identification, definition, creation and adaptation of functions and structures in an authority fall mainly within the sphere of responsibility of the management concerned. By management as an institution is meant that group of individuals in an authority who are responsible for the optimal use of human, material and other facilitating resources (such as money), while management as a function covers the putting into effect of such responsibility (Kanter 1977 : 1). The direct participation of the legislative institutions, their committees and all leading public officials in authorities is therefore implicit, since the final decision on the determination of functions, as well as the creation of structures, is usually in the hands of the legislative

institutions. The design and effectuation of functions and structures, on the other hand, fall within the sphere of responsibility of the committees and leading public officials of the executive institutions (Thornhill & Hanekom 1979 : 98, 104). Organising is a continuous function that should not be neglected as a result of continual changes in the environment, since constant rationalisation and adaptation, wherever called for, are necessary for the survival of any institution.

### 2.3 Characteristics of Informal Organisation

An organisation only comes into being when the posts have been filled and the relevant authority or institution begins to function. The presence of the human being in an institution adds another dimension to the organisation, that is, the informal organisation. This means that an authority or institution consists of both a formal and an informal organisation in which the formal organisation is a product of formal organising by the management of that authority or institution, while the informal organisation is usually a natural product of the differences between persons in such an authority or institution. Such differences are based essentially on value preferences and differences between individuals and groups which are manifested in informal, voluntary association patterns within an authority or institution. There comes into being within an authority or institution a second network of relations based not upon compulsory association (formal organisation) but upon voluntary association (Thornhill & Hanekom 1979 : 95-99).

Informal organisations assume certain characteristics that are different from those of formal structured organisations and these must be taken into account when managing in a climate of informal groups. They are:

- informal organisations act as agents of social control, generating a culture that demands conformity from group members;
- human interactions are quite different from those in the formal organisation and different techniques of analysis are required;
- status and communication systems exist quite apart from the formal structure;

- informal organisations resist change;
- the group has an informal leader, who is not necessarily the formal appointed one.

#### 2.4 Some Principles of Organisation and Management

An authority on the management problems of local authorities, Raymond S.B. Knowles (1971 : 4), states : "Good organisation is basically straight-forward, clean-cut, stream-lined."

R.B. Kemball-Cook (1972 : 31-32), postulates the requirements listed below for a 'sound' organisation structure.

"The structure must -

- be directed towards achieving the corporate aims of the business and the objectives of departmental managers;
- take full account of the key operating functions and activities;
- be able to make effective use of the available human, financial and other resources;
- be flexible enough to adapt to changes in circumstances;
- clearly allocate responsibility for all functions and tasks, providing for working loads and reasonable spans of control;
- offer adequate opportunity for the economic use of the abilities and specialist skills of staff and management;
- make effective teamwork possible whenever the co-operation of different functions and skills are required;

- provide for proper planning and control systems;
- be supported by adequate information and communication systems."

Brech (1957 : 72-74) states that the principles of organisation structure must be concerned with the dual fundamental of achieving effective and clear sub-division of the management responsibility (as relevant to the circumstances concerned) while maintaining integrated unity in action and recommends the following principles of organisation structure:

- organisation is one aspect of the planning element of management and is concerned with the determination and specification of appropriate operational and functional responsibilities and the relationships emerging therefrom;
- the structure of organisation of an enterprise is the framework for carrying out the responsibilities of management, for the delegation of such responsibilities, for the co-ordination of activities or operations, and for the motivation of members; the design of the structure must be directed to promoting the effective working, at all levels, of the four elements of management;
- the responsibilities or activities of all (executive and supervisory) members of an enterprise, or of all its main and subsidiary divisions or sections, should be clearly defined, preferably in writing; the definition should also specify the (formal) relations of each particular member of section to any others with which there is to be active contact;
- when the size of the enterprise necessitates sub-division of (executive and supervisory) responsibilities, the most useful division is into specific primary groups, determined by specialisation of function or operation;
- when the increasing size or activity of an enterprise (or any other factors) threaten to impair the effectiveness of management through

the overloading of (executive and supervisory) members, appropriate provision is to be made for the delegation of responsibilities to lower levels in the direct line or to the specialist members; appropriate provision has then also to be made to ensure continuous effective co-ordination;

- the definition of responsibilities and relationships forming an organisation structure should provide:
  - a single chief executive responsible to the policy-forming body for the effective conduct of all the operations of the enterprise;
  - adequate decentralisation of decision through the delegation of responsibility;
  - clear lines of responsibility linking the chief executive with the various points of decision or operation;
  - the span of responsibility or supervision of a superior limited to a reasonable number of (executive or supervisory) subordinates if their activities are interrelated; and
  - the integration of functional (specialist) sections in such a way as not to impair the clear lines of responsibility and command.
- if responsibilities are properly defined, the delegation of responsibility and its acceptance, automatically implies delegation of the corresponding authority to take decisions and to secure the carrying out of the appropriate activities. If limitations are intended to apply to any executive's responsibilities, they should be specifically mentioned in the definitions.

## NOTE

When responsibilities are delegated, a superior is still to be held accountable for all the relevant activities of subordinates within his jurisdiction, whether he has issued specific instructions for such activities or not;

- an organisation structure cannot be regarded as immutable. It must be flexible enough to admit of adjustment when required by changes in basic circumstances.

Brech (1957 : 74-81) offers detailed comment in regard to certain of the above principles and readers who require this information are referred to his work in this regard.

In 1952 Urwick produced a consolidated version of his principles of organisation as follows:

- The Principle of the Objective: Every organisation and every part of the organisation must be an expression of the purpose of the undertaking concerned or it is meaningless and therefore redundant.
- The Principle of Specialisation: The activities of every member of any organised group should be confined, as far as possible, to the performance of a single function.
- The Principle of Co-ordination: The purpose of organising per se, as distinguished from the purpose of the undertaking, is to facilitate co-ordination (unity of effort).
- The Principle of Authority: In every organised group the supreme authority must rest somewhere. There should be a clear line of authority from the supreme authority to every individual in the group.
- The Principle of Responsibility: The responsibility of the superior for the acts of his subordinate is absolute.

- The Principle of Definition: The content of each position, both the duties involved, the authority and responsibility contemplated and the relationships with other positions, should be clearly defined in writing and published to all concerned.
- The Principle of Correspondence: In every position the responsibility and the authority should correspond.
- The Span of Control: No person should supervise more than five, or at the most, six, direct subordinates whose work interlocks.
- The Principle of Balance: It is essential that the various units of an organisation should be kept in balance.
- The Principle of Continuity: Reorganisation is a continuous process; in every undertaking specific provision should be made for it.

## 2.5 "The Span of Supervision" (Graicunas, Paris, 1930)

In a short paper, preserved only in the collected edition of 'Papers on the Science of Administration' (University of Columbia, New York, 1937), Graicunas initiated the principle of restriction of the span of delegated authority. His basis of approach was the burden of relationships - direct and cross - set up as additions are made to the number of subordinates with interlocking responsibilities reporting to a common superior. A maximum limit to the potential burdens is set up simply by the innate limitations of the capacity of the human mind. From his analysis and computations, Graicunas deduced a 'reasonable span' at the level of five or six subordinates (Brecht 1957 : 77 - 86).

## 2.6 Wilfred Brown and the "Manchester Code" 1947-48

Brech makes reference to a study of human relations factors in the Glacier Metal Company, Alperton, under the direction of Wilfred Brown, the Managing Director, as one of the most interesting and pioneering developments in the subject of management and organisation in British Industry after the War. The primary aim of the study was directed towards consultation and co-operation among the personnel employed at working levels but considerable attention was also given to the impact of the management process on the morale of operatives.

The principles concerned with the formal outline of organisation may be listed in Wilfred Brown's own words as follows:

- there shall be one chief executive in every organisation who shall be responsible for carrying out the policy of its policy-making body. He shall be a full-time worker in the organisation and shall have complete authority to take any action consistent with the policy he is implementing;
- the responsibility of each executive shall be explained in general terms to every member of the organisation;
- the span of control of a 'line executive' shall be limited to the number of people with whom he can maintain frequent contact, and amongst whom he can maintain co-operation. He shall grant the right of frequent access to those immediately responsible to him;
- the functional authority of all those carrying responsibility for special functions shall be clearly explained to everyone in the organisation;

- specialists or functional managers shall, within the span of their special knowledge, have the right to prescribe to executive managers on methods and techniques. They shall have the right to appeal to the executive manager to whom they are themselves responsible, to endorse their prescriptions with executive authority, if those to whom their prescriptions are given fail to carry them out;
  
- no man shall be executively responsible to more than one person;
  
- no man shall give orders to anyone except those who are his immediate subordinates;

## **2.7 Ernest Dale (A.M.A. Report)**

### **Planning and Developing the Company Organisation Structure, 1952.**

This is a report resulting from a two-year research project undertaken by the American Management Association. Some forty companies were studied by a research team and a good deal of discussion undertaken; in some cases changes in the organisation pattern were initiated and reviewed, and several hundred organisation manuals and charts were examined. In the chapter entitled 'Construction of the Ideal Organisation', the subject of 'principles of organisation' is dealt with and the point is made as to the high degree of unanimity about such principles among the leading writers. Brech (1957 : 391-392) uses these principles as 'criteria' and the following nine items are identified for this purpose based upon an extract from pages 138 to 144 of the Report as published by the American Management Association in New York.

- Effectiveness: the accomplishment of the purpose of the enterprise (i.e. social and non-personal in nature).
- Efficiency: the fulfilment of the personal and individual objectives of those who are connected with the enterprise.
- Division of work: to determine and establish as separate entities the smallest number of dissimilar functions into which the work of an institution may be divided.
- Functional definition with authority and responsibility.
- The chain of command.
- Channels of contact: i.e. providing for intermediate levels of lateral and similar contact, without recourse to going up and down the vertical levels.
- Balance : relative apportionment of strength among departments.
- Control : covering - comparison of actual against standards; information to be objective; integrity of command; uniformity of information and control data with patterns of responsibility; the Exception Principle; utility in assisting decision; avoidance of 'red tape'.
- Perpetuation: providing a ladder of position of increasing responsibility and authority, so as to attain perpetual succession.

Although many of the items may be criticized as being not structural at all, but rather referring to management action and techniques, the American Management Association Report is acknowledged by Brech as being unquestionably one of the most useful practical books ever published on the subject of organisation structure.

## 2.8 Frederick W. Taylor (1856 - 1950)

Taylor provided many of the individual ideas for the conceptual framework later adopted by management theorists, such as (a) the use of standards in control, (b) the separation of planning from execution, (c) the functional organisation, and (d) the exception principle in terms of which decisions that recur frequently should be reduced to a routine and delegated to subordinates thereby leaving more important issues and exceptional matters to superiors. The principle does not provide a simple rule for determining what should be reduced to a routine and delegated and what should not, but it does imply that managers will profit by investigating possibilities of greater delegation. His underlying assumption that workers were motivated by money accounted for his belief that greater productivity could be obtained primarily through wage incentives. Taylor's emphasis was on the lower levels of management and the use of scientific techniques at the shop level.

## 2.9 Henri Fayol (1841 - 1925)

The French industrialist, Henry Fayol, provided an explicit and broad framework of general principles of management that explained the nature of the process. His observations first appeared in 1916 in French, under the title of 'Administration Industrielle et Générale'. Fayol's observations fit into the mould of what is generally conceded to be the basis of classical management theory and much of what is contained in modern management. Fayol's major contribution was to define the basic elements of administration and to list his general principles of management.

Fayol maintained that management was 'universal' and that all managers, regardless of their level in the organisation, or in spite of the kind of organisation they were managing, performed essentially the same tasks or elements of administration. These were : (a) planning (prevoyance), (b) organising, (c) commanding, (d) co-ordinating, and (e) controlling. These elements of administration generally referred to what were later called duties or functions of management.

He maintained that principles of management apply not only to business but also to military, institutional, political, religious, and other undertakings. Thus, Fayol has come to be known as a 'universalist', a term describing those who believe that administration is essentially the same in any environment and is subject to a common set of principles.

Fayol noted that principles of management are flexible, not absolute, and are capable of adaptation to every need. His fourteen principles are summarised as follows:

- **Division of work:** This is the 'specialisation of labour' principle of economics, which Fayol extended to individuals and groups of people and to all kinds of work, whether managerial or technical.
- **Authority and responsibility:** Authority is the right to give orders and the power to exact obedience. Responsibility is the corollary to authority and arises from it; wherever authority is exercised, responsibility arises.
- **Discipline:** According to Fayol, 'discipline is in essence obedience, application, energy, behaviour and outward marks of respect observed in accordance with the standing agreement between the firm and its employees.' Good superiors, fair agreements, and judicious sanctions are means for maintaining discipline.
- **Unity of command:** No person should receive orders from more than one superior.
- **Unity of direction:** This principle requires 'one head and one plan for a group of activities having the same objective.' Taken together, the principles of unity of command and unity of direction relate to both personnel and corporate entities.
- **Subordination of individual interest to general interest:** This means that the interest of any one employee or group of employees should not prevail over the interest of the whole firm.

- Remuneration of personnel: Pay should be fair and afford maximum satisfaction to both employer and employee consistent with conditions over which the employer has control.
- Centralisation: Individual degree of centralisation of authority is a matter of proportion and finding the optimum degree for the specific organisation. Centralisation is not a system of management good or bad of itself, but is always present to a greater or lesser extent.
- Scalar chain: This refers to what is known as the 'chain of command' and is called the 'chain of superiors' by Fayol. This authority relationship should not be departed from unless superiors have authorised their subordinates to communicate directly across authority lines.
- Order: The old adage 'a place for everything and everything in its place' is the essence of this principle and it applies to material as well as to people. Human arrangement is made easier with a chart or a plan.
- Equity: In dealing with people, the manager should take account of their desire for equity and equality of treatment. A combination of kindness and justice will elicit loyalty and devotion.
- Stability of tenure of personnel: Unnecessary turnover is both the cause and effect of bad management, and therefore, in common with all other principles, stability of tenure is a question of proportion.
- Initiative: Subordinates should be allowed to exercise initiative within the limits imposed by respect for authority and discipline. Initiative is thinking out and executing a plan.
- Esprit de corps: This principle points out the need for teamwork and the importance of communication in obtaining it. 'Harmony, union among the personnel of a concern, is a great strength in that concern'. The abuse of written communications and a misguided notion of the motto 'divide and rule' are dangers to be avoided.

## **2.10 The Hawthorne Experiments**

The Hawthorne studies were designed to measure the effect on output of changes in physical working conditions and proved that worker productivity was affected by human factors such as the way that workers felt about their interaction with others in the group, their attitude, and their sense of recognition by peers and superiors. Conversely, lack of productivity was not so much a function of working conditions, sanctions, or incentives, but more the isolation of the worker and his feeling of anonymity resulting from insignificant jobs that contributed negligibly to the final product. According to Ross (1970 : 37) these studies are generally considered to be the classic case of the new beginning in management thought. The focus of attention for the first time became the worker, his work environment, and his interpersonal relations with work groups. The importance of human relations, worker motivation and managerial leadership, began to be emphasised. The belief began to develop that the contributions of the behavioural sciences, such as sociology and psychology, were valuable adjuncts to the body of knowledge in management.

## **2.11 Two Basic Approaches to Organisation Theory**

Organisation theory and management theory differ in that the former is concerned with the structure of interpersonal relations and the organisation as a mechanism for promoting human collaboration. Management, on the other hand, sees the organisation largely as a vehicle for achieving an output or an objective and not the development of a structure for its own sake.

Two theories of organisation which have had much influence in the development of modern organisation and management theories are the classical and neoclassical approaches.

The classical approach is concerned almost solely with the anatomy of formal organisation, its structure, and how orders are transmitted through it and achieved. The basic premise of the classical school was that organising was a logical, rational process. The classical theory assumed that workers were rational, logical, and would perform as expected. Moreover, that workers prefer to have their job limits clearly defined. The activities of a group should be viewed on an objective and impersonal basis without regard to personal problems and characteristics. To the classicist, organising related to formal relationships between jobs to be done and positions; behavioural characteristics were treated, but as a separate matter.

Classical organisation is constructed around four key tenets; the scalar principle, unity of command, span of control and organisational specialisation. The basis of most classical theory can be derived from these concepts.

- The scalar principle refers to the idea of hierarchy, which states that authority and responsibility should flow in an unbroken line from the chief executive to the lowest operator. This is frequently called the 'chain of command' of superior-subordinate relationships. Delegation of authority and responsibility follows from the scalar principle.
- Unity of command follows from the scalar principle and says in effect that no member of an organisation should receive orders from more than one superior. As organisations increased in size and complexity the classicist was forced to prescribe a simple line structure supplemented by staff advisors. The failure to clarify specifically the duties of staff personnel has led to constant controversy on the place of line vis-à-vis staff.
- Span of control refers to the number of subordinates a manager can effectively supervise; it has been universally accepted that the number should be limited. In most instances, the classical theorists have specified the number to be five or six, but others have suggested three at the top of the hierarchy and about six at the bottom.

- Organisation specialisation is probably the cornerstone of the classical theory. The notion of division of labour, which is basic to this concept, goes back to Adam Smith and the functionalisation of Taylor. The classical theorist assumes that it is possible to break down the tasks necessary to achieve the organisation's objective. These tasks can then be grouped into like departments and assigned to a manager. Bases for departmentation include numbers, place, customer, function and process.

The classical theory is limited by its concentration on the formal anatomy and structure of organisations and its insistence that the human problems would take care of themselves if tasks were assigned and duties organised. Concentration on this somewhat narrow view overlooked such important concepts and contributions as the informal organisation, human interactions within work groups and the contributions of the behavioural sciences (Ross 1970 : 55-57).

The neoclassical school is commonly associated with the 'human relations' movement. The primary advance made by the neoclassical school over the classical has been the introduction of behavioural sciences into organisation theory in an integrated way.

The basic tenets of the classical approach were regarded as given and were modified by the behavioural view as discussed below:

- The scalar principle breaks down in practice because of 'human failings' according to the neoclassical theory and 'human tools' are suggested to make the principle operational. Problems encountered in the scalar principle include those surrounding failure to delegate authority and responsibility equally, overlapping of authorities causing personal clashes, and gaps in authority resulting in failure to complete the total job.
- The unity of command principle leads to conflict and structural friction, according to the neoclassicists. Human behaviour thwarts the best-laid plans for structure. The causes of and remedies for friction between line and staff are treated and various devices to

achieve harmony and communications are invented. These devices include committees, job rotation and various formulae for participation in decision-making.

- Span of control for a manager is determined by human factors and the nature of the job rather than by being reduced to a precise number or ratio. Existing degrees of planning, communications, training and the nature of the work are some of the determinants of span of control.
- Organisational specialisation is also of major concern to neoclassical theory. In contrast to the classicist, whose concern is mainly the work itself, the neoclassicist recognises the impact of work on the worker - the isolation, the feeling of anonymity, the monotony, and human engineering considerations. These bad effects increase as size and specialisation increase, resulting in the need for better motivation, co-ordination and leadership.

The major weakness of the neoclassical approach was its failure to integrate the many facets of human behaviour that it studied into the framework of classical management (Ross 1970 : 57-58).

## **2.12 Alternative Approaches to Organisation**

There are a number of schools of thought on organisation and Haynes and Massie (1969 : 110-118) examine seven approaches to organisation. These are:

- Formalism
- The Spontaneity Approach
- The Participation Approach
- Challenge and Response
- Specialisation
- The Directive Approach
- Checks and Balances

- Formalism: The central theme of formalism is that each member of an undertaking must know precisely what his position is, to whom he is responsible, and what his relation to other jobholders is to be.
  
- The Spontaneity Approach: This approach advocates scope for the spontaneous formation of groups and communication systems with a minimum of direction from above. The famous Hawthorne studies have been a strong influence in this direction, especially in their heavy stress on the importance of informal organisation. Informal organisation may be the most effective co-ordinating force, providing human satisfaction and stimulating co-operation and productivity. Changes in formal organisation should take into account the possible impact on informal organisation.
  
- The Participation Approach: The participation approach underlies what is called 'human relations' in management. Advocates of this view stress the need for a flow of ideas from the bottom of the organisation as well as the top. Participation involves face-to-face relationships which lead, it is claimed, to fuller understanding, to a pooling of diverse talents, and to a greater willingness to carry through with decisions once they are made. It is argued that the result is increased satisfaction, improved productivity, and the development of individuals for positions of higher responsibility. Participation helps make members more amenable to change and is consistent with the democratic values of a Western society. One of the most interesting (and most extreme) expressions of the participative point of view is the concept of 'shared leadership'. According to this view, no sharp distinction should be made between leadership and membership in a group. Diffusion of leadership should be encouraged and the members should share in setting goals.

- Challenge and Response: This approach emphasises the need for enthusiasm and initiative throughout the organisation and asserts that this will be forthcoming when the members, particularly those on managerial levels, are granted sufficient autonomy and wide enough scope to make their jobs interesting and challenging. The 'light touch' in supervision is favoured as it is the use of indirect measurements and standards as opposed to the imposition of direct controls. 'Decentralisation' and 'delegation' are the by-words of this school of thought.
- Specialisation: A central objective of organisation is the allocation of functions and responsibilities among departments and individuals. The specialisation approach advocates that the division of labour should be carried to a high degree of refinement, so that each job is restricted to a 'single, simple task'. The approach also favours organisation around skills, processes, or sub-purposes, to achieve the full benefits of specialised skills and knowledge.
- The Directive Approach: This approach emphasises the need for direction from top management.
- Checks and Balances: The notion of checks and balances has its applications in industry as well as in government. The view that inspection departments must be separate from the activities to be inspected is one illustration. The widely accepted opinion that auditing departments must be independent is another.

It is sufficient for the purposes of this thesis to be aware of the above approaches. Haynes and Massie discuss in some depth the assumptions underlying each approach. Readers who require additional information in this regard are referred to the relevant reference work noted above.

### 2.13 Schools of Management Analysis

Ross (1970 : 42-54) identifies four significant 'schools' of management theory: (1) behavioural; (2) empirical; (3) quantitative; (4) management process.

#### The Behavioural School.

Those who subscribe to the behavioural school of management can generally be divided into (a) the human behaviour group; and (b) the social system group. In the former case, the approach is based on the notion that management consists of getting things done through people and therefore the manager, if he is to be successful, should understand human relations, leadership and the other behavioural science approaches to describing interpersonal relations among people. People are viewed as the important entity of management and study is devoted to determining how greater productivity and motivation can be gained by the use of good human relations. Motivation, leadership, training and communication are among the common topics of this school.

This approach has been popularised by such writers as Keith Davis and Douglas McGregor, who advanced the notion of Theory X and Theory Y. Presumably the classical approach to management was represented by Theory X, which maintains that there is no satisfaction in work, that humans avoid work as much as possible, that positive direction of workers is required and that workers possess little ambition. The human relations approach of Theory Y, the antithesis of Theory X, says that workers have much greater potential than is realised and will exercise self-direction and seek responsibility if motivated. Theory Y is a participative approach.

The social system group is closely related to the human behaviour group but differs in that it looks upon management as a social system, a system of cultural interrelationships. The formal organisation is viewed in terms of cultural relationships of various social groups rather than as a system of authority relationships, as has been the custom in the classical approach.

Fundamental to the social system notion of an organisation is the need to solve the various limitations through co-operation of members of the group.

The interaction and co-operation of people making up the organisational system are stressed and there is a constant search for a method of making the goals of the organisation and the goals of the group compatible.

### The Empirical School

This method of managing, sometimes called the 'experience' or 'custom' approach, attempts to analyse management by an empirical study of experience.

### The Quantitative School

This approach to the solution of management problems, sometimes called the mathematical school, seeks to describe management in terms of mathematical symbols, relationships and measurable data.

### The Management Process School

Fundamental to this approach is the description and analysis of the functions of management : planning, organising, staffing, directing and controlling. Each of these functions has its body of knowledge and its techniques, and each utilises knowledge from other fields of science. The process school does not deny the existence and validity of other approaches to management but rather admits this validity and usefulness and attempts to absorb or utilise the methodology and techniques of these other schools in performing the five functions of management.

Major differences between the different schools of management can be summarised as those existing between the behaviourists and the management process school. The latter approach views the goals of the organisation in terms of productivity and believes that subordinates are limited in ability and motivation. The behavioural school, on the other hand, believes that the technical superiority of the process approach is obtained at the expense of human sacrifice.

## 2.14 Contingency Movement

The most recent direction taken by administrative theory can be described as a contingency or situational approach. It has become increasingly clear that it is extremely difficult, if not impossible, to make broad-based generalisations about administrative practice that are applicable in all situations.

The complexity of the subject and the distinctness of each situation have resulted in the expansion of the number of exceptional cases to the point where there appears to be no universal law or principle that can be applied in every instance. As a result, the contingency movement began by looking for some common characteristics that might exist in a number of situations, and that could make it possible to qualify the theory to the specifics of the situation.

If we cannot say, "If X, then Y", possibly we can say, "If X, then Y, but only under conditions specified in Z".

The efforts of contingency advocates have been predominantly at attempts to isolate "the Z variable", or situational determinants (Robbins 1976 : 41).

## 2.15 Group Dynamics

The work of a manager may be analysed in the light of four types of situations:

- self-management - among others life planning (e.g. own priorities and career planning), time management, balance between work and other responsibilities (e.g. towards family, society, own health etc.);

- managing subordinates on a one-to-one basis;
- managing subordinates on a one-to-team basis;
- managing parties over whom one has no direct authority (e.g. colleagues, superiors and 'outside' constituencies such as the general public, taxpayers, etc.)

Group dynamics play a role in the last three and refer to the characteristic phenomena, processes and forces which emerge when people in small groups interact face to face. Longman, in his 'Dictionary of Psychology and Psychiatry', described 'group dynamics' as: "...- a term applied by K. Lewin to the study of interactions and interrelationships that take place within groups as well as between the group and the surrounding social field. It includes investigations of group cohesiveness, the interdependence of group members, collective problem-solving and decision-making, different types of leadership, group conformity, subgroups and the social climate of different groups. Also called group process".

Group dynamics play an important role in many job situations but are nowhere more important than in the case of teamwork. Even though individual and cultural differences play a role, effective and efficient teamwork in the majority of cases is characterised by the following processes:

- formulating clear team objectives which are derived from the aims and plans of the greater organisation and which would meaningfully contribute to the realisation thereof;
- determining the unique performance areas of individual team members and the development of relevant objectives/action plans by them;

- determining mutual dependences in implementing their plans and entering into agreements in respect of mutual support;
- good mutual communication, both as senders and receivers, among all team members, as well as spontaneous, frank, self-disclosing contributions and active listening by all;
- mutual consideration of, and respect and concern for, team members as valued colleagues and fellow human beings, particularly demonstrated by the way in which members' human dignity and self-image are built up by their style of interaction;
- good joint problem-solving. Group problem-solving differs from individual problem-solving and persons who are good problem-solvers on their own are not necessarily competent group problem-solvers. For good joint problem-solving in team context there are at least two 'structural' requirements: team members should have a common framework of steps in terms of which problems are tackled, and during problem-solving each team member should know exactly where the team happens to find itself in the agreed sequence of steps;
- constructive handling of differences in opinion and conflicts, because, among others, it is regarded as one of the most important sources of fresh insights (Gouws 1986 : 5).

## **2.16 Concluding Comments**

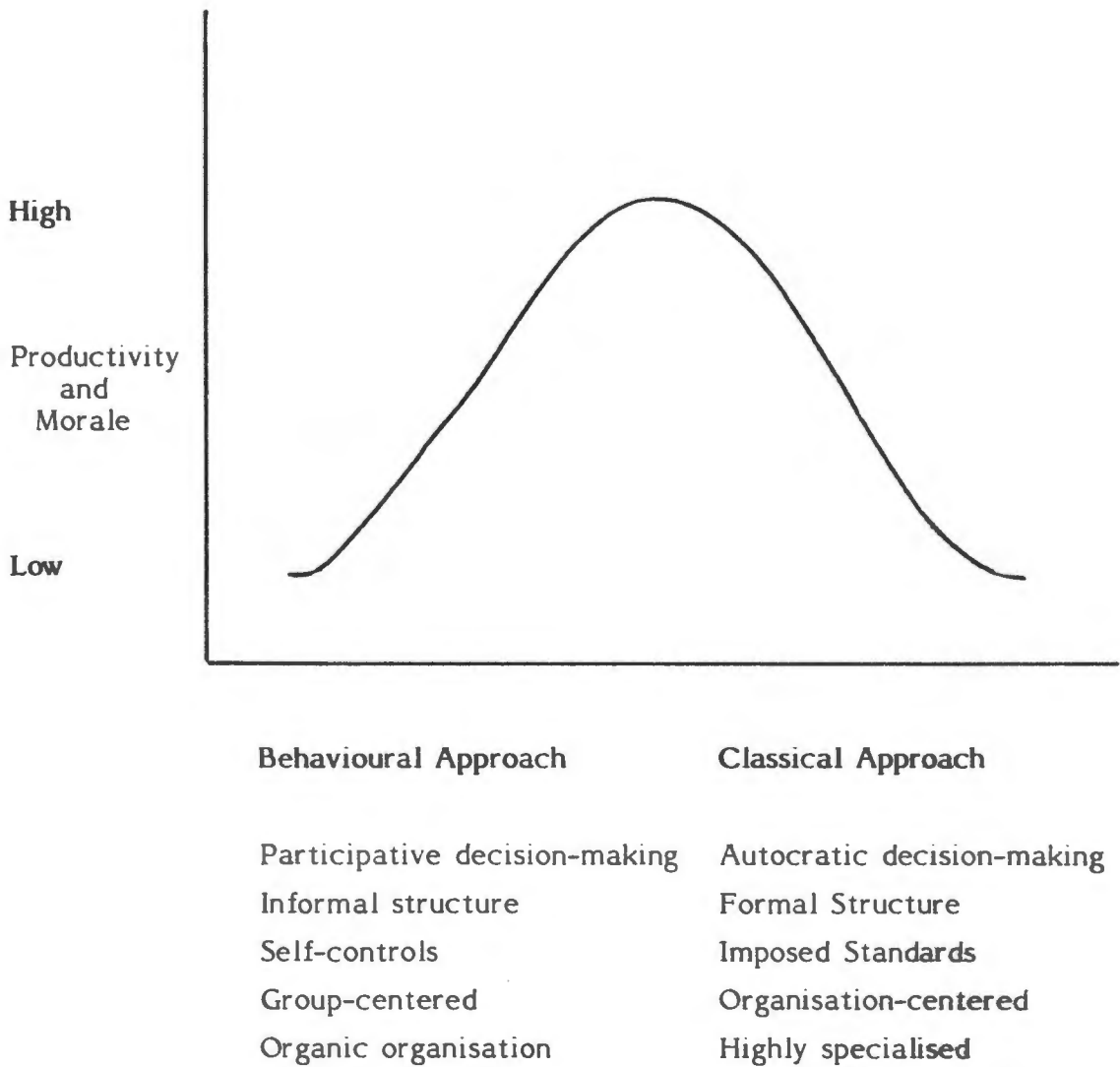
A study of the statements and writings of managers and scholars shows a wide divergence of opinion in regard to what constitutes the process of

management and how it is carried on in practice, and a number of approaches to the study of management and organisation theory have been developed. Many different viewpoints and beliefs have been advanced to explain the nature and behaviour of organisation and the practice of management.

Several concepts have been developed over the years to integrate the opposing values pursued by the management process approach and the behaviourists of modern organisation theory. Among these are the Managerial Grid of Blake and Mouton. This is a two-dimensional grid portraying the relationship between organisation demands (production) and human demands. Bakke's fusion process is a conceptual scheme wherein the organisation adapts to the individual's needs and the individual to the needs of the organisation. Rensis Likert's notion is that organisational and human needs reflect two sets of values and hence two sets of books should be maintained to reflect these conflicting values.

All these schemes apply the notion of trade-off - since neither the individual's nor the organisation's needs can be given full rein and the one must be balanced against the other until an optimum point is reached. Flippo's concept of the continuum is a useful one for illustrating various degrees of integration that might be achieved. For example, a continuum for a selected number of commonly held characteristics of each approach is established in Figure 1. The behavioural extreme on the left represents some of the collegial, permissive, democratic attributes advanced by modern organisation theory. On the right are similar characteristics attributed to the classical school of management. Both approaches are slightly exaggerated to make the point.

As indicated in Figure 1, neither extreme of such a continuum yields maximum effectiveness for the organisation or the individual; maximum effectiveness lies somewhere within the intermediate range. No degree of preciseness is implied by this illustration. Rather, the point is made that the solution to integrating the two conflicting views lies not in total acceptance or rejection of either but in accommodation of both. This is the viewpoint supported by the author.



**Figure 1 : A Continuum of Management Approaches**  
(Ross 1970 : 53)

Good management practice can utilise all schools of management. It is natural to expect that the productivity goals of the organisation will frequently be in conflict with those of its human members. The achievement of both productivity and human goals is desired, and these can be balanced in an environment of good management and an accommodation at less than the maximum level for each. It is necessary to integrate the behavioural and management process approaches and utilise the best of each. The degree to which either is emphasised in any given situation is a function of the situation, the managers involved, the industry and the particular set of circumstances in which the manager finds himself (Ross 1970 : 52-54).

Many of the basic principles in the field of organisation and management were presented in this Chapter. It is important when considering these principles for application to the Municipality of Milnerton to be aware continually of 'local' circumstances in each instance. A principle which might appear to be 'theoretically' sound may be impractical in a given situation due to unique local circumstances such as, for example, personalities involved. This should not be viewed as a problem. In fact, the approach adopted by the author is to view the various principles of organisation and management as being flexible and adaptable rather than absolute. However, pertinent comment in this regard will form part of the case study presented in Chapter Seven.

In concluding this Chapter and in order to clarify the approach adopted in this research work, it is meaningful to refer to the following quotations:

"There has been a fairly widespread tendency for certain scholars and workers in organisation theory to misunderstand the approach to management by those who emphasise the study of management and its fundamentals. They see principles and theory as a search for the one best way of doing things" (Koontz and O'Donnell 1976 : 22).

This is certainly not the viewpoint of the present author who is in full agreement with the following submission of Koontz and O'Donnell (1976 : 23):

"Management theory and science do not advocate the best way to do things in the light of every situation any more than the sciences of astrophysics and chemistry, which are far more exact than management, do. Of course, the situation makes a difference. Of course, internal states and processes of the organisation are contingent upon external requirements and member needs. Of course, actual practice and the solution of varied problems will differ, depending on the circumstances."

As Robbins (1976 : 472) states: "Few, if any, laws or principles of administration apply in all situations. There are no specific or universal solutions. To be an effective administrator one must understand the characteristics that make each situation unique, so that ones actions may be adjusted accordingly."

This does not present a problem in compiling a 'Code' or set of guidelines as envisaged in this present work since the 'Code' is intended for the specific situation in the Municipality of Milnerton as researched and analysed by the present author.

## CHAPTER THREE

### THE CORPORATE APPROACH AND THE NEED FOR STRUCTURAL INTEGRATION

## CHAPTER THREE

### THE CORPORATE APPROACH AND THE NEED FOR STRUCTURAL INTEGRATION

#### 3.1 Introduction

"To a large extent South Africa has inherited its local government system from the United Kingdom, and the system of elected town councils with multiple committees which applied in the United Kingdom until about 1974, has essentially formed the basis of the development of local authorities in the Republic. However, in 1960 the Transvaal already switched to a statutory framework designed for a more management-orientated approach to the organisation structure of local authorities, and this approach has also been adopted in the Orange Free State and the two biggest cities in the Cape Province and Natal. It is significant that since 1974 a basic re-organisation has been carried out in the local government system of the United Kingdom, great emphasis being laid on the "corporate approach" to management. This approach was advocated in the reports that led to the reorganisation, particularly the Maud and Mallaby Reports in 1967, the Bains Report in 1972 and the Layfield Report in 1976, although the last-mentioned report was concerned mainly with the financial consequences of the reorganisation. Although the management committee system as it has been applied in South Africa is not satisfactory in all respects, it does represent an important step in promoting a more goal-oriented management approach by local authorities, and it can already be regarded as accepted in large parts of the Republic. There are prospects that it will develop further and be adapted to meet the demands of changing circumstances, although the advantages of other suitable systems should by no means be overlooked." (Browne et al 1980: Vol. 2, 63).

The purpose of this chapter is to refer to attempts in the past to achieve structural integration as an initial step towards the adoption of a more complete and general corporate approach to the management task of a municipality. Three of the major reports in this field were the Maud Report

(1967), the Report of the Royal Commission on Local Government in England (1969) and the Bains Report (1972) It is meaningful in the context of this research to consider certain of the findings as recorded in these reports. This selection of reports is considered relevant in view of the fact that it is largely upon the British model that South African local government is based and in considering forms of local government restructure this Chapter is restricted entirely to events in Britain. It is, however, acknowledged that a related research work at a more advanced level than the one presently being undertaken would certainly benefit from a study of local authority restructure elsewhere, for example, in the United States or in certain of the European countries. In this Chapter the words 'clerk' and 'Town Clerk' are used synonymously.

### 3.2 The Meaning of Corporate Planning and Corporate Management.

The corporate approach to the management of local government means the management of the activities of the local authority as a whole when these are seen as activities aimed at the solution or alleviation of social problems which are interrelated and which exist with a common environment which is constantly changing. The corporate approach is associated with the adoption of an environmental orientation for local government organisation and management. (Haynes 1980 : 38).

The terms 'Corporate Planning' and 'Corporate Management' are germane to the purpose of this Chapter and it is necessary, therefore, to distinguish between them.

'Corporate Planning' means planning as an authority rather than by departments in the major areas of the authority's work, and planning here subsumes all the processes involved in plan formulation. It implies that planning is carried out in the knowledge of defined and agreed objectives, that the plans once formulated are plans for action, and are flexible and responsive to changing needs (Skitt 1975 : 5).

'Corporate Management' means that the major decisions affecting the allocation of scarce resources, determination of long-term objectives, establishing priorities and choosing between alternatives, are taken by managerial machinery of the authority with a responsibility for strategic decision-making

which is relieved of the burden of day-to-day responsibilities, and which can therefore develop its responsibilities from the standpoint of the authority as a whole. It recognises that councillors and officials with their respective managerial roles must manage together (Skitt 1975 : 5).

Effective corporate management will derive only from effective corporate planning and similarly corporate planning will only be effective where it results in corporate management.

A corporate approach to local government management is difficult to achieve within the highly segmented, strictly departmentalised structure associated with traditional local government organisation. In terms of both management structures and processes the achievement of a corporate approach is essentially about the achievement of organisational integration in the sense used by Lawrence and Lorsch meaning 'the quality of the state of collaboration that exists among departments that are required to achieve unity of effort by the demands of the environment'. (Haynes 1980 : 39).

### **3.3 The Maud Report, 1967**

The Committee on the Management of Local Government, chaired by Sir John Maud, was set up at the request of the four local authority associations. The Committee's terms of reference were: 'to consider in the light of modern conditions how local government might best continue to attract and retain people (both elected representatives and principal officers) of the calibre necessary to ensure its maximum effectiveness.' In the report the Committee noted the absence of unity in the work of authorities and the lack of effective co-ordination both at the level of day-to-day administration and at the level of general policy formulation.

'there exists an organisation which is based on separate parts in each of which there is gathered the individual service, with its professional departmental hierarchy led by a principal officer and, supervising it, a committee of members. There may be unity in the parts, but there is disunity in the whole' (Maud et al 1967 : Vol. 1, para. 97).

The Committee observed that the work of many service departments was obviously closely connected but went on to note that:

'In the wider context individual services, however disparate, are provided for the community as a whole. Planning for the development of the community, the allocation of priorities for finance or for space on the drawing board, the timing of the various schemes all demand a co-ordinated approach' (Haynes 1980 : 40).

In terms of structure the Committee considered that the establishment of a small managing body could provide the necessary co-ordination at member level, it could provide 'both a unifying element drawing together the disparate parts of the whole and also the impetus for action'. This managing body would be concerned with co-ordination within the local authority both in the sense of overcoming centrifugal forces of the departmental and committee structure and in the sense of co-ordinating policy formulation for the whole authority.

Other difficulties in this area were seen as:

- the professionalism of chief officers and their tendency to identify themselves with a particular service rather than with the whole field of an authority's activity. An important corollary of this problem was seen as the prejudicial effect on recruitment of any apparent reduction in chief officer status as the result of departmental amalgamation;
- the more obvious difficulties caused by the physical dispersement of local authority departments often located in different parts of a town or city;
- the problem of securing officers with sufficient knowledge and breadth of vision to be able to carry responsibility for a large department with a variety of functions;
- the need to ensure that groupings are based on 'a substantial inter-relation of departmental responsibilities' and not on a need to equalise workloads between individual officers (Maud et al 1967 : Vol. 5, paras. 214-220).

The difficulties of amalgamating departments were seen to be matched by those surrounding the amalgamation of committees. Here a major problem concerned the ability of individual councillors to comprehend adequately the workings of a larger grouping of activities even if these activities were fairly closely related. This was in no way casting doubts on the intelligence of councillors but merely a reference to the sheer physical constraints on their ability to assimilate information on a vastly increased scale and covering a much wider area. Evidence presented to the Committee suggested that the existing subdivision of work 'enabled members to familiarise themselves with one or two aspects of the overall problem and to play a part in the development of individual services'. It followed that a widening of committee responsibilities would proportionately reduce the members' ability to make such a contribution to the authority's work and development. However, the major obstacle to the grouping of committee work was seen as lying within the attitudes of committee chairmen, who tend to have a possessive attitude towards what they regard as their committee. The Maud Committee received a great deal of evidence to the effect that many committees which had outlived their usefulness were maintained in order to protect the personal status of their chairman.

The Committee advocated a focal point of authority at officer level and recommended the appointment of a chief administrative officer or chief executive who would have a status superior to that traditionally held by the Town Clerk of the council who was essentially a 'primus inter pares' in his relationship with other chief officers. Some of the advantages of having a clearly designated chief administrative officer were seen as the better coordination of departments; the presentation to the council of integrated views of officers; improvement in the general level of efficiency; and the wide diffusion of the use of modern management techniques. The Committee acknowledged that clerks in many authorities accomplished many of these things working within their traditional roles but pointed out that, in order to do so, they needed to rely on force of personality and ability, and consent. The choice open to authorities was seen as being one between the Town Clerk as a passive leader by consent or as an official with 'responsibility for encouraging new ideas, for active co-ordination of the work of the authority and for drive in the execution of its decisions'. The Committee was

in favour of the latter view of a more positive and authoritative role for the Town Clerk. It was felt that councillors would be in a much stronger position to exercise their democratic control if they had integrated and co-ordinated advice and the assistance of an official with the authority to ensure that their decisions were conveyed to the right department and were efficiently carried out. Fears that a chief administrative officer would over-rule professionally qualified officers operating within their specialist fields were answered with the belief that no efficient chief administrative officer would seek to give instructions to professional officers on actions where their professional skills are involved. The Committee saw principal officers working together, under the leadership of the Town Clerk, on those matters which transcend purely professional and departmental considerations and so producing agreed and co-ordinated advice.

The Committee made the following recommendations with regard to the formal reassessment of the clerk's role:

- that the clerk be recognised as head of the authority's paid service, and have authority over other principal officers insofar as this is necessary for the efficient management and execution of the authority's functions;
- that the clerk be responsible to the management board and through it to the council;
- that the principal officers be responsible to the council through the clerk.

Among the recommended duties of the Town Clerk were included:

- ensuring the effectiveness and efficiency of the organisation and the co-ordination (and integration where necessary) of its activities;
- to see that the management board is adequately serviced by providing co-ordinated and integrated staff work and seeing that its decisions and those of the council are implemented (Haynes 1980 : 42-44).

In summary, the Maud Committee laid the foundations for structural integration in three areas as follows.

- in the area of policy formulation with its recommendation for a powerful central management board to act as a focal point for the unification of policy and the integration of objectives for the authority as a whole;
- in the area of committee and departmental structures in its recommendations for the grouping of functions; and
- in the area of central administrative direction in its recommendation for a more powerful chief administrative officer with central directing and co-ordinating power over other principal officers.

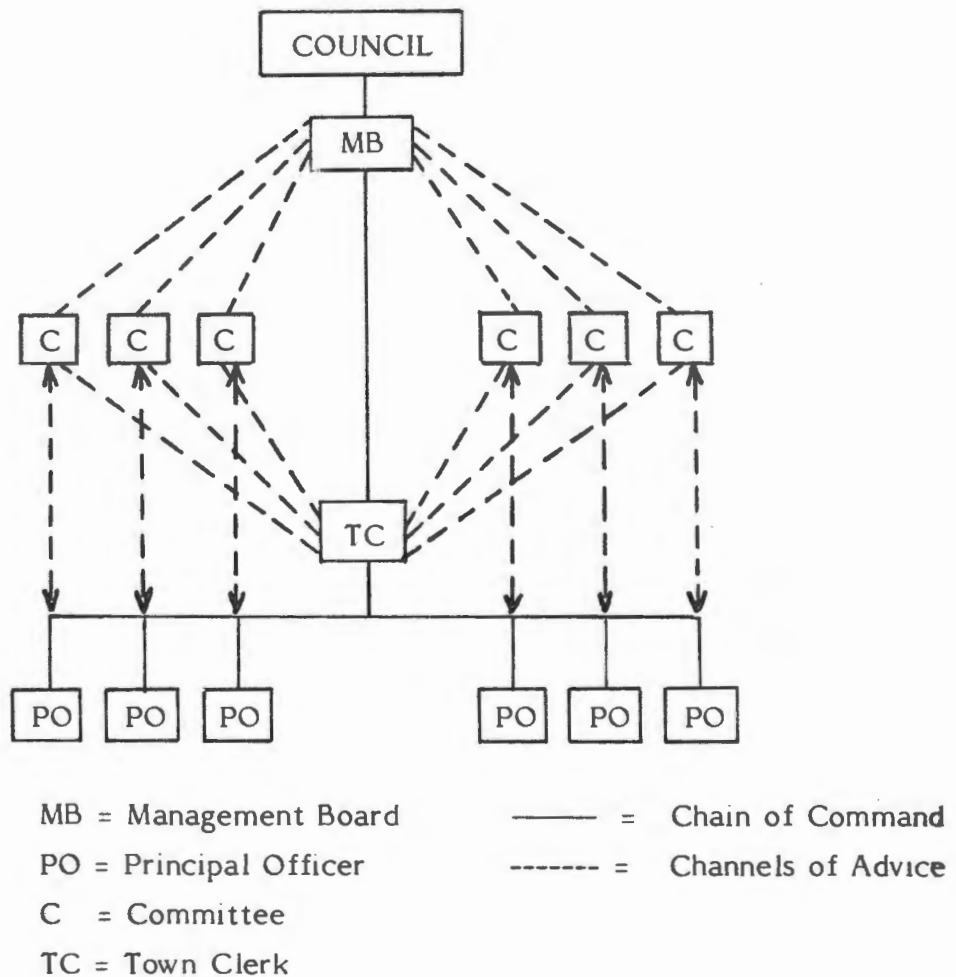


Figure 2 : The Maud Plan

(Haynes 1980 : 47)

The concept of a Management Board implies that a great deal of power is vested in a few councillors.

### **3.4 The Report of the Royal Commission, 1969**

The principal contribution of the Royal Commission on Local Government in England to the debate on internal management structures was a general, though not a complete, reiteration of the basic principles put forward in the Maud Report two years before. This is hardly surprising in view of the fact that Sir John Maud chaired both investigations.

In the area of internal management the Commission was of the opinion that 'far-reaching changes in traditional organisation and methods of work were required' and stressed the need for a corporate, as opposed to a departmental, approach to the management of an authority's affairs. In addition, the Commission believed that any new internal structure 'must remove from members the temptation to cling to their preoccupation with details and with supervision of routine'.

The Commission agreed with the Maud Committee in its advocacy of the appointment of a clerk or chief executive who would be official head of an authority's paid staff. Such an official was again seen as coming from a variety of professional backgrounds including that of general administration. He was seen as the leader of a team of chief officers who would be jointly responsible for 'considering the council's general problems and for co-ordinating action to solve them'. These chief officers would be in charge of groups of services and this would, in the opinion of the Commission, 'reflect the close relationship between the various services and ... correspond to the reduction in the number of committees'. In conclusion, the Commission observed that the success of such an interdepartmental, interdisciplinary approach to internal structure would depend on 'harnessing the enthusiasm of the specialist to the needs of central management.' (Haynes 1980 : 44-50).

### 3.5 The Bains Report, 1972

In the Bains Report the need for structural integration and a corporate approach to management was presented as being beyond dispute if local government was to be efficient and effective. Bains was insistent upon a corporate approach to management but did not prescribe a common structural model for all authorities. The report did, nevertheless, recommend certain basic structural features which should be commonly adopted. There were, first, a policy and resources committee supported by four sub-committees and, secondly, a chief executive supported by a chief officers' management team.

The Bains-style policy and resources committee was seen as having responsibility for providing the council with comprehensive and co-ordinated advice upon how the needs of the community could be planned for and met within the resource limits which existed. The committee was to aid the council in the setting of objectives and priorities and subsequently in co-ordinating and controlling policy implementation. In addition, the committee was to have ultimate responsibility for the allocation and control of the major resources of the authority, categorised as finance, manpower and land (including buildings). Unlike the Maud-style management board the policy and resources committee would not have a monopoly of policy formulation. The functional spending committees would be responsible for preparing and submitting policies to the council in their particular areas of responsibility. However, the corporate approach would be protected by the requirement that all important matters of policy or expenditure would also go to the policy and resources committee which would have the opportunity of reporting concurrently to the council. The policy and resources committee was seen as being supported by three sub-committees, each with responsibility for dealing with the more detailed and routine matters within a particular resource area, that is, either finance, manpower or land.

In dealing with the question of the membership of the policy and resources committee and its resource sub-committees Bains avoided the charge of power concentration. The solution was found in a complex pattern of interlocking committee memberships designed to maximise the participatory opportunities for elected members at the level of policy formulation and resource control. The group felt that membership of the policy and resources commit-

tee should not be limited to the chairmen of major committees; moreover, the report favoured having minority party representation on that committee in those authorities organised along traditional party lines. The report also recommended that membership of the three resource sub-committees should not be drawn solely from those who were members of the parent committee.

Bains agreed with Maud on the need to reduce the number of operational committees in local authorities and favoured the idea of a committee structure based on broad programme areas, that is, wide areas of activity within the authority, aimed at the achievement of a general overall objective. The resulting committee structures would vary from authority to authority, according to local conditions and environmental needs.

The basis of Bains' criticism of the traditional role of committees is that they do little more than take final decisions. Their involvement in the decision process comes at a time when choices are clear-cut and alternatives reduced to a manageable number. In Bains' view, committees in local government should be more involved in non-decision-making debate at a much earlier stage in the decision process; an involvement which would, in the group's opinion, 'improve the understanding of the issues at stake and therefore the basis of the final decision'.

The concept of the programme committee is central to the Bains strategy of building a structural framework which would support a corporate approach to the management of a local authority's affairs. Programme committees by their very nature would need to be serviced by several different departments and disciplines or professions and this requirement would, it was hoped, reduce the inter-committee and interdepartmental friction which were so often evident in the traditional separatist structures.

The Bains group recognised that their objective should be 'to make democracy as efficient as possible, not to make efficiency as democratic as possible'. The answer to the problem of reconciling the competing claims of committee structure rationalisation and member participation was seen to lie in the concept of the informal working group of members. These working groups, which might concentrate on particular aspects of individual services, were presented as providing the backbench councillor with the opportunity to

specialise in an area of the authority's work in which he had a special interest. Such groups would also provide a point of reference for the officer wishing to test member opinion on a proposed administrative action. Bains believed that such groups, relieved of the constraints of formal committee procedure, would increase both organisational flexibility and member satisfaction. This is a viewpoint strongly supported by the present author and favoured for the Milnerton municipal operation.

Bains emphasised the need for a spirit of compromise in the area of officer-member relations:

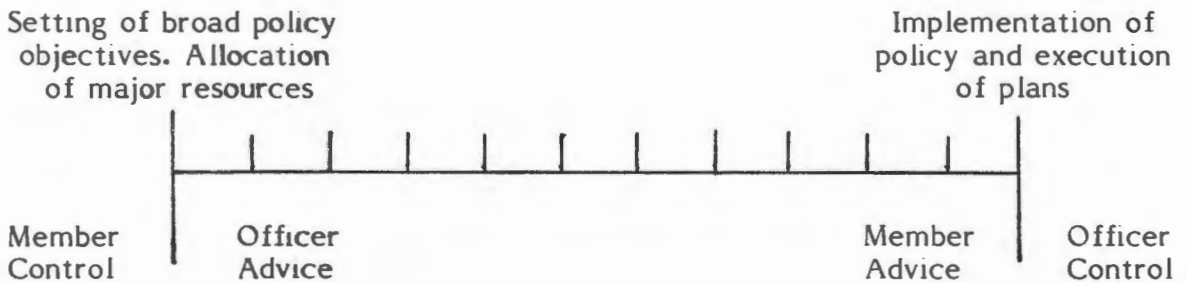
'Officers must accept that members have a legitimate interest in the day-to-day administration of cases involving their constituents ... Members must equally realise that the skilled professional officer is not just a servant who is paid to do as he is told. We do not dispute that the major policy decisions must be taken by the elected members, but the officers have a role to play in the stimulation and formulation of policy and in seeing that the members have available the necessary advice and evaluation to make the best decisions.' (Bains et al 1972 :8).

Bains agreed broadly with Maud that there was too much elected member involvement in administrative trivia but emphasised the importance of the constituency role for many councillors who could not all be cast in the role of general policy-makers. For Bains, the answer lay in improving the quality and quantity of the information given to councillors.

'The flow of information between elected members and electorate should be a two-way process and the member must be sufficiently well informed to be able to explain the council's actions and policies to his constituents and feed back reaction to appropriate points within the authority organisation.' (Bains et al 1972 : 11).

Bains believed that a free flow of communication would remove the need for members to be constantly 'snapping at the heels' of officers in order to carry out their representative democratic role. A specific recommendation in this context was that council members should be allowed to attend and speak at meetings of committees other than their own and that all committee agendas should be made available to all members.

Bains followed Maud's lead on the need for greater delegation to officers. It was noted that committees often took decisions which could easily have been left to officials. In such a situation the officers' expertise and training was not being fully utilised. Bains also agreed with Maud that extensive delegation to officers was not undemocratic, since members have the right to amend or withdraw any powers so delegated. Bains points out that in any event the officer exercising delegated authority would have to keep in close contact with appropriate committees (under a programme committee structure he might be responsible to several), and, again echoing the Maud view, that the officer would have to be relied upon to recognise the sort of sensitive issue which might arise during the course of day-to-day administration and which would need to be referred to an elected member for adjudication.



**Figure 3 : The Management Process in Local Government**

Bains saw the process of management in local government as a scale or continuum (refer Figure 3 above). At the two extreme ends of the scale the respective roles of members and officers are clear enough. However, nowhere along the scale does the balance of control and advice change absolutely. The relationship changes very gradually until a new dominant source of control or advice emerges. Thus at no point on the scale can it be said that everything beyond or before that point is exclusively the province of either element.

With regard to structure at officer level, Bains subscribed to the view put forward by the Maud Committee that there should be one person as head of the authority's paid service and that he should have authority over other chief officers 'in so far as this is necessary for the efficient management of the authority's functions'. This new position should have a directing as well as a co-ordinating role and be more than merely 'primus inter pares' with other chief officers. Since this implies a very different role from that performed by the traditional Town Clerk, a change in title seemed appropriate. Bains favoured the title of Chief Executive and saw him as the council's principal adviser, via the policy and resources committee, on matters of general policy. It was considered preferable that the Chief Executive should not have departmental responsibilities, although it was recognised that he would need a number of personal assistants reporting directly to him.

It was also felt that no appropriate disciplinary or professional background could be prescribed for the role and that candidates should be chosen for their proven general managerial ability. It would be the Chief Executive's responsibility to secure co-ordination of advice on the planning of objectives and services; to ensure the efficient and effective implementation of the council's programmes and policies and the effective deployment of resources; and to keep the organisation and administration of the authority under review in the interests of effective management.

The Chief Executive's major functional role was seen as the leader of a small team of chief officers, steering them towards common objectives. This management team, consisting of about six principal chief officers, was seen as the focal point of corporate identity within the authority at officer level, the officers' counterpart of the elected members' policy and resources committee. Bains realised that meetings between chief officers already took place with varying degrees of formality in existing authorities. However, Bains saw participation along the lines of members who were to attend not as departmental representatives but as members of a body 'created to aid the management of the authority as a whole'. Bains did not agree with the claim that chief officers from specific departmental or professional backgrounds would be unable to make a contribution to discussions of matters and problems affecting other chief officers.

The Bains justification of the management team as a useful and indeed essential integrative device is summed up in the following quotation from the report:

"We suggest that it is of the essence of the corporate approach to management that Chief Officers recognise that there are few if any major decisions which can be made in isolation without some impact upon others' areas of responsibility. Corporate management requires that the implications for the authority as a whole should be considered and discussed before decisions are taken. It may on occasions be necessary for a Chief Officer to subordinate his own particular interest to that of the authority as a whole. On another level each professional officer has a fund of knowledge and experience which is not only relevant to problems within his own field, but to the solving of problems of other fields as well and it is in the exchange of views and opinions within the management team that a true corporate spirit is likely to develop." (Bains et al 1972 : 49)

Here, as with the enhanced position of the chief executive, Bains entered the complex area of attitudes and human relations. At a prescriptive level the Bains group saw the management team as playing a positive role in the central corporate management processes of the authority, receiving instructions from the policy and resources committee and submitting corporate reports to that committee through the chief executive. Bains did not wish to be too specific about the management team's terms of reference. Instead, the group suggested two broad functions: first, the long-term strategic function of considering and advising on what policies the council should be adopting to cope with changing needs and circumstances and, secondly, an overall management, co-ordinative and progress-chasing role. In order to carry out these functions it was expected that the management team would set up a series of interdepartmental working groups which might include a corporate planning group, a research and intelligence group and a manpower and management services group.

Bains put great emphasis on the need to appraise the performance of chief officers in a systematic way at regular intervals. The general function of performance review throughout the authority was taken as warranting the establishment of a separate policy and resources sub-committee with a wide area of responsibility and authority to make detailed investigation into any project, department or area of activity. This sub-committee would be chaired by a member of the policy and resources committee but would generally have a flexible membership reflecting the particular knowledge, skills or experience prescribed by the nature of the area to be examined. Reports of the sub-committee would be sent to the policy and resources committee and departments and appropriate committees would be given the opportunity to comment upon its findings. Bains went to great lengths to emphasise the constructive effects of performance review for both members and officers. It was envisaged as being essentially a two-way discussion process which would enable the official to ascertain how he was seen to have performed his duties and to give him the opportunity to make his own comments and suggestions about how he might perform his role more effectively.

With regard to departmental structures, the Bains group noted that having a number of departments grouped together under a director might lead to improved co-ordination and communication between those departments. However, Bains emphasised that the criterion for the grouping of departments must be close service interrelationship and not just a need to even out the workload between directors. Bains did not see the necessity for expanding the programme area principle, recommended as the basis for committee structure, into the sphere of service provision. Any attempt to make the two structures coincide on a programme area basis could, it was thought, reintroduce departmentalism on a grand scale. Bains presented a mixture of grouped and single departments in the same authority as the only logical solution.

If committee and departmental structures do not coincide then there is a need for interdepartmental working groups of officials to service the pro-

gramme committees whose areas of interest cut across departmental boundaries. Bains saw it as the responsibility of the chief executive and the management team to set up such interdepartmental interdisciplinary groups, each of which would be headed by a senior official appointed from a discipline appropriate to the specific task or project for which the group was conceived. Using this system, it would be possible 'to bring all the necessary professional skills together into a unified team with a defined objective or task and in so doing strengthen the corporate orientation of the authority'. The concept of introducing this horizontal, transitory element into the management structure is basic to a practical assimilation of organic management forms. Two types of interdepartmental groups were envisaged by Bains. These were, first, programme area teams grouped in relation to the overall objectives of the authority and responsible for giving advice on policy formulation and resource allocation and, secondly, project control groups with responsibility for overseeing the implementation of specific items of policy or individual projects. This combination of traditional vertical structure, represented by functional departmental hierarchies, and horizontal, departmental elements was intended to give local authorities the necessary flexibility. In organisation and management theory this type of vertical and horizontal design is termed matrix organisation or matrix management and is associated with high levels of organisational flexibility and adaptability. As Bains emphasised:

'The membership of teams (either operating at the level of programme areas or individual projects) can be amended or supplemented, new teams can be set up and existing ones disbanded as circumstances change. Herein lies one of the great advantages of this matrix system of management. By its nature it is flexible and adaptive, unlike rigid bureaucracy which we suggest it should replace.' (Bains et al, 1972 : 61).

This structure is illustrated in Figure 4.

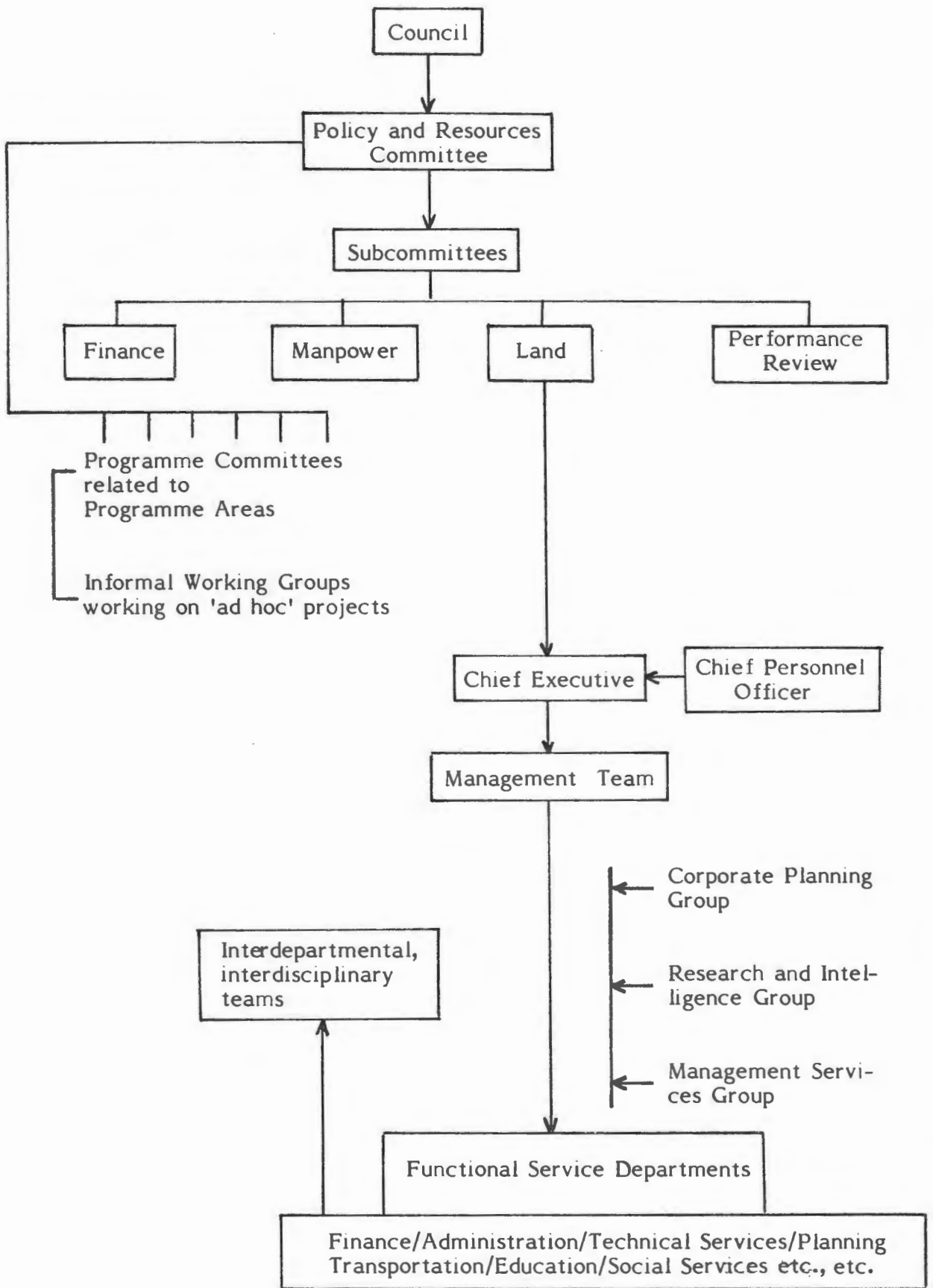


Figure 4 : The Bains pattern  
(Haynes 1980 : 60)

### 3.6 The Matrix Model

'Matrix design basically stems from a recognition of the fact that an organisation is, at any one time, both a hierarchical entity designed for functional efficiency and also a complex problem-solving entity which must respond to changing environmental conditions. These two dimensions within an organisation are reflected in what is termed the functional structure and the project structure. The project structure, represented in the present context by the interdepartmental groups, induces greater flexibility and an increased capacity for problem-solving. This is because expertise is concentrated and authority determined in a way dictated by the nature of the project or subject matter involved. Membership and leadership of such groups is flexible and dependent upon the nature of the immediate project or problem. Those who assume leadership by consensus as to their possession of relevant expertise need sufficient authority to overcome or prevent conflict of interests during projects and problem-solving exercises; exercises which would be characterised by complex patterns of interdependence between different departments. Thus an organisation adopting a matrix form must experience and formally recognise the existence within its managerial structure of a web of authority relationships that violates the traditional command pattern of hierarchical organisation.' (Haynes 1980 : 61).

The following can be identified as major characteristics of matrix organisation:

- a set of changing roles for each incumbent rather than a single constant role;
- a definition of relationships based upon 'ad hoc' project needs rather than generalised hierarchical position;
- assignments based upon individual expertise rather than fixed task definition.

This description emphasises the project dimension of matrix design which highlights the importance of lateral relationships and group working. The

introduction of such horizontal project elements within the organisation assumes a special significance when the introduction of corporate management structures is viewed as an attempt to import organic characteristics into a hitherto mechanistic organisational setting. Burns and Stalker (1961 : 121-2), in describing the essential features of the organic stereotype, emphasised the importance of lateral structuring and communication; the adjustment and continual redefinition of individual tasks; and flexibility in the location of authority, which should vary with the location of expertise in relation to the subject matter of a particular problem.

The project orientation is also emphasised by Thompson (1965 : 15) when describing the features of the innovative organisation which, he submits, should contain units which represent 'an integrative grouping of various professionals ... engaged upon an integrative task requiring a high degree of technical interdependence and group problem-solving'. Similarly, Greenwood and Stewart (1972 : 34), when examining the appropriateness of matrix organisation as a structural vehicle for corporate planning in local government, point to the benefits to be derived from the use of heterogeneous project groups. 'Use of heterogeneous groups secures the diversity of inputs that are required for the diagnosis of complex problems, and places the individual in challenging situations where expertise rather than formal position is of greater importance'.

Haynes (1980 : 52-62) saw the matrix form advocated by Bains as representing a possible structural response to the need for local authorities to adopt more organic structures and to increase their adaptive and problem-solving capacity in relation to unstable and complex environmental conditions.

### 3.7 Concluding Comments

This Chapter has taken the format of presenting a summary of certain of the findings of the 'Maud Report' of 1967, the Report of the 'Royal Commission on Local Government in England' of 1969 and the 'Bains Report' of 1972. These three reports are concerned with the need for structural integration in local government organisations with a view to the adoption of a more

complete and general corporate approach to the management tasks of local government. The findings referred to in this Chapter will be taken into account in Chapter Six when the problem of formulating a set of guidelines for an organisation structure and process of management for the Municipality of Milnerton will be addressed. This Chapter has devoted a great deal of attention to the Bains Report. The author justifies this approach on the grounds that many of the viewpoints expressed in the Bains Report are in agreement with the views of the present author in regard to the municipal operation in Milnerton. In Chapter Seven an attempt will be made to offer specific proposals which might remedy certain of the apparent organisational weaknesses in the Milnerton Municipality. It will be argued that many of the recommendations put forward by the Bains Committee would have application in the Milnerton situation.

## **CHAPTER FOUR**

### **A MANAGEMENT BY OBJECTIVES APPROACH TO THE PLANNING PROCESS**

## CHAPTER FOUR

### A MANAGEMENT BY OBJECTIVES APPROACH TO THE PLANNING PROCESS

#### 4.1 Introduction

In chapter three the emphasis was on a corporate approach to the management of local government. In order to achieve this an organisation must build a team effort and weld individual efforts into a common effort. Each manager's job must be focused on the success of the whole organisation. The performance that is expected of the manager must be derived from the performance goal of the organisation and his results must be measured by the contribution they make to the success of the entire organisation. The manager must know and understand what is expected of him in terms of performance and his superior must know what contribution to demand and expect of him. If these requirements are not met, managers are mis-directed and their efforts wasted. Instead of team work there is friction, frustration and conflict. (Drucker 1968 : 150). To ensure a systematic approach to the management process it will be necessary to formulate a set of objectives in all fields of the Municipality's activities and to review on a continuous basis the progress in achieving these objectives. In developing the above argument this present chapter considers adopting a management by objectives approach to the planning process. Several models of the planning process are described and it is shown that there is a need for the planning process to be goal-orientated. An attempt is then made to explain management by objectives, its advantages and shortcomings and how it might be implemented.

## 4.2 Planning as a Goal-orientated Process

Eddison (1973 : 12) offers Dror as a base from which to analyse the nature of planning and highlights the notion of planning as a process in the following definition:

'Planning is the process of preparing a set of decisions for action in the future directed at achieving goals by optimal means of learning from the outcome about possible new sets of decisions and new goals to be achieved.'

A plan should be conceived at the outset as something which will change and which should change. It is about adaptation and is a continuing process during which events will take place, objectives be realised and projects completed. The process, however, continues. (Eddison 1973 : 13).

## 4.3 Models of Public Policy-making

Dror has produced a summary of six normative models of public policy-making. They are (1) the pure rationality model; (2) the economically rational model; (3) the sequential-decision model; (4) the incremental-change model; (5) the satisfying model; and (6) the extra-rational-process model. These are referred to by Eddison (1973 : 19-23) as follows:

### The Pure-rationality Model

This model includes six phases:

- establishing a complete set of operational goals, with relative weights allocated to the different degrees to which each may be achieved;
- establishing a complete inventory of other values and of resources with relative weights;
- preparing a complete set of the alternative policies open to the policy maker;

- preparing a complete set of valid predictions of the costs and benefits of each alternative, including the extent to which each will achieve the various operational goals, consume resources, and realise or impair other values;
- calculating the net expectation for each alternative by multiplying the probability of each benefit and cost for each alternative by the utility of each, and calculating the net benefit (or cost) in utility units;
- comparing the net expectations and identifying the alternative (or alternatives, if two or more are equally good) with the highest net expectation.

In almost every situation in local government the establishment of a complete set of operational goals will be impossible and assigning exact weights or even reliable indices will be almost equally so.

#### Economically Rational Model

It is difficult to achieve pure rationality in real policy-making. This model advocates that the various phases of pure-rationality policy-making should be developed in practice only insofar as it is economical to do so, that is, insofar as the opportunity cost of the input (in terms of what else could be done with the resources) into making policy-making more rational is less than the benefit of the output (in terms of the marginal improvement of the policy's quality). The idea of this model is to be only as rational as is economical.

#### Sequential-Decision Model

The basic idea of this model is that if some of the information needed to succeed in an activity can be learned only during the early stages of carrying

out that activity, the more promising alternative ways to carry it out should be undertaken simultaneously, and the decision as to which is the best alternative should be delayed until the information has been learned. When initial uncertainty is high, when different paths can be tried out at the same time in order to learn important information from their first stages, and when time is at a premium, then the sequential-decision model can be an important guide on how to time experimental policies and delay decision on one definite policy so as to reduce both uncertainty and wasted time as much as possible.

### The Incremental Change Model

In terms of this model decision-making is (1) incremental or tending towards relatively small changes; (2) remedial, in that decisions are made to move away from ills rather than towards goals; (3) serial, in that problems are not solved at one stroke but rather successively attacked; (4) exploratory, in that goals are continually being redefined or newly discovered; (5) fragmented or limited, in that problems are attacked by considering a limited number of alternatives rather than all possible alternatives; and (6) disjointed, in that there are many dispersed 'decision points'.

### The Satisfying Model

This model recognises that a search for alternatives must in fact go through the following stages. First, policy-makers identify obvious alternatives based on recent policy-making experience, and evaluate their expected payoffs in terms of the satisfactory quality. If an expected payoff is considered to be satisfactory, that alternative is carried out without trying to find additional alternatives that would have higher payoffs. Only when all the expected payoffs from the obvious alternatives fall below the satisfactory quality do policy-makers try to find more alternatives. Alternatives are searched for in this manner until one with a satisfactory payoff is found, or until the policy-makers despair of doing so and lower their standards for what they consider to be satisfactory. In either case, the end result

is that policy-making tends to achieve satisfactory quality but not, in most cases, optimal quality.

### The Extrarational Model

This model attempts to wrestle with intuition and judgment. It states that extrarational processes play an essential, often major role in policy-making.

"If we knew the characteristics of the extrarational processes, which perhaps include many different and separate processes with different, specific features, we could allocate them defined roles in optimal policy-making, depending on whether their net output in a certain case is higher than that of 'more rational' methods. Since we don't know even that much about extrarational processes, we have no way, even in theory, to decide what their optimal role in policy-making might be. But we should not, on that account, underestimate their importance in either actual or optimal decision-making and policy-making, which the decision-sciences literature often does. Instead, I think the evidence about extrarational processes, unclear as it is, forces us to accept in part (after careful screening) the policy-makers' introspective and observational impressions about the importance of extrarational processes in policy-making, and leave the burden of proof on those who argue that such impressions have no validity at all. There are perhaps enough indications so far to make some sort of 'prima facie' case for the claim that extrarational processes are sometimes a better method for policy-making (and have a higher net output) than pure rationality, even if the latter is feasible. Whether policy-makers regard extrarational processes as being sometimes ideal or not, they have little choice but to rely greatly on them. The question thus becomes the less 'sensitive' one of what is the best possible mix of rationality, extrarationality, and their various subtypes; and of how to create conditions that will allow these two different components of policy-making to work together." (Eddison 1973 : 22-23)

Many models of the planning process have been advanced, often given expression in some variant of Figure 5.

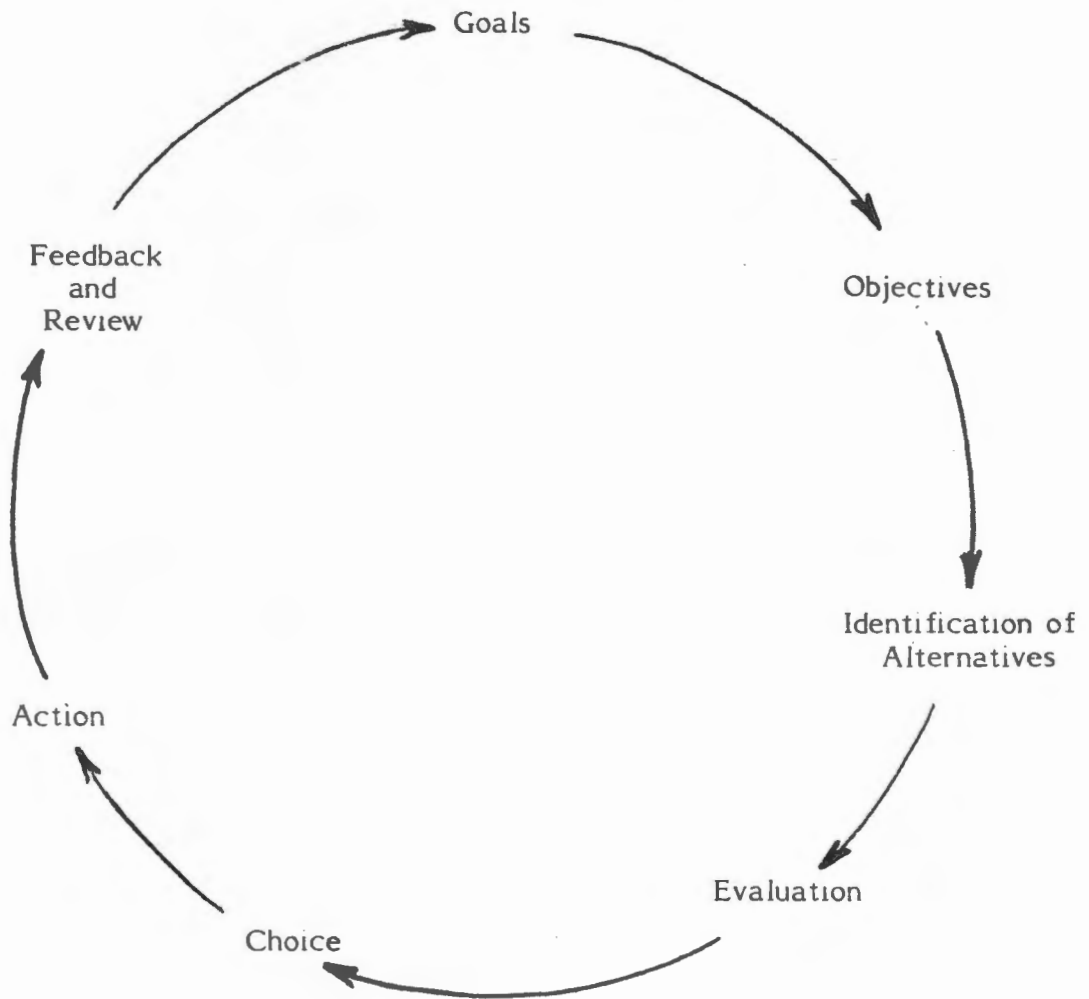


Figure 5 : Model of the Planning Process

If the basis for the model referred to in Figure 5 is accepted then it is apparent that there is a need for the planning process to be goal-orientated. Eddison draws a distinction between a goal and an objective as follows:

"Goals are statements of directions in which planning or action is aimed. They derive from human values and as such are ethical, that is empirically untestable. They are fundamental in that they stem from the apparently insatiable wishes of the human species for greater self-fulfilment. As such they would not be suddenly changed or abandoned. They are ideals over a horizon which will never be attained, since progress towards them over time implies their reformulation in yet higher ideals. Objectives on the other hand, are seen as specific steps toward the attainment of a goal, and thus although an end in itself, also as the means of achieving a more distant goal. They are attainable, and thus factual as opposed to ethical, in that the degree of attainment can be specified, measured and tested." (Eddison 1973 : 26).

The emphasis on goals and objectives marks a move away from rigid plans, standards and regulations, towards a commitment to the idea of planning, to the process itself. Eddison quotes M.M. Webber as follows:

"... the test of a governmental planning effort's effectiveness can be applied only on the output side of an activity, never on the input side ..." (Eddison 1973 : 27).

The notion that policy-makers can have grasp and understanding of the overall public interest is untenable. The problems the policy-making machine chooses to focus on, those it ignores or those it remains ignorant of altogether, are a reflection of its values and preferences. So too are the solutions and priorities it chooses to adopt relative to those problems. It is not possible to devise a value-free approach to policy-making. All groups in the community cannot be satisfied. Public policy-making is essentially a conflict situation and the conflict centres on values. It is often argued that democracy is the carrying out of the will of the people and interest in values should stop

there if anything is to get done. In other words, it is strongly felt that 'values' are adequately represented. Most people would agree with the sentiments behind goals such as the 'prevention of fires' or a 'free library service for residents' or the 'provision of parks'. The difficulty arises when one goal is seen as being more important, as having greater priority over another, or that some ways of achieving these goals are infinitely better than others. More than likely viewpoints of what is better or what is more important is dictated by personal values. Traditional local government operates within the democratic framework where goal setting and the establishment of objectives has to be performed within the cut and thrust of local and national politics. (Eddison 1973 : 28 - 29).

#### 4.4 Management by Objectives in Local Government

It is on the objectives of the individual that management by objectives focuses mostly. It is sometimes known as 'performance planning', 'improving management performance' or simply MBO. It is an attempt to introduce system into what is often being done already and relies to a degree on measurement, which is not always easy in many aspects of the work of municipalities. The difficulty of measurement or evaluation is often advanced as a reason for not attempting it. This has its dangers as does the converse of introducing spurious accuracy in a field which is rightly the field of political values.

There is a series of different levels of objectives:

- (a) the local authority or agency objectives;
- (b) the departmental or sectional objectives derived from (a); and
- (c) the individual officer's most important tasks in securing or making his contribution to (b) and hence (a). (Eddison 1973 : 199).

#### 4.5 One Cornerstone of Management by Objectives - a Participative Style of Management

One cornerstone of management by objectives is a participative or democratic style of management. This is based on the theory that:

- the expenditure of physical and mental effort in work is as natural as play or rest. The average human being does not inherently dislike work. Depending upon controllable conditions, work may be a source of satisfaction (and will be voluntarily performed) or a source of punishment (and will be avoided if possible);
- external control and the threat of punishment are not the only means for bringing about effort toward organisational objectives. Man will exercise self-direction and self-control in the service of objectives to which he is committed;
- commitment to objectives is a function of the rewards associated with their achievement. The most significant of such rewards, e.g. the satisfaction of ego and self-actualisation needs, can be direct products of effort directed toward organisational objectives;
- the average human being learns, under proper conditions, not only to accept but to seek responsibility. Avoidance of responsibility, lack of ambition and emphasis on security, are generally consequences of experience, not inherent human characteristics;
- the capacity to exercise a relatively high degree of imagination, ingenuity and creativity in the solution of organisational problems is widely, not narrowly, distributed in the population;
- under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilised (Eddison 1973 : 200-201).

A system of management by objectives also relies on a freeing up of relationships between subordinate and superior. It demands a frank, critical dialogue between individuals in this relationship and also generally throughout the department or organisation in which it is being applied. The object behind this is to produce constructive information which should contribute towards the improvement of the performance of individual officials, of groups of officials and even a whole department. So often in any organisation peers will discuss, and complain to one another about the shortcomings of the organisation, but all too often the complaints are never put to anyone who is in a position to take action to alleviate the problem. Conversely, an official may be conscious of some weakness or failing in one of his subordinates but avoids discussing it with him when in practice this may well be the opening up of the way to a remedy. Is it kinder to leave a man ignorant of his weaknesses in his job or to tell him about them? There can be no rule laid down - it will vary, but if the atmosphere is created where criticism, both up and down, is commonplace rather than the exception, then the task is easier - it has a meaningful framework. The system should not be imposed without some appreciation or awareness of the problems which are likely to arise in this area. Everyone involved in the system will adopt his own approach - some exchanges will be frank and free - others will be very restrained. The important point about the frank exchanges is that they should be purposive and systematic (Eddison 1973 : 201).

#### **4.6 Key Tasks Analysis**

If the object is to improve the performance of a department through improvements in the individual's performance, then it is on these key activities that attention should be focused. The first step clearly is to identify these key tasks - perhaps five or six of them, as being those tasks upon which the individual's contribution towards departmental objectives depends most. The identification and subsequent analysis of these key tasks is one of the important features of management by objectives. (Eddison 1973 : 202).

In the first instance the process of key tasks analysis is undertaken by the individual official himself by defining his own key tasks. The Municipality

of Milnerton recently employed a firm of consultants to undertake an evaluation of all salaried posts on the Council's fixed establishment. One of the first steps in this regard was the completion of a job description schedule in respect of each post. The format used is attached as Appendix " C " and required the incumbent of a post to identify the key functions of the position. The immediate supervisor as well as the departmental head were then required to approve the job description. In this regard the groundwork necessary for a management by objectives approach has already been undertaken and completed in respect of all the salaried posts of the Municipality. Having established to his own satisfaction what are his key tasks the official himself then attempts to identify or suggest his results to be achieved or the standard of performance in relation to each key task. What is being sought here is some indicator by which an official can judge to what extent he has been successful in achieving or completing his key tasks. These will take a variety of forms. The standard will sometimes be a continuing one. For example, a treasurer responsible for payment of wages and salaries may be expected to have inaccuracy in no more than one payment in five hundred. This type contrasts with the target where an official establishes a time within which some particular action shall be carried out.

#### 4.7 Standards of Performance

Wherever possible the results of performance should be quantifiable but there is a danger in striking false measurable standards. In most cases there will not be one single measure but a range of measures or indicators related to each key task. Apart from the test of usefulness there is another crucial factor which may determine the validity of a standard of performance and this is the availability of control information. The question has to be asked, 'If the information is not available, can it be made available and if so, at what cost or trouble. In doing his own key tasks analysis the official must specify whether the control information he requires is available and in what form, or, if it is not available, what he requires, how he sees it being collected, and so on. The final component of the key tasks analysis is a statement of what action the individual can take to improve his performance,

the action he thinks his superior should take, and what other steps he feels might be taken possibly at a higher official or member level towards the same end (Eddison 1973 : 203 - 204).

The system actively induces officials at various levels to give consideration to their working environment in a wide sense and to suggest ways of improving it relative to the achievement of their key tasks. In practice it may be helpful to use a standard form to assist the official in undertaking his own analysis.

The analysis would then be discussed between the official and his superior who will have been analysing his own tasks. Their discussion will be structured under various heads and making mutually agreed changes, they will eventually establish for the subordinate:

- the key tasks;
- the results to be achieved;
- the control information which it is reasonable for the officer to have;
- the suggestions the official has made for action he can take;
- that which the superior might take;
- the items for action at a higher level.

At the end of this process of analysis each individual official has his plan of action for the period ahead, usually about six months, complete with the agreed supporting acting of his superior. This is known sometimes as a 'job improvement plan'. (Eddison 1973 : 205).

A prerequisite of any system of management by objectives is a review procedure. This could take place after approximately six months from the operation of the first job improvement plans. The results of standards of performance set in the plan are discussed in relation to the control information. If the

results set have been achieved the question of whether the standard should be set higher is discussed. If the results have not been achieved the reasons must be ascertained. The approach, having discovered shortfalls in performance, is jointly to decide on remedial action.

At the analysis stage, and subsequently in the job improvement plan, action of varying kinds will have been agreed by the superior himself. To assist the subordinates in the achievement of their performance standards, the superior will have undertaken certain supportive action. The review period examines his performance in respect of these. Out of the discussion at the review stage will emerge -

- a revised set of results or standards of performance, some of which will remain, some stepped up, some revised downwards or even eliminated. In the first review period and maybe at subsequent reviews the key tasks themselves may be seen to be ill-defined and they will be re-formulated;
- action to be taken in the next period to improve performance or to assist improvement by
  - the individual official;
  - the superior;
  - a higher level;
- some indication of appropriate training if this is necessary - e.g. report writing, project control, or perhaps some specialist technique related to the post in question.

From these results the revised job improvement plan will be compiled and the cycle repeated (Eddison 1973 : 208-209).

#### 4.8 Departmental Improvement Plan

During the whole of this process a range of items will have emerged which seem to require action at a fairly high level. Any departmental head who is anxious to keep his department's performance at acceptable levels will show close interest in these trouble-spots as being those items identified by his staff as having impeded the work of the department.

Although certain officials may blame the management by objectives system, others will regard it as important new information impacting upon the efficiency or effectiveness of the department and will look at it critically. It should prompt questions which will direct attention to the need for action on some of the points if not all of them. Out of these discussions will be produced the departmental improvement plan.

Some management by objectives exercises begin with a departmental improvement plan or at least begin by looking at objectives of the department. It does not focus on individuals but on groups or sections and insofar as it is impersonal it is more likely to command support and attention. On the other hand it can be seen as a way of avoiding the issue of the individual in his job which sooner or later has to be faced (Eddison 1973 : 209 - 210). For an approach such as 'management by objectives', which has at its centre a strong participative element, it is vital that it is understood by the staff.

One of the most difficult aspects is the measurement of performance. Some officials will insist that their job does not lend itself to measurement and advocates of management by objectives who press hard for precise numerical measurement are probably doing a good deal of harm. However, a performance standard or a combination of standards, whether precise or merely a vague indicator, which enables an official to judge his performance against his key tasks, is a good one. Management by objectives relies on participation, on critical self-examination, on appraisal by working associates, and on a free exchange. A large part of the staff must, therefore, be committed to it and especially at the level of top management.

The whole system is participative and 'democratic' but at the same time must recognise the hierarchical nature of the organisation. The degree of sophistication and the effort and resources devoted to it, must bear a sensible relationship to the likely results to be achieved. The amount of control information and forms to be completed should be kept to a minimum. The system should ideally be set up to encourage the individual himself to want information which will enable him to judge his own performance and to want to discuss it with his superior (Eddison 1973 : 211).

#### 4.9 Some Advantages of Management by Objectives

"Management by objectives ... substitutes for control from outside the stricter, more exacting and more effective control from the inside. It motivates the manager to action not because somebody tells him to do something or talks him into doing it, but because the objective needs of his task demand it. He acts not because somebody wants him to but because he himself decides that he has to - he acts, in other words, as a free man." (Drucker 1968: 167)

This is the strength of management by objectives and from it flow a series of other benefits.

- it clearly concentrates an official's attention systematically on his important tasks and thus forces him away from the unimportant, the trivial, perhaps those jobs which he enjoys doing which he has brought with him from his previous post. As a corollary it almost inevitably improves delegation to his subordinates or it may result in the discontinuance of some practices either because they are no longer relevant and necessary or because better ways can be envisaged of achieving the same end;
- the system focuses attention and often forces action on problem areas which previously may not have been known of at the level where action can be taken. Where action is not taken, explanation and justification is called for;

- it could lead to relevant training through the identification of areas of weakness in the performance of an official. Where training cannot help it might reveal the need to transfer an official to another post where his skills are more closely related to the tasks involved;
- it highlights wasted talent and forms an essential key to promotion by results over a period of time. Too often promotion is based on an isolated piece of 'good performance' at the right time rather than a consistently good standard over a period. Some schemes of management by objectives are linked to payment by results. Quite apart from the difficulties of application in the public sector, the question is worth raising as to whether such a link would be counter-productive. With a wide range of performance standards, some more readily measured than others, there is ground for doubting whether payment by results could really be operated equitably and with no ill-effects on the more fundamental advantages of the system (Eddison 1973 : 212).

J.D. Stewart is quoted by Eddison (1973 : 33) as follows:

"For the authority to set its objectives, is to determine the relative rate of progress in achieving its various goals. Objectives can be set for differing periods. The specific objectives are unlikely to be achieved in the defined time-span. That barely matters. A standard is being set. Time is being used to measure relative speed. The objectives set are a function of the resources that the authority is willing to devote to meeting the needs and problems delineated by its goals. To set objectives is to indicate priorities in the use of resources. It is a political decision. Objectives must be set by councillors. This should perhaps be recognised as their central task. For to set objectives implies a review of policies. To set objectives is to confirm policies or to modify them. Objectives should not be set in the abstract. The objectives must be based both on an understanding of the present position of the authority, of the environment in which it is placed and of the constraints upon it. The analytical process and the political process combine in the setting of objectives. The important relationships here are between the politicians, the professionals and the clients. Handled constructively a framework of

goals and objectives provides at once a basis for choice and debate. Thus goals and objectives are not simply terms which appear at the early stages of a theoretical rational model - they are not static. They give point to both the political and technical planning processes, if these processes are approached in certain ways".

#### **4.10 Concluding Comments**

There is a need in municipal organisations to give common direction of effort, to establish team work and to harmonise the goals and objectives of the individual with the overall goals of the organisation. Management by objectives appears to offer some of the answers in this regard. Efficiency and effectiveness in the determination and attainment of these objectives are largely dependent upon the correct identification by a municipality of real needs on the part of the community. One of the major problems envisaged is the ability to measure performance. The belief, however, is that if an official used a set of key tasks and performance indicators as a framework for reflection and reflects honestly then he is genuinely learning. He may rationalise, he may fail to take remedial steps, he may lay blame anywhere but on himself, but even so he is a step ahead of the man who never reflects on his own performance in a critical way. The object is to spark off self-criticism and the desire to seek self-improvement. A general point about performance indicators is that many of them will not reveal much in themselves over one period of time. Much more revealing are changing patterns of performance. How does performance seem on reflection, to be different in a particular area than from what it was a year ago? This aspect will be dealt with in greater depth in the next Chapter which deals specifically with efficiency and effectiveness in the municipal organisation, and again in Chapters Six and Seven.

**CHAPTER FIVE**

**EFFICIENCY AND EFFECTIVENESS**

## CHAPTER FIVE

### EFFICIENCY AND EFFECTIVENESS

#### 5.1 Introduction

Chapter One introduced the reader to the nature, functions and powers of municipalities, the historical development of municipal government in the Cape Province, recent constitutional developments affecting municipalities, and some of the constraints within which municipalities must function. In Chapters Two to Four various principles, theories, approaches, factors, etc. concerning organisation structure and the management process were described. The various concepts were discussed in general terms i.e. without specific reference to a particular organisation. This research work purports to suggest some guidelines for an efficient and effective organisational structure and process of management for the Municipality of Milnerton. All the factors, principles, etc. which were discussed in earlier chapters will impact, albeit in varying degrees, on the efficiency and effectiveness of an organisation.

Before attempting to formulate a set of guidelines on organisation and management for Milnerton it is necessary to pose some additional questions.

For example, "what do some of the leading and most experienced practitioners in municipal government in South Africa consider to be factors most likely to promote the optimization of efficiency and effectiveness in a municipal organisation?"; and, "what do the officials of the Municipality of Milnerton consider to be factors which are presently inhibiting the optimization of efficiency and effectiveness in this specific Municipality?". In an effort to obtain some of the answers to these questions the author has recorded viewpoints expressed during informal interviews/discussions with a number of officials in local government (refer Appendices "A" and "B" for the names of the persons involved). The viewpoints expressed are recorded in this Chapter and are also taken into account by the author when an attempt is made to formulate a set of guidelines on organisation and management for the Municipality of Milnerton in Chapter Six.

In addition, this present Chapter purports to clarify the meaning of the terms 'efficiency' and 'effectiveness' and in this regard elaborates on aspects such as 'performance measurement', 'motivation' and 'human behaviour'.

## 5.2 The Meaning of Effectiveness and Efficiency

Municipalities are examples of instrumental organisations with voluntary membership. The degree of success of instrumental organisations is usually measured in terms of effectiveness (do they deliver the right goods/services?) and efficiency (do they provide the goods/services economically?).

The effectiveness of an organisation is judged by its interested parties (or stakeholders). They decide to which extent the goods/services actually delivered are meeting their expectations. This may be presented as follows:

$$\text{Effectiveness} = \frac{\text{What is actually delivered}}{\text{What is expected}}$$

The expectations of one stakeholder of the organisation usually differ from, and sometimes clash with, those of another interest group. For instance, ratepayers expect to pay low rates while employees expect to be paid high wages and salaries. This example also shows that, although effectiveness is usually the decisive criterion to stakeholders, efficiency is no less important. There is a limit to what is affordable, however meritorious it may be.

Management plays a key role in ensuring effectiveness and efficiency. Effectiveness is usually one of the major responsibilities of top management. Although top management is also responsible for efficiency, the real contribution to efficiency usually depends on middle and first-line management (Gouws 1986 : 1).

Efficiency denotes the 'how' of government action; in other words, the ways in which functions and activities are carried out. Effectiveness denotes the result of such function or action, in other words how 'successful' it is. In practice it means that an authority may be efficient in its actions without

being effective, that is, without achieving the optimal realisation of its purposes (Rowlands 1986 : 211).

There is not always agreement on the meaning to be attached to the concepts of efficiency and effectiveness. As regards public and local authorities, efficiency and effectiveness have also been presented as follows:

- efficiency represents the ratio of service rendered to inputs or real costs; and
- effectiveness is the product of ratios reflecting the satisfaction of needs and the quality of service.

A comprehensive criterion of effectiveness would therefore have to cover both the quantity (e.g. the percentage of the community receiving the service) and the quality (e.g. the percentage of satisfied recipients) of the service (Browne et al 1980 : Vol.1, 61).

Efficiency and effectiveness in an organisation are characterised by certain generic properties. First, both denote purposeful action. The second is implicit in that an efficient and effective organisation constitutes an internal goal of an institution. Thirdly, the degree of efficiency and effectiveness is largely determined and controlled by the human element; and finally, an efficient and effective organisation as an internal sub-objective is directly related to the external objectives of institutions which may be stated as the efficient and effective provision of services and the satisfaction of needs (Rowlands 1986 : 212).

### 5.3 Efficiency and Effectiveness in Organising

Efficiency in organising is manifested mainly in the manner in which the function is carried out. For example, the manner of putting it into effect is related to such factors as cost-effectiveness and the optimal use of manpower and skills. On the other hand, effective organising is closely bound up with the purposefulness of efficient functioning. It is such intentional

purposefulness that determines whether an efficient and effective organisation has in fact been set up and maintained. In separation, however, efficiency and effectiveness are meaningless, because both elements bring about optimal execution of the organising function only in joint operation. It follows that efficient and effective organising has as its objective, an efficient and effective organisation. In the case of an organisation the same principles hold good, since the efficiency of an organisation reinforces its effectiveness. It is necessary therefore that both efficiency and effectiveness should be present to bring about efficient and effective government action (Rowlands 1986 : 212).

The data on efficiency and effectiveness confirm that both the human being and the objectives of an institution are central to the optimal realisation of the organising function and its product, namely the organisation. Inherent in human beings are their behaviour, actions and abilities, which in turn can influence the achieving of the optimal identification, definition and realisation of goals. It is here that the function of management comes to the fore, since it will depend mostly on management how the available resources are put to optimal use to promote and maintain efficiency and effectiveness both internally and externally. Tiffin and McCormick (1966 : 369) put this in perspective by stating: "One of the most persistent and perplexing problems in the management of organisations is that of achieving reasonably optimum use of the talents of individuals in the organisation."

#### **5.4 Efficiency and Effectiveness : Some Important Factors**

In South African Public Administration the following factors are generally considered to be of primary importance for efficiency and effectiveness in organising (Cloete 1981 : 89-98):

- identification of need;
- structure creation;
- determination of authority;
- preservation of unity of authority;
- span of control;

- delegation;
- centralisation and decentralisation;
- control and supervision;
- flexibility; and
- co-ordination.

Whenever efficiency and effectiveness as phenomena in the public sector are closely examined, the question of their measurability immediately arises. These phenomena are difficult to quantify and qualify in terms of effectuation of aims, since the public sector works mainly for such intangible objectives as 'the promotion of the general welfare' or 'the creation and maintenance of satisfactory urbanisation'. Moreover, goal-achievement in the public sector, in contrast to the private sector, cannot be judged by material profit but rather by general utility. These limitations do not absolve the public sector from the obligation to make a purposeful attempt to achieve efficiency and effectiveness. On the contrary, there are certain areas of government action that are particularly suited to it, including the organising function and the organisation.

### 5.5 Performance Measurement

Performance measurement is a general term that covers any systematic attempt to learn how responsive a local government's services are to the needs of the community and to the community's ability to pay. There is a variety of measurement techniques such as citizen surveys, work measurement and trained observers. Many terms are used to describe measurement efforts, including effectiveness, efficiency, workload, productivity, cost-effectiveness, cost-benefit analysis and programme evaluation (Epstein 1984 : 2-3).

It will be apparent that any endeavour to improve efficiency levels would be facilitated through the establishment of measurements of output for each of the functions performed by municipalities. In Milnerton this could be achieved by setting up a committee of councillors and/or officials in order to review the performance of each section of the Municipality's opera-

tion, and reliable output measurements should be of considerable assistance in this regard.

It is most unlikely that any meaningful comparison will be possible as between local authorities in regard to the costs of carrying out functions as there can be substantial differences in costs between local authorities because of, inter alia, the following reasons:

- different physical characteristics;
- differing dates of construction of capital projects;
- placement of responsibilities in different departments;
- differing accounting policies - particularly regarding interest and redemption charges (Browne et al 1980 : Vol. 2, 45).

The objective of providing statistics would therefore not assist meaningfully with inter local authority comparisons as too many adjustments (possibly arbitrary in nature) will have to be made to place the comparisons against a common background. This is not the intention in this present work.

However, it is extremely valuable for the Municipality to make use of its output statistics so that it can determine whether, relative to itself, it is improving in cost-effectiveness over a period of time. Such statistics should make it easier for the senior management of the Municipality to budget for future operations and also to take policy decisions as to whether or not it is preferable to improve a particular aspect of its services rather than some other aspect, or alternatively, to economise and possibly reduce levels of service in certain directions. This would occur where such levels are considered by the decision makers to be unnecessarily high relative to the cost incurred and the benefits obtained therefrom. The statistics will also be of considerable value in other areas such as, for example, the formulation of tariffs.

Due to the nature of things, it is not always possible to establish units of output for all the services conducted by a municipality and in these cases other units of measurement can be applied, for example, the size of the municipal population. Furthermore, it is possible to give consideration to both financial unit costs and also other ratios which may help to give a picture of the cost effectiveness of the local authority, for example:

- cost per head of population
- admittances per head of population
- population per head of staff
- admittances per head of staff
- percentage losses in distribution
- load factor.

(Browne et al 1980 : Vol. 2, 46)

Performance measurement should not be seen as an end in itself. If the performance information collected is not used then it is simply not worth the cost involved of collecting and reporting such information. Three possible uses for performance measurement relate to improved decision-making, improved service performance and improved public accountability. Performance measurement by itself will not improve the performance of the organisation. People make decisions to take actions to improve performance and measurement helps by providing some indication of the possible results of an action before it is taken, or of the results of a decision before it is made.

The elected representatives of a town council are elected primarily because of their voter recognition and confidence and not necessarily for their analytical abilities. Elected representatives are accordingly not always considered a prime audience for performance measurement since they do not always have the time or ability to analyse detailed objective performance data, and their decisions are ultimately political. It is submitted, however, that, if carefully presented to elected representatives, performance reports can help them use their limited time more effectively. In many instances common sense must guide judgment, but judgment and common sense become much more reliable when guided by pertinent facts about service performance.

## 5.6 Motivation and Human Behaviour

Efficiency and effectiveness in organisations comprise an internal objective by which efficiency and effectiveness in the provision of services can be attained as an external objective. The organisation should be oriented towards promoting internal efficiency and effectiveness so that the optimal realisation of external purposes and satisfaction of needs may be achieved. Efficiency and effectiveness, both internal and external, depend mainly on particular human behaviour and actions as well as on the identification of real or true needs emanating from the society or community concerned. Internal efficiency and effectiveness require the co-operation and dedication of the people involved, and efficiency and effectiveness in turn directly depend on the correct identification and definition of objectives (need-identification and policy-determination). There is an interdependence between internal and external efficiency and effectiveness and the organisation can be efficient and effective only if correct and realistic external goals are set. Conversely, the determination of correct objectives would be futile unless the optimal realisation of internal efficiency and effectiveness were achieved.

The significant factors in this regard are those of motivation (internal efficiency and effectiveness) and utility (external efficiency and effectiveness). By motivation is meant that dimension of action directly related to the nature of human behaviour. The optimal use of members of staff and their talents are a prerequisite for internal efficiency and effectiveness. Tiffin and McCormick (1966 : 369) express this as follows:

"This is a two-sided coin in that to achieve this objective, two conditions must obtain. In the first place, the individual must be willing to apply his talents; he must be motivated. And, in the second place, the characteristics of the organisation (its structure, policies etc.) must be such as to encourage such motivation and to facilitate the efficient use of personnel in working towards its objectives."

Human behaviour on the one hand depends directly on motivation and on the other is largely determined by the nature of the organisation. Human behaviour and action are also closely associated with a person's state of mind. Mental condition is susceptible to influence, being largely conditioned

by one's needs. Thus it is inferred that it is possible to influence human behaviour either positively or negatively. Individual stimuli that may apply in this instance include the following (Tiffin and McCormick 1966 : 370-371):

- positive formal stimuli: financial reward, bonuses, promotion, responsibility, trust and autonomy;
- negative formal stimuli: reprimands, warnings, disciplinary measures, demotion, withdrawal of responsibilities, and lowering of earnings;
- positive informal stimuli: friendliness, fairness, acceptance and respect;
- negative informal stimuli: mistrust, ganging-up, criticism, despotism and impersonality.

These stimuli have a distinct influence on the behaviour of members of staff but the nature of formal organisations should not be left out of account. For example, a rigid structure of formal authority could in certain circumstances exert a negative internal influence on the will and spirit of its members. It should be clear, therefore, that the motivation of an employee could play an important part in the endeavour for efficiency and effectiveness, both internally and externally.

Efficiency and effectiveness, whether external or internal, are first and foremost the responsibility of the management of an authority. Material efficiency and effectiveness (e.g. cost-effectiveness and time saving) in an organisation, although important, have little value without motivation and utility (Rowland 1986 : 215).

### **5.7 Study Tour of the Major Cities : Findings**

The major Cities were identified as being Cape Town, Johannesburg, Durban, Pretoria and Port Elizabeth. A statement of objectives of the study tour is attached as Appendix " A " and need not be reiterated here. However, the primary reason for undertaking the tour may be cited as the desire by

the author to meet with experienced practitioners in the field of municipal government and to derive some benefit from their practical experience. In this regard the tour was meaningful in that interviews based upon open-ended questions were granted to the author by several leading figures in each of the 'major Cities'. The purpose of these interviews was to seek information of a subjective nature in the form of attitudes, beliefs and opinions of the persons being interviewed. Further, an attempt was made rather to create an impressionistic picture of certain aspects of local government management and organisation structure as viewed from the perspective of selected practitioners in local government, than to create data for quantitative analysis. Certain of the persons approached for interviews are among the leading figures in local government in South Africa and on this basis the author attached importance to their personal viewpoints on the subject being researched.

In terms of design the interviews may be described as unstructured. All persons interviewed were requested to identify and discuss, in the light of their personal experiences, the factors which they considered most likely to optimise efficiency and effectiveness in a municipal organisation.

All discussions which took place during the interviews were recorded on tape. A list of the officials with whom discussions were held for the purpose of this thesis is attached as Appendix " B ". Of particular import in the context of this present study is that a number of factors were identified which, in the views of those persons interviewed, are likely to contribute to the optimisation of efficiency and effectiveness in a municipal organisation. These factors may be listed in general terms as follows:

- the recognition of the Town Clerk as a chief executive rather than a 'primus inter pares';
- the need to establish a management group under the leadership of the Town Clerk the members of whom must assume responsibility for managing the affairs of the municipality as a whole, in addition to their individual departmental responsibilities;
- the ability to measure performance and in this regard the establishment of a set of goals and objectives with appropriate performance

indicators in respect of each of the services provided by a municipality;

- the need to establish a direct line of communication between the internal auditor and the chief executive;
- the need to offer, on a systematic basis, appropriate training for councillors and officials;
- the need to establish a research facility and data bank to assist the senior management in its forward-planning task;
- the need to improve and adopt a corporate approach to the management of a municipality with a view to promoting the co-ordination of the multifarious activities of the management operation and the meaningful allocation of resources in terms of priorities;
- the need to compile a manual of all policy statements;
- the need to formulate a capital development programme for the organisation. In this regard the period of three years, rather than five, was favoured;
- the need to adopt a remuneration policy which takes into account an evaluation of the post; the performance of the incumbent; the levels, patterns and trends in the employment market; and the ability of the organisation to pay.
- the need to establish clear lines of communication from the top to the bottom of the organisation;
- the need as far as is reasonable for the maximum delegation of authority down to the lowest possible level in the organisation's hierarchy;

- the need to adopt a matrix organisation wherever this is necessary to promote co-ordination of the organisation's activities through structural integration;
- the need to establish a clear definition of responsibility in respect of each of the posts in the organisation;
- the need to improve public awareness of the municipal operation and the problems it faces;
- the need for sound intergovernmental relations; and
- the need for sound intragovernmental relations.

It is not deemed necessary to argue either for or against each of the above statements. These are merely the general conclusions drawn by the author on the basis of the views expressed by officials with whom discussions have been held at each of the major Cities. Many of the officials interviewed, however, are among the leading personalities in South African municipal government and, as such, their viewpoints should not be ignored by the author when formulating a set of guidelines on organisation and management for the Municipality of Milnerton. The factors detailed above will accordingly be taken into account in Chapter Six which deals with the aforementioned 'Code of Organisation and Management for the Municipality of Milnerton.'

#### **5.8 Factors Inhibiting the Optimization of Efficiency and Effectiveness in the Municipality of Milnerton**

It is submitted that any systematic attempt to formulate a set of guidelines upon which to review the organisation structure and process of management at Milnerton should take into account apparent weaknesses in the present organisation structure and management process. Following on the above emphasis on the human factor in organisations, it is further argued that, apart from the author's personal experience with the organisation, the views of twenty-two officials of the organisation, (refer Appendix " D ") including

officials in all of the key senior management positions of the Municipality, represents a fair and reasonable basis upon which to base any such investigation concerning factors which appear to be inhibiting optimum efficiency and effectiveness in the organisation. Being cognisant of the apparent weaknesses in the present structure of the Municipality an attempt will be made to formulate a set of guidelines upon which to base an alternative organisation structure and process of management. In doing so the author will also draw upon the information presented in earlier Chapters of this thesis.

The following description of apparent weaknesses or factors inhibiting optimal effectiveness and efficiency in the organisation is based upon the findings of the present author, resulting from discussions with twenty-two officials in the organisation, and also the author's personal experience with the organisation. The information sought was of a sensitive nature and frank and open discussions were required and achieved. The interviews/discussions were accordingly conducted in an informal and relaxed manner and based upon open-ended questions. The purpose of these interviews was to seek subjective information in the form of attitudes, beliefs and opinions of the persons being interviewed. The officials interviewed represent a total of some 242 years working experience with the Municipality and as such the author considers the attitudes, beliefs and opinions of these persons, in regard to the subject being researched, to be significant in attempting to compile a set of guidelines on the management process and organisation structure of the Municipality. Further, an attempt was made rather to create an impressionistic picture of certain aspects of local government management and organisation structure as viewed from the perspective of selected officials employed by the Municipality of Milnerton, than to create data for quantitative analysis. In terms of design the interviews may be described as having been unstructured.

All persons interviewed were requested to identify what they considered were factors presently inhibiting the optimisation of efficiency and effectiveness in the Municipality of Milnerton.

All discussions which took place during the interviews were recorded on tape.

It should be noted that much of the information divulged and attitudes expressed during these discussions were conveyed to the author because he was known to the officials concerned and because of his position with the Municipality. In these instances it is submitted that this same information and expression of feelings would not have been forthcoming had these discussions been conducted with a person from outside of the organisation.

The apparent weaknesses in the organisation structure and process of management were identified and categorised as follows:

#### Lack of Co-ordination

In the present organisation structure the Town Clerk is not formally recognised as the chief executive of the organisation and is in fact a head of a department. The incumbent acts as a 'primus inter pares' (first among equals). This contributes to an unco-ordinated approach to the management of the Municipality's activities since all three of the senior heads of departments (Town Clerk, Town Treasurer and Town Engineer) deal directly with the Council and its Committees. The Town Clerk, when called upon to take decisions of a corporate nature, is not seen to be totally unbiased in regard to how such decisions will impact upon his own department. The absence of a chief executive appears to be one of the major reasons for the present state of the organisation which is based on separate functional units (departments) in each of which there is a professional hierarchy headed by a departmental head. Furthermore, the Town Clerk still retains full departmental responsibilities which inhibit his performance in regard to matters of broader issue since he is presently burdened with the day-to-day administrative duties of his department.

There is no formal group of senior officials which accepts responsibility for the affairs of more than only their individual departments. There is a lack of co-ordination in regard to the organisation as a whole including at the level of the full Council but this aspect is dealt with below.

Sixteen of the officials interviewed expressed the view that there is a definite need to improve the co-ordination and integration of the organisation's activities.

#### The Need for the Clear Definition of Responsibilities

There appear to be instances of confusion in regard to the exact responsibilities attached to specific posts at different levels of the organisation but particularly amongst the employees on the lower salary grades.

#### Receiving Instructions From More Than One Person

This appears not to be a serious problem in that it does not happen frequently. However, there have been instances when employees have received instructions from more than one superior and this has caused confusion and indecision when the instructions have been in conflict with each other.

#### Too Much Power at the Top

This view was expressed by officials at top and middle management levels and there would appear to be opportunities for improving efficiency through the greater delegation of decision-making powers to both top and middle management. It is felt that in many instances matters which should be decided by the officials are still being submitted to Council for decision. In these instances officials should be permitted to take such decisions within the parameters of broad policy guidelines. The present 'modus operandi' slows down the administrative process, generates paperwork and perhaps, most importantly, has a serious demotivating effect on the officials concerned and has prompted the question: "what are we here for?" It must be stressed that this demotivating effect on officials is not only applicable in the Council-officialdom relationship but also between the various levels of officialdom.

### Inadequate Means of Communication

All officials interviewed complained of the lack of communication within the organisation. It will not serve any additional purpose at this time to detail the instances of lack of communication which were quoted. It is necessary only to record that the problem is not only in regard to communication from top management to middle management but also in regard to communication upwards from the lower management levels.

### Job Designations which are Applied Inconsistently and which do not Describe the True Nature of the Position

It is apparent that since the establishment of the Municipality in 1955 the organisation has grown with the demands of the community. New posts have been created over the years and job designations allocated on an 'ad hoc' basis. However, from time to time although the responsibilities attached to various positions have changed, whilst the job designations in many instances have not. In respect of many of the posts at Milnerton the job designations are not meaningful and do not describe correctly the true nature of the job to which they relate. Furthermore, certain of the job designations are applied inconsistently in that specific 'titles', for example that of 'Director', are used to describe posts which are on different levels in the organisational hierarchy.

### Excessive Length of the Chain of Command.

There are instances in the organisational arrangements of the Municipality where the chain of command appears to be longer than necessary. The majority of the employees interviewed favoured a 'flat' structure rather than a 'tall' one.

### Inadequate Means of Measuring Performance.

The Council has no formal system for deciding priorities and no measures of effectiveness exist whereby proposals can be assessed in terms of their contribution to an outstanding need. Objectives are not clearly defined for any of the services and there are no reliable measures of efficiency and effectiveness. It is quite clear that there is a need to establish a means whereby performance might be measured. At the time of this research there is a distinct lack of information upon which managers are able to establish whether a specific service is being carried out in an efficient and effective manner. In regard to measuring performances of individual employees this also presented cause for concern. In fact, in regard to the basis upon which merit increments are awarded, this is very much a 'hit-or-miss' affair and results, it is submitted, in a very unfair basis for awarding merit increases in remuneration. A strong case can accordingly be made out for definite guidelines in regard to the matter of awarding merit increases.

### Ineffectiveness of 'Heads of Departments' Meetings

Whilst it is generally felt that these so-called 'Heads of Departments' meetings are necessary for some officials to 'keep in touch', it is submitted that more benefit could be derived from these meetings if they were conducted on a more structured basis and not merely for general information swapping as is the case at present.

### Councillors

Officials interviewed were prepared to discuss the performance of the Council and indeed were quite outspoken in this regard. On ethical grounds the present author is not prepared to document in any detail the findings on this subject. However, the performance of any municipality's council will impact significantly upon the efficiency and effectiveness of the municipal organisation concerned. For this reason the author cannot ignore the results of the various discussions held on the matter. However, it will suffice to deal with this

aspect in general terms only. Based upon the views expressed by the officials interviewed, the following conclusions can be drawn:

Firstly, the majority of the present Councillors of the Milnerton Municipality appear to lack understanding of the municipal organisation and its complexities. The feeling was expressed by most officials interviewed that this was not too serious in itself. However, it becomes a source of concern when the advice of senior officials is ignored when decisions are taken which impact directly upon the functioning of the organisation and its members. Instances were quoted when such decisions had resulted in a negative impact upon the efficiency and effectiveness of the Municipality.

Secondly, the majority of the present Councillors of the Municipality appear to lack the necessary understanding of the system of local government in general.

Thirdly, following upon the redelimitation of the municipal area into five wards and the concomitant appointment of two additional councillors, the Council is split into two distinct 'camps' and a considerable amount of in-fighting is in evidence. This is mentioned because the resultant effect upon officialdom has been considerable in terms of its negative impact upon morale and motivation with apparent adverse repercussions on the organisation's levels of efficiency and effectiveness.

Fourthly, inconsistent decision-making of the Council has been evident in certain instances in the past and has caused some embarrassment when those decisions have had to be explained to members of the public.

Fifthly, there is a tendency for certain councillors to be parochial in their approach to the business of the Municipality. A councillor's first responsibility is to the entire Municipality of Milnerton and not to a specific ward.

#### The Committee System

The system as at June 1985 provided for four standing committees. All eight councillors served on each of the four committees. The Town Planning Committee enjoyed full delegated powers and is in fact the only committee to

have had powers delegated to it. All decisions in respect of the three other committees are submitted to the Council (comprising the same eight councillors) for approval. Administrative action required in respect of the decisions taken by these Committees is needlessly delayed until after the Council meeting. The appointment of four committees instead of three is also questioned on the basis that the combined workload of the 'Public Health and Amenities Committee' and the 'Utilities Committee' does not warrant two separate committees.

### Controlling Legislation

Several examples were quoted where controlling legislation either slowed down the administrative process or precluded a specific course of action. In addition, most officials referred to the legislation concerning the controls imposed upon the remuneration of the town clerk which in turn limited the salaries of other officials. The question of control over the salaries of municipal officials in this manner was criticised by all officials interviewed and may safely be cited as one of the most serious demotivating factors amongst the senior officials of the organisation.

### Work Responsibilities not Commensurate with Level in the Organisation.

The view was expressed that certain senior officials were not involved in work commensurate with their position in the organisation's management hierarchy. In these instances the officials concerned were too involved with the relevant detailed workings and tended to neglect their management responsibilities in the broader perspective.

### Unfavourable Press Coverage

Of concern to most of the senior officials interviewed was the fact that recent press coverage of the Municipality had in certain instances been unfavourable and it was felt that this had had a negative effect on the staff

in general. ("We are being made to look silly"). The general feeling was that positive steps should be taken to improve relations with the press with a view to establishing a more understanding relationship with members of the press. This should encourage the various media to afford the Municipality an opportunity to comment on various matters before these are published.

### **5.9 General Observations**

It is necessary to record that each of the above viewpoints was expressed by at least twelve of the officials included in the sample group. With a few exceptions the views were advanced without any form of solicitation. The author is firmly of the opinion, therefore, that each of the above factors warrants prompt and careful consideration by the management of the Municipality. These factors will be taken into account in Chapter Six which deals with the preparation of a set of guidelines in regard to the formulation of an organisation structure and process of management for the Municipality.

It is acknowledged that it is not enough for any such set of guidelines to recognise only the weaknesses in the organisation as it exists at present. These guidelines must, of necessity, also take cognisance of the present strong or favourable aspects of the organisation such as the ready accessibility of senior officials, the spirit of camaraderie which exists amongst officials, etc. Any alternative proposals must retain the favourable aspects of the present organisation structure and management process. The approach of the author is to accept as a starting point the assumption that the Municipality is reasonably effective in serving the needs of the community but to acknowledge that there are apparently aspects of the organisation structure and management process requiring attention.

### **5.10 Concluding Comments**

In this Chapter the phenomena of efficiency and effectiveness in the municipal organisation were considered. An attempt was made to identify factors which, in the view of some of the most experienced municipal practitioners in South Africa, are likely to promote the optimization of efficiency and

effectiveness in municipal organisations. Human endeavour was identified as an important part of both the efficiency and effectiveness aspects of an organisation. Any attempt to improve the organisation structure and management process of an organisation must therefore take cognisance of the human element. Any review of the related situation at the Milnerton Municipality must, *inter alia*, take into account factors which are inhibiting the levels of efficiency and effectiveness of the Municipality at present. Because of the importance of the human factor an attempt was made to identify current weaknesses in the organisation through discussions with key personnel at the Municipality. The results of those discussions were presented in the latter part of this Chapter and for the first time in this thesis the discussion is now becoming specific to the situation appertaining to the Municipality of Milnerton. In adopting a systematic approach to the formulation of the organisation structure and process of management for the Municipality cognisance will be taken of these apparent weaknesses with a view to obviating these in any future proposals.

## CHAPTER SIX

### DEVELOPMENT OF A 'CODE OF ORGANISATION AND MANAGEMENT FOR THE MUNICIPALITY OF MILNERTON'

## CHAPTER SIX

### DEVELOPMENT OF A 'CODE OF ORGANISATION AND MANAGEMENT FOR THE MUNICIPALITY OF MILNERTON'

#### 6.1 Introduction

In this Chapter an attempt is made to formulate a 'Code of Organisation and Management for the Municipality of Milnerton'. This Code will suggest guidelines for the formulation of an organisation structure and process of management for the Municipality. The Code accepts as given the system of local government in South Africa and accordingly purports to offer guidelines on the organisation structure and management process within the parameters in which the municipal organisation must operate at present.

The methodology has been to research data and information relevant to the purpose of this thesis and covering the following:

- the nature and some characteristics of the municipal organisation in the South African governmental structure;
- principles and theory of organisation and management in general;
- a corporate approach to the management of a municipality;
- a 'management by objectives' approach in municipal government;
- efficiency and effectiveness in municipalities;
- factors inhibiting optimal efficiency and effectiveness in the Municipality of Milnerton; and
- factors likely to promote efficiency and effectiveness in the municipal operation.

The information referred to above has been presented in Chapters One to Five of this thesis. This information was then analysed by the author with a view to establishing a set of guidelines in terms of which the organisation structure and management process of the Milnerton Municipality might be evaluated and, if considered necessary, alternatives proposed, with a view to improving the organisation's efficiency and effectiveness. It is not considered necessary or appropriate in this Chapter to detail supportive commentary in respect of each of these guidelines since this would serve only to repeat what is already adequately documented in the various reference works quoted in earlier Chapters of this thesis. However, the practical application of certain of the guidelines formulated in this present Chapter will be considered in the case study presented in Chapter Seven and it is accordingly submitted that additional comment on these guidelines would be more meaningful at that stage and in the specific context of the municipal operation in Milnerton.

## 6.2 Formulation of a Set of Organisation and Management Guidelines

### Introductory Note

It has never been and never will be the task of theory and science to prescribe what should be done. Theory and science are intended as a search for fundamental relationships, for basic techniques, and for organisation of available knowledge - all, it is hoped, based on clear concepts. How these are applied in practice depends on the situation. Effective management is always contingency, or situational, management. The very concept of management involving the design of an environment in which people working together in groups can accomplish objectives implies this. Design presumes application of knowledge to a practical problem for the purpose of coming up with the best possible results for that situation. But this does not mean that the practising manager cannot gain from knowing the concepts, fundamentals, principles, theory and techniques of management. This is in fact what managing and management are all about - the application of knowledge to realities, in order to attain desired results (Koontz & O'Donnell 1976 : 23).

It is clear, therefore, that the 'Code', to be meaningful, should not rest entirely on a theoretical basis nor is this the case. Rather, an attempt has been made to incorporate into the 'Code' the insight derived by the author on the basis of his practical experience with the Municipality and also that of the many officials in local government from both within and outside of the Municipality, who were interviewed by the author. This approach was adopted in an endeavour to achieve a set of guidelines which might accommodate theory and practice in the context of the realities of the situation appertaining to Milnerton Municipality. The various statements or guidelines contained in the 'Code of Organisation and Management for the Municipality of Milnerton' are substantiated in each instance by one or a combination of the following:

- theory and principles of management and organisation;
- empirical evidence;
- the recommendations of Special Committees of Enquiry or Working Groups;
- the recommendations/viewpoints on management and organisation of several leading figures in municipal government in South Africa.

Certain of the statements in the Code will have no value in themselves, but find their validity as guides to effective practice. It is in this sense that the 'Code' has been formulated. Certain of the principles have stood the test of critical review as well as of check against practical situations.

The real significance of the 'Code', it is submitted, can only be effectively portrayed in the study of "management in action" when the soundness or otherwise of the "framework" of the management process is revealed by its contribution to the practical working of that process. To illustrate this in text would necessitate a series of detailed studies going far beyond the specific purpose of this present study. Nevertheless, in Chapter Seven an attempt is made to show, in part, how the 'Code' might be applied in the context of the Milnerton Municipality.

**"CODE OF ORGANISATION AND MANAGEMENT  
FOR THE MUNICIPALITY OF MILNERTON**

**Definitions**

'Municipality' means the Municipality of Milnerton.

'Council' means the Milnerton Town Council.

'Management' refers to a distinct process consisting of planning, organising, actuating and controlling, performed to determine and accomplish stated objectives by the use of human beings and other resources.

'Organisation' is one aspect of the planning element of management and is concerned with the determination and specification of appropriate operational and functional responsibilities and the relationships emerging therefrom.

'Organisation structure' refers to the framework within which and by means of which the process of management can be carried out in an efficient and effective manner and mainly determines the way in which management can act to:

- provide guidance and direction of the undertaking;
- supervise the daily operations of the undertaking;
- handle the problems that occur in the normal course of events;
- make adjustments to the undertaking to ensure that it can fulfill its functions in the best possible way and thus secure its continued existence.

### Purpose of the Code

To offer guidance for the formulation of an efficient and effective organisation structure and management process for the Municipality in the light of certain of the concepts, fundamentals, principles, theory and techniques of management and after taking into account the situational considerations as identified through interviews/discussions with selected officials of the Municipality and on the basis of empirical evidence.

### General

1. All of the approaches to organisation and to management contain important truths. Each is based on assumptions that are sometimes relevant. Each suggests structural arrangements worthy of consideration. The management of an organisation should consider all the approaches and fit them to their needs. This is preferable to concluding that a one-sided attack on any problem is adequate. A modern synthesis is needed to pull together ideas from all the approaches. Such a synthesis would start with the recognition that each approach is a matter of degree. There are degrees of formalism, from the planning of each minor activity to the complete absence of formal planning. There are degrees of direction, from absolutism to the complete dispersion of authority. There are degrees in the application of line, staff and functional organisation. Different principles of organisation have different degrees of importance. The Municipality contains elements of all of the approaches. The problem of planning or replanning an organisation is one of finding the balance appropriate to the circumstances - a balance to fit the objective and make optimum use of the available resources.

**Comment:** This statement is based upon the findings of the author resultant from the research undertaken for this thesis and as summarised on pages 51-53(a) of this thesis.

2. The 'Code of Conduct for Local Authorities prepared by a Committee appointed by the Administrator-in-Executive Committee of Natal is reproduced as Appendix "E". The code summarises succinctly the roles which councillors, officials and members of the public should fulfill and offers sound guidelines in these matters.

**Comment:** Refer Appendix "E" of this thesis. This statement is offered in an attempt to provide solutions to the problems identified under the heading of 'Councillors' on pages 109 - 110 of this thesis.

3. A systematic approach to the training and induction of councillors should be adopted.

**Comment:** This statement is included as a logical response to certain of the problem areas identified under the heading of 'Councillors' on pages 109 - 110 and 135 (2nd paragraph) of this thesis.

### Structure

4. Structural innovations in the Municipality should take cognisance of the need to bring about an equivalent and complementary change in the organisation's value system and hence its culture.

**Comment:** Refer to pages 182 - 186 of this thesis.

5. The Council's Committee System should be based upon a structure of three committees, being the Town Planning Committee, the Finance, Personnel and General Purposes Committee, and the Community Services and Works Committee. All ten members of Council should serve on each of these committees and all three committees should enjoy full delegated powers as far as this is permitted by legislation and with the proviso that where a decision does not carry the support of at least six members, such matters be referred to Council for approval.

**Comment:** This statement is offered as a response to the problems identified under the heading of 'The Committee System' on pages 110 - 111 of this thesis and takes due cognisance of all relevant factors such as, for example, the time available to councillors for the attendance of meetings; nature of subject matter being discussed; workloads of the various committees and administrative considerations (preparation of agendas, quantity of paper required, prompt action on resolutions taken, etc.). Furthermore, this system would ensure that all councillors are afforded the opportunity to participate in the formulation of policy and the development of services as opposed to the situation whereby a great deal of power is vested in a few councillors.

6. Specialised knowledge and contribution by councillors should be engendered through the appointment of 'ad hoc' committees for specific purposes.

**Comment:** Refer to pages 64 (last paragraph) through to 65 of this thesis.

7. There should be one chief executive in the organisation who is freed from direct departmental responsibilities and who should be responsible for carrying out the policy of the Council. He should have complete authority to take any action consistent with the policy he is implementing.

**Comment:** Refer to pages 32 (3rd paragraph); 35 (3rd paragraph); 59 (2nd paragraph); 60; 67 (first paragraph); 103 (4th paragraph); and 135 (Section 7.5) of this thesis.

8. When the size of the organisation necessitates the subdivision of executive and supervisory responsibilities, the most useful division is into specific primary groups determined by specialisation of key operating functions or as expressed in the goals and objectives of each such group.

**Comment:** By a "primary group" is meant no more than an attempt to reach groupings of major related activities, in keeping with the total pattern of operation and of management in the Municipality. This statement is a simple practical precept based initially on the recognition of the complexity of the tasks having to be undertaken within management and on the known limitations of the human being, whatever the individual level of competence. Refer to page 32 (penultimate paragraph) of this thesis.

9. The necessary units of activity involved in the object of the organisation should be analysed, sub-divided and arranged in logical groups in such a way as to secure by specialisation the greatest results from individual and combined effort. In this regard it is necessary to determine and establish as separate entities the smallest number of dissimilar functions into which the work of the organisation may reasonably be divided. It is acknowledged, however, that an entirely logical grouping of activities in respect of individual posts will not always achieve optimal efficiency and effectiveness in a municipality the size of Milnerton and in this regard a degree of flexibility must be allowed. This means that an employee may be called upon to assume responsibility for a duty which does not bear a logical relation to the main body of duties assigned to his or her post.

**Comment:** Refer to pages 33 (6th paragraph) and 37 (3rd paragraph) of this thesis

10. The apportionment of strength among the various departments of the Municipality should be kept in balance.

**Comment:** Refer to pages 34 (4th paragraph) and 37 (penultimate paragraph) of this thesis.

11. The organisation structure should contain the least possible number of management levels, and forge the shortest possible chain of command.

**Comment:** This guideline is offered as a response to the problem identified under the heading of 'Excessive Length of the Chain of Command' on page 108 of this thesis.

12. The span of management control of a superior should be limited to a maximum of six executive or supervisory subordinates if their activities are interrelated. The right of frequent access should be granted by the supervisor to those immediately responsible to him.

**Comment:** There is a limit in each managerial position to the number of persons an individual can effectively manage, but the exact number in each case will vary in accordance with the effect of underlying variables and their impact on the time requirements of effective managing (Koontz and O'Donnell 1976 : 297). Taking into account all relevant aspects of the situation in Milnerton and based upon the viewpoints expressed by senior managers in the organisation, it is proposed that in the Milnerton situation the maximum number in this instance be limited to six. Refer also to page 34 (3rd paragraph) and Section 2.5 of this thesis.

13. Co-ordination should be specified wherever possible in the framework of organisation and the need for co-ordination should be reviewed constantly. In this regard the matrix organisation should be employed with a view to promoting effective teamwork whenever the co-operation of different functions and skills are required so as to facilitate the economic use of the abilities and specialist skills of staff and management.

**Comment:** Refer to pages 31 - 32; 58 (1st and 2nd paragraphs); 70; 72 - 73 (Section 3.6); 104 (5th paragraph); 105 (1st paragraph) and 106(a) (under the heading of 'Lack of Co-ordination) of this thesis.

14. The superior co-ordinating authority must rest somewhere and in some form in the organisation and there should be a process, formal in character, through which this co-ordinating authority operates

from the top throughout the entire structure of the organised body. The communications problem is an important consideration in formulating an organisation structure and channels of communication should provide for intermediate levels of lateral and similar contact, without recourse to going up and down the vertical levels.

**Comment:** Refer to pages 34 (8th paragraph); 37 (6th paragraph); 40 (3rd paragraph); 58 (2nd paragraph); 59 (2nd paragraph); 103 (5th paragraph); 104 (9th paragraph); 106(a) (in response to the problems dealt with under the heading of 'Lack of Co-ordination') and 108 (in response to the problem identified under the heading of 'Inadequate Means of Communication') of this thesis.

15. The organisation structure must be directed towards achieving the corporate aims of the Municipality and the specific objectives of the various functional units.

**Comment:** Refer to pages 63 (1st paragraph); 68 and 104 (5th paragraph) of this thesis.

16. Every part of the organisation should be the expression of the purpose of the organisation or it is meaningless and therefore redundant.

**Comment:** Refer to page 68 of this thesis.

17. The organisation should ensure that the public can easily identify those responsible for the Council's policies; it should provide intelligible government. Amongst the paid officials the organisation should provide for clear leadership by a team of officials rather than a loose association of specialists joining together when circumstances dictate and their inclinations allow.

**Comment:** Refer to page 105 (3rd paragraph) of this thesis.

18. The organisation must be sensitive to the needs of the citizen and there should be clear facilities for grievances to be heard. Members of the public should have, and should be conscious that they have, avenues of appeal and clearly defined sources of information. The private individual should not feel that his only contacts with the local authority are at election time, when his rate demand arrives, or when he needs to use the local authority's services.

**Comment:** Refer to pages 105 (3rd paragraph) and 175 (section 7.16) of this thesis.

19. Organisational review and re-organisation should be recognised as a continuous process and specific provision should be made for it. The organisation should be flexible enough to adapt to changes in circumstances.

**Comment:** Refer to pages 33 (2nd paragraph) and 34 ( 5th paragraph) of this thesis.

### **Authority, Responsibility and Accountability**

20. The definition of responsibilities and relationships forming an organisation structure should provide a clear line of formal authority running from the top to the bottom of the Council's organisation.

**Comment:** Refer to pages 33 (8th paragraph) and 107 (under the heading 'The Need for the Clear Definition of Responsibilities') of this thesis.

21. The content of each position in the Municipality, including the duties involved, the authority and responsibility contemplated, and the relationships with other positions, should be clearly defined in writing and published to all concerned. Such duties, authority and responsibility should be commensurate with the level which the relevant post occupies in the organisation's hierarchy.

**Comment:** Refer to pages 31 (6th paragraph) and 34 (1st paragraph) of this thesis.

22. The definition of responsibilities implies corresponding authority. Delegation of duties implies a delegation of authority commensurate with these duties. Formal authority and responsibility must be co-terminous, co-equal and defined.

**Comment:** Refer to pages 32 (8th paragraph) and 34 (2nd paragraph) of this thesis.

23. As a general rule no person should receive orders from more than one superior but when through necessity of circumstance this is justified, then the immediate superior should be apprised of the situation at the earliest opportunity. This authority relationship should not be departed from unless superiors have authorised their subordinates to communicate directly across authority lines in the case of authorised functional specialists.

**Comment:** Refer to pages 36 (2nd and 3rd paragraphs); 39 (6th and 7th paragraphs); 42 (4th paragraph) and 107 (under the heading of 'Receiving Instructions from More than One Person') of this thesis.

24. The responsibility of each executive should be explained in general terms to all salaried employees.

**Comment:** Refer pages 34 (1st paragraph) and 107 (under the heading of 'The Need for the Clear Definition of Responsibilities') of this thesis.

25. The integration of functional (specialist) sections must take place in such a way as not to impair the clear lines of responsibility and command.

**Comment:** Refer to pages 35 (final paragraph); 36 (1st paragraph) and 105 (2nd paragraph) of this thesis.

26. The functional authority of all those carrying responsibility for special functions should be clearly explained to everyone in the organisation.

**Comment:** Refer to pages 35 (6th paragraph) and 105 (2nd paragraph) of this thesis.

27. When the increasing size of the organisation or any other factors threatens to impair the effectiveness and efficiency of management through the overloading of executive and supervisory members, appropriate provision must be made for the delegation of responsibilities to the lower levels in the direct line or to the specialist members; appropriate provision must then also be made to ensure continuous effective co-ordination.

**Comment:** Refer pages 31 (8th paragraph); 32 (4th paragraph); 104 (10th paragraph) and 107 (under the heading of 'Too Much Power at the Top') of this thesis.

28. Decisions that recur frequently should, wherever possible, be reduced to a routine and delegated to subordinates provided that the number of stages of delegation are as few as practicable.

**Comment:** Refer to pages 104 (10th paragraph) and 107 (under the heading of 'Too Much Power at the Top') of this thesis.

29. The division of functions and responsibilities between councillors and officials should be as follows:

- (a) Ultimate direction and control of the affairs of the authority to lie with the Council;
- (b) Councillors take the key decisions on the objectives of the authority and on the plans to attain them;

- (c) The councillors should review, periodically, progress and the performance of the services;
- (d) The officials provide the necessary staff work and advice so that councillors may set the objectives and take decisions on the means of attaining them;
- (e) The officials are responsible for the day-to-day administration of services;
- (f) The officials should be responsible for identifying and isolating particular problems which, in their view and from their understanding of the minds of the councillors, have such implications that the councillors must consider and decide thereon.

**Comment:** Refer to Appendix "E" as well as to pages 65, 66 and 166-167 of this thesis.

### **Personnel**

- 30. Remuneration of personnel should be fair and reasonable to both employer and employee consistent with conditions over which the employer has control. The remuneration structure should accordingly take into account an evaluation of the post, the performance of the incumbent, the levels, patterns and trends in the employment market, and the ability of the organisation to pay.

**Comment:** Refer to pages 40 (1st paragraph); 104 (8th paragraph) and 176 of this thesis.

- 31. The grading structure of the organisation should be rationalised in that it should provide for meaningful and standardised job designations and the least number of levels in the hierarchical structure.

**Comment:** Refer to page 108 (under the heading of 'Job Designations which are Applied Inconsistently and which do not describe the Nature of the Position') of this thesis.

32. A systematic approach to the training and induction of officials should be adopted.

**Comment:** Refer to pages 104 (3rd paragraph) and 109 - 110 (under the heading of 'Councillors') of this thesis.

33. In dealing with people the management should take account of their desire for equity and equality of treatment. A combination of kindness and justice will elicit loyalty and devotion.

**Comment:**

Refer to pages 40 (5th paragraph) and 101 - 102 of this thesis.

34. The form of the organisation should be such as to secure from each individual the maximum initiative of which he is capable within the limits imposed by respect for authority and discipline.

**Comment:** Refer to pages 40 (7th paragraph) and 104 (10th paragraph) of this thesis.

35. The training and testing of future managers must be made possible by the organisation structure. A ladder of position of increasing responsibility and authority should be provided so as to attain perpetual succession.

**Comment:** Refer to pages 37 (9th paragraph) and 104 (3rd paragraph) of this thesis.

36. The interests of any one employee or group of employees should not prevail over the interest of the entire organisation. Every part of the Municipality should be an expression of the purpose of the entire organisation.

**Comment:** Refer to pages 39 (final paragraph) and 104 (5th paragraph) of this thesis.

### Planning and Control

37. Provision must be made for proper planning and independent control systems supported by adequate information and communication systems. In this regard the capabilities of the electronic computer should be expeditiously explored on a continuous basis with a view to its optimal utilisation in the provision of management information.

**Comment:** Refer to pages 31 (1st paragraph); 104 (4th paragraph); 104 (7th paragraph) and 173-174 (section 7.15) of this thesis.

38. It is necessary to appraise on a regular basis the management information systems and to adapt these constantly with due regard, firstly, to the information needs of the organisation for effective decisionmaking and, secondly, the automatic feedback of management - orientated data geared to productivity control.

**Comment:** Refer to pages 31 (2nd paragraph); 104 (4th paragraph) and 173-174 (section 7.15) of this thesis.

39. The determination of norms or standards for the provision of services can make a meaningful contribution to the formulation of policy objectives and the application of measures aimed at higher productivity.

**Comment:** Refer to pages 86 - 88 (section 4.7) and 103 (final paragraph) of this thesis.

40. Management should attempt to identify goals and objectives in respect of the total organisation and in respect of each of the major functional units within the organisation. A conscious effort should be made to introduce measures whereby the performance of the organisation might be measured.

**Comment:** Refer to pages 77 (section 4.3); 82 - 83, 90 - 91 (section 4.9); 98 - 100 (section 5.5); 103 (6th paragraph) and 109 (under the heading of 'Inadequate Means of Measuring Performance') of this thesis.

41. Recognition and support should be given to the application of organisation and work study principles.

**Comment:** Refer to page 109 (this guideline is in part response to the problem identified under the heading of 'Inadequate Means of Measuring Performance').

42. All data and reports used for purposes of control should be in terms of the organisation structure. No person's effort should be expressed in terms of any data which he is not in a position to influence.

**Comment:** Refer to page 31 (1st paragraph) of this thesis.

43. The organisation structure should be sound in terms of internal check and internal control systems.

**Comment:** Refer to page 46 (4th paragraph) of this thesis.

44. Control must be independent to be effective.

**Comment:** Refer to page 46 (4th paragraph) of this thesis.

45. It should be recognised that certain services provided by the Municipality could possibly be provided to the community more advantageously by private enterprise and decisions in this regard should be based on the application of cost-benefit principles pertaining to the current and projected circumstances in each instance."

**Comment:** Refer to pages 181 - 182 (under section 7.19) of this thesis.

### 6.3 Concluding Comments

Commentary on the statements included in the 'Code of Organisation and Management' is contained in the earlier Chapters of this thesis and in the many reference works quoted. It is submitted that further comment at this point would therefore not serve any additional purpose. However, when the various provisions of the Code are applied in the case study which is presented in Chapter Seven, additional general commentary will be offered together with comments specific to the application of the various guidelines contained in the Code in the context of the Municipality of Milnerton. It is furthermore noted that the proposed 'Code' should be reviewed on a regular basis and adapted where necessary when this is warranted through related changes to the situation in Milnerton.

**CHAPTER SEVEN**

**CASE STUDY : AN INVESTIGATION AND EVALUATION  
OF THE ORGANISATION STRUCTURE AND PROCESS  
OF MANAGEMENT OF THE MUNICIPALITY OF MILNERTON  
AS AT JUNE 1985**

## CHAPTER SEVEN

### CASE STUDY : AN INVESTIGATION AND EVALUATION OF THE ORGANISATION STRUCTURE AND PROCESS OF MANAGEMENT OF THE MUNICIPALITY OF MILNERTON AS AT JUNE 1985

#### 7.1 Introduction

The purpose of this Chapter is to present a case study which examines the organisation structure and process of management in respect of the top and senior management structure of the Municipality. The actual structural levels included in this instance will, therefore, embrace the Council and its Committees, as well as all officials on the first five levels of the organisation's hierarchy. In addition, specific reference will be made to certain of the posts presently accommodated on lower levels of the hierarchical structure of the organisation when this is necessary to support a particular argument.

The methodology used is to describe the present structure and process of management of the Municipality and to consider and evaluate these in terms of the Code as formulated in Chapter Six. It should be stressed that in a work of this nature it is neither necessary nor practical, nor is it the intention, to make detailed submissions in respect of each of the statements contained in the Code. The intention, as has been stated earlier, is merely to provoke thought on possible alternatives to the present arrangements at Milnerton. In certain instances, however, it will be necessary to elaborate on statements contained in the Code. The approach adopted will be to deal in detail, therefore, only with certain aspects of the Code which, in the view of the author, warrant specific mention to achieve the purpose of this thesis and add meaning thereto. At the outset certain salient features of the Municipality (forming the subject of this case study) are described.

## 7.2 Description of the Municipality of Milnerton

Milnerton is a progressive, modern town, forming part of the Cape Peninsula metropolitan complex, situated along the Atlantic coast, 8 km from Cape Town (refer Map No. 1 and Map No. 2 on pages (xx) and (xxi) respectively.

Geographically, Milnerton is situated at the mouth of the funnel through which the major portion of development engendered by the Cape Town metropolitan complex is being generated.

Since acquiring municipal status in 1955, Milnerton has developed from what was primarily a scene of pleasant residential tranquility, to a vigorous and bustling new town.

Evidence of this growth is presented in the table hereunder:

<u>Growth Factor</u>	<u>1980</u>	<u>1985</u>	<u>Percentage Growth</u>
Population	23 751	33 558	41,3
Personnel	402	474	17,9
Dwelling Units	5 045	7 832	55,2
Length of Roads	200kms	240kms	20,0
Water Meters	5 000	7 500	50,0
Water Consumption	5 687 megalitres	6 582 megalitres	15,7
Sewage Purification	2 500 ml	4 410 ml	76,4
Library Books Issued	313 827	416 182	32,6
Vehicular Volume	45 000	59 000	31,1
Income (Operating)	6 500 000	15 400 000	137,0

Table 1 :  
Milnerton Municipality : Selected Growth Factors

The Town has a municipal area of 5 743 ha with a total valuation (1982 base year) of R593,3 million being R516,0 million (Rateable) and R77,3 million (non-rateable). In terms of the conditions stipulated by the Remuneration of Town Clerks Act the Municipality qualifies as a group 8 local authority. In terms of the newly proposed 13-factor formula for determining the 'grouping' of local authorities, the Municipality would qualify as a group 9 local authority. The Municipality's expenditure budget for the financial year commencing July 1985 was R22,7 million being R7,2 million in respect of the Capital Account and R15,5 million on Operating Account. The Municipality comprises 474 employees (222 salaried and 252 weekly paid).

The results of the 1985/86 financial year indicate a very successful year. Council's Reserves have been strengthened to accommodate future capital projects and Council has not had to enter the Capital Market since March, 1982. The central government has continued to exercise macro financial control upon the budgets of municipalities. The restriction placed upon the 1985/86 budget was 10% on operating expenditure and 12,5% on capital expenditure, a maximum limit which was way below both the inflation rate and the growth rate of Milnerton. In an economic climate when both the private and public sectors are being battered by externally imposed economic forces, it is inevitable that municipalities should be asked to produce more with less. Arbitrary across the board cuts in expenditure rarely produce satisfactory results. Such an approach often results, not so much in increased productivity, but rather in a reduction of quality standards, the worsening of employee morale, and, in the case of a municipality particularly, reduced levels of service leading to dissatisfied residents. In present-day municipal government there is an increasing imbalance between the demand for more and better services on the one hand and limited financial resources on the other. To overcome this problem the Municipality of Milnerton has attempted more than ever before to optimise human resources. Despite the tremendous growth experienced in the Town during recent years, increases to the staff complement of the Municipality have been minimal.

The organisation structure of the Municipality as at June 1985 may be depicted as follows:

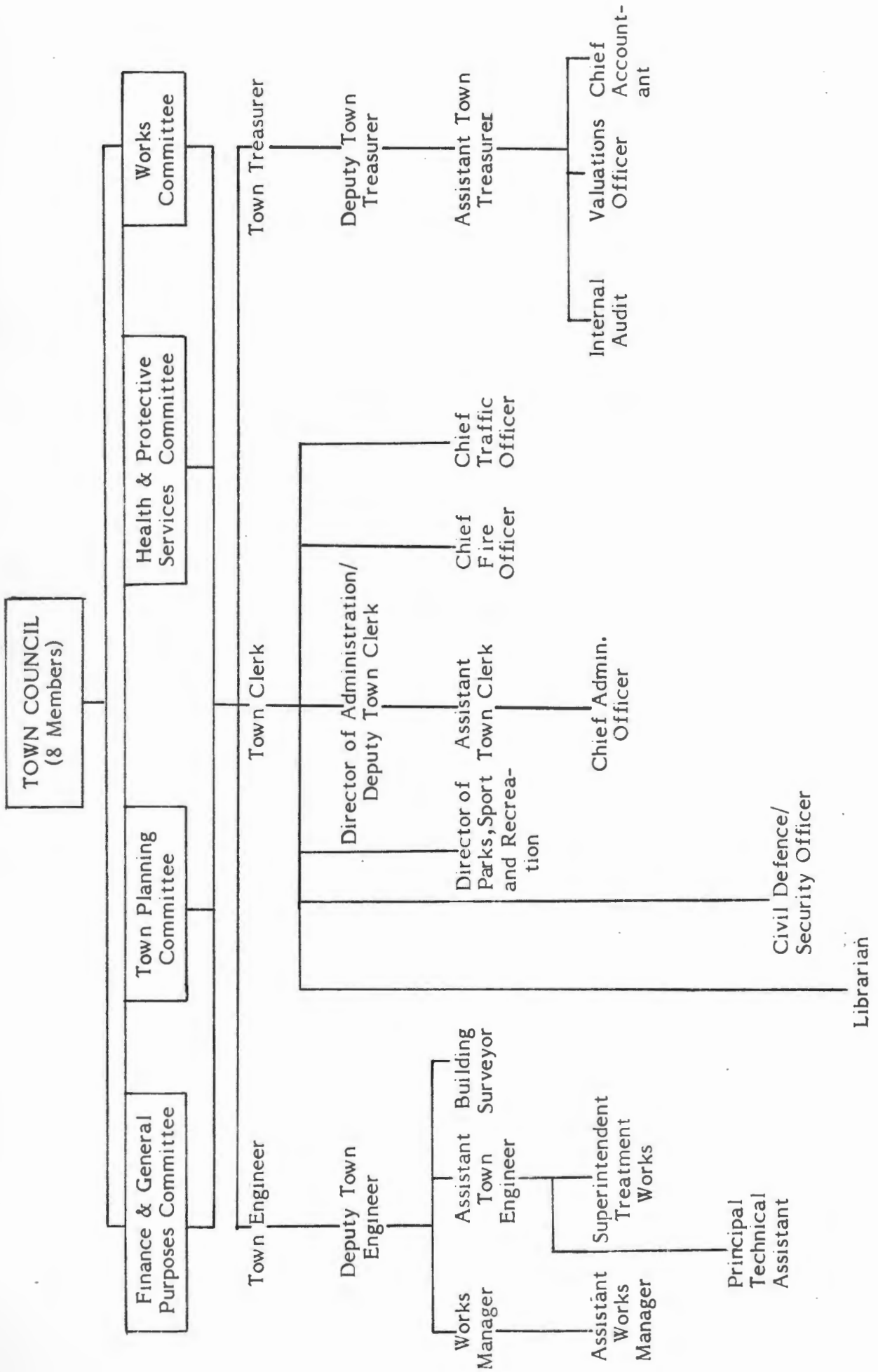


Figure 6 : Municipality of Milnerton - Existing Organisation Structure

Whilst the 'cut-off' point for the purpose of this thesis is 30 June 1985, it is noted that the number of Councillors on the Milnerton Town Council has subsequently been increased with effect from 1 November 1985 from eight to ten, and this thesis takes cognisance of this development.

From the above diagram it is apparent that there are four standing committees, namely, a Finance and General Purposes Committee, a Town Planning Committee, a Utilities Committee and a Public Health and Amenities Committee. The Council consists of eight members all of whom are members of all the committees. Theoretically this means that the decisions of the committees can be acted upon after each committee meeting although in practice this is not the case since only the Town Planning Committee has been vested with full delegated powers. Accordingly resolutions of the Town Planning Committee are submitted to the 'Council' meeting 'for information' and the recommendations of the other three committees are submitted 'for approval'. In practice reports prepared during the course of a month and which do not make the deadline for inclusion on committee agendas are submitted direct to the Council meeting. There are only three 'senior' departments, namely, the Town Clerk's Department, the Town Engineer's department and the Town Treasurer's Department. The official heads of these departments are logically the Town Clerk, Town Engineer and Town Treasurer who are recognised as the Municipality's 'senior heads of departments'. The Town Clerk accordingly does not enjoy official recognition as the organisation's Chief Executive but operates rather as a 'primus inter pares' although on the grading schedule he is remunerated at a level which is marginally higher (equivalent to one notch in the remuneration scales) than the other two senior heads of department who are remunerated on Grade Two of the salary structure. The three senior heads of department are supported by their respective deputies on grade three of the structure and the following posts are recognised on grade four of the grading structure:

#### Town Clerk's Department

Assistant Town Clerk

Chief Fire Officer

Chief Traffic Officer

Director of Parks, Sport and Recreation

Town Engineer's Department

Assistant Town Engineer  
Works Manager  
Building Surveyor

Town Treasurer's Department

Assistant Town Treasurer.

The posts identified on grade five of the structure are as follows:

Town Clerk's Department

Chief Administrative Officer  
Deputy Chief Fire Officer  
Deputy Chief Traffic Officer

Town Engineer's Department

Assistant Works Manager  
Superintendent : Treatment Works  
Principal Technical Assistant

Town Treasurer's Department

Internal Auditor/Cost Accountant  
Chief Accountant  
Valuation Officer

In addition, the Civil Defence/Security Officer (accommodated on grade six) and the Librarian (accommodated on grade seven) are included in the Town Clerk's Department.

### 7.3 Application of the Code - Approach

The Code formulated in Chapter Six will now be applied to the Municipality. It is submitted that it is not possible to allocate a meaningful and complete order of priority in respect of each of the statements comprising the Code. However, as a general guideline this Chapter will address initially the organisation structure and thereafter seek to deal with the aspects which concern the actual process of management. In terms of these parameters it is logical now to consider initially the top management structure of the Municipality.

### 7.4 Council and Committee Structure

In regard to the Council and Committee structure the Code is specific and proposes a committee system based on three committees instead of the four at present. The three committees proposed are the 'Finance, Personnel and General Purposes Committee', the 'Town Planning Committee' and the 'Community Services and Works Committee'. Furthermore, the Code advocates maximum delegated powers as permitted by legislation to all three committees with the proviso that committee decisions which do not have the support of at least six councillors should be referred to the full Council for approval.

The reason for this qualification is that a decision on a matter in respect of which the chairman of a committee has to exercise his casting vote could, in fact, be reversed at the meeting of the full Council when the 'identity' of the 'chairman' will have changed and may accordingly result in a decision which is different to that taken by the committee.

The proposal for a committee system comprising three rather than four committees is based upon practical experience at the Municipality which has revealed that the combined workload of the Utilities Committee and of the Public Health and Amenities Committee does not warrant two committees. The proposal is to combine the work of these two committees into a single committee described as the 'Community Services and Works Commit-

tee'. The question might well be asked whether it would not be simpler to do away with committees altogether and merely have one or two Council meetings each month. The fact of the matter is that councillors do require the opportunity to discuss certain matters away from the public eye. Some councillors are not always prepared to debate a matter in open Council in the same manner in which they would do so 'in-committee'. The committee meeting offers a valuable forum for open and frank discussions between councillors and officials and certainly in the case of the Milnerton Municipality should be retained. With the exception of 'confidential' items all matters discussed and/or decided by a Committee would be referred to 'open' Council for noting and the public would accordingly be aware of these decisions. This would lay rest to any criticism of the Council having acted 'behind closed doors'.

The main advantage of the proposed system whereby full powers are delegated to all committees (subject to the simple majority proviso) would be that officialdom would be able to effect immediate action on all 'committee' decisions and subsequent detailed reports to Council would therefore be obviated. The accordant advantages in terms of increased administrative efficiency and effectiveness are substantial. It is not considered necessary to deal in detail with the advantages and disadvantages of the various committee systems practised in South Africa. Readers who require additional information in this regard are referred to Evans (1969 : New Management Committees in Local Government). The author would, however, make reference to one of the arguments which has been put forward in the past in favour of smaller committees namely that this allows councillors to concentrate on specific aspects of the municipal operation thereby becoming 'experts' in these areas. For example, in the case of the Milnerton Municipality, why not have three committees of, say, four or five members. A committee system along these lines has in fact been introduced on a trial basis at Milnerton. Experience has shown that most councillors attend all the committee meetings whether or not they are actually members of the committee concerned. In principle, the present councillors are against delegation of powers to these smaller committees and the result is that all matters discussed by the committees are referred to the Council meeting where in many instances they are subjected to a full and repetitive debate.

This system has caused a two-fold increase in terms of the paper used and the resources of the administrative personnel employed and in the author's view is less efficient than the system proposed in the Code. The Code also addresses the question of specialised knowledge and contribution by councillors in statement No. 6 which proposes that 'specialised knowledge and contribution should be engendered through the appointment of ad hoc committees for specific purposes'. This line of reasoning is similar to that which was proposed by the Bains Group as described in Chapter Three of this thesis.

To promote informed and consistent decision-making at councillor level the Code proposes the adoption of a systematic approach to the training and induction of all councillors (statement No. 3). This standpoint is supported by the Browne Committee (1980 : Vol. 1,75) and could be achieved by way of an in-house orientation course (refer Appendix "F" for a possible framework for such a course) presented by senior officials and including a tour of the Municipality's key installations, and through the attendance by councillors of relevant seminars and/or courses offered periodically by outside bodies. Furthermore, any systematic approach to the training and induction of Councillors should include the presentation to all Councillors of a "Councillors' Handbook" (refer Appendix "G" for a suggested framework), compiled by the Municipality's senior officials, as well as a "Policy Manual" which should contain all Council's policies. This latter document would also serve as a base from which to work towards the promotion of informed policy evaluation and review on a regular basis.

### **7.5 The Town Clerk as Chief Executive**

At the next hierarchical level of the Municipality the Code is again specific in that it proposes a single Chief Executive in the organisation who should be responsible for carrying out the Council's policy and who should have complete authority to take any action consistent with such policy (Statement No. 7). It is suggested that the Town Clerk be officially recognised as the Council's Chief Executive and that he be relieved of all direct departmental responsibilities to enable him, as head of the permanent staff of the Council, to co-ordinate (and integrate where necessary) the activities

of the Municipality. Ordinance No. 20 of 1974 makes provision for the recognition of the Town Clerk as a 'Chief Executive and Administrative Officer'. The position should be designated as 'Town Clerk/Chief Executive' and should accordingly be accommodated on Grade 1 of the Municipality's Salary Grading Structure.

The Town Clerk/Chief Executive should be accorded total administrative authority over all other officials and be ultimately responsible to the council for anything entrusted to the paid officials. Each departmental head would be responsible for the internal administration of his department and accountable to the Town Clerk/Chief Executive. The Chief Executive should accordingly be responsible to the council for implementing the policies laid down by the council and for co-ordinating the work of all departments. (Statement No. 17).

It could be argued that combining being head of the Town Clerk's Department as well as Chief Executive might give direct control over several important functions such as the committee administration. This would enable the Chief Executive of a municipality to influence the course of affairs without too much show of interventionism and to have the immediate support of a large number of staff as his eyes and ears. However, major departmental duties carry with them heavy personnel and departmental policy responsibilities which could prove very time-consuming for a Chief Executive. It may be argued that these can be delegated but in practice this is easier said than done since councillors and staff alike recognise only one head to a department. Furthermore, if the Chief Executive is to be the Council's principal adviser in all policy formulation he must be seen to be entirely unbiased and completely outside of any departmental conflicts, and above all, free to use his time in the way that the overall policy demands of the municipality require (J. Skitt 1975 : 150 - 164).

Departmental heads should continue to advise the various committees on their own functions and the Town Clerk/Chief Executive would become involved when the co-ordination of the policies of administration of two or more departments is concerned, or when a department's policy needs to be looked at in the light of the council's general policy. It is certainly not envisaged that the Town Clerk with the added powers and status of a Chief

Executive should attempt to give instructions to professional officers on actions where their professional skills are involved. Rather, the departmental heads would work together on those matters which transcend the purely professional and departmental considerations under the Town Clerk's leadership and on producing agreed and co-ordinated recommendations. Where a departmental head is in disagreement with recommendations being put to a committee there can be little doubt that his dissenting opinion should be made known to the committee, and further, he should be granted the opportunity to be heard on the subject. There are a number of advantages attached to having an official who is the undoubted and undisputed Chief Executive of the Municipality. There is an improved co-ordination of departments and the presentation to the Council of integrated views of officials which should logically result in the improvement of the general level of efficiency. The Council should have forward planning done for it and should not be faced with unco-ordinated advice from a number of departmental or branch heads. It should have one official to whom it can turn as the responsible man to give co-ordinated advice to ensure that its decisions are conveyed to the appropriate department and are carried out. The Chief Executive should be supported by a team of senior officials over which he would preside. It is furthermore submitted that in the case of the Milnerton Municipality the senior officials offering immediate support to the Town Clerk/Chief Executive should comprise the departmental heads. It is now necessary to identify the various departments into which the Municipality should be divided.

## **7.6 Establishment of Departments**

Any attempt to group activities into organisational components necessitate the establishment of some integrating pattern or principle. The Code offers definite guidance when giving consideration to the subdivision of executive and supervisory responsibilities and suggests that the most useful division is into specific primary groups determined by specialisation of function or operation as expressed in the goals and objectives of each such group. (Statement No. 8). An analysis of the key functions of all the salaried posts in the organisation was undertaken with a view to grouping these key functions

into organisational components. The methodology was to analyse job description schedules completed in respect of the 138 salaried positions on the Council's fixed establishment. The analysis resulted in the following functional groupings:

(i) Administration

Committee and administrative services

Personnel

(ii) Finance

Financial Accounting

Development of Budgeting System

(iii) Protective Services

Fire Brigade

Traffic Control

Civil Defence

Security

Health (the Municipality is a member of the Joint Health Control Scheme).

(iv) Recreational Services

Library Service

Halls

Parks

Sport

(v) Technical Services

(Bringing together activities of a high labour content requiring efficient management scheduling and control)

Road Construction and Maintenance

Streets

Cleansing  
 Stormwater Drainage  
 Sewage Reticulation  
 Water Reticulation  
 Vehicle Maintenance  
 Building Maintenance  
 Parks and Sportsfields Maintenance.

(vi) Town Planning and Engineering Services

Bringing together professional services relating to the long-range physical structure of Milnerton including Building Survey and also design work relating to the Technical Services.

(vii) Auxiliary Services

Data Processing (shared facilities) including management information systems.

Internal Audit.

Whilst it would appear from the above classification that there is cause for a structure based upon seven departments, it is necessary to modify what might be theoretically sound with what is practical in the circumstances applicable to the Municipality of Milnerton.

It is appropriate, therefore, to consider again the role proposed for the Town Clerk/Chief Executive within the context of a corporate approach such as is advocated for Milnerton. The Town Clerk/Chief Executive, as head of the permanent staff of the Council, should be responsible for ensuring through the various 'departmental heads' the efficient running of the organisation. In order to perform these functions effectively, the Chief Executive must be freed from the day-to-day administrative duties that presently burden the Town Clerk. Based upon purely functional considerations the next level in the organisation structure could be diagrammatically illustrated as follows:

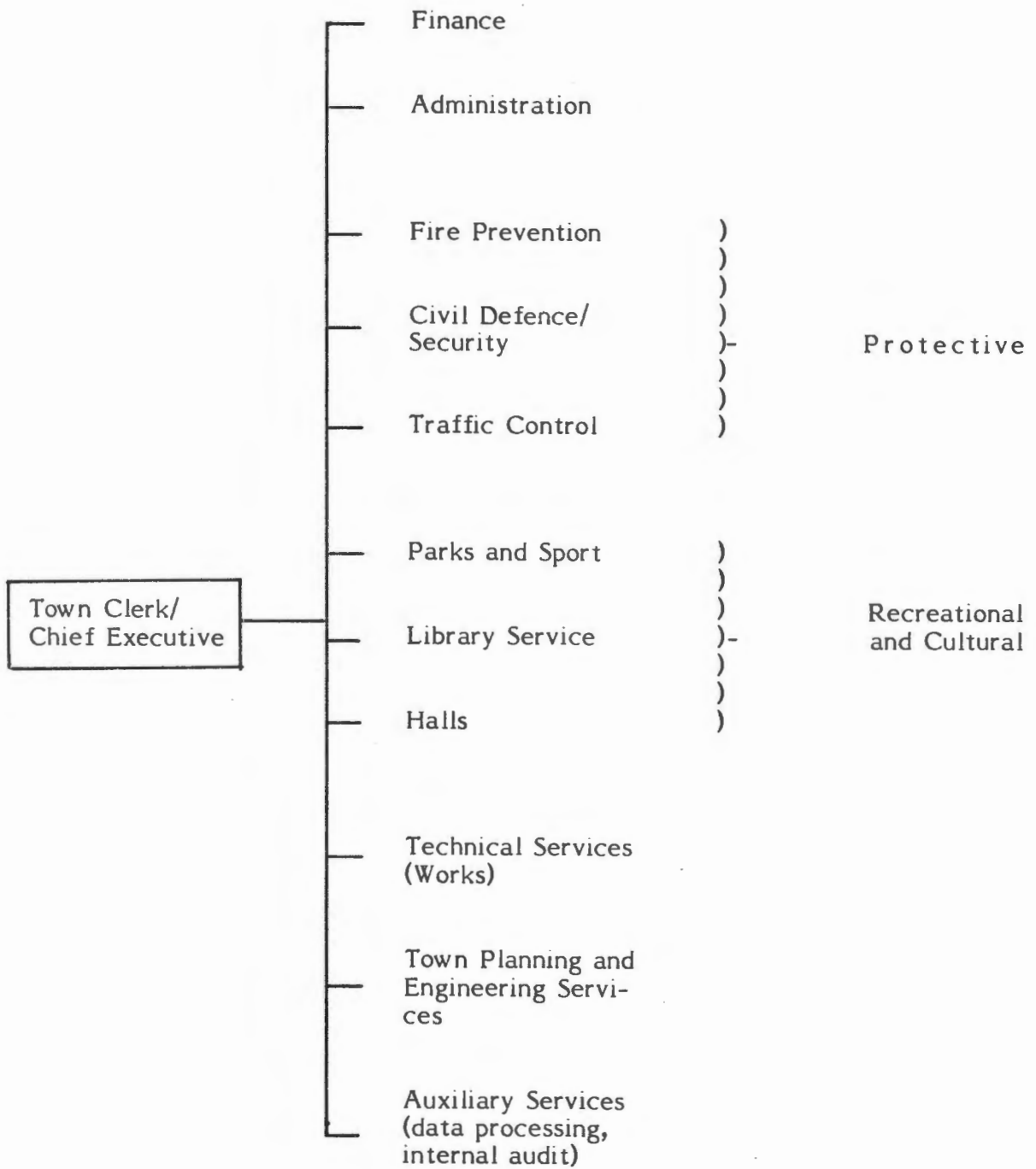


Figure 7 : Functional Analysis

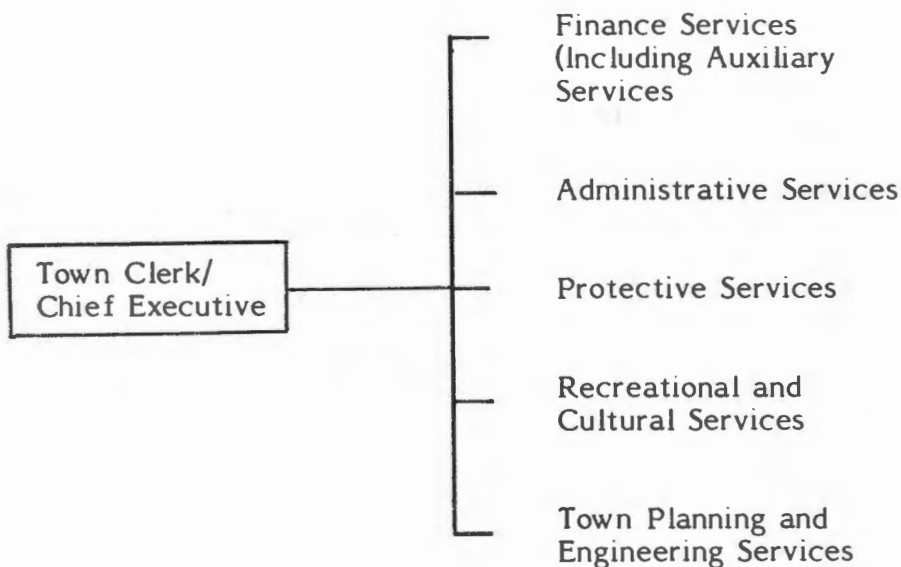
However, the above organisational arrangement comprising eleven functional units or departments fails to comply with the Code presented in Chapter Six on the following grounds:

- The span of management (control) of a superior shall be limited to a maximum of six executive or supervisory subordinates whose responsibilities interlock (Statement No. 12) It is quite clear that no magical figure exists which will determine the correct span of management control in different cases. This number will vary according to circumstances and particularly the persons involved and the nature of their dealings. In Milnerton, however, the number of executive or supervisory officials reporting directly to the Town Clerk should not, it is submitted, exceed six. This is the view of this author and one which is supported by the present Town Clerk of the Municipality.
- The concept of the Town Clerk as Chief Executive implies that he must be freed from the day-to-day administrative duties. (Statement No. 7). The structure depicted in Figure 7 above does not make provision for this freedom from administrative involvement. The head of the administrative services could assume responsibility for the purely administrative aspects of the various departments but this would result in the heads of the various departments being responsible to the Town Clerk for certain matters and to the administrative chief on other matters. An arrangement along these lines is not advised (Statement No. 23) or supported at this level of the organisation's hierarchy.
- It is essential that the various departments of the organisation should be kept in balance in terms of the relative apportionment of strength among departments (Statement No. 10). The functional components proposed in Figure 7 do not comply with this statement and would necessitate senior and perhaps junior departments and departmental heads would similarly be accorded different levels of status within the organisation.

- Co-ordination should be specified wherever possible in the framework of organisation and the need for co-ordination should be reviewed constantly. (Statement No. 13). It is submitted that the Town Clerk would have difficulty co-ordinating the municipal operation through eleven departments and a smaller number of departments is supported in principle.
  
- ... it is necessary to determine and establish as separate entities the smallest number of dissimilar functions into which the work of the organisation may reasonably be divided (Statement No. 9). It is submitted that the structure depicted in Figure 7 does not comply with this statement and that scope exists for the formation of a structure based upon fewer departments. This problem is now addressed with a view to reducing the number of departments.

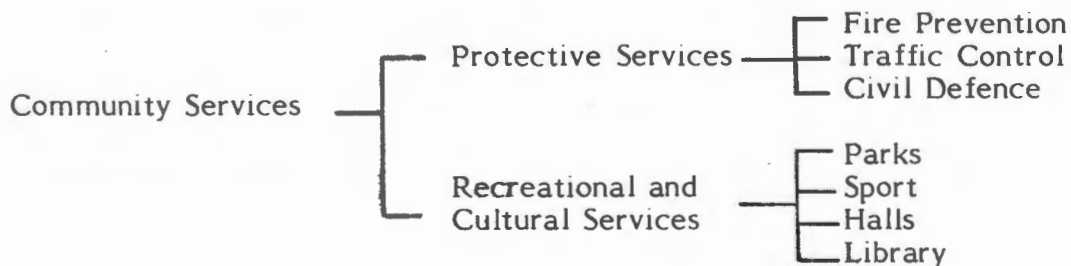
With reference to Figure 7 above it is submitted that the 'Technical Services (Works)' grouping and the 'Town Planning and Engineering Services' grouping are so interdependent and interrelated that any arrangement which does not make provision for efficient co-ordination between these two functional units would not be the most effective structure in the Milnerton context. If it is accepted that the functions included under 'Technical Services (Works)' and 'Town Planning and Engineering Services' need to be co-ordinated as at present, then the status quo should be retained and these services grouped under the Town Engineer. It is further proposed that the grouping of auxiliary services comprising internal audit and data processing should resort under the control of the Town Treasurer. This is in fact the present situation and will serve to establish the position of the Town Treasurer at 'departmental head' level.

Upon further examination of the structure depicted in Figure 7 it is apparent that it is possible and logical to group the Fire Prevention, Civil Defence/ Security and Traffic Control services under the heading of 'Protective Services'. A further logical grouping would be 'Recreational and Cultural Services' comprising parks, sport, halls and the library service. An organisation structure along those lines may now be diagrammatically illustrated as follows:



The present arrangement at the Municipality is that the Town Treasurer and the Town Engineer are responsible for the administrative management of their individual departments. It is felt that in these instances the 'status quo' should be retained.

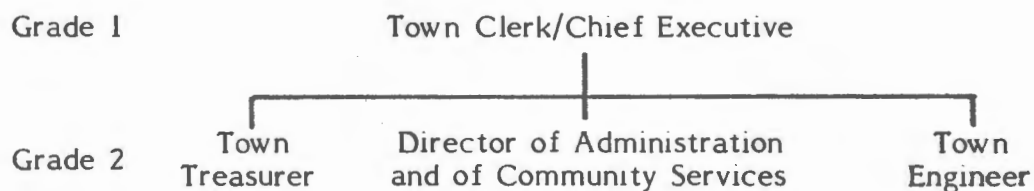
The remaining functional components would then be as follows:



Administration — Administrative Services

Taking into account the nature and scale of operation of each of the above services in the Milnerton context it is clear that on their own they do not warrant departmental status and it is therefore proposed that they be grouped into one department. The primary link or thread between these services is that of administrative management. It is accordingly submitted that the

head of the administrative services should take over the responsibility of the administrative management of the various community services from the Town Clerk and that these two functional groupings, i.e. of administrative services and of community services, should resort under one department. The Council's departments would then be the Town Treasurer's Department, the Town Engineer's Department, and the Department of Administration and of Community Services. The head of the latter department should be designated appropriately as 'Director of Administration and of Community Services'. An arrangement along these lines would free the Town Clerk/Chief Executive from direct involvement in the day-to-day administration of the various functional units, permit him to co-ordinate the activities of the Council through three departmental heads instead of eleven officials, and would result in three departments in which the relative apportionment of strength is more evenly balanced. (Statement No. 10). This structure may now be diagrammatically presented as follows:



These three departmental heads are accordingly accommodated on the second level (Grade 2) of the grading structure.

### 7.7 Management Group

The Municipality should attempt to achieve integration at the policy formulation stage as distinct from co-ordination in the form of compromises later on in the planning process and it is extremely important that the entire policy formulation process should be concerned with the affairs of the local authority and the community as a whole (Statement No. 15). It follows that the concept of a management group is highly significant. Corporate planning

has led to the concept of corporate management in which at least certain heads of departments accept responsibility for the affairs of more than their own department.

The introduction of three departments would eliminate any problem of span of management control for the Chief Executive. If there are fewer people through whom he has direct access in framing policy, conveying implementation instructions and formulating long term strategy, this will increase the probability of a successful operation. It is with this in mind that the innovation of three departmental heads under the leadership of a Chief Executive is considered necessary. The argument often advanced for smaller management teams is that a smaller group can reach decisions and have more productive discussions than a larger one. Up to a point this is probably true. Set against this, however, are the needs of the situation. The object of the Senior Management Team is to secure integration of policy formulation by drawing on the whole range of professional and other skills at the disposal of the Municipality. The effect of excluding any of the skills from a powerful policy-making arena and especially some of the major ones, would be to secure a degree of commitment which is less than is necessary or desirable for the needs of the organisation. It is important, therefore, that all three departmental heads be included on the Senior Management Team.

It is accordingly proposed that this group together with the Town Clerk should form the Council's Senior Management Team. This team would then represent all departments thereby building up its sense of corporate management whilst keeping the group small.

It is important for the departmental heads to develop a commitment to a corporate approach if it is to be successful. This will imply a shift of emphasis in the role of departmental heads who would otherwise devote most of their time and commitment to the running of their own departments. The shift will be much more towards the recognition that their most significant role is to corporate planning in the shaping of policy choices for the elected representatives thereby providing them with helpful information and alternatives. The Senior Management Team would be a group collectively

committed to working with the elected members and to drawing out the expertise from within the departments to help shape these policy choices.

In order to assist in closer teamwork and co-ordination in council-wide policy and organisational matters, as well as to share administrative problems or experience, the Senior Management Team should meet formally on a regular basis at least once a week and, if necessary, more frequently, dependent upon demand or special projects.

It would be preferable if the meetings were regulated on as informal a basis as possible. Notes of substantive decisions may well be kept and circulated. Where required, policy reports intended for committees may first receive consideration of the heads of department and these would therefore need to be circulated to all members of the Senior Management Team.

Matters which could be dealt with are:

- policy and broad strategic planning matters where a multi-disciplinary approach is likely to lead to a more co-ordinated approach in assisting the Council in policy formulation ('policy' includes substantial changes to existing policy);
- the setting of administrative goals and objectives for the Council;
- organisational or administrative proposals by departments which are likely to affect, albeit indirectly, other departments or to set a precedent which is likely to be followed by other departments;
- Council-wide budgetary priority proposals or use of savings on votes;
- other management or administrative matters such as would benefit from being dealt with corporately.

More specific matters are listed hereunder. In the main, these cover the broad sub-heads of management. The intention would be that the Senior

Management Team would deal with the matters on a corporate basis, possibly in formulation stage, and prior to the submission of any relevant report to the committees.

### Financial

- capital and operating budget proposals;
- three-year capital budget priority suggestions related to cash flow projections;
- priority use of substantial savings on annual budget; and
- reporting on over expenditure.

### Staff

- major policy reports with staff implications;
- annual additional staff lists;
- recruitment policy;
- overall training and development policy and programme; and
- departmental re-organisations; creation and upscaling of posts; appointment of heads, deputies, branch heads and deputies, and other posts of special significance.

### Planning Policy

- council-wide policy and broad strategic planning matters and co-ordination.

### Administration

- establishment of priorities for organisation and methods study;
- establishment of priorities for computerisation;
- important administrative procedures and controls;
- economy control measures.

If, as was stated earlier, the departmental heads are required to devote more time to the affairs of the Municipality as a whole then this implies that they would have less time to devote to the running of their own departments. It is proposed that the deputy heads of departments should fulfill a more active role in this regard. The posts of Deputy Town Engineer and Deputy Town Treasurer remain unchanged but it is proposed that the post presently designated as 'Director of Administration/Deputy Town Clerk' be redesignated to 'Deputy Director of Administration and of Community Services'.

These three deputy departmental heads should be accommodated on grade 3 of the grading structure.

### **7.8 Establishment of Branches**

It is proposed that the fourth and fifth levels of the organisation structure should identify the various branches of the three departments. Grade 4 of the salary structure is accordingly applicable to 'Level 1' branch heads with 'Level 2' branch heads accommodated on Grade 5. It is proposed that the Civil Defence Operation should resort under the Chief Fire Officer. This is a logical innovation in view of the location of the civil defence headquarters in the Fire Station Complex which is situated some distance from 'head office' and also in view of the nature of the work associated with the civil defence function.

Based upon the functional analysis contained in paragraph 7.6 above, the following division of functions is proposed:

Department : Director of Administration and of Community Services

Functional Unit		Job Designation of the Immediate Head of the Functional Unit	
Present	Proposed Branches	Present	Proposed
	<u>Level 1 :</u>		
Fire Department	Fire Brigade	Chief Fire Officer	<u>Chief</u> Fire Officer
Traffic Department	Traffic Control	Chief Traffic Officer	<u>Chief</u> Traffic Officer
	<u>Level 2 :</u>		
Parks, Sport and Recreation Department	Parks, Sport & Recreation	Director of Parks, Sport & Recreation	<u>Chief</u> Parks, Sport and Recreation Officer
-	Library	Librarian	<u>Chief</u> Librarian
Administrative Department (includes Library)	Administrative	Assistant Town Clerk	<u>Chief</u> Administrative Officer

**Table 2 : Administrative and Community Services - Proposed Branches**Department : Town Engineer

At present the town planning function is fulfilled by the Town Engineer which official holds a Master's Degree in this field. Consideration should be given to the appointment of a Town Planner to take over these responsibilities from the present Town Engineer upon his retirement, which is imminent. It is envisaged that the proposed post of Chief Town Planner would operate as a staff function to the Town Engineer with Level 2 Branch Head status.

Functional Unit		Job Designation of the Immediate Head of the Functional Unit	
Present	Proposed Branches	Present	Proposed
	<u>Level 2</u>		
Works Department	Works Branch	Works Manager	<u>Chief</u> Engineering Officer (Works)
Building Survey Department	Building Survey Branch	Building Surveyor	<u>Chief</u> Building Surveyor
Design and Technical Services	Design and Technical Services Branch	Assistant Town Engineer	<u>Chief</u> Engineer (Design & Technical Services)

**Table 3 : Engineering Services - Proposed Branches**

Department : Town Treasurer

Functional Unit		Job Designation of the Immediate Head of the Functional Unit	
Present	Proposed Branches	Present	Proposed
	<u>Level 2</u>		
	Expenditure	Assistant Town Treasurer	<u>Chief</u> Accountant Expenditure
	Income	Chief Accountant	<u>Chief</u> Accountant Income
	Audit	Internal Auditor/ Cost Accountant	<u>Chief</u> Internal Auditor

**Table 4 : Financial Services - Proposed Branches**

The primary areas of innovation in the above regard are the following:

- the recognition of branches on two levels is considered necessary in view of the specialist nature of the two 'emergency' services which in the above proposals are recognised as '1st Level' branch heads and which are accommodated on grade 4 in the new structure with 'Level 2' branch heads on grade 5;
- the rationalisation of job designations to the extent that branch head designations are all prefixed with the word 'chief' ;
- the recognition of the immediate head of the Library as a 'Level 2' branch head. The library service is accordingly accorded 'Level 2' branch status;
- the number of management levels in the Town Treasurer's Department is reduced by one, thereby shortening the 'chain of command'. This Department would accordingly identify its branches at a level which is consistent with the levels at which branch status is recognised in the other two departments.

Apart from the above, the main changes to the present situation are in the Town Treasurer's Department and it is necessary at this point to examine the structure of this Department in some detail. In doing so the opportunity is presented to indicate the benefit which might be derived from the application of certain of the statements contained in the Code.

### **7.9 The Town Treasurer's Department : Existing Situation and Some Proposals for Innovation**

This department is the direct responsibility of the Town Treasurer, who states as his job goal the following:

"To act as financial adviser, accountant, internal auditor and treasurer of all the Council's funds by ensuring that all financial transactions are properly recorded in terms of the statutes, ordinances, and resolutions of Council, and that all expenditure is properly verified and all monies due to the Council are accounted for."

The Town Treasurer was unable to give any indication in regard to the time allocated to each of his key functions but the primary function was identified as follows:

**Management of the various functional units of the Town Treasurer's Department with specific reference to Accounting, Audit and the Management of Funds.**

The Deputy Town Treasurer occupies the second level of management in the Department. The incumbent of this post has identified the goal of his job as follows:

"To ensure that all Council's financial transactions are properly recorded according to sound financial accounting principles and Central Government Laws, Municipal Ordinances and Council Minutes."

The key functions attached to this post relate to investments management, control of subsidies received in respect of proclaimed main roads, maintenance of an assets register, administration of loans and loans repayments, preparation of financial statements and carrying out general accounting functions.

The third level of management in the Town Treasurer's Department consists of one post of Assistant Town Treasurer. At the time of this investigation this position was not filled, nor were there any plans to do so. Accordingly, no information was submitted in regard to the job goal and the post's key functions.

The next level in the management structure of the Town Treasurer's Department consists of the positions of Internal Auditor/Cost Accountant, Valuation Officer and Chief Accountant. The stated job goal of the Internal Auditor/Cost Accountant post is to audit the income and expenditure of the Council and to establish sound methods and procedures to protect Council's assets.

The key functions of the post include the internal audit of all expenditure and income, the creation of improved methods, controls and procedures relating to various financial transactions, cost accounting procedures, assistance with the preparation of the financial statements, all insurance matters, and the supervision of the 'Expenditure Section' and the control of 'Stores'. The Internal Auditor/Cost Accountant is directly responsible to the Town Treasurer for the internal audit aspect of his work and to the Deputy Town Treasurer for the accounting aspect.

The second position on this level is that of Chief Accountant. The job goal in regard to this position is stated as follows:

"To administer all the functions of the income sections of the Town Treasurer's Department by ensuring that all necessary steps are taken to ensure that all monies due to the Council have been accounted for."

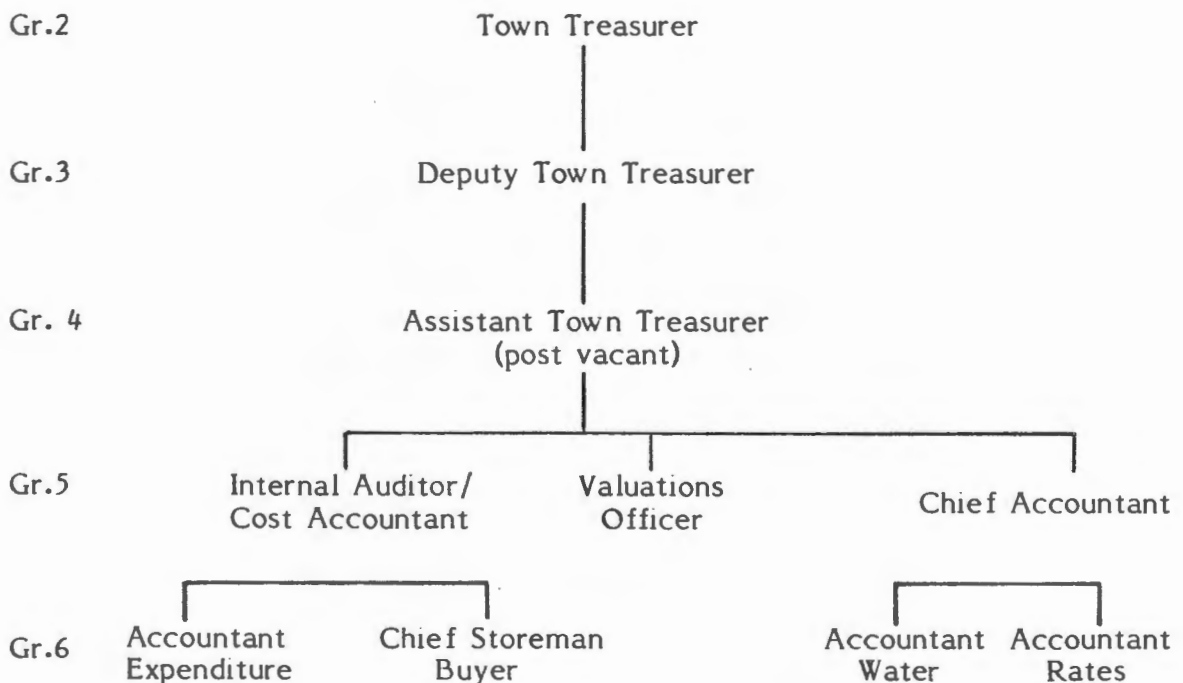
The key functions identified relate to the control of income (20%) and the administration of the housing subsidy scheme (40%) and to assist the Provincial Auditor with his investigations.

The third position on this level in the Town Treasurer's Department is that of Valuation Officer whose job goal it is to ensure that the valuations of all immovable property in the municipal area are carried out in terms of the Valuations Ordinance. The post identifies the valuation of buildings (50%) and the valuation of land (20%) as being the key functions of the post.

All three positions on this level of management report directly to the Deputy Town Treasurer.

The 5th level of management in the Town Treasurer's Department comprises three posts of Accountant and these are presently identified as Accountant - Rates, Accountant - Water, and Accountant - Expenditure.

The top echelons of the Town Treasurer's Department may accordingly be illustrated diagrammatically as follows:



**Figure 8 : Town Treasurer's Department  
Existing Management Structure**

The three posts of 'Accountant' are described as follows:

### Accountant - Expenditure

The key functions of this post require the incumbent "to ensure that all Council's expenditure is verified by means of supporting documents before payments are made and to make all payments timeously. To ensure that all monies due to the Council (excluding rates, and the charges in respect of the provision of water, refuse removal and sewage disposal services) are collected and accounted for, and to ensure that Council's Cash Book and Bank Account are reconciled on a continuous basis".

### Accountant - Water

The incumbent of this post is required "to ensure that every meter installed in the municipal area is read on a regular basis; that all income due to the Council in respect of water charges, refuse collection charges and sewerage charges is received and accounted for".

### Accountant - Rates

The incumbent of this post is responsible for the "collection and recording of all rate income due to the Council".

Further examination of the organisation structure of the Town Treasurer's Department reveals that the Internal Auditor/Cost Accountant is also directly responsible for the wages section and for one post of Clerk Gr. 1 which incumbent is responsible for capturing all data for processing on the main frame computer. Whenever necessary this employee also assumes duties as a relief cashier. The Internal Auditor/Cost Accountant is also responsible for the 'Stores' section. Apart from the post of Chief Storeman/Buyer the staff complement includes a Storeman/Clerk and two posts of Stores Assistants. The incumbent of the post of Secretary to the Town Treasurer, in addition to a secretarial function, is also responsible for calculating and processing staff salaries and for this function is accountable to the Internal Auditor/Cost Accountant.

The Chief Valuations Officer has a staff of three to assist him in his duties. These are the posts of Senior Assistant Valuation Officer ; Typist/Clerk and Clerk Gr. 3/Meter Reader .

The Accountant - Rates is assisted by three posts of Clerk Gr. 2 , whilst the Accountant - Water controls a staff of three being a Clerk Gr.1, Meter Reader/Chauffeur and Meter Reader/Clerk.

There is one post of Cashier and this position reports directly to the Chief Accountant .

In regard to the data processing capability, the Municipality has entered into an agreement with the Parow Municipality for the use of its computer. In this regard the incumbent of the position designated as Chief Accountant is recognised as the liaison person between the Milnerton Municipality and the Municipality of Parow.

The present structure of the Department does not recognise logical functional components with the status of a 'branch'. Whilst in an organisation the size of Milnerton it is acknowledged that the precise grouping of functions is not always entirely practical and a degree of flexibility is sometimes necessary to allow posts to carry additional duties which are sometimes unrelated, the author would nevertheless submit that consideration should be given to the following proposals.

#### Internal Audit

In Milnerton Municipality the audit function resorts under the Town Treasurer at the fourth level of management.

Statement No. 44 of the proposed 'Code of Organisation and Management for the Municipality of Milnerton' specifies that control must be independent to be effective and this draws attention to an apparent weakness in the 'modus operandi' of the Municipality's internal audit function.

The 'Financial Code for Local Authorities' which was compiled by a working group of the Institute of Municipal Treasurers and Accountants (S.A.) and approved by the Permanent Finance Liaison Committee, states that all levels of local government, regardless of size or complexity, should establish formal written policies and procedures, in the form of financial regulations, for the conduct of their various financial operations. In paragraph 1.2 of the aforementioned 'Financial Code' it lists internal audit as one of the items which should be included in such financial regulations. In paragraph 2.5.1 the Code states that a sound system of internal audit should be established as an independent appraisal function for the review of activities as a service to all levels of management.

The 'Financial Code' lists as the responsibility of internal audit, the review, appraisal, and reporting upon, of the following:

- internal control including the soundness, adequacy and application of financial and other management controls;
- the extent of compliance with established policies, plans, procedures and legal requirements insofar as these involve the finances of the local authority;
- the extent to which the local authority's assets and interests are accounted for and safe-guarded from losses of all kinds arising from:
  - (i) fraud and other offences;
  - (ii) waste, extravagance, inefficient administration, poor value for money or other causes;
  - (iii) fire and storm risks;
  - (iv) the suitability and reliability of financial and other management data developed within the organisation; and
  - (v) computer programmes and computer security.

In paragraph 2.5.3 of the 'Financial Code' reference is made to the need for co-operation between internal audit and external audit including the exchange of relevant information in order to maximise audit resources, but without derogation of their independent audit function.

In a report to the Council's Finance & General Purposes Committee on 31 July 1974, the inadequate co-ordination between the Town Treasurer and the Town Engineer's Departments was highlighted. The problem revolved around the recurrence of over-expenditure or unauthorised expenditure incurred by the Town Engineer's Department to complete projects duly authorised by Council. What would happen in practice is that the Town Engineer would proceed with a project to its natural conclusion (i.e. its completed state) whereafter, upon the normal processing of requisitions and invoices, it would be discovered by the Treasury that the estimated cost as approved by Council had been exceeded. The problem revolved around the fact that unauthorised expenditure was only revealed after the act.

It was considered necessary to impose tighter control over the costing of capital works. At the time the costing of the capital works was predominantly of an historical nature due to the fact that there was no staff capability within the Town Treasurer's Department to monitor the daily movement of material, plant and vehicles for the specific works. With a view to improving the financial co-ordination between the Town Treasurer's Department and other municipal departments, the staff establishment of the Town Treasurer's Department was increased by the addition thereto of one post of Cost Accountant/Internal Auditor. Although this post is designated as Cost Accountant/Internal Auditor, in practice the incumbent of this post is also responsible for, inter alia, the wages section, stores, general expenditure as well as various administrative matters. The incumbent is furthermore extensively involved in the preparation of the operating estimates. An investigation of the job description of this post reveals that the incumbent is able to devote less than 40% of his working hours to the audit function. The present modus operandi conflicts with the basic principles of sound internal control and the concept of internal check is also seriously neglected. The post designation is quite clearly misleading in terms of the present job content.

The actual audit work carried out by the Cost Accountant/Internal Auditor is done so in terms of a narrow terms of reference and tends to concentrate on appraising the accuracy and propriety of financial transactions. Whilst this work will always be an important objective of the control function, it should not dominate the internal audit activities since this would only serve to diminish the influence of internal audit as an independent appraisal function. The internal audit function as it exists in Milnerton, effectively relegates internal audit to a narrow financial role which is seen merely as an extension of the Town Treasurer.

Justifiable demands for improvements in public accountability have intensified in recent years and will continue to do so. In this regard two aspects will demand more attention - financial stewardship and output measurements. Internal audit could go a long way towards meeting these demands if it is permitted to operate in a corporate perspective. There is little evidence in the present circumstances pertaining to Milnerton that the function of audit is seen in this wider context. If the situation in Milnerton is to be rectified then the weakness of the present arrangement must be identified. Firstly, the job content of the post of Cost Accountant/Internal Auditor must be reviewed. Secondly, it is necessary to distinguish two distinct roles which should be the responsibility of the Town Treasurer in Milnerton and which should have corresponding influence upon the post of Cost Accountant/Internal Auditor. The two distinct roles are a corporate role when fulfilling functions as a member of the proposed 'Senior Management Team' and a functional role for finance and other responsibilities which are attributed to the incumbent in an executive capacity. Similarly, the Cost Accountant/Internal Auditor should have a dual responsibility. A corporate responsibility which transcends financial responsibilities and a responsibility for financial propriety, accountability and control. In Milnerton it has been the tendency to concentrate on the technical aspects of auditing and this has resulted in a failure to develop a corporate approach to audit work.

If the 'audit section' is to fulfill a corporate role and independently appraise policies, plans and procedures, then the question must arise as to whether the audit function should not report direct to the Town Clerk/Chief Executive of the organisation.

The corporate role of internal audit must be developed in Milnerton to meet the increasing requirements for greater public disclosure and accountability. Concentration on the accuracy and propriety of financial transactions will curb the potential of the internal audit function as an independent appraisal agency.

The place of internal audit within the Milnerton Municipality must be reviewed. As long as audit is seen in a narrow context the full audit potential will not be realised. Whilst in the specific situation in the Municipality of Milnerton it is not practical to recognise the Internal Auditor on the level of Department Head, this function should certainly report direct to this level. The position should be accorded Branch Head status and this proposal is accordingly included in the alternative organisational structure proposed for the Town Treasurer's Department (refer Figure 9 ).

The Browne Committee acknowledged that 'the local authority treasurer bears the main responsibility for ensuring that effective control is maintained in the organisation and, apart from budgeting procedures, he has to rely largely on the audit department to carry out this function or to verify that it is carried out by other officials. In the Committee's view, the treasurer should retain the responsibility for this function and the internal audit department should preferably fall under him. The Committee also recommended that "the head of the internal audit function should report at least once a month on all aspects of its work and that copies of the report should be submitted to the Town Treasurer, the Town Clerk and the Council (Browne et al 1980 : Vol. 1, 70). This is also the view of the present author when this question is viewed in the context of the Milnerton Municipality.

It is accordingly submitted that the post of 'Internal Auditor/Cost Accountant' should be redesignated as 'Chief Internal Auditor' and accommodated on the newly proposed grade 5 in the Town Treasurer's Department. The job content of this post should be reviewed to accept the responsibilities along the lines suggested in the 'Financial Code' prepared by a Working Group of the Institute of Municipal Treasurers and Accountants of South Africa as set out above.

### Expenditure

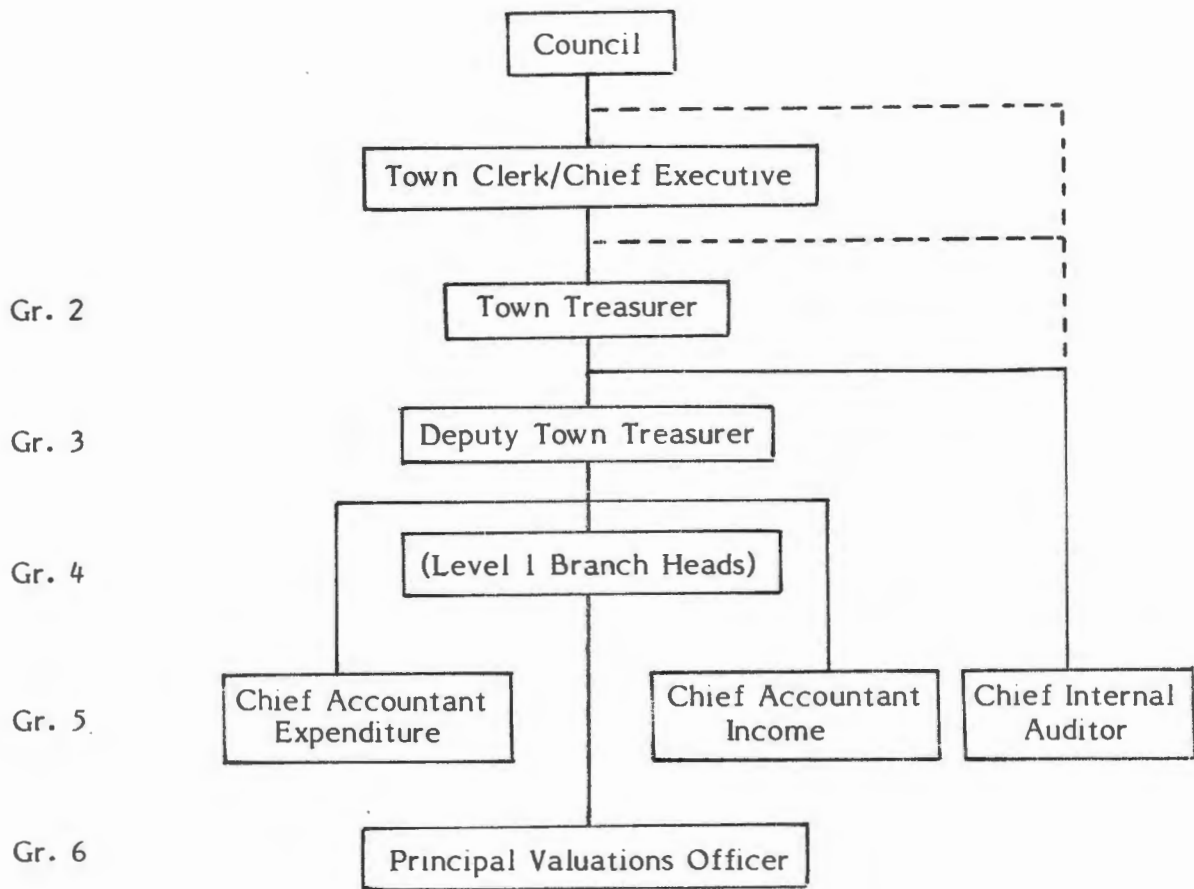
The post of Assistant Town Treasurer on Grade 4 has been vacant since 1979 and it is proposed that this post be redesignated as Chief Accountant - Expenditure and included on the newly proposed grade 5 of the grading structure. Responsibility for all functions at this level of the Department which relate to the management of Council's expenditure should be grouped under this post and this functional component should be accorded Level 2 branch status and accordingly be identified as the Expenditure Branch.

### Income

The post presently designated as Chief Accountant on the existing grade 5 in the Department should accept responsibility for the management at this level of all income of the Council. This position should be included on the newly proposed grade 5 and re-designated as Chief Accountant - Revenue in charge of the Department's Revenue Branch. The job content should be reviewed accordingly and specific attention paid to the fact that at present the incumbent of the post of Chief Accountant occupies 40% of his time administering the Council's Housing Subsidy Scheme. It is submitted that work of this nature should be delegated to an official at a less senior level in the Department.

The above proposals are supported by the proposed 'Code of Organisation and Management of the Municipality' with specific reference to Statements No. 9, No. 10, No. 11, No. 12, No. 20, No. 21, No. 23, No. 28, No. 31, No. 34 and No. 44.

The resultant structure would be along the lines indicated in Figure 9 below and it is submitted that the job contents of lower level positions affected by these changes should be reviewed accordingly.



**Figure 9 : Town Treasurer's Department  
Proposed Management Structure**

#### 7.10 Support Function for the Senior Management Team

Consideration should also be given to the possible formation of a group comprising the Senior Management Team, the three deputy departmental heads and the 'Level 1' branch heads. This group could possibly be referred to as the 'General Management Team' as opposed to the 'Senior Management Team', with meetings held on a regular basis. The purpose of the 'General Management Team' would be to deal with management problems which are more appropriate for discussion at a level lower than that of the 'Senior Management Team'.

The Senior Management Team clearly needs to be serviced with information. It cannot expect simply to meet and generate policy ideas or shape important policies in any form without a good deal of ground work being done first. One way would be to have a group involving all the disciplines at branch head level and chaired by one of the deputy heads of departments. The function of such a group would be to service the information needs of the Senior Management Team. It would provide information, it would build up gradually

a framework for policy making which would be responsive to changing needs. A major function would be to generate 'position statements' to keep the members and 'Senior Heads of Departments' abreast with the way existing policies are going.

What is needed is a team within the authority manned by all the disciplines to do some information gathering to give new insights, new approaches and new possibilities for action. (Statement No. 13). This team should be seen by the 'Senior Management Team' as a key point in the policy formulation process and they would draw on it regularly as a support function. This group would develop the common basis across the whole authority from which a variety of plans and policies would derive. There will also be issues which need to be tackled by interdepartmental working groups and such groups would take a variety of forms. Some will be temporary but full-time, others will meet part-time only. The organisation proposed above provides a framework for effective management but the organisation will not be fully effective unless the processes of management are understood and applied. A systematic approach is required to ensure that the component parts of the organisation are not distracted by the pressure of current problems from the direction and control at those points where direction and control are necessary.

It is for the councillors in 'ad hoc' Committees, or the Council to conduct these reviews and where appropriate to take the decisions. But it is for the Town Clerk/Chief Executive together with the Senior Management Team to draw up the programme of the Council's business and in doing so to ensure that such items are brought forward for discussion as will enable the programme to be maintained and business which is important, to be brought forward. It will be the responsibility of the 'Town Clerk/Chief Executive' to see that effective systems of controls are devised and made available to the committees so that their reviews have purpose and result. In this he will be assisted by the other members of the Senior Management Team, each playing his specialist part, but contributing to the overall responsibilities of the authority. In conducting the reviews, the 'Town Clerk/Chief Executive', together with the other members of the Senior Management Team and the members in committees, should not rely on routine comparisons with the past, but should place emphasis on the need to relate current performance to objectives already agreed. The proposed organisation structure of the Municipality's top and senior management levels may now be diagrammatically illustrated as follows:

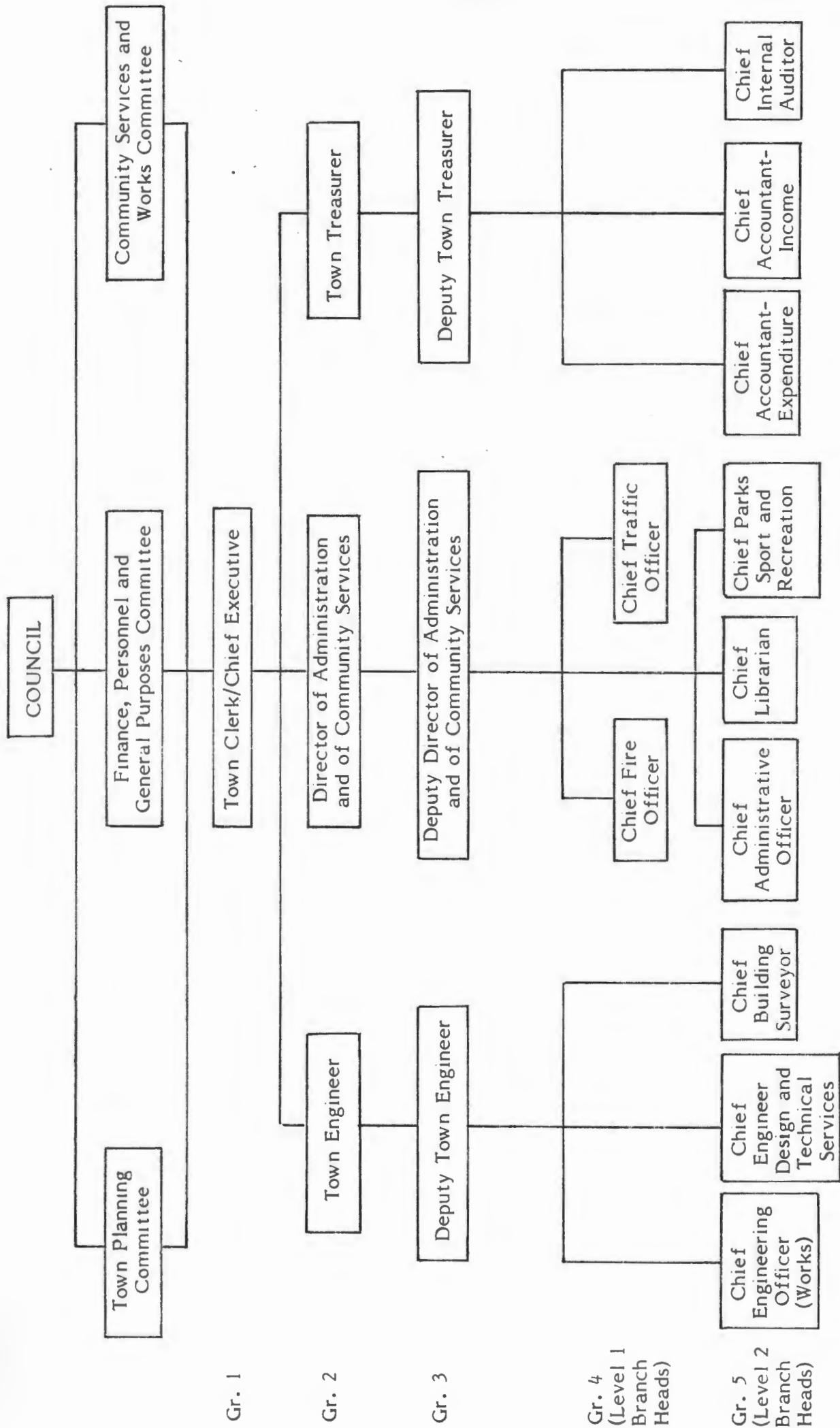


Figure 10 : Municipality of Mulnerton : Top and Senior Management Structure

Systematic management is a cyclical process requiring a time-table which does not leave direction and control to chance. The time-table should provide for periodic review by the relevant committees of the long-term objectives of the Municipality, and for decisions to be taken by the Council. It should also provide for review by the committees of the short-term objectives such as the budget and the annual programmes of the various services. The time-table should also provide fixed times for the review by the committees of the performance of the various services, and of the progress on various schemes so that results may be assessed. These reviews in themselves may lead to modification of the long- and short-term objectives.

### 7.11 Informal Communication Channels

It is important to acknowledge the place of informal communication channels within any formal organisation structure. As Albers (1966 : 265) states, information flow is restricted by prohibitions against bypassing levels or 'short-circuiting' the line of command and a superior should not directly give orders to anyone who is more than one level below him in the hierarchy. However, emergency conditions may cause a superior to take a personal hand in the affairs of subordinate officials. (Statement No. 23)

In the organisational structure proposed for the Municipality of Milnerton the author must stress that whilst the process of bypassing an immediate superior should not be encouraged, it is also necessary to draw a distinction between hierarchical decisional relationships and other kinds of contact. The following instructions from an organisational publication of the Radio Corporation of America are relevant in this regard:

"The organisation structure and the organisation chart define lines of responsibility and authority but do not indicate channels of contact. The RCA organisation permits and requires the exercise of common sense and good judgment, at all organisational levels, in determining the best channels of contact necessary for the expeditious handling of the work. Contact between units of the organisation should be carried out in the most direct way. In making such contacts, however, it is the duty of each member of the organisation to keep his senior informed on:

- any matters in respect of which his senior may be held accountable by those senior to him;
- any matters likely to cause controversy within or between any units of the corporation;
- matters requiring advice by the senior or his co-ordination with other units;
- any matters involving recommendations for change in, or variance from, established policies. RCA could not operate without freedom of decision at many key action points down the line; yet those who carry senior responsibility must be kept in a position to exercise the direction and control for which they are held accountable (Albers 1966 : 265-266).

It is along these lines that the proposed formal organisation structure for Milnerton could accommodate exceptional cases where informal lines of contact could be practised within the above parameters of keeping the immediate superior informed.

#### **7.12 Management on a Corporate Basis - A New Approach is Needed.**

No constructive purpose will be served merely by changing who does what and devising a new formal organisation structure. The basic premise underlying the changes proposed for the Municipality is that the approach to the management of the affairs of the Municipality should be more coordinated and that the position of Town Clerk should be officially accorded higher status than the other chief officials and should carry overall responsibility for the co-ordination of the Council's affairs. Whilst some changes in the structure of the Municipality's organisation are necessary, there is plainly a relationship between the structure of an organisation and the processes which that structure is expected to sustain. A change in the management structure will not necessarily bring about a change in the management process. It is this

relationship between process and structure which needs to be reflected in the new system of management proposed for the Municipality.

### **7.13 The Functions and Responsibilities of Councillors and Officials**

The management and execution of functions at local government level involve two groups of people, the councillors and the officials. If the functions and responsibilities of councillors on the one hand and of officials on the other are more clearly defined, then the shape of the organisation becomes more apparent.

The view often expressed is that the function of councillors is to decide 'policy' and of officials to 'execute' or 'administer' it. It has been argued that policy cannot be defined and indeed that it should not be defined. Some issues are considered by some to be so important that they can be safely termed 'policy issues'. But what may seem to be a routine matter may be charged with political significance to the extent that it becomes a matter of policy. Other routine matters may lead by practice and experience to the creation of a principle or a policy; an isolated case may itself be a precedent for a line of similar cases. In advising on major issues officials are clearly contributing to the formulation of policy, but in shaping administrative decisions officers may also, even if less obviously, be formulating a policy. 'Policy' and 'administration' will not serve to distinguish between the responsibilities of councillors and of officials. Bains saw the process of management in local government as a scale or continuum (see Figure 4). At the two extreme ends of the scale the respective roles of members and officials are clear enough. However, nowhere along the scale does the balance of control and advice change absolutely. The relationship changes very gradually until a new dominant source of control or advice emerges. Thus at no point on the scale can it be said that everything beyond or before that point is exclusively the province of either element.

The Municipality, in addition to providing a wide range of public services, must necessarily study the present physical and social environment of the

municipal area it serves, and assess its future needs and developments. Objectives must be identified and also the means to be adopted to attain them. The problems cannot be taken in isolation since the objectives have to be reconciled with one another. Key decisions have to be taken on the means and plans to attain these objectives. It is necessary to ensure that resources are available to do what is wanted when it is wanted and to do it effectively and efficiently. Action needs to be co-ordinated, performance watched, and timing and costs reviewed, so that corrective action can be taken when necessary.

It is the councillors who should take and be responsible for the key decisions on objectives, and on the means and plans to attain them (Statement No. 29). They must periodically review the position as part of their function of directing and controlling. It is the officials who should provide the necessary staff work and advice which will enable the councillors to identify the problems, set the objectives and select the means and plans to attain them. It is the officials who should direct and co-ordinate the necessary action, and ensure that material is presented to enable councillors to review progress and check performance.

In this regard specific reference will now be made to Statement No. 40 of the Code which calls upon management to identify goals and objectives in respect of the total organisation and of each of the major functional units within the organisation. Furthermore, a conscious effort should be made to introduce measures whereby the performance of the organisation might be measured. Statement No. 37 of the Code recognises the need for proper planning and independent control systems supported by adequate information and communication systems.

Statements No. 37 and No. 40 of the Code provoke thought in an area which is too vast for in-depth investigation in this thesis. However, the author would draw attention to an apparent need to develop a means of measuring output in respect of the various services provided by the Municipality and also to consider a budget format which provides meaningful information which will assist management in their decision-making. In this regard the following discussion is relevant.

#### 7.14 Budget Format

The budget format presently used in the Municipality is the line-item budget. (Refer to Appendix "I" for example). This budget format is concerned with the effective allocation of resources, translated into financial terms, to specific departments and branches within those departments. It is extremely difficult to develop from a departmentally based budget the management control function so vitally important in the management process. The line-item budget format is helpful to those who understand the complicated financial thread which runs through the Municipality but it fails when used as an aid to councillors to control effectively the management process within the Municipality. In this context finance has been referred to as 'a thread running through all affairs and is everybody's business' and should not be considered a specialist's monopoly.

The traditional budget format as used in Milnerton relates inputs, in financial terms, to the various departments and sub-divisions thereof, but does not provide relevant managerial information for councillors and senior management in regard to output. For example, an examination of the layout presently employed by the Municipality for the library service reveals that it is impossible to establish the level of the service offered to the residents of the Town. What are the goals and objectives of the library service? what different categories of service does the library offer? (for example, children's library, research facilities, exhibitions, mobile library, etc.); and to what extent are resources allocated to particular types of provision within each sub-heading? Furthermore, what is the number of book issues per annum? what is the library membership? how many books are in stock? what is the population of the town? and how many personnel are employed in the library service? Basic data and information as specified above are vital to enable management to make informed and meaningful input to the decision-making processes and can be used to determine, for example, how many members are served by the Municipality's library and at what unit cost, whether or not such unit costs have risen over the last, say three years, and, if so, due to what factors? This and other information is all part of the essential picture which has to be developed if an effective management control function is to be developed. In many instances the relevant data is available but at no stage is it presented to management in a meaningful manner.

In the Milnerton context the budget appears to have existed solely to ensure that the money available in any one period is matched to the expenditure in that period. In this regard it has certainly introduced its own measure of effectiveness and that is whether or not all the money that was put in the estimates has been spent at the end of any one year. "The financial budget, as a reliable measure of progress, is merely a reliable measure of progress insofar as one has managed to expend resources; it does not in any way relate to the achievement of specific management targets. There is a manifest need for the budget to do more than merely show the amount of money it is planned to expend in any one year and relate that to a particular department." (Skitt 1975 : 90 - 91).

Skitt (1975 : 91-93) states that in order to achieve a management control system which will relate expenditure to achievement, the budget must describe resources by:

- relating programmes for their achievement to the stated objectives;
- expressing each programme (down to activity level) in terms of the resources expended upon them;
- reporting on the comparison of actual performance with planned performance;
- controlling, or the accountability function of bringing into line, actual performance with planned performance.

The characteristics of a management control budget as set out above would require a different format from the traditional budget format. In fact, the budget would have to be set out according to the objectives of the various services provided by the Municipality. However, it is submitted that it is also possible to link the management control budget to the existing budget structure with minor changes and relate resources to that rather than to decide on an entirely different format.

In view of the fact that different levels of control are required, ranging from that of the elected representative to the departmental and branch heads, the question must be asked whether it is possible, or practical, to have all the data and information necessary for that wide range of control within one budget. It would seem more practical to operate two budget formats - one on a subjective base, essentially for internal control, and the second, based upon objectives, and providing the data and information necessary for management control.

At present the Municipality operates a single computerised budgetary system and thought should be given to utilising this computer-based programme to produce different control documents. Whilst it is acknowledged that the development of a computer programme could be a complex task the argument for using a computer for this purpose is its ability to manipulate masses of data into meaningful information which could assist the planning and control functions of management. The existing budgetary system meets most of the accounting needs of the Municipality but falls short in terms of the provision of meaningful management control data and information. It is on this premise that it is considered prudent to maintain the existing financial budget in its present format and to run a management control budget in parallel.

"The problem of output measures has to be faced if there is to be an effective pay-off, in practice, to any of the advantages of corporate planning. Indeed, unless we can develop measures of effectiveness, we cannot except in an intuitive way say that the existing situation needs development. Whether they are output measures or intermediate measures of effectiveness or achievement targets, the outputs related to inputs in a management control budget should comply with the following requirements:

- they should be quantified;
- they should be directly related to objectives;
- they should be comprehensive; that is to say, they should undertake to evaluate all outputs relating from any activity or programme,

rather than those simply directly related to the objective under which they appear;

- each output will probably necessitate the explication of cross-walks between programmes and other activities." (Skitt 1975 : 107)

The above requirements may not be possible to achieve in all cases of output measurement and very often intuitive judgments, or subjective judgments of fact, of the persons most intimately concerned with a problem, are not only the only measures available, but very often the most effective (Skitt, 1975 : 108).

The author supports the above view and the approach proposed for the Municipality of Milnerton is one in terms of which an attempt should be made to develop intermediate measures of effectiveness together with management achievement targets, and, within this process, to realise output measures. What appears to be certain is that there is a need to develop an output based budget which should run in parallel to the existing financial budget.

"Programme/Performance budgeting systems and variations thereof have received a mixed reception. Some local authorities have embarked upon the concept with great enthusiasm and continue to develop the principles with progressively greater sophistication; others have become disillusioned and have abandoned the concept completely. The primary difficulty encountered by organisations which have attempted to set up the system appears to have been the basis upon which objectives were framed. Introduction of the system necessitates a considerable number of man-hours being spent by senior executives in designing objectives, and the broad nature of the main objectives adopted did not seem to justify the cost of identification. For this reason the desirability of introducing programme/performance budgeting systems or a modification thereof within local authorities in South Africa has been severely questioned." (Browne et al 1980 : Vol. 2, 43-44)

"Whilst programme budgeting can assist in making selections between different programmes for the same service, there has been little evidence to show how priorities can be determined between programmes for totally different

services; thus the ability of programme budgeting to rationalise the use of scarce capital resources within local authorities is obscure. Furthermore, if the line-item system of budgeting is abandoned in favour of programme budgeting there is a danger that the dominant objectives of the programme budget will not be integrated with the most economic use of resources, and it may not be possible to maintain effective budgeting control when departmental costs are merged into programmes." (Browne et al 1980 : Vol. 2, 44)

The Institute of Municipal Treasurers and Accountants S.A. (Browne et al 1980 : Vol. 2, 44) encouraged local authorities to undertake an analysis of municipal functions and to establish output measurements with a view to providing considerable aids to management. The author has also identified the need for such an analysis to be undertaken in regard to the Milnerton operation. It is also submitted that it would be meaningful to relate these output measurements to specific objectives. In view of the fact that goals and objectives have not been specifically identified for any of the services currently offered by the Municipality, the author has included as part of the research, the preparation of goals and objectives statements. However, since the scope of this thesis does not permit the identification of goals and objectives for all the services offered by the Municipality it was decided to select one of the proposed departments for this purpose. In view of the fact that the author is actively involved with the services included in the proposed 'Department of Administration and of Community Services' it was considered appropriate to concentrate on these branches, being the following:

### Level 1

Fire Brigade  
Traffic

### Level 2

Administrative  
Parks, Sport and Recreation  
Libraries.

A statement of goals and objectives (refer Appendix "J") in respect of the proposed 'Department of Administration and of Community Services' was prepared on the basis of a detailed analysis of the relevant job descriptions and on information gleaned from interviews with the branch heads concerned as well as from discussions with senior officials in these branches. The need for output measurements has been described earlier in this Chapter and an attempt is accordingly made to identify possible output measurements/performance indicators which might be applied in respect of each of the objectives stated. This list forms part of Appendix "J". It is suggested that, for the reasons outlined in this section, statements of goals and objectives should be prepared in respect of all services provided by the Municipality and that wherever practicable performance indicators should be identified in respect of each objective.

#### **7.15 A Data Base Management Information System**

Following on from the need for meaningful management information, it is submitted that an investigation should be undertaken into the use of cost-benefit analysis and other evaluation techniques to establish planning as part of the management function. New techniques of measurement and control and the use of computers in this regard should be investigated.

The concept of the co-ordinated management of an authority's affairs through a Senior Management Team of officials led by the Town Clerk highlights the need for a management information system which will serve the authority as a whole and not only individual departments.

To assist the Senior Management Team in its work, attention should be directed to the possible implementation of a data base management information system. The main purpose of such a system would be to provide management information for the monitoring of policy implementation; the evaluation of new policies or amendments to existing policies; the selection of priorities; the initiation of policy documents, and the support of managerial activities generally.

In this regard any investigation into the possible establishment of a data base management system should consider the following aspects:

- why is the data base management information system required?
- what are the future requirements in this regard?
- is the system to be manual or computerised?
- if it is to be computerised, what system should be used?
- what software?
- will the user(s) require direct access?
- who will operate the system?
- what data/information will be stored in the system?  
(for example: policy documents, relevant legislation, conditions of service, grading schedule, establishment tables, personnel records, organisation structure - posts/purpose/functions, financial data, budgetary control information, statistics - demographic/social, Government reports/proceedings.)
- what special facilities are required?  
(for example: electronic diaries, electronic mail, spreadsheets, graphics.)
- to what extent would the system be utilised?  
(for example, hourly, daily, weekly, monthly.)
- how will the system be updated and by whom?

Thus far in this Chapter reference has been made, when this has been appropriate, to several of the statements contained in the 'Code of Organisation and Management' which was formulated in Chapter Six. In a work of this

In a work of this nature it is not the intention to examine each one of these statements in depth, although many of the statements contained in the Code have already been considered in this case study. The purpose of the Code is merely to provoke thought in regard to various aspects of the Municipality's organisation structure and process of management. However, in concluding this present Chapter brief additional comment is offered on a selection of these statements.

#### **7.16 Sensitivity to the Needs of the Citizens**

**Statement No. 18 : The organisation must be sensitive to the needs of the citizen and there should be clear facilities for grievances to be heard. Members of the public should have, and should be conscious that they have, avenues of appeal and clearly defined sources of information. The private individual should not feel that his only contacts with the local authority are at election time, when his rate demand arrives, or when he needs to use the local authority's services.**

The Municipality presently employs in a casual capacity a person whose sole responsibility it is to liaise with the public in regard to grievances or general enquiries. The advantage of such a position is that the public have a recognised channel of communication to follow and are assured of a prompt response to their enquiries, be they verbal or written. It is suggested that the need for this post should be confirmed and a permanent position, designated 'Public Liaison Officer', be established at a senior level on the Council's fixed establishment. The incumbent of this post should possess the qualifications and ability to undertake a full investigation and to present a detailed report to the Council's senior management as to how liaison with the public might be improved. Alternatively, Consultants might be appointed for this purpose. In addition, it is proposed that attention be given to conducting a public opinion survey of the services presently provided by the Municipality. This survey could conveniently be conducted through the medium of the Municipality's newsletter which is presently produced on a biannual basis.

## 7.17 Remuneration of Personnel

**Statement No. 30 : Remuneration of personnel should be fair and reasonable to both employer and employee consistent with conditions over which the employer has control. The remuneration structure should accordingly take into account an evaluation of the post, the performance of the incumbent, the levels, patterns and trends in the employment market, and the ability of the organisation to pay.**

Of particular significance in regard to the above statement is the 'grouping' of local authorities in terms of the Remuneration of Town Clerks Act, 1983, and in terms of which the salary of the Town Clerk and therefore that of other officials is controlled. However, within these parameters, an attempt should be made to prepare a remuneration structure which meets the requirements of Statement No. 30 of the Code. In regard to the evaluation of posts it is proposed that the Peromnes job evaluation system should be utilised for this purpose. The Peromnes system requires that each position is evaluated in terms of the following eight 'factors':

- (a) complexity of problem-solving;
- (b) consequences of errors of judgment;
- (c) physical and psychological pressure in the work situation (degree of stress);
- (d) required knowledge (to function competently in the position);
- (e) job impact (internally as well as externally);
- (f) comprehension demands with respect to spoken and written communication. ;

- (g) required educational qualifications or intellectual ability;
- (h) required job experience/on the job training.

Each factor is defined and also represented by a scale running from a very low level to a very high level of demands in terms of the specific factor.

The second aspect relates to the actual performance of the incumbents of the post and it is submitted that these performance appraisals should be undertaken by the following 'groups':

- the Town Clerk in respect of Departmental Heads;
- The Town Clerk and the relevant departmental head in respect of a deputy departmental head;
- the relevant departmental head and deputy-departmental head in respect of branch heads;
- the relevant departmental, deputy-departmental and branch heads in respect of a deputy branch head;
- the relevant branch and deputy branch heads in respect of all other officials.

In all instances the comments of the immediate supervisor must be taken into account. The author does not have definite views on the type of system to be used for any such performance appraisal but would submit that it should take cognisance of the following factors:

- initiative (independent thinking, versatility, adaptability);
- knowledge of work;
- reliability/sense of responsibility (punctuality/dependability);
- human relations (tact, courtesy, sincerity, co-operation);
- ability to acquire knowledge/understand instructions;
- appearance;
- productivity;
- quality of work.

A suggested layout of a performance appraisal evaluation document is attached as Appendix "K".

To be successful any job evaluation and/or performance appraisal exercise requires, inter alia, the support of management, particularly the top management. In this regard a participative approach by the management of the Municipality is favoured. It is imperative that the top and senior management of the Council understand and favour the system of job evaluation and/or performance appraisal being employed, and furthermore, that they remain involved throughout the investigation.

#### NOTE

The Municipality's objectives in terms of Statement No. 30 of the proposed Code and in regard to its pay policies and practices, should be to attract the right kinds (calibre) and numbers of entrants; to retain the right kinds and numbers of people; and to motivate the right kinds of behaviour.

### 7.18 Rationalisation of the Grading Structure

**Statement No. 31 :** The grading structure of the organisation should be rationalised in that it should provide for meaningful and standardised job designations and the least number of levels in the hierarchical structure.

In this regard an attempt should be made to introduce, wherever possible, job designations which are descriptive. In addition to this stipulation, the following guidelines are offered:

- Grade 1 : Town Clerk/Chief Executive.
- Grade 2 : Town Engineer  
Town Treasurer  
Director of Administration and of Community Services.
- Grade 3 : Grade 2 designations should be prefixed with 'Deputy'.
- Grades 4 & 5 : Branch heads. Designations should be prefixed with 'Chief'.
- Grade 6 : Grade 4 designations should be prefixed with 'Deputy'.  
All other job designations used on this grade prefixed with 'Principal'.
- Grade 7 : All job designations should be prefixed with 'Senior'.
- Grade 8 : Basic job designations.
- Grades 9-12 : Basic job designations followed by 'Grade I', 'Grade II', etc. where this is necessary to distinguish identical job designations on different levels.

A practical application of the above guidelines to the proposed structure for the Municipality would result in the following changes amongst the top seven salary grades:

<u>Grade</u>		<u>Present Designation</u>	<u>Proposed Designation</u>
<u>Present</u>	<u>Proposed</u>		
1	1	Town Clerk	Town Clerk/Chief Executive
2	2	Town Engineer	Town Engineer
2	2	Town Treasurer	Town Treasurer
-	2	-	Director of Administration and of Community Services.
3	3	Deputy Town Engineer	Deputy Town Engineer
3	3	Deputy Town Treasurer	Deputy Town Treasurer
3	3	Deputy Town Clerk/ Director of Administration	Deputy Director of Administration and of Community Services.
4	4	Chief Fire Officer	Chief Fire Officer
4	4	Chief Traffic Officer	Chief Traffic Officer
4	5	Assistant Town Engineer	Chief Engineer : Design and Technical Services.
4	5	Assistant Town Treasurer	Chief Accountant-Expenditure
4	5	Assistant Town Clerk	Chief Administrative Officer
4	5	Building Surveyor	Chief Building Surveyor
4	5	Works Manager	Chief Engineering Officer : Works.
4	5	Director of Parks, Sport & Recreation	Chief Parks, Sport and Recreation Officer.
5	6	Chief Administrative Officer	Principal Administrative Officer
5	6	Deputy Chief Fire Officer	Deputy Chief Fire Officer
5	6	Deputy Chief Traffic Officer	Deputy Chief Traffic Officer
5	5	Cost Accountant/ Internal Auditor	Chief Internal Auditor
5	5	Chief Accountant	Chief Accountant-Income
5	7	Valuation Officer	Senior Valuation Officer
5	6	Superintendent - Treatment Works	Principal Superintendent - Treatment Works.
5	6	Principal Technical Assistant	Principal Technical Assistant
6	7	Accountant	Senior Accountant - Rates.

6	7	Accountant	Senior Accountant - Water.
6	7	Accountant	Senior Accountant-Expenditure.
6	7	Senior Technical Assistant	Senior Technical Assistant
6	7	Senior Technical Assistant	Senior Technical Assistant.
6	7	Senior Plans Examiner	Senior Plans Examiner
6	7	Senior Plans Examiner	Senior Plans Examiner
6	7	Works Control Clerk	Senior Works Control Clerk.
6	7	Senior Administrative Officer	Senior Administrative Officer.

**Table 5 : Proposed Job Designations Grades 1 to 7**

#### **7.19 Provision of Certain Services by Private Enterprise**

**Statement No. 45 :** It should be recognised that certain services provided by the Municipality could possibly be provided to the community more advantageously by private enterprise and decisions in this regard should be based on the application of cost benefit principles pertaining to the current and projected circumstances in each instance.

Local government in South Africa is being confronted increasingly by the concept of the privatisation of certain services. The municipal functionary must, therefore, be aware of the manner in which the private sector operates and of the advantages that can be obtained by utilising it to good effect in municipal context.

The question of whether or not to privatise certain services normally provided by the public sector is an extremely complex one. The management of the Municipality must be aware continually of the possibilities which exist to privatise certain services. It will suffice for the purpose of this present work to refer to a paper by Mr. J.G. Brand, a former City Engineer of Cape Town, entitled 'Privatisation in Municipal Government: A practical viewpoint.' (Brand 1985 : 47). This paper debates the increased application

of business principles to the provision of municipal government services and considers privatisation, as one such means, in the context of alternatives. Mr. Brand sums up his conclusions in this paper as follows:

"Firstly, responsible, cost-conscious management, to obtain the maximum benefit from available resources in the interest of the local community, is increasingly in evidence in municipal government.

Secondly, the much-hallowed profit motive of the private sector is not a guarantee that a particular result will be obtained at the lowest cost. Competition is, however, usually such a guarantee, albeit that competition between the public and private sectors might be necessary. The knowledge that municipalities keep a close watch on, among other things, the cost-effectiveness of rendering a particular service by the private sector and its own service departments, must have an impact on the private sector's tender prices and contract performance.

Thirdly, privatisation could be advantageous in certain areas in respect of certain services or under certain circumstances and not in other areas or circumstances in respect of the same services. Each case must be carefully considered on its merits. It is extremely dangerous to generalise in favour of either privatisation or the rendering of municipal services by municipal service departments. Local government is a complex phenomenon. How complex only becomes apparent after a careful analysis of all relevant facts and of practices already adopted." (Brand 1984/85 : 47)

The objective should always be to obtain the maximum benefit from available resources in the interests of the local community.

## **7.20 The Need to Recognise the Organisation's Value System**

**Statement No. 4 : Structural innovations in the Municipality should take cognisance of the need to bring about an equivalent and complementary change in the organisation's value system and hence its culture.**

The organisational proposals for Milnerton have been associated with organisational innovation and reform in two areas. These are, first, the area of managerial process and, secondly, that of organisation structure. In regard to the management process it is suggested that this be carried out on a corporate basis with an increased emphasis on the measurement of output to improve the means of the decision-making and control procedures. In bringing about any such changes a great deal of attention must be given to the need to bring about an equivalent and complementary change in the Municipality's value system and hence its culture. The cultural element has been defined as encompassing the values, beliefs, prejudices, goals and expectations of the organisation's human members. Change in this area must be initiated through improved internal communications and consultation, and a comprehensive programme of training in the underlying theories and objectives of corporate management and the benefits and problems of operating matrix structures. "The cultural element is important since the success or failure of structural or procedural innovations in any organisation will be determined to a large extent by the degree of commitment experienced by the human participants." (Haynes 1969 : 186).

Argyris emphasised the need for structural and procedural changes to be accompanied by an appropriate influencing of values (Argyris 1962 : 53) and pointed out that the importance of cultural adjustment is amplified when increased innovative capacity and organisational flexibility is sought through the adoption of a matrix design. This is because matrix design tends to impose new and unfamiliar expectations with regard to perceptions of group identity and loyalty (as will be the case with the relationships between the 'General Management Team' and the 'Senior Management Team') and new levels of challenge and responsibility (as reflected in the need to participate at corporate level). Clearly, the imposition of a matrix project dimension within an organisation which has hitherto only experienced a purely functional orientation will necessitate a considerable change in the behavioural orientation of incumbent managers and participants. Many managers will, during the course of such a system's operation, be removed from the familiar departmental environment where they are constantly reminded of sectional interests

and are subject to goal displacement. Instead, they will be placed within an unfamiliar, less permanent, managerial setting involving equally unfamiliar interpersonal relationships and where the operational concern is less with service provision and more with interdepartmental, interdisciplinary analysis and problem-solving. The behaviour styles and values needed for the effective use of matrix organisation are different from those which would have been developed for the effective use of a traditional bureaucratic, mechanistic organisation. Problems may therefore arise because the individual's orientation and the manager's everyday behaviour styles, will have been developed over time in a way which best equipped him to survive and succeed in the traditional organisation.

With the introduction of the corporate management system managerial process and organisational structure will be fused together, but the effectiveness of this fusion will be dependent upon the supportive or destructive response of the organisation's value system. If the response is negative then the value system which has emerged over many years in Milnerton will remain firmly entrenched after the attempted introduction of the procedural and structural innovations and the authority's culture will continue to display the characteristics of one most conducive to the successful operation of a highly differentiated, bureaucratic organisation.

Any attempt to reform a hitherto static, mechanistic organisation and to create in its place a flexible, adaptive, organic entity must involve innovation in three areas:

- the procedural - the actual philosophy and process of management adopted;
- the structural - the structural mechanisms and devices which form the supportive framework within which the management process is to be carried out; and
- the cultural - the values, beliefs, goals and expectations held by the human members of the organisation;

In attempting to change the whole character of an organisation as well as its structures and functional procedures, these three elements must be fused together to form a comprehensive, fully integrated approach to organisational innovation and reform. For such reform to be effective it is imperative that the complex interrelationships and mutual dependence which exists between all three elements be clearly recognised. Preoccupation with only one or two elements to the exclusion or neglect of any other, can have the effect of nullifying the whole reforming effort. For example, the structural and procedural elements cannot be pushed ahead with little or no attention paid to the need to bring about an equivalent change in the organisation's value system and culture.

Participants must not encounter a sudden and violent rejection of traditional roles, conventions and expectations. New committees and management groups cannot appear virtually overnight and be expected to begin striving towards the attainment of a new set of goals and objectives about which many participants are ignorant or, at best, vague. Such a strategy, as Argyris has pointed out, can often have the effect of heightening the powers of resistance within the organisation, exacerbating resentment and feelings of hostility towards the innovations being introduced (Argyris 1967 : 35). The approach most likely to succeed would be one which calls for a more gradual adoption of a new system accompanied by a comprehensive, organisation-wide programme of training in the need for change and the ways in which the proposed structure and processes are conducive to increased operational effectiveness. In addition, emphasis must be placed on demonstrating the nature and value of the individual's contribution at all management levels throughout the organisation.

No change effort can succeed unless it has the support and commitment of top management. In the context of this study the term 'top management' must be taken as referring to senior officials and key personnel below them and not just to the political policy-making groups. The need for knowledge and commitment in this connection is particularly significant. Knowledge and understanding of objectives and process is an essential prerequisite for personal commitment to any reform strategy.

The effective use of teams and groups is essential if matrix design is to be successful. In the initial stages where interdisciplinary, interdepartmental teams are established a certain amount of inertia and conflict may exist. People may tend still to polarise issues, mistrust each other's motives and attempt to protect what they perceive to be their own function or area of responsibility. A well-organised monitoring and guidance programme is needed to facilitate essential adjustments to the organisation and process of management. It is important to realise that well-established administrative and managerial values cannot be changed overnight in a once-and-for-all fashion. Rather, they must be worn down and eroded by an energetic programme of education and training.

### 7.21 Concluding Comments

In this Chapter an attempt has been made to explore certain of the statements contained in the 'Code of Organisation and Management for the Municipality of Milnerton' as presented in Chapter Six. The intention has not been to prescribe in a rigid manner what the organisation structure and management process should be for Milnerton. Rather, the Code offers general guidelines which it is hoped will serve to stimulate thinking in this regard. There would appear to be a 'prima facie' case for the management of the Municipality to adopt a corporate approach to the management of the Council's affairs. The organisation structure should be reviewed in an effort to accommodate management on a corporate basis and to make provision for structural integration whenever this is practicable to achieve the effective co-ordination of the various functional units of the Municipality.

There appears also to be a need to place greater emphasis on the provision of planning and control data. The formulation of a set of goals and objectives in respect of the various services provided by the Municipality, together with appropriate performance indicators, would seem to be a necessary first step in this regard. As part of this study a statement of proposed goals and objectives was prepared in respect of each of the services included in the proposed 'Department of Administration and of Community Services'.

These goals and objectives were formulated on the basis of an analysis of the information and data contained in the relevant job descriptions and information obtained from the officials of the various functional units involved.

In addition to the above, certain other innovative measures in regard to the Council's organisation structure and process of management were suggested. Because these suggestions are listed as specific proposals in the following Chapter, it will suffice in this present section to state in general terms that the proposals relate to innovation in the following areas:

- the Council and Committee structure;
- the position of the Town Clerk as a 'Chief Executive' rather than a 'primus inter pares';
- the re-organisation of the Council's departmental and branch structure on the basis of a functional analysis of the various activities of the Municipality;
- the formation of a senior management group comprising the Town Clerk and three departmental heads;
- the review of the Council's internal audit function;
- the classification of the functions and responsibilities of councillors and officials;
- the implementation of a management control budget format;
- the improvement of channels of communication between the Council and its stakeholders;
- policies affecting personnel;
- the privatisation of certain services provided by the Municipality.

In conclusion, the point was made that any attempt to change the character of the Municipality as well as its structure and certain of its functional procedures, must take cognisance of the need to bring about an equivalent change in the organisation's value system and culture.

**CHAPTER EIGHT**

**FINDINGS, OVERALL CONCLUSIONS AND  
SOME SPECIFIC PROPOSALS**

## CHAPTER EIGHT

### FINDINGS, OVERALL CONCLUSIONS AND SOME SPECIFIC PROPOSALS

#### 8.1 Introduction

The Municipality of Milnerton has experienced exceptional growth since its inception thirty years ago and particularly during the past five years. Evidence of this growth is contained in Table 1 which presents a comparative study of relevant growth factors in respect of the period 1980 to 1985. Although this growth incorporates increased property ownership and has therefore resulted in a substantial broadening of the rate base, the Municipality has come under increasing pressure in recent years to provide services on a larger scale with financial resources which, in real terms, have decreased. This has highlighted the need for the management of the Municipality to concentrate to a greater extent than ever before, on ways and means of improving the organisation's cost-effectiveness with specific attention being directed to the efficient utilisation of its human resources. The ubiquitous problem facing the Municipality has been the optimal allocation of limited resources to satisfy the increasing needs of the community it serves. In this regard the allocation of priorities on a more informed and systematic basis has assumed increased importance. Greater emphasis will accordingly be placed on the need to manage the affairs of the Municipality on a corporate basis. This line of reasoning supports the concept of the Town Clerk assuming the role of the organisation's chief executive.

There is a need to give common direction of effort, to establish team work and to harmonise the goals and objectives of the individual with the overall goals of the organisation. A management by objectives approach appears to offer some of the answers in this regard. Efficiency and effectiveness in the determination and attainment of these objectives will be largely dependent upon the correct identification by the Municipality of real needs on the part of the community. One of the major problems envisaged is the

ability to measure performance. A general point about performance indicators is that many of them will not reveal much in themselves over one period of time. Much more revealing are changing patterns of performance. Factors which appear to be inhibiting optimal efficiency and effectiveness in the municipal operation in Milnerton, were identified. These may be stated succinctly as follows:

- a lack of co-ordination and integration of the Municipality's activities;
- uncertainty in regard to the exact nature of responsibilities attached to certain posts, particularly on the lower salary grades;
- there have been instances when employees have received instructions from more than one superior and this has caused confusion and indecision, particularly when such instructions have been in conflict with each other;
- inadequate means of communication within the organisation;
- inadequate means of measuring performance;
- certain councillors lack an understanding of the municipal organisation and its complexities;
- councillors are presently split into two distinct 'camps';
- inconsistency of certain of the decisions of the council;
- the present committee system in Milnerton:
- controlling legislation;
- responsibilities of certain officials are not commensurate with the level which the post occupies in the organisation's hierarchical structure;

- financial restrictions; and
- unfavourable press coverage.

Commentary on the above factors is presented in Chapter Five and will not be repeated here. However, it is submitted that many of the apparent weaknesses in the organisation can be attributed to the tremendous growth experienced by the Municipality. Milnerton is no longer a 'small town' and it would appear that the organisation structure and process of management which may have been adequate in the past, is now in need of review.

## 8.2 Overall Conclusions

- There is a need to review the organisation structure and management process of the Municipality of Milnerton.
- In order to facilitate a systematic approach to the formulation of an efficient and effective organisation structure and process of management for the Municipality, it is necessary to take cognisance of the following aspects:
  - principles and theories expounded by exponents in the fields of organisation and of management;
  - practical experience in other municipalities;
  - apparent strengths in the present organisation;
  - apparent weaknesses in the present organisation; and
  - relevant 'local' circumstances which are peculiar to the Municipality of Milnerton.

- The review of the organisation structure and management process of the Municipality should accordingly be undertaken in accordance with the guidelines contained in the 'Code of Organisation and Management for the Municipality of Milnerton' as presented in Chapter Six of this thesis.

### **8.3 Specific Proposals**

The application of the 'Code of Organisation and Management of the Municipality of Milnerton' to the organisation structure and management process of the Municipality as it exists and is practised at present would suggest certain innovations. Although certain of the statements contained in the Code are specific there are others which provide only general guidelines which invite discussion and which are open to a degree of interpretation in their implementation. The case study presented in Chapter Seven offered some proposals in this regard and these are summarised as follows:

#### **Proposal No. 1**

- The Council's committee system should be based upon a structure of three committees, being the Town Planning Committee, the Finance, Personnel and General Purposes Committee, and the Community Services and Works Committee. All ten members of Council should serve on each of these committees and all three committees should enjoy full delegated powers as far as this is permitted by legislation and with the proviso that where a decision does not carry the support of at least six members, such matters be referred to Council for approval. (Section 7.4)

#### **Proposal No. 2**

- Specialised knowledge and contribution by councillors should be engendered through the appointment of 'ad hoc' committees for specific purposes. (Section 7.4)

**Proposal No. 3**

- The Town Clerk should be accorded chief executive status in the organisation and should be responsible for carrying out the policy of the Council with complete authority consistent with the policy he is implementing. (Section 7.5)

**Proposal No. 4**

- The Municipality should be structured into three departments as follows:
  - Department of the Town Treasurer;
  - Department of the Town Engineer;
  - Department of the Director of Administration and of Community Services.(Section 7.6)

**Proposal No. 5**

- The Town Clerk together with the three heads of department should comprise the Council's Senior Management Team. (Section 7.7)

**Proposal No. 6**

- The Municipality should recognise branches on two levels as follows:

Level 1	Fire Brigade; and Traffic Control
Level 2	Administrative; Parks, Sport and Recreation; Library; Works; Building Survey; Design and Technical Services; Expenditure; Revenue; and Audit. (Section 7.8)

**Proposal No. 7**

- The internal audit function should be established in the organisation in terms of the relevant responsibilities set out in the 'Financial Code' prepared by the Institute of Municipal Treasurers and Accountants. (Section 7.9)

**Proposal No. 8**

- The Senior Management Team together with the three deputy heads of departments and all 'Level 1' branch heads should comprise the Council's 'General Management Team'. (Section 7.10)

**Proposal No. 9**

- Goals and objectives should be identified in respect of the total organisation and along the lines of the statement of goals and objectives formulated for the proposed Department of Administration and of Community Services and attached as per Appendix "J". (Section 7.14 and Appendix "J").

**Proposal No. 10**

- One of the aspects requiring attention is that of the nature and quality of information upon which management can base its decisions. In this regard specific reference is made to the need for administrative measures whereby the measurement of output might be undertaken on a systematic basis. (Section 7.14).

**Proposal No. 11**

- Provision must be made for proper planning and independent control systems supported by adequate information and communication systems. The capabilities of the electronic computer should be expeditiously explored on a continuous basis with a view to its optimal utilisation in the provision of management information. In this regard the possibility of introducing a management control budget which could provide data necessary to measure the effectiveness of the organisation in terms of output achieved rather than only resources applied, together with a systematic approach to the allocation of budget priorities, should be investigated. (Section 7.14)

**Proposal No. 12**

- A centralised electronic data bank should be established for use by all departments of the Municipality. (Section 7.15)

**Proposal No. 13**

- The implementation of an employee performance appraisal system should be investigated. (Section 7.17)

**Proposal No. 14**

- An investigation should be undertaken into the possible privatisation of all services provided by the Municipality. (Section 7.19)

#### **8.4 "Quid Vero?"**

Although the author has made an attempt to list the specific proposals in paragraph 8.3 in some order of priority, the question must now be asked: "What exactly is the next step?"

Browne et al (1980 : Vol. 1, 75) recommended that all local authorities be requested to keep their internal organisation structure under constant review with a view to applying sound organisational principles and techniques as well as adapting them continuously to the requirements of changing circumstances.

Following upon the above and as a result of this present study, an "Organisation and Management Review" Working group comprised of councillors and officials of the Municipality who have relevant experience in these fields should be appointed to investigate and comment upon the proposals contained in this thesis.

#### **8.5 Final Comment**

All of the approaches to organisation and to management contain important truths. Each is based upon assumptions that are sometimes relevant. Each suggests structural arrangements worthy of consideration. The management of the Municipality should consider all these approaches and fit them to its needs. This is preferable to concluding that a one-sided attack on any problem is adequate. A modern synthesis is needed to pull together ideas from all the approaches. Such a synthesis would start with the recognition that each approach is a matter of degree. There are degrees of formalism, from the planning of each minor activity to the complete absence of formal planning. There are degrees of direction, from absolutism to the complete dispersion of authority. There are degrees in the application of line, staff and functional organisation. Different principles of organisation have different degrees of importance. The Municipality contains elements of all of the approaches. The problem of planning or replanning the organisation is therefore

one of finding the balance appropriate to the circumstances - a balance to fit the objective and make optimum use of the available resources.

This research work does not purport to offer the final and complete solutions in regard to the Municipality's organisation structure and management process since the review of these aspects is essentially a continuous process. What is of importance is that the organisation should be flexible enough to adapt to changes in circumstances. It is equally important that any proposed structural innovations in the Municipality should take cognisance of the need to bring about an equivalent and complementary change in the organisation's value system and hence its culture. Other factors which will have to be taken into account are the introduction of the Regional Services Councils and the possible reduction of status of the local authority to a "primary local authority" with a concomitant loss of functions; also the changes which are occurring in Cape Town generally - rapid urbanisation of the black population (now forming almost one third of Cape Town's population) and rapidly increasing poverty and unemployment. Such factors cannot leave Milnerton untouched and will need to be taken into account upon the availability in the future of reliable and meaningfully detailed information in this regard.

This thesis is presented in the hope that it will serve to stimulate some thought and offer some guidance in regard to the direction in which the Municipality of Milnerton should move in terms of its organisation structure and process of management.

It is perhaps appropriate, therefore, to conclude with the words of Oliver Wendell Holmes:

"The great thing in this world is not so much where we stand; as in which direction we are moving."

APPENDICES

## STUDY TOUR OF MAJOR CITIES

### STATEMENT OF OBJECTIVES

1. To gain further meaningful insight and understanding, beyond that which is attainable through formal study, as part of my research for a Master's Degree in Public Administration at the University of Cape Town on the subject of "A Systematic Approach to the Formulation of an Organisation Structure and Process of Management for the Municipality of Milnerton".
2. In pursuance of 1 above, to interview several top officials in the field of Municipal Government Administration in South Africa to determine their viewpoints in regard to various aspects of organisation structure and the management process.
3. To acquire or request certain data/information relevant to my field of research.
4. To acquire information appertaining to the use of electronic data banks in Major Cities and to establish reliable lines of communication with appropriate officials of the Major Cities in the field of Research and Development with a view to promoting the future interchange of meaningful data/information on a regular basis.
5. To acquire greater insight in the field of municipal government administration.

**STUDY TOUR OF MAJOR CITIES**  
**LIST OF OFFICIALS INTERVIEWED**

<b>Post Designation</b>	<b>Incumbent</b>
 <b>Municipality of Cape Town</b>	
Town Clerk	Dr. S. Evans
City Administrator	Mr. G. Hofmeyr
Senior Deputy City Administrator	Dr. D.L. Craythorne
Assistant Town Clerk, Office of the Chief Executive	Mr. C. Greenwood
Assistant City Treasurer (Audit)	Mr. C. Nates
 <b>Municipality of Johannesburg</b>	
Town Clerk	Mr. M. Venter
City Secretary	Mr. H.T. Veale
Deputy City Treasurer (Administrative)	Mr. A. Bennett
Deputy City Treasurer (Accounting)	Mr. B. Mumford
Assistant City Treasurer (Research and Training )	Mr. B. Lombard
 <b>Municipality of Durban</b>	
Town Clerk	Mr. G. Haygarth
Associate Town Clerk	Mr. P.M.E. Van Zyl
City Treasurer	Mr. W.B. Stone
Chief Internal Auditor	Mr. J.S. Scott
 <b>Municipality of Pretoria</b>	
Town Clerk	Mr. P. Delpont
Deputy City Treasurer	Mr. J.A.M. Venter
 <b>Municipality of Port Elizabeth</b>	
Town Clerk	Mr. P.K. Botha
Deputy Town Clerk	Mr. I.S. Terblanche
Assistant Town Clerk	Mr. D. Colson
City Treasurer	Mr. A. Strydom
Deputy City Treasurer	Mr. E. Landsberg
Chief Internal Auditor	Mr. G. Davison
Chief Organisation and Methods Officer	Mr. A. McCleod

**JOB DESCRIPTION SCHEDULE  
MUNICIPALITY OF MILNERTON**

**A: IDENTIFICATION DETAILS**

1. Department: 2. Division: 3. Section: 4. Sub-Section:	5. Job Title: 6. No of Positions: For use of the Job evaluation panel only: 7. Job Grade: 8. Job Number:
------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------

**B: ORGANISATION STRUCTURE****C: JOB REQUIREMENTS**

1. Senior 2nd Level	1. Qualifications Required 1.1 School: 1.2 Post-School:
2. Senior 1st Level	2. Experience 2.1 2.2 2.3 2.4 2.5
3. This Position	Total <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px; vertical-align: middle;"></span>
4. Direct Subordinate Positions (1st Level)	3. Institute/Professional Council/Other:
5. Total number of subordinates at lower level	4. Remarks:

**D: WARRANTY**

I certify that this Job description is complete and correct.

1. Job Description: 1.1 Job Description prepared by: 1.2 Approved by Immediate supervisor: 1.3 Approved by divisional head: 1.4 Date:	For use of Job evaluation panel only 2. Job Evaluation: 2.1 Assessment: Points per Factor <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr> <th style="width: 5%;">1</th> <th style="width: 5%;">2</th> <th style="width: 5%;">3</th> <th style="width: 5%;">4</th> <th style="width: 5%;">5</th> <th style="width: 5%;">6</th> <th style="width: 5%;">7</th> <th style="width: 5%;">8</th> <th style="width: 10%;">Total</th> </tr> <tr> <td style="height: 20px;"></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table> 2.2 Date: Signature of the Chairman of the Job Evaluation Committee:	1	2	3	4	5	6	7	8	Total									
1	2	3	4	5	6	7	8	Total											



**LIST OF OFFICIALS INTERVIEWED  
MUNICIPALITY OF MILNERTON**

Post Designation	Incumbent	Number of Years Service with the Municipality
Town Clerk	Mr. J.H. Veldsman	4
Town Engineer	Mr. S.P. Wood	16
Deputy Town Engineer	Mr. D. Brook	12
Assistant Town Engineer	Mr. S. Laubscher	5
Works Manager	Mr. D. Barson	16
Town Treasurer	Mr. R. Grace	8
Deputy Town Treasurer	Mr. S. de Witt	17
Internal Auditor/ Cost Accountant	Mr. J. Barnard	15
Accountant - Expenditure	Mr. M.J. Visser	7
Accountant - Rates	Mr. K. M. Traut	7
Chief Fire Officer	Mr. R.B. Muir	16
Deputy Chief Fire Officer	Mr. R.F. Farrant	12
Chief Traffic Officer	Mr. D.J. Fourie	14
Deputy Chief Traffic Offi- cer	Mr. L.R.M. Snyman	20
Traffic Superintendent	Mr. M. Whare	8
Assistant Director of Administration	Mr. L.P. Deacon	6
Senior Administrative Officer	Mr. P.J. du Preez	12
Administrative Officer- Estates	Mr. N. Rightford	4
Administrative Assistant	Mr. S. Brink	9
Secretary : Director of Administration	Mrs. S.C. Wulff	9
Secretary : Town Clerk	Mrs. J. Reichert	13
Public Liaison Officer	Mr. G.v.R. du Bruyn	3
Director of Parks, Sport and Recreation	Mr. G.W. Conradie	9
Total years service with the Municipality		<u>242</u>

# CODE OF CONDUCT FOR LOCAL AUTHORITIES

## INTRODUCTION

This Code is not a restrictive and punitive device. Its main purpose is to assist councillors and officials as well as members of the public who have dealings of any sort with their local authority, so that each group may have a clear concept of what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with the other groups concerned. This Code lays down general principles and does not deal with specific situations except in one or two instances. In other words it is a frame-work upon which more specific provisions may be built when found desirable as a result of experience. It should also be remembered that most rules are subject to exceptions.

Certain matters which assume special importance in any Code of Conduct of this nature are or may be dealt with by legislation. This legislation may add to but cannot detract from the principles laid down in the Code.

Perhaps the most fundamental point to be stressed here is that every councillor and official on accepting office assumes a special duty to the public whom his local authority serves, and he must completely subordinate his self interest in all circumstances in which there might be, or even appear to be, the possibility of any conflict of interest. In other words nobody should allow a situation to arise where in the scope of his council work there is any possibility of his judgment being influenced by motives of personal advantage or even of gratitude (which usually includes a lively appreciation of favours to come).

As a corollary to this, no councillor or official should ever do anything which might tend to place any other councillor or official in such a situation, nor should any member of the public ever do so. Any action or lack of action by a councillor or an official which creates in the mind of the ordinary citizen a lack of confidence in the honest and impartial administration of the city is unworthy conduct.

It is not merely of some importance, but it is of fundamental importance, that justice should not only be done, but should manifestly and undoubtedly be seen to be done.

To all persons concerned with this Code it is suggested that an excellent test of the propriety of any contemplated action is to ask themselves if they would feel quite at ease if the course they contemplate were to be publicly ventilated, or would they feel some degree of shame or embarrassment.

Although this Code is divided into sections each part is complementary to all other parts.

The following notes can usefully be borne in mind when applying the Code :—

1. Where the term "councillor" is used it necessarily includes members of town boards and of health committees, and in addition, save where the context refers obviously to councillors only, the term includes non-local authority members of municipal, statutory or advisory boards or committees e.g. Town Planning Committees, Traffic Advisory Committees, Licensing Appeal Boards, Local Affairs Committees, Transport Management Boards etc.

2. It is obvious that members of smaller local authorities, particularly health committees, are more in direct contact with their ratepayers and with day to day local authority affairs. These circumstances do not however detract from the general principles contained in this Code. It is for example quite usual for any one member of a health committee to be deputed to arrange daily or weekly programmes of road grading maintenance, or to interview on behalf of a committee some official of State. When so acting, the health committee member is acting with the express authority of his health committee. He would however be offending against the Code of Conduct if he were for example to take upon himself to investigate personally complaints about buildings or public health matters.

3. Where in this Code business dealings with the local authority are dealt with, the references are to actual contracts or proposed contracts with the local authority other than in regard to matters common to rate payers generally.

4. When reference is made to the financial or personal interest of a councillor or an official it includes the interest of the spouse or of members of the immediate family of such person.

## PART I

## THE PROVISIONS OF THE CODE GENERALLY APPLICABLE TO COUNCILLORS AND OFFICIALS

1. Every councillor and every local government official is, quite apart from his responsibilities to his council or committee or department, responsible to the public and must not allow himself to be influenced by motives of personal advantage. No councillor or official should grant special consideration, treatment or advantage to any person which would not be made available to any other member of the public in similar circumstances.

2. Councillors and officials should conduct themselves so as to promote the full confidence of the public in the integrity of its local government and their conduct in both official and private affairs should be above reproach. They should do nothing which would create in the mind of the ordinary citizen a lack of confidence in the honest and impartial administration of the municipality, and should not give any grounds for the impression that they can be improperly influenced in the performance of their duties.

3. No councillor or official should make use of advance or confidential information obtained as a result of his position for his personal gain or for the personal gain of others, nor should he disclose any such confidential information concerning the property, government or affairs of his municipality. (Extreme care should be exercised in the making of any public statements in regard to the affairs of the council — particularly negotiations — which may operate to the detriment of the local authority).

4. (a) The existing legislation with regard to councillors being involved in contracts or other transactions with the local authority as also the representing of outside interests before the council or appearing in any matter for or against the council is annexed. Quite apart from the necessity however of observing the law, it is stressed that every councillor and official should also be sure that he does not offend against the principles of this Code, and so create any conflict between his official duties and his personal interest.
- (b) The crux of the doctrine of conflict of interest lies in the fact that a councillor or official who in his capacity as such, takes part in a decision in which he has a personal interest, direct or indirect, may put it beyond his power to bring to the problem to be decided that impartiality of thought which his office demands of him, even though he is in no way contravening the law. Where such councillor or official has a direct financial interest in the result of any decision taken, he can be in no doubt that he should not take part in such a decision, because he obviously cannot bring an impartial mind to bear upon the subject.

In the case of an indirect financial interest, or of a direct or indirect personal interest, it should be borne in mind that it is not enough for a councillor or official to be satisfied in his own mind that the nature of his interest will in no way affect his impartiality if a third party would have reasonable grounds for doubting this.

Councillors and officials should have no difficulty in cases of conflict of interest if they follow the following simple ethical rules :

- (i) They must remember that they are engaged in public business and before participating in a decision, must consider whether they have any form of direct or indirect personal interest before they take part in the proceedings.
- (ii) If they believe they have, they should not take part in such proceedings or decisions.
- (iii) Whenever a doubt arises as to the right or ethics of participating in such decisions, the doubt must be resolved by not doing so.
- (iv) Even where the councillor or official has no doubt that he himself would act impartially, he should then consider whether a reasonable man aware of the facts might not come to a different conclusion. In such event he should take no part in the proceedings or decision.

## PART II

## COUNCILLORS IN THEIR RELATIONSHIP WITH THE PUBLIC

1. A councillor is the elected representative of his municipality and not only of his ward. His first duty is thus to the municipality as a whole and only provided it is not repugnant to this principle should he regard himself as a special advocate for his ward and he should not endeavour to further sectional interests to the detriment of the municipality as a whole.

2. (a) The primary function of the councillor is to serve as a member of a committee or committees, and of the council as a whole, in the consideration of policy and in supervising or reviewing where necessary the general administration of the council's affairs. The detailed or day to day administration of the municipality does not however fall within the scope of the duties of an individual councillor, subject to his right to request the head of the department to report on any matter, or to ask the committee concerned to institute an enquiry into or otherwise deal with any aspect of the administration which he may feel requires attention.
- (b) A councillor should only intervene in matters of departmental administration affecting the public where an unsuccessful approach has been made to the department concerned by a member of the public, and the councillor is satisfied that the department's refusal to act appears unreasonable. In such circumstances the councillor should take up the matter with the head of the department or the Town Clerk.
- (c) A councillor or group of councillors should not have official dealings or discussions with outside parties in connection with any matters being dealt with or to be dealt with by the council or any committee of the council, unless the Town Clerk or other appropriate official or officials are present.

3. A councillor who may be required to exercise a quasi-judicial function e.g. to decide a town planning or licence application or to take an administrative decision such as on the award of a tender, should resist any attempt by interested members of the public to influence his decision. He must be in a position to decide any matter with a free and unbiased mind, and where it might appear possible for any reason whatsoever that he might be biased in advance in favour of any particular party, he should recuse himself from sitting.

4. Nothing in the preceding provisions of this Code is intended in any way to restrict the practice of councillors giving general advice or assistance to members of the public in their approach to the council or its various departments, or to councillors being approached by members of the public in regard to matters affecting the community as a whole, or a substantial section of the community, as for instance in regard to road improvements, the provision of parks and so forth, but generally speaking even in such matters it is preferable for any representations to the council to be routed through the appropriate channels.

### PART III

#### COUNCILLORS AND THEIR RELATIONSHIP WITH OFFICIALS

1. A councillor as an individual has no executive power and therefore cannot give instructions to officials or make decisions binding on anyone else in regard to council matters. This applies equally to the Mayor and chairmen of committees. The practice in matters of urgency or necessity of the Mayor or chairmen granting certain authorities in advance of committee or council approval is not regarded as unethical, provided there are good grounds for being satisfied that the action taken will be duly ratified by committee or council, and the head of the department has no objection.

2. While a councillor is entitled to be of help to members of the public in their dealings with the council, and to make enquiries about any matter passing through the administrative machine, he should only do so through the head of the department concerned, or the official authorised by the head of the department.

3. Councillors are entitled to expect officials to supply them with reasonable information in order to enable them to perform their functions as councillors in the interests of the public, but should refrain from making unnecessary or excessive demands in this regard. Any disagreement between a councillor and an official as to the interpretation of this clause should be referred to the relevant committee for decision.

4. A councillor should not inspect departmental records or premises except by arrangement with the committee or the head of the department concerned.

5. A head of department is entitled to submit through the usual channels any report falling within the scope of his department to the responsible committee, and no councillor or councillors may give instructions to withhold or delay any such report except with the agreement of the head of the department concerned, and any such report should, except where the urgency or confidential nature of the matter dictates otherwise, be submitted in full and in writing and should not merely be interpreted to the committee verbally by the chairman or any other councillor.

6. In all normal circumstances councillors should ensure that before a final decision is taken on any item, the officials concerned have had reasonable opportunity of studying the matter and expressing their views.

7. A councillor should at all times feel fully entitled to seek the advice of the officials concerned who are there to give all reasonable assistance, and thus councillors should endeavour to obtain, whether in committee or otherwise, from such officials the relevant information on any points of doubt they may have before voicing them in the council chamber.

8. The relationship between the individual councillor and the official should be one of partnership and in no sense does the relation of master and servant exist between them. Councillors should endeavour to build a relationship of mutual confidence between the council and its officials, and should do nothing which might unnecessarily embarrass them or humiliate them, nor endeavour to shelter behind them where the decision of the council or committee has gone wrong, even though such decision resulted from the adoption of a recommendation of the official in question. Once the official has given his advice or recommendation the council or committee is free to adopt, modify or reject it.

9. Individual councillors should refrain from exercising any pressure on officials who are required to give advice or make recommendations. This applies equally to chairmen who should remember that although they may have a certain amount of discretion and should take a close interest in the departments falling under their committees they should do nothing tending to usurp the authority or functions of the head of the department.

10. Where an official in the exercising of any quasi-judicial discretion conferred upon him, is required to decide an issue such as a town planning or a licence application, or where in the exercise of his normal duty an official is required to report upon a matter to the relevant committee, a councillor should not, while the application is under consideration or the report is in the course of preparation, attempt to influence the decision or report of the official concerned in any way.

11. No councillor should directly or personally involve himself in negotiations with officials in regard to any matters affecting his personal, professional or business interests, except in the way in which any member of the public would normally do. Councillors should not ask for or expect special treatment from officials in personal matters. For instance a councillor who has committed a parking offence may make representations in the same way as any member of the public, and if the offence resulted to some extent from his official duties as a councillor, this may well be taken into consideration purely on its merits, but not the mere fact that he is a councillor.

#### PART IV

#### THE OFFICIAL IN HIS RELATIONSHIP WITH THE COUNCIL AND INDIVIDUAL COUNCILLORS

In the light of the previous chapter, the official's position in this regard becomes largely self evident, but it is desirable to lay down the following specific provisions:

1. The official is the servant or employee of the council as a whole and not of individual councillors but he owes a special duty to the latter to assist them in all reasonable ways in the proper carrying out of their public duties. A senior official should regard himself as being in a special advisory position, working through his head of department and do all in his power to promote a relationship of mutual confidence and respect with councillors.

2. The official is responsible for the day to day administration of the council's affairs assigned to him, and where necessary, must report to the relevant committees thereon. He may suggest policy but may not decide it except where specifically empowered to do so. Deciding policy is generally the function of the council and thereafter it is the duty of the official loyally to implement it subject to his right to ask for it to be reviewed from time to time.

3. A head of department is entitled and expected to report to his committee on all matters he considers necessary, and while he should endeavour to have the closest relationship with his chairman, he should not tolerate undue interference from him or any other councillor in the discharge of his duties. He should not allow any undue pressure to be brought upon him.

4. Heads of departments should furnish councillors with all reasonable information they require in order to enable them to perform their duties as councillors. They may withhold confidential information or refuse to furnish information which may involve considerable research unless directed by a committee to do so.

5. A head of department should endeavour to ensure that as a general rule all applications, negotiations and so forth with the public are channelled through the proper official sources.

6. Should any head of department consider that any councillor is deliberately or persistently contravening the principles set out in 3 and 5 above, he should have no hesitation in taking the matter up with the Town Clerk or with his chairman.

7. A head of department or his representative at a committee meeting is fully entitled to express the views of his department on any relevant matter under consideration, and where any such matter requires the decision of the council, the head of department is also entitled to ask the Town Clerk to ensure that his views are made known to the council.

8. In reporting on any matter to committee, the official should not only set out the arguments favourable to his recommendation, but should give the committee all relevant points of view.

9. An official is not subject to instructions from individual councillors except in special cases authorised by the council, and should treat a councillor in his personal affairs in exactly the same manner as he would treat an ordinary member of the public in similar circumstances.

10. Where an official is required to take a decision or to report on any matter to a committee, he should resist any attempt by a councillor or any interested party to influence his decision or report in any way.

11. Quite apart from any law or regulation that may from time to time be in force, ordinary common sense and sense of duty should dictate to any official that he should not canvass or otherwise actively participate (other than by voting) in any municipal election contest in the area of his local authority, for or against any candidate, and whether or not any such candidate is a sitting councillor.

(The purpose of this clause is to assist in developing and maintaining an impartial municipal service.)

12. No official should in his private capacity engage in any form of employment or be associated with any business or transaction if such employment or association is incompatible with the proper discharge of his official duties, or is likely to affect adversely his efficiency in his employment with the council.

13. An official who is engaged in some other form of employment or who is associated with, or who has any financial interest direct or indirect in any organisation or business concern, should, if he is required in his official capacity to report upon or make any recommendation in regard to such employment, organisation or business concern, disclose the nature and extent of his interest to the head of his department, or in the case of a head of department, to the appropriate committee of the council.

## PART V

### THE OFFICIAL AND HIS RELATIONSHIP WITH THE PUBLIC

In addition to the other applicable provisions of this Code:

1. Every council official in his dealings with the public or any member thereof should regard himself as a public relations officer, who may by his manner, or behaviour, or conduct, influence for good or bad the reputation of his council. He should observe in his official acts the highest standards of morality and discharge the duties of his office faithfully, regardless of personal considerations, recognizing that the public interest is his primary concern. His conduct in both official and private affairs should be above reproach.

2. It is the official's duty to serve the public and to be of such assistance as possible and he should do his best to ensure that at all times any member of the public receives proper and courteous attention.

3. Where an official has family ties or close personal friendship with any member of the public having negotiations or other dealings with the council, he should ensure that such relationship in no way influences any decision in regard to the matter.

## PART VI

### THE PUBLIC IN ITS DEALING WITH COUNCILLORS AND OFFICIALS

Any member of the public will have a fair idea of the functions of councillor and official respectively, if he reads through the preceding provisions of this Code. When it is realised that the average person is dependent on municipal services for the ordinary everyday conveniences of his life, it hardly needs stressing that it is most desirable that he should have a municipal council that functions efficiently and harmoniously, and enjoys the respect and co-operation of its citizens in return for its endeavours to serve the public to the best of its ability. This, however, is only likely to be the case if amongst other things, members of the public in general appreciate that local government, while being more intimate and personal than any other form of government, is not intended for the particular benefit of individuals, but for the benefit of everyone within the municipality. The following simple rules are set out to guide the public in its dealing with the local authority, and should be read in conjunction with the previous provisions of this Code :

1. The officials of the council are appointed to deal with the public and to set in motion the necessary machinery to attend to all business of the council, and in particular, all transactions of whatever nature between individuals, firms, ratepayers associations and the like on the one hand, and the council on the other. No member of the public should expect from an official any special consideration, treatment, or advantage, beyond that which is available to every other member of the public. Officials of the council in their dealings with the public are required in most cases to implement and administer statutes and municipal bye-laws which are largely inflexible. The municipal official is obliged to administer these laws with impartiality and tact, and however irksome the law

may be, members of the public should not attempt to circumvent it by bringing pressure to bear on officials.

2. Remember that councillors, including the councillors of your own ward and any councillor who may be a personal friend or acquaintance of yours, owes his first duty to the municipality as a whole and not to any particular ward or person or group of persons.

3. Remember also that a councillor as an individual is not the person to attend to the day to day transaction of business between the council and outside interests, and as an individual has no executive or administrative functions. It is only when sitting as a member of the committee or of the full council that he assumes any such status. The day to day administration of local government is the responsibility of municipal officials, and all complaints and requests from the public should be directed to the municipal department concerned with the matter, or otherwise, to the Town Clerk. In the vast majority of cases it should be possible for satisfaction to be secured or for an official explanation of the position to be given.

4. While a member of the public has every right to discuss matters relating to council policy or general administration with councillors, he should not approach a councillor in regard to any request or complaint affecting the day to day administration of the local authority unless and until a proper approach has been made to the Town Clerk or the responsible officer of the department concerned. Under no circumstances should a member of the public attempt to persuade a councillor or an official to secure for him some personal advantage or favour, nor should he attempt to influence in any way a decision of a councillor or an official who is required to decide a matter in which such member of the public has an interest.

5. No person should use his influence or friendship or other relationship with any councillor or official to obtain specially favoured treatment in any matter whatsoever, or hold out any sort of inducement to, or bring any pressure to bear upon any councillor or official to obtain such treatment. Apart from the fact that any such conduct may amount to a criminal offence, it will tend to undermine the healthy structure of the municipal machine, and cause untold difficulties in maintaining the proper relationship between the councillor and official on the one hand, and the councillor and the public on the other.

6. Members of the public should therefore always observe the proper channels of communication with the council and refrain from doing anything which may in any way tend to place any councillor or official in a position where there is a conflict between his duty to the council or public as a whole, and the ties or calls of personal consideration. Remember that no man can serve two masters.

7. Members of the public are entitled to expect courtesy from officials of the council and they in their turn should show reasonable consideration in their dealings with the officials. If they consider they are not getting the courtesy and attention they deserve they should where possible, take up the matter with the head of the department or the Town Clerk, but should only in the last resort approach the Mayor or any other councillor.

8. Members of the public should remember that there are many other citizens all requiring attention from the council and its officials, and that the position of the officials would become untenable should individual citizens make unreasonable calls on their time. The public should therefore be reasonably brief and businesslike in its dealings and requirements and not make unnecessary demands. Some ratepayers appear to consider it their duty as ratepayers to investigate or complain about every possible matter and to demand personal interviews on every occasion. Within reason, however, the interest of ratepayers and others in the affairs of the municipality is to be welcomed, and especially is it desirable that they bring to attention any specific matters of dissatisfaction that come to their notice.

9. Members of the public who are not sure of the best way to approach the council, or how to go about any matter relating to council affairs, should consult the Town Clerk's Office which will advise them to the best of its ability.

## PART VII

### GIFTS AND FAVOURS

1. No councillor or official should accept any gift or favour (including excessive hospitality or entertainment) whether in the form of service, loan, thing or promise from or on account of any person, firm or other body which to his knowledge is or is likely to be directly or indirectly interested in business or other dealings with the local authority which may tend to influence him in the discharge of his duties, or which in the opinion of a reasonable man might do so. It is the responsibility of every councillor and official to ensure that the principles embodied in this clause are observed by the immediate members of his family.

2. Quite apart from any intentional effort to bribe or influence any councillor or official, members of the public and especially commercial firms should not make any gifts or distribute any favours to any councillor or official or members of their immediate families, where such action might result in placing such councillor or official under any feeling of moral obligation towards the

giver in respect of any dealings present or future, with the council. Furthermore, any councillor or official who shows any expectation or hope of receiving special treatment by reason of holding a position of importance or influence in the municipal setup should immediately be rebuffed.

#### ANNEXURE

##### SUGGESTED CREED FOR COUNCILLORS (The use of which is commended by the Administrator-in-Executive-Committee.)

As a councillor I believe :

That the proper operation of democratic local government requires that councillors and officials be independent and impartial in their judgment and actions, that decisions on policy be made in the proper channels of the municipal structure, that public office be not used for personal gain, that the public have confidence in the integrity of its council, and that the public interest requires ethical standards of the highest order;

That the realization of these ends is impaired whenever there exists or appears to exist an actual or potential conflict between the private interests of the councillor and his public duties;

Therefore, as a councillor of.....I affirm my solemn belief that the primary responsibility for maintaining a high level of ethics in municipal affairs falls upon the council as the governing body elected by the people;

Consequently having studied the Natal Municipal Code of Conduct, I believe it is my duty and will use every endeavour to :

1. Represent and work for the common good of the people of my municipality and not for private interest, ensuring fair and equal treatment of all persons, claims and transactions with which I may be concerned.
2. Refrain from accepting gifts or favours or promises of future benefit which might compromise or tend to impair my independence of judgment or action as a councillor.
3. Refrain from disclosing confidential information concerning the municipal government.
4. Help the council maintain the highest standards of ethical conduct and do nothing which might offend against such standards.

#### ANNEXURE

##### SUGGESTED CREED FOR ADMINISTRATIVE OFFICIALS AND EMPLOYEES, the use of which is commended by the Administrator-in-Executive-Committee.

As a municipal official or employee I believe :

That the proper operation of democratic local government requires that municipal officials be independent and impartial in their judgment and actions, that decisions and policy be made in the proper channels of the municipal structure, that public office be not used for personal gain, that the public have confidence in the integrity of its government and officials, and that the public interest requires ethical standards of the highest order with respect to official conduct;

That the realization of these ends is impaired whenever there exists or appears to exist an actual or potential conflict between the private interest of a municipal official and his public duties :

Therefore as an official or employee of the municipal council of.....I affirm my solemn belief that I have a public responsibility to do all in my power to maintain the integrity of local government. Consequently, having studied the Natal Municipal Code of Conduct I believe it is my duty to :

1. Observe the highest standard of ethical conduct in the performance of my public duties and to be efficient, courteous and impartial in the performance of those duties, ensuring fair and equal treatment of all persons, claims and transactions coming before me in my official capacity.
2. Work in full co-operation with other municipal employees in promoting the public welfare, recognizing that my private interest must always be subordinate to the public interest.
3. Be scrupulously honest in handling public funds and in the conservation of municipal property, never using any funds or property under my care for private benefit of myself or others.
4. Never accept or engage in any employment or occupation incompatible with my municipal duties.

5. Refrain from disclosing confidential information concerning the affairs of this municipality.

6. Refrain from accepting gifts or favours or promise of future benefit which might compromise my independence of judgment or action as a public official or employee.

7. Help the council maintain the highest standards of ethical conduct and do nothing which might offend against such standard.

**ORIENTATION COURSE FOR COUNCILLORS -  
A FRAMEWORK**

1. Introduction to Senior Management Personnel
2. Discussion Groups on the following:
  - The Office and Functions of Council's Chief Executive.
  - The General Nature of Municipal Government and the Functions of Councillors.
  - The Functions of the various Departments of the Council including Channels of Communication.
3. Presentation of Councillors' Handbook (Refer Appendix "G").
4. A Tour of Council's Key Installations.

## HANDBOOK FOR COUNCILLORS - A FRAMEWORK

Item	Subject
1.	The History of Milnerton
2.	Powers and Functions of Local Authorities
3.	The Administrative Structure of the Council
4.	Municipal Elections in the Cape Province
5.	Election of the Mayor and Committees
6.	Functions of the Committees
7.	Important Documents
8.	Offences by Councillors
9.	Code of Conduct for Local Authorities (Prepared by a committee appointed by the Administrator-in-Executive Committee of Natal)
	9.1 Suggested Creed for Councillors
	9.2 Suggested Creed for Administrative Officials and Employees
10.	Council Meetings
11.	Leave of Absence to Councillors
12.	Hints on Committee Work
13.	Honorary Title of Alderman
14.	Civic Ceremonial and Social Events
15.	The Councillor as an Individual
16.	Requests for Information
17.	Recognition of Ratepayers' Associations
18.	The Finances of the Town
19.	Expenses and Allowances of Councillors
20.	General Information
	- Councillors' Rest Room and Interview Room
	- Internal Telephone Directory
	- Councillors' Diary.

## KEY FUNCTIONS ANALYSIS SHEET - A SPECIMEN

TOWN TREASURER'S DEPARTMENT

JOB DESIGNATION	JOB GOAL	KEY FUNCTIONS	%
TOWN TREASURER	To act as Financial Adviser, Accountant, Internal Auditor and Treasurer of all the Council's funds by ensuring that all Financial Transactions are properly recorded in terms of the Statutes, Ordinances and Council Resolutions in that all expenditure is properly verified and all monies due to the Council have been accounted for.	General Accounting Audit Payments Income Annual Budget Management of Funds Miscellaneous Computerisation Working Conditions.	
DEPUTY TOWN TREASURER	To ensure that all Council's financial transactions are properly recorded according to sound financial accounting principles and Central Government Laws, Municipal Ordinances and Council Minutes.	Investments Proclaimeid Main Roads Assets Registers Loans and Loans Repayments Statistics Other Accounting Procedures	20 10 20 5 5 40
INTERNAL AUDITOR/ COST ACCOUNTANT	Auditing of expenditure and income and establishment of sound methods and procedures to protect Council's interests. To guide Council on financial implications and to ensure that expenditure conforms with Council's and audit requirements.	Internal Audit on all expenditure and income and creating new methods, controls and procedures, i.r.o. finance. Estimating of cost on anticipated expenditure and to ensure that correct costing is done by all departments. Supervising Expenditure Section Handling of Council Insurance Portfolio	50 32,5 10 7,5

## ESTIMATES OF EXPENDITURE FOR THE YEAR 1985/86

## LIBRARY

## VOTE 17 - 01

TEM	DETAILS	ESTIMATES RAKINGS 1984/85	APPROX WAARSKYNLIK 1984/85	ESTIMATES RAMINGS 1985/86	BESONDERHEDE
	<u>SALARIES, WAGES AND ALLOWANCES</u>				<u>SALARISSE, LONE EN TOELAE</u>
01	Salaries and Allowances - Whites	110 145	122 475	131 338	Salarisse en Toelae - Blankes
02	Salaries, Wages & Allowances: N/Whites	19 184	17 163	32 100	Salarisse, Lone & Toelae: N/Blankes
09	Protective Clothing & Uniforms	800	800	900	Beskermede Klere & Uniforms
		130 129	140 438	164 338	
	<u>GENERAL EXPENSES</u>				<u>ALGEMENE UITGAWE</u>
12	Administration	24 137	24 222	28 080	Administrasie
18	Books and Ordinances	175	100	2 200	Boeke en Ordonnansies
31	Electricity	500	500	500	Elektrisiteit
35	Insurance	550	100	550	Versekering
41	Printing and Stationery	1 000	1 500	1 500	Drukwerk en Skryfbehoeftes
49	Stores and Material	25	25	50	Vorrade en Materiaal
51	Sundries	500	1 000	1 000	Allerlei
52	Telephones	450	450	450	Telefone
56	Transport and Plant	350	350	4 000	Voertuie en vervoer
		27 687	28 247	38 330	
	<u>REPAIRS AND MAINTENANCE</u>				<u>HERSTEL EN ONDERHOUDSWERK</u>
70	Building Repairs	400	400	400	Geboue Herstelwerk
71	Contribution to Repairs Renewals Fund	-	100 000	-	Bydrae tot Herstel en Hernuwingsfonds
74	Maintenance (Ex Suspense Accounts)	890	890	-	Instandhouding (Uit Afwagrekening)
76	Office Furniture & Equipment Repairs	400	200	400	Kantoortoerusting Herstelwerk
		1 690	101 490	800	
	<u>LOAN CHARGES</u>				<u>LENINGSKOSTE</u>
90	Interest	10 067	9 295	109 502	Rente
91	Redemption	7 336	7 281	39 682	Delging
		17 403	16 576	149 184	
	<u>CAPITAL EXPENDITURE</u>				<u>KAPITAALUITGAWE</u>
98	Contribution to Capital Expenditure	200	200	-	Bydra tot Kapitaaluitgawe
		177 109	286 951	352 652	

1985/86 CAPITAL EXPENDITURE ESTIMATES

VOTE	DESCRIPTION	METHOD OF FINANCE / YEARS	AMOUNT
	<u>ADMINISTRATION - COUNCIL'S GENERAL EXPENSES</u>		
5-66-01	Recoating External Face of Municipal Offices	R/F	32 000
5-66-02	Replacement of P.A.B.X. Equipment and Rewiring of Telephones	R/F	85 000
5-66-03	Renovations and Relayout of Head Office Accomodation-	R/F	50 000
5-66-04	Catering Equipment	R/F	2 000
5-66-05	Provisions of Street maps for Table View	R/F	2 000
	<u>ADMINISTRATION - TOWN CLERK'S DEPARTMENT</u>		
5-66-06	Sundry Office Equipment	R/F	1 625
	<u>ADMINISTRATION - TOWN ENGINEER'S DEPARTMENT</u>		
5-66-07	Sundry Office Equipment	R/F	3 000
5-66-08	Sundry Survey Equipment	R/F	3 600
	<u>ADMINISTRATION - TOWN TREASURER'S DEPARTMENT</u>		
5-66-09	Sundry Office Equipment	R/F	2 000
5-66-10	2 Air Conditioners	R/F	2 400
	<u>ADMINISTRATION - LAW ENFORCEMENT</u>		
5-66-11	Sundry Office Equipment	R/F	255
	<u>BUILDING SURVEY</u>		
5-66-12	Sundry Office Equipment	R/F	2 500
	<u>FIRE BRIGADE</u>		
4-55-01	Miscellaneous Workshop, Hoseroom & B.A. Room Tools	C.C.D.L.F. 5	1 500
4-55-02	Sundry Office Equipment	C.C.D.L.F. 5	1 000

STATEMENT OF GOALS AND OBJECTIVES  
FOR THE  
DEPARTMENT OF ADMINISTRATION AND OF COMMUNITY SERVICES

### INTRODUCTORY NOTE

This statement of goals and objectives has been formulated on the basis of information contained in job descriptions prepared in respect of all salaried posts in the five functional units which, it is submitted, should be included as branches of the proposed Department of Administration and of Community Services.

The relevant sections of the draft statements of goals and objectives were then discussed with the senior officials of these functional units and amended where this was considered to be necessary.

**OVERALL GOAL OF THE MUNICIPALITY OF MILNERTON**

**To achieve and maintain an efficient and effective municipal service which will enable the inhabitants of Milnerton to live in a safe and developing environment which meets their social and cultural needs.**

OVERALL GOAL OF THE DEPARTMENT OF ADMINISTRATION  
AND OF COMMUNITY SERVICES

To ensure that the services and amenities for which the Department is responsible are provided in a manner which will optimise its contribution to the achievement of the Council's goal.

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BRANCHES OF THE DEPARTMENT

Level I

Fire Brigade  
Traffic Control

Level II

Administrative  
Library  
Parks, Sport and Recreation

## FIRE BRIGADE

**GOAL:** To prevent and combat urban fires and render rescue and emergency services so as to preserve life and property from all perils.

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### OBJECTIVES

To prescribe Standards for the achievement of the main objective

To prescribe standards and requirements for the use, storage and transportation of flammable, toxic, radioactive and explosive substances.

### OPERATIONAL ACTIVITIES

1. The compliance with all Acts, Ordinances, By-Laws and Council Resolutions applicable to the Brigade.
2. Examining building plans to ensure compliance with standards prescribed by by-laws and National Building Regulations and Act (103 of 1977) and relevant codes.
3. Inspecting buildings during and after erection to ensure compliance with approved plans and provision and maintenance of fire-fighting appliances and equipment and means of escape.
4. Enforcing prosecutions of provisions of by-laws and National Building Regulations Act 103 of 1977.
5. Reviewing of by-laws on a regular basis.
6. Keeping abreast of technological developments.
7. Examining building plans where storage of flammable and other dangerous substances is contemplated.
8. Inspecting industrial plants and fuel depots and other buildings during and after erection to ensure compliance with approved plans and standards.

9. Regular inspection of industrial, commercial and residential buildings and fixed fire-fighting installations.
10. Issuing permits for the storage of flammable substances.
11. Enforcing observance of provisions of by-laws and regulations.
12. Inspecting storage facilities and vehicles used to transport flammable explosive and toxic substances.

**To plan, equip and man fire stations at strategic points in the municipal area.**

13. Determining the need and the ideal location for additional future fire stations.
14. Training on a continuous basis of firemen and officers to man the station, the periodic review of such training in the light of technological advance in the field of fire fighting and hazard identification.
15. Ensuring that the fire station is equipped with the required fire-fighting and emergency appliances and equipment; the periodic renewal of such appliances and the acquisition of new forms of equipment. Evaluation of new methods and equipment prior to implementation in fire service.
16. Organising personnel and machines as dictated by the number of calls, the intensity and location of a fire or number of fires being handled at one time.
17. Reviewing fees and charges payable for the services rendered by the Fire Brigade on a regular basis.

**To give guidance and advice on fire hazards and the use of fire fighting appliances and other preventative media.**

18. Giving lectures and training on fire hazards, fire fighting methods and appliances and means of escape to members of commerce, industry, schools, etc.
19. Liaising with architects, engineers and builders in respect of regulations and by-laws.

To instruct owners to remove from their property materials constituting a fire hazard

20. Serving notices on owners of land and buildings to remove undergrowth, flammable materials, etc. which constitute a fire hazard.
21. Having a private contractor clear land of undergrowth, etc. when the owner fails to remove the fire hazard; and having the Town Treasurer recover the incurred cost from the landowner.

To deal with certain emergency situations outside the Milnerton Municipal area when called upon to do so.

22. Where a reciprocal agreement exists, providing fire-fighting services for local authorities outside the municipal area who suffer a disaster.

To achieve and maintain a high standard of civil defence planning and activation

23. Determining Civil Defence policy.
24. Establishing and reviewing goals and objectives.
25. Planning and co-ordination.
26. Reviewing of the organisational structure.
27. Holding meetings and receiving reports.
28. Inspecting, Testing and exercising equipment and the system.
29. Reviewing and analysing feedback from the public, Government departments and other agencies.
30. Assessing, evaluation, development, implementation and exercise of civil defence.
31. Writing disaster analysis.
32. Analysing resources.
33. Planning emergency procedures.
34. Planning and holding civil defence exercises, the nature and timing of which are vital to civil defence.
35. Developing the Civil Defence Division to provide a 24 hour capability to handle incidents, disasters and emergencies.

36. Meetings and liaising with the following: Chief of Civil Defence, Provincial Administration, South African Defence Force Civil Defence Liaison Officer, Civil Defence Officers of local authorities in the Mutual Agreement, Miltex, Escom, S.A.P., Ratepayers Associations, technical and training personnel, Metro Control, Red Cross, S.R.I., and schools. These activities include talks, lectures, conferences, seminars and publications.
37. Handling of all civil defence correspondence and finance.
38. Assessing threats to municipal personnel and equipment by criminals or terrorists and recommending protective measures.
39. Writing and exercising emergency procedures to cover municipal employees and members of the public using municipal facilities.
40. Keeping abreast of developments in the security industries.
41. Writing specifications to be met by equipment or services provided to the Municipality in the security field.
42. Monitoring the equipment and services mentioned in 9 above.
43. Attending appropriate Council meetings.

**To protect all municipal personnel and installations including members of the public using municipal facilities.**

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## TRAFFIC CONTROL

**GOAL:** To control and regulate pedestrian and vehicular traffic in order to achieve its safe and orderly movement.

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### OBJECTIVES

### OPERATIONAL ACTIVITIES

To prescribe and enforce standards and measures for traffic movement

1. Framing by-laws supplementary to the Road Traffic Ordinance No. 21 of 1966, its regulations and any related legislation.
2. Organising Traffic Officers and arranging for patrols at strategic points and areas.
3. Enforcing the prescribed standards and measures through speed checks and special enforcement programmes.
4. Processing and serving summonses.
5. Initiating representations to the Provincial Administration and other legislative bodies.

To advise on physical as distinct from human control measures

6. Positioning traffic lights in liaison with the Town Engineer.
7. Providing and painting road traffic signs on public roads.
8. Liaising with the Town Engineer on the introduction of traffic control measures.

To advise on and administer a centre for the examination and testing of vehicles and drivers

9. Determining the need for and ideal location of a Traffic Control Centre.
10. Establishing, equipping and manning a testing centre.

To control public parking facilities

11. Reserving, restricting and prohibiting parking by means of road signs and street marking.

**To educate the members  
of the public**

12. Giving lectures and demonstrations on traffic control and safety measures to school children and organisations.

**To exercise control  
over use of public roads**

13. Determining the need for and location of taxi ranks.
14. Determining the advisability of holding special events and processions involving the use of public roads and pavements.
15. Cordoning off streets and doing whatever is needed to cope with special events.

**To enforce Municipal  
By-Laws**

16. Patrolling municipal area, issuing warnings or tickets in cases where an offence has been committed in all cases concerning contravention of municipal by-laws including dogs, dumping-, beach-, hawking-, trade licence- and pamphlet distribution offences.
17. Investigating and reporting on complaints received.
18. Inspecting, advising and controlling dog- and trade licences annually.
19. Inspecting and controlling night-watchmen on building sites, and hawkers.
20. Removing unsightly, dangerous or unauthorised placards or signs and issuing tickets where necessary.
21. Investigating cases where the offence of dumping has been committed in order to ascertain the offender and courteously requesting the removal of the offending matter.
22. Studying new by-laws and amendments in order to ensure a sound knowledge of law enforcement.

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## LIBRARY

**GOAL:** To make books and cultural material available on loan and to encourage and advise on their use.

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## OBJECTIVES

To provide a free library service for the public with materials for educational, informational, cultural and recreational purposes

## OPERATIONAL ACTIVITIES

1. Assembling, organising, preserving and making freely and easily available to all people resident in the municipal area library materials (primarily books, periodicals, newspapers and other printed material), as well as films, art prints and recordings.
2. Satisfying all reasonable requirements at differing educational and cultural levels in the selection of materials.
3. Providing a variety of levels of service ranging from the specialised services of the main library to the services provided by the mobile library in other areas.
4. Providing readers with guidance by qualified and informed professional personnel.
5. Facilitating informal self-education of all people in the municipality and providing background reading for formal study at educational institutions.
6. Providing information for commerce, industry and public institutions, as well as the general public without duplicating the specialised service of university libraries, museums, entertainment and news agencies and similar services.
7. Encouraging constructive use of leisure time, placing special emphasis on the cultivation of an enjoyment of reading.

8. Including both official languages of the national community and the main foreign languages spoken in the total collection.
9. Ensuring that, where reasonable and feasible, when the people cannot go to the libraries, the libraries go to the people: catering for those who are unable to travel to the libraries by providing services to various institutions, to the handicapped and housebound.
10. Judging the benefits of the library services not only by what goes in (e.g. number of librarians, areas of library floor space, number of books) but also by results (e.g. usage and individual benefits, despite the difficulty in identifying and evaluating many of the factors involved in social, economic and physical results).

**To achieve a library system that is organised and staffed to reach the determined level of service.**

11. Basing the structure of the library service on a hierarchical system that most satisfactorily provides the various levels of service for the municipality. Such a system should:
  - provide a central library most accessible from all parts of the municipal area and with the widest variety of specialised and non-specialised library services.
  - provide, in areas where pockets of development are inadequately served, a modern well-equipped mobile library which can give basic service.
12. Providing sufficient staff relative to the population served, usage and the range of service of the library system.
13. Providing qualified and competent librarians to administer and supervise the service, to undertake professional and technical assistance to readers, to maintain contact with educational, cultural and community organisations and to plan the development of the service.

14. Providing clerical staff to carry out routine duties such as maintenance of records, recording and discharging loans and preparing and maintaining collections.
15. Maintaining professional staff salaries at a competitive level.
16. Reviewing alternative ways of administering libraries to see whether there would be any advantage in amending the present form of administration.
17. Promoting co-operation in the provision of services and co-ordination in the planning of future development between the Milnerton Library and the library services of other municipalities and the Divisional Council.
18. Investigating new and contemporary systems of library science and recommending what modernisation is necessary.
19. Providing the mobile library in areas heavily used by pedestrians.
20. Locating the mobile library to minimise personal travel time.
21. Locating the mobile library in areas where there is no undue traffic or other hazard, especially to children, who may need to wait outside sometimes.
22. Ensuring that adequate parking is available immediately next to the main library building and the mobile library locations.
23. Locating the main library so that adults would be prepared to visit at night.
24. Housing the library in buildings that are tasteful, attractive and functional.
25. Housing the library in buildings that allow most flexibility in the use of space, especially in public areas.

**To achieve a library system that is well planned physically especially as regards location and building design in order to maximise efficiency and ease of access for the population of the Municipality.**

26. Locating the new library buildings where they are most readily and conveniently accessible and designing them so they are recognised as such.
27. Providing furnishings that are attractive, functional and informal, permitting direct access by library users to shelves.
28. Housing libraries in buildings that have adequate space relative to the size of the libraries' potential clientele.
29. Designing storage areas to give optimum protection and accessibility to materials.

**To achieve the most effective, efficient and economic use of financial and other resources.**

30. Allocating funds to provide a system of library services that best meets the needs of the municipality.
31. Preserving the condition of books and repairing damaged ones in order to minimise unnecessary loss.

**To achieve the best library system for the community**

32. Maintaining an active and positive view on the role of the library in the community.
33. Being sensitive to the emergence of new needs and interest in the community that may require modification of or additions to the library's collections and/or activities.
34. Instituting a public relations programme to inform the authorities and community of the functions, aims, resources and services of the library.
35. Maintaining, where desirable and feasible, informal links with other educational, civic and cultural groups and organisations, including schools, adult education groups, leisure activity groups and those concerned with the promotion of the arts.

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## PARKS, SPORT AND RECREATION

**GOAL:** To maintain the Parks, Sport and Recreational facilities allocated to the Branch and to promote the interests of sport and the participation in sport of all residents in Milnerton.

**Note:** These facilities include the Milnerton Sports Club, the Bothasig Sports Club, the Table View Sports Club, the Milnerton Golf Club, the Milnerton Tennis Club, the Milnerton Aquatic Club, the Cambridge-on-Sea Bowling Club, the Milnerton Surf Life Saving Club and the Milnerton Canoe Club.

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### OBJECTIVES

To liaise between the Council and the various schools and also the sports clubs operating on facilities established by the Municipality.

### OPERATIONAL ACTIVITIES

1. Attending Committee or Management Committee meetings of the Clubs whenever possible.
2. Assisting with the promotion of new Clubs including the drawing up of constitutions, etc.
3. Monitoring and ensuring the submission of annual financial statements of the various sport clubs on due date.
4. Assisting and advising the various clubs on the maintenance of their premises after consultation with the Town Engineer.
5. Assisting clubs with the recruitment of new members by liaison between clubs and schools.
6. Publicising sport and sporting facilities throughout the municipal area.
7. Attending meetings of the Sport and Recreation Advisory Board.
8. Liaising between the council and schools insofar as sport is concerned.
9. Liaising between Council and the Department of Sport and Recreation.

To administer the beaches abutting the Municipal area and also the parks, open spaces and public recreational facilities allocated to the branch so as to meet recreational needs.

10. Assisting with major fund raising efforts of clubs as well as assisting with major tournaments organised by the various sporting clubs.
11. Organising any sporting events as may be directed by the Council.
12. Establishing public recreational needs.
13. Planning and developing beaches, sporting facilities, parks and open spaces and other recreational amenities.
14. Operating a nursery to provide trees and plants required in the Municipal area.
15. Initiating the planning, financing, construction and maintenance of such facilities as beach amenities, public swimming baths, caravan parks, bowling greens, tennis courts and sports fields.
16. Initiating and controlling maintenance programmes.
17. Programming the replacement, renewal or improvement of the amenities.
18. Inspecting Club premises on a regular basis.
19. Supervising and controlling the labour force allocated by the Council to assist in the maintenance of sporting facilities established under the auspices of the Council.
20. Recommending suitable policies, by-laws and sea-shore regulations to Council.
21. Ensuring that the by-law relating to the Control of the Seashore and the Sea abutting the Municipal area is enforced as directed by Council.
22. Organising holiday recreational activities for school children.
23. Organising recreational activities for residents.

To advise on the need for, and to manage municipal halls and the facilities in them which are under the jurisdiction of the Branch.

24. Maintaining an adequate staff for security purposes and consulting the Security/Civil Defence Officer in this regard.
  25. Advertising the facilities available and generally promoting and letting municipal halls and their facilities.
  26. Maintaining a register of bookings.
  27. Advising lessees on the facilities available.
  28. Ensuring that lessees abide by the legislation and by-laws applicable to the leasing.
  29. Revising tariffs for the leasing.
  30. Ensuring that preventative maintenance and renovation programmes are carried out.
  31. Cleaning halls.
  32. Budgeting for the replacement of furniture and equipment.
  33. Ensuring that the premises and the equipment contained therein are repaired and maintained.
  34. Maintaining records and monitoring the demand for facilities by the public.
  35. Liaising with other departments on community interests.
  36. Consulting the Town Engineer on the design and maintenance of buildings.
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## ADMINISTRATIVE BRANCH

**GOAL:** To provide secretarial and administrative services for the Council and its Committees.

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### OBJECTIVES

To provide secretarial services for Council and Committees

To provide administrative and other services

### OPERATIONAL ACTIVITIES

1. Ensuring that all agenda items contain the necessary information (and, where necessary, other departments have been consulted) before the agendas are submitted to Council or Committees.
2. Advising departmental management of any policy matter which requires further investigation, research or decision.
3. Compiling agendas for and minutes of meetings.
4. Implementing certain decisions of the Council and Committees, conveying decisions to those who must implement them and following up to ensure that they are brought to finality.
5. Advising on rules of procedure, standing orders, etc.
6. Providing councillors with information required by them to fulfil their duties.
7. Obtaining authorities from the Government and other official bodies.
8. Preparing and submitting by-laws for promulgation.

## ADMINISTRATIVE BRANCH (Continued)

## Electoral Office

## OBJECTIVE

To compile voters' rolls and conduct elections for the Council and to conduct public polls

## OPERATIONAL ACTIVITIES

1. Keeping records required for electoral purposes.
2. Compiling and maintaining records of the municipal boundary and ward boundaries and all properties in the municipal area.
3. Compiling and maintaining records of all premises.
4. Compiling and maintaining records of owners and occupiers of property in areas.
5. Compiling voters' rolls for Council elections and meetings and polls.
6. Canvassing all occupiers of business premises and those fictitious persons who have not nominated authorised representatives.
7. Assessing the qualifications of potential voters from application forms, other data received and inspections and issuing instructions for resultant changes to be recorded.
8. Advertising the preliminary voters' roll and processing claims and objections.
9. Arranging for the appointment and sitting of the revision court.
10. Revising all voters' rolls.
11. Obtaining information on changes in ownership, deaths and other factors.
12. Advertising the voters' roll, and processing claims and objections.

13. Lodging objections on behalf of the Town Clerk in appropriate cases.
14. Arranging for the appointment and sitting of revision courts.
15. Preparing supplementary voters' rolls.
16. Supplying and selling voters' rolls.
17. Arranging for the printing of final and supplementary voters' rolls and keeping records of them.
18. Supplying voters' rolls to those entitled to them.
19. Recommending selling prices for voters' rolls and selling them.
20. Preparing and conducting Council elections and public polls.
21. Arranging for the provision of election furniture, equipment and materials.
22. Identifying and inspecting potential polling stations.
23. Placing all statutory notices and advertisements.
24. Processing nomination forms, advising candidates of defects therein, arranging for the declaration of nominations, and receiving deposits.
25. Selecting and reserving polling stations.
26. Arranging for staff, traffic control, police attendance and furniture at all polling stations.
27. Arranging for the preparation and printing of election material and its delivery to presiding officers.
28. Preparing and arranging for the counting of votes and declaration of results.
29. Arranging payment of election staff and for premises.

30. Checking for and notifying the Attorney-General of irregularities in polling.
31. Arranging for the refund of deposits.
32. Disposing of used and unused election material.
33. Assisting at public meetings.
34. Arranging to control admission of voters to public meetings held in terms of section 204 of the Municipal Ordinance.
35. Providing advice on electoral matters.
36. Providing statistics, maps and advice on any proposed re-delimitation of wards.
37. Dealing with enquiries from the public.

#### **Notes on Electoral Office Objectives:**

Many of the duties envisaged in the legislation on elections and polls are the Returning Officer's responsibility rather than the local authority's or the Town Clerk's and there are specific limitations on delegation in certain instances. However, the Town Clerk is automatically also the Returning Officer in the absence of special provisions to the contrary. These objectives are thus in the right place, although the special legislation should be borne in mind.

## ADMINISTRATIVE BRANCH (Continued)

### Printing and Duplicating Division

#### OBJECTIVE

**To provide printing and binding services for the Council.**

#### OPERATIONAL ACTIVITIES

1. Printing forms, other documents and reports for Council, Committees and departments.
2. Preparing, printing and despatching agendas, annexures and minutes to councillors and officials.
3. Completing short turn work for departments.
4. Collating completed work.
5. Providing management with up to date information on modern printing methods and machines.
6. Monitoring printing techniques in the open market to ensure that printing is efficient and economic.
7. Planning for attendance at seminars on latest printing techniques and equipment.
8. Obtaining maximum productivity from and interchangeability of machine operators.
9. Planning for staff to be trained on the machines they will operate.
10. Planning the work schedules of the machine operators.
11. Ensuring maximum output from machines.
12. Planning the work loads of the printing machines.
13. Ensuring unit costs of printing include all factors such as replacement costs, depreciation and escalation.

14. Providing for machine servicing programmes.
15. Planning machine maintenance.
16. Planning for and entering into servicing contracts.

## ADMINISTRATIVE BRANCH (Continued)

### Business Licensing Office

#### OBJECTIVE

To provide and maintain a business registration and licensing service within the Municipal area and to control trading and trading hours in terms of licensing and shop hours legislation.

#### OPERATIONAL ACTIVITIES

1. Compiling a full register of businesses subject to registration and licensing.
2. Completing the necessary record for every business registered.
3. Programming door to door visits by inspectors.
4. Scrutinising the telephone directory and newspaper advertisements and checking against a register.
5. Investigating reports from private sources.
6. Prosecutions.
7. Maintaining the register of business.
8. Completing additional records for new businesses.
9. Cancelling of records for businesses which have ceased trading.
10. Scrutinising Government Gazette and newspaper notices.
11. Recording changes in ownership of business, change of partnerships, change in directors, trading premises, trading names.
12. Ensuring that all licences which have expired are renewed annually.
13. Prosecutions.
14. Exercising control over businesses and business premises.

15. Calling for reports from the Medical Officer of Health, the South African Police, The Town Engineer, the Fire Brigade and applicants.
16. Consulting the Town Planning Committee.
17. Refusing applications which have lapsed, application which are not cleared under paragraph 15 above. Referring to committee on policy matters and when there are adverse reports or recommendations.
18. Handling conditional certificates and licenses involving : Reports to committee on aspects involving policy, endorsement of conditions on Certificates and Licences, follow-up inspections to ensure that conditions have been complied with, notices to cease trading where licences have not complied, prosecutions for failure to comply with notices, cancellation of registrations for failure to comply with all of the above conditions.
19. Investigating complaints and irregularities which involves: Warning letters re complaints, prosecuting in applicable cases.
20. Ensuring that requirements of legislation are complied with by visits by inspectors and by investigating complaints.
21. Ensuring that revenue due to Council is collected.
22. Ensuring completeness of register.
23. Ensuring that licences are taken out and renewed annually.
24. Checking assessment of licence fees collected.
25. Calling for audited stock certificates where necessary.
26. Prosecuting where necessary for incorrect stock returns or wrong information.

27. Controlling Sunday and post-midnight trade.
28. Calling for reports by the South African Police and outside bodies when applicable.
29. Submitting appropriate cases to Committee.
30. Conditions of issue where considered necessary.
31. Calling for inspections.
32. Writing warning letters in cases of complaints.
33. Instituting prosecutions under nuisance by-laws and for failing to comply with conditions.
34. Withdrawing of privileges by Committee where necessary.
35. Furnishing information and advice.
36. Answering queries from the public over the counter by telephone or by letter.
37. Providing an information service to persons having business with the Council.
38. Providing a public liaison service.
39. Providing councillors with general civic information.
40. Providing information about the public's views on their civic needs and the Council's activities and performance.
41. Providing information and data in response to specific enquiries and complaints.

## ADMINISTRATIVE BRANCH (Continued)

### Records Section

#### OBJECTIVE

#### OPERATING ACTIVITIES

**Maintenance and Application of an approved filing system**

1. Opening of files and replacement of worn covers.
2. Classifying and filing of all material.
3. Controlling the receipt and opening of post.
4. Recording moneys and valuable documents received.
5. Despatching outgoing items.

**To control all archives and their disposal**

6. Keeping of a register of files opened, a destruction register and a register of authorities.
7. Closing of archives.
8. Keeping the master copy of the filing system.
9. Requesting the provisional approval of and reporting to the Archives of all additions and amendments to the filing system or list of other archives.
10. Controlling the correct classification of items by means of periodical inspections and by examining the daily files for this purpose.
11. Examining timeously all detrimental or inefficient tendencies and the adaptability of the system to functional changes in the organisational framework as they appear.
12. Controlling the use of policy files to guard in time against the accumulation of ephemeral material.

13. Maintaining the filing system and list of other archives.
14. Determining the retention needs for administrative purposes in respect of each archives item and the carrying out of disposal instructions.
15. Controlling safe-custody by the regular inspection of file covers and contents, handling of files and registers, fire-fighting apparatus and strong room for hazardous elements such as leaks, pests, etc.
16. Controlling all registry procedures/practices.

## ADMINISTRATIVE BRANCH (Continued)

### Personnel Office (Proposed)

#### OBJECTIVES

To provide specialist advise and a centralised personnel information service in order to ensure the best possible use of available manpower.

#### OPERATIONAL ACTIVITIES

1. Preparing and maintaing records of the following:
  - Policy information.
  - Fixed establishment control.
  - Individual personnel information etc.
  - Routine staff circulars.
  - Increment schedule.
  - Tables of staff requirements.
  - Statistics in connection with salary revision.
  - Bursary loan agreement.
  - Implementation of salary regradings.
  - Casual records
  - Circulation of amendments to conditions of service, grading schedules and clothing schedules.
  - Statistics to State Departments.
  - Post employees' history including exit interviews.
  - Letters of appreciation to retiring employees.
  - Official telephone records.
  - Relocation allowance provisions.
  - Information to other local authorities and organisations .
  - Correspondence with Labour Department.
  - Appointment statistics.

To encourage the maximum suitable number of applications for vacant positions and to route all appointment matters to the appropriate person(s) for recommendation, decision or information.

To help towards the continuous development and training of employees throughout the service so as to maximise their contribution to the attainment of the organisation's overall objectives.

2. Obtaining, processing, recording and/or distributing all appointments information and advising suitable applicants of vacancies.
3. Advertising all vacant monthly-paid posts as requested.
4. Controlling Personnel advertising cost.
5. Handling correspondence re applicants.
6. Helping to orientate and induct all new monthly-paid employees.
7. Helping departments to analyse their overall training needs.
8. Designing and evaluating development programmes for individual supervisors and managers in terms of 7 above.
9. Helping departments and branches develop training programmes for employees other than supervisors and managers.
10. Developing and conducting in-service seminars and courses to meet both specific and service-wide training and development needs.
11. Administering and evaluating the external training programmes which employees and bursars pursue in terms of the assisted study schemes offered by the service.

## INDICATORS OF PERFORMANCE, OUTPUT AND SCALE OF OPERATION

### COMMENTARY:

The following factors are submitted as possible indicators of performance/output/scale of operation in regard to the various services provided by the Department. It will be possible to use the data and information pertaining to these factors for comparative purposes. In this regard the data/information may be manipulated to provide meaningful ratios/percentages which could then form the basis for comparison.

### General

Number of posts on the fixed establishment.

Number of vacancies.

Number of injuries on duty.

Municipal population in various categories.

Analysis of total operating income and expenditure.

Analysis of total capital income and expenditure.

Number of transactions in respect of various activities, for example, business licence applications, tree planting.

Total of Salaries and Wages.

Size of Municipal area.

Response times.

Actual expenditure/income as percentage of the budget.

Formal academic qualifications of employees.

Staff turnover.

Staff absenteeism.

Staff achievements of an exceptional nature.

Cost of living indices/rate of inflation.

Salary Structure.

Number of written complaints received and shown to be valid.

## **Fire Brigade**

Response time (although already indicated under general is repeated in view of its primary importance in respect of this service).

Number of calls (genuine and false alarms).

Municipal value of buildings.

Description and number of buildings.

Analysis of fires attended.

Number of vehicles in service.

Number of lectures presented to schools, etc.

Number of visitors to the fire station.

Financial analysis, for example, average cost per fire.

Municipal value of buildings damaged by fire.

Number of training exercises.

Number of civil defence incidents.

## **Traffic Control**

Length of roads.

Number of registered events .

Number of competency tests.

Analysis of number of accidents in area.

Number of lectures presented to schools.

Number of tickets issued.

Number of cases taken to court and results thereof.

Number of special events/additional duties.

Number of speed checks conducted.

## **Library**

Number of books, paintings, records issued.

Number of members.

Number of books in stock.

**Parks, Sport and Recreation**

Area of developed parks and open spaces.

Number of sports facilities.

Number of major sporting events held in the municipal area.

**Administration**

(all factors already included under the 'general' category.)

CONFIDENTIAL

EMPLOYEE PERFORMANCE RATING REPORT

NAME : .....

DESIGNATION: .....

SECTION: .....

DATE OF APPOINTMENT: .....

Please indicate rating on the scale 0-10

- 1. Knowledge of work
- 2. Ability to acquire knowledge/  
understand instructions
- 3. Productivity
- 4. Quality of work  
(Accuracy, Neatness)
- 5. Sense of responsibility  
(Punctuality, dependability)
- 6. Initiative (Independent thinking,  
versatility, adaptability)
- 7. Human Relations (Tact, Courtesy,  
Sincerity, co-operation).


Scale of Rating: 0 - 2 Unacceptable  
 3 - 4 Poor  
 5 - 6 Average  
 7 - 8 Very Good )  
 9 - 10 Excellent ) Prerequisites for appointment

**FINAL ASSESSMENT**

8. No. of days sick leave taken

9. Is this employee correctly placed in his/her present position

 YES

 NO

Comment: .....

.....

10. Recommendation: .....

INCUMBENT

IMMEDIATE SUPERVISOR

.....  
DIRECTOR OF ADMINISTRATION

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