TOWARDS SUSTAINABLE MUNICIPALITIES: AN EVALUATION OF
SUSTAINABILITY INTEGRATION IN ELUNDINI LOCAL MUNICIPALITY
STRATEGY

A thesis submitted in partial fulfilment of the requirements for the degree of

MASTERS OF BUSINESS ADMINISTRATION

of

RHODES UNIVERSITY

BY

NONKUSELO SOKUTU
STUDENT NUMBER 609S6701

FEBRUARY 2013

SUPERVISOR: LETICIA GREYLING

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

APPENDICES

ACRONYMS

CBOs	Community-Based Organizations
CDW	Community Development Workers
DOE	Department of Education
DOL	Department of Labour
EGG	Elundini Goes Green
ELM	Elundini Local Municipality
EPWP	Expanded Public Works Program
ESES-SWOT	Economic, Social & Environmental Sustainability – Strengths, Weaknesses, Opportunities & Threats
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
ICLEI	International Council for Local Environmental Initiatives
IDP	Integrated Development Plan
IT	Information Technology
JoGEDA	Joe Gqabi Development Agency
MIG	Municipal Infrastructure Grant
NFSD	National Framework for Sustainable Development
NGOs	Non-Governmental Organizations
PESTLE	Political, Economic, Social, Technological, Legal & Environmental
PPP	Public Private Partnership
SCM	Supply Chain Management
SETA	Sector Education & Training Authority
SIAT	Sustainability Integration Assessment Tool
SISMF	Sustainability Integration and Strategic Management Framework
SMEs	Small, Micro Enterprises
SWOT	Strength, Weakness, Opportunities, Threats
UNDESA	United Nations Department of Economic & Social Affairs
USA	United States of America

INTEGRATIVE SUMMARY

The first step towards the achievement of sustainable municipalities can be realized through integration of sustainability during strategy formulation. Municipalities are strategically positioned to deliver services to communities and become developmental institutions that provide decent quality of life to meet social, economic, environmental and material needs in an integrated and sustainable manner. Development of credible sustainability strategies by municipalities is supported by various guidelines, legislative, regulatory and policy frameworks. Internationally, governments are committing to issues of sustainability for their local communities.

This research sought to evaluate and assess the extent to which economic, environmental and social sustainability issues are integrated in the five-year strategy of Elundini Local Municipality (ELM). Elundini is one of the four local municipalities in Joe Gqabi District in the Eastern Cape of South Africa and was chosen for this research because it recently launched its first five-year strategy for the period of 2012 to 2017. The research focused on three areas of strategic management processes, namely; environmental analysis, strategic direction and strategy formulation. The environmental analysis illustrated sustainability integration in the ELM's internal and external affairs. At the level of strategic direction, the research focused on the integration of sustainability in the vision and mission of ELM whilst strategy formulation focused on the integration of sustainability in the long term goals and strategies.

The literature reviewed indicated some key issues with regards to sustainability integration and sustainability strategy: notably that sustainability integration could be achieved when environmental, social and economic factors are incorporated into processes of strategic management, structures, cultures, systems and technologies, to enable competitive and functional strategies. This sustainability integration should also incorporate sustainability principles within business decision-making, actions and performance. *Ad hoc* approach to sustainability was not promoted by the literature as it often led to stand-alone initiatives that would not be tied to any strategic objectives.

The literature reviewed also indicated that sustainability is not an easy phenomenon; it is a complex area that is not static but rather changes and grows continually whilst people are trying to learn. Other aspects of sustainability and sustainable development that were

reviewed as part of literature included the concept of sustainability; the contrasting views on, and criticisms of sustainable development. One of the criticisms was the disproportionate focus on some aspects of sustainability over others; in particular, that the social dimension tended to be overlooked, and its role often not equal to the economic and environmental concerns despite the inclusion in the triple bottom line.

The objectives of the study were achieved by data collected through the review of existing literature. The ELM Five Year Strategy (2012-2017), which was developed during 2011 and adopted by the Municipal Council in December 2011, was the main document used to review the integration of sustainability in ELM in this study. Other data was collected through a Sustainability Integration Assessment Tool (SIAT)-based questionnaire that was filled by ELM employees.

ELM strategy document review that was conducted using SIAT showed that environmental sustainability still required more attention compared to economic and social sustainability aspects. Contrary to the view in the literature that social sustainability had largely fallen away from sustainability agenda, ELM's five-year strategy identified a lot of social activities followed by economic and then environmental. The exception was the external analysis section of the strategy, which gave prominence to environmental issues. This finding was also validated by ELM employees in their rating of sustainability integration within the strategy. None of these employees rated sustainability integration of the ELM strategy as poor even on areas where they recognized that there was room for improvement.

The researcher demonstrated that it was possible to develop innovative and valuable frameworks and tools to evaluate the integration of sustainability elements of economic, social and environment. The study thus added to the pool of knowledge in addressing sustainability as municipalities work towards sustainability by developing and using the Sustainability Integration and Strategic Management Framework (SISMF) which was adapted from existing strategic management framework.

The study recommended introduction of Economic, Social and Environmental sustainability – Strengths, Weaknesses, Opportunities and Threats (ESEs-SWOT) for internal analysis as an improvement to SWOT analysis; introduction of Sustainability Integration and Strategic Management Framework (SISMF) as an improvement to the existing strategic management framework; review of the vision to explicitly include environmental sustainability and vivid

description to establish common and shared understanding of the vision; and that ELM integrates sustainability issues during internal information sharing sessions with stakeholders. A review of the current strategy was also recommended to allow for redressing of disproportionate focus by using the new tool for internal analysis. Lastly, the study recommended further research on the strategy after five years to further evaluate the extent of sustainability integration.

SECTION I – EVALUATION REPORT

1.1 ABSTRACT

This research study evaluated and assessed the extent to which strategic management processes integrated economic, environmental and social sustainability elements in the five-year strategy (2012) of Elundini Local Municipality (ELM). The study focused on three areas of strategic management, that is, environmental analysis, strategic direction and strategy formulation. The study also looked at possible reasons for sustainability integration in ELM strategy or lack thereof and also recommended possible solutions.

The literature reviewed revealed that there was adequate basis for municipalities to integrate sustainable development in their strategies even though sustainability was noted as an evolving, complex and changing phenomenon. Local Agenda 21 principles, national legislative & policy framework, regulations and other relevant guidelines were found to be adequate for municipalities to develop credible sustainability strategies.

The objectives of the study were achieved by data collected through the review of existing literature; the review of ELM Five Year Strategy (2012-2017); and SIAT-based questionnaires that were filled in by ELM employees.

The results of the study showed that economic and social sustainability activities were identified most in the ELM strategy compared to environmental sustainability. The study then mainly recommended the review of the current strategy in order to improve all areas of strategy formulation; introduction of Economic, Social and Environmental sustainability – Strengths, Weaknesses, Opportunities and Threats (ESEs-SWOT) for internal analysis as an improvement of SWOT analysis; introduction of Sustainability Integration and Strategic Management Framework (SISMF) as an improvement to existing framework.

Key words: sustainability, sustainable development, sustainability integration, sustainability strategy.

1.2   INTRODUCTION

Section 1 is the main report of this evaluation research. It provides the background to the research, the problem addressed by the research, the context, goals and objectives, literature review and the methodology. It then provides the detailed results of the study and closes with discussions, recommendations and conclusion.

1.2.1   BACKGROUND TO THE RESEARCH

1.2.1.1 The South African Setting

South Africa has three spheres of government, the first sphere is national, the second sphere is provincial and the third sphere is local government. The Local Government as the third sphere of government in South Africa plays a pivotal role in improving the lives of communities and making direct impact. Developmental local government as articulated in the White Paper on Local Government (South African Government Information, 1998) is intended to have a major impact in the daily lives of South Africans. Municipalities are therefore strategically placed to deliver services to communities and in order to successfully perform this mandate the Municipal Systems Act No 32 of 2000 (Government Gazette, 2000) gives effect to the development of a strategic plan document known as the Integrated Development Plan (IDP) for the development of a municipality. The IDP is required to be adopted by the municipal Council and then it becomes a principal strategic planning instrument that guides and informs all planning, development and management in the municipality according to the above mentioned Municipal Systems Act. Thus, to give effect to the implementation of the IDP, Elundini Local Municipality (ELM) developed a five-year strategy (Elundini Local Municipality, 2012) for the first time which is the document that was used to assess sustainability integration.

1.2.1.2 Elundini Local Municipality

ELM is situated in the north eastern part of the Eastern Cape province of South Africa and is one of the four municipalities of the Joe Gqabi District Municipality. ELM has three towns: Mount Fletcher, Maclear and Ugie (Elundini Local Municipality, 2011). ELM is characterised by remote rural villages situated in the foothills of the Maloti Mountains and Southern Drakensberg range (Elundini Local Municipality, 2011). ELM has 17 wards and a population of approximately 138 141 people residing in 37 854 households according to Census 2011 and the largest infrastructural backlogs in the District are found in ELM area with 44.1% unemployment (Statistics South Africa, 2012).

ELM is composed of the political and administrative arm (Elundini Local Municipality, 2011). The political is composed of the Municipal Council which is the highest decision-making body in all municipalities in South Africa (Elundini Local Municipality, 2011). All municipal resolutions are taken and policy documents are adopted at this level. Furthermore, there are five standing committees (Finance, Community, Corporate, Strategic Planning and Economic Development, Infrastructure Planning & Development) which play an oversight role on the implementation of programs from various municipal departments (Elundini Local Municipality, 2011).

The municipal administration has six business units, namely: Corporate Services; Community Services; Infrastructure Planning & Development; Strategic Planning & Economic Development; Budget & Treasury; and Strategic & Good Governance Services (Elundini Local Municipality, 2011). Corporate services deals with administration; human resource management; information technology; and skills development (Elundini Local Municipality, 2011). Strategic Planning and Economic Development services deals with local economic development; spatial planning; institutional performance management; community-based planning and integrated development planning. Community Services deals with solid waste management; housing & land affairs; pounds; parks; cemetery; traffic and social amenities (Elundini Local Municipality, 2011). Infrastructure Planning and Development services deals with public works; project management; mass job creation; electricity distribution; water & sanitation. Budget and Treasury deals with budget & financial accounting; treasury and financial support; expenditure management; supply chain management; revenue management and asset management (Elundini Local Municipality, 2011). Strategic and Good Governance services deals with internal audit and risk management; public participation; communications; branding; special programs; HIV/AIDS; customer care and inter-governmental relations (Elundini Local Municipality, 2011).

1.2.1.3 National and International Instruments

There are various national and international instruments that address the issue of sustainability and that stress the importance of government commitment to sustainable development of communities. These instruments include among others: Local Agenda 21 (UNDESA, 2000); Rio Declaration on Environment and Development (UNDESA, 2000); Constitution of the Republic of South Africa (Government Gazette, 1996); the Municipal Systems Act No 32 of 2000. The White Paper on Local Government (South African Government Information, 1998) and the National Environmental Management Act (Government Gazette, 1998) provide

mandate and guidance to municipalities for integrating sustainability into planning, strategy formulation and implementation. The Summit in Rio adopted Local Agenda 21 (UNDESA, 2000) as its political commitment on sustainable development and a program for long-term development of action plans for sustainability. According to Keysar (2005) central to Local Agenda 21, was the integration of economic growth, social equity and protection of the ecological system.

South Africa is one of the countries that signed the international Rio Declaration on Environment and Development (UNDESA, 2000). It further hosted the World Summit on Sustainable Development in 2002 in Johannesburg (United Nations, 2002). According to the Department of Environmental Affairs & Tourism (2008:17) South Africa intensified its efforts by developing the National Framework for Sustainable Development in South Africa after making the commitment to Local Agenda 21.

1.2.2 THE PROBLEM ADDRESSED BY THE RESEARCH

ELM is grappling with issues of sustainability and often approaches sustainability in an extemporized manner. This challenge does not only affect ELM but affects other municipalities and organizations. The National Centre for Sustainability in Melbourne (2005:2) attested to the fact that sustainability is often approached on an *ad hoc* basis and that results in stand-alone initiatives that are not linked to any broad strategic objectives. ELM recently developed its five-year strategy and there was no clear indication as to what extent the strategy sought to specifically address and integrate sustainability. There was also no clear indication as to what extent the strategy considered all sustainability aspects like social, economic, and ecological environment. It is believed that issues of sustainability need to be addressed at a strategy level as the first indication of commitment and Werbach (2009:16) highlighted that successful strategy for sustainability should consider all dimensions like social, economic, and ecological environment. Thus, this study evaluated whether or not ELM's strategy integrated sustainability in the five-year strategic document so as to use the document as a catalyst for sustainable practices within the municipality.

1.2.3 THE CONTEXT OF THE RESEARCH

The context of this research was sustainability in Local Government with specific reference to Elundini Local Municipality (ELM). The primary focus was the evaluation of sustainability integration in the ELM strategy. Sustainability integration, according to Stratos (2007:2) means that environmental, social and broader economic factors as well as more traditional

financial factors are incorporated into business decision-making, actions and performance. The evaluation therefore focused on the integration of environmental, social and economic elements into ELM's strategy. The strategy of the municipality is a five-year strategy that was developed and adopted in 2011 by the new Municipal Council (Elundini Local Municipality, 2012) *see Appendix A attached*.

1.2.3.1 City of Burlington Case Study

The City of Burlington in Vermont, USA case study presented a compelling need for municipalities to develop sustainability strategies (ICLEI, 2002). For instance, Burlington implemented many environmental and socio-economic projects with a focus on sustainable community development and principles of economic self-sufficiency, equity, environmental protection and preservation which included major projects like revitalization of the city's waterfront, cleaning up of abandoned industrial sites, awareness and other projects. In spite of all that tremendous work it became clear after two decades that these initiatives were not well connected to each other and as a result the city faced a number of inter-related problems (ICLEI, 2002). In response to these problems Burlington developed its long term strategy to promote local sustainability and that was done by embarking on a comprehensive process to develop a community vision and plan for the future (ICLEI, 2002). The National Centre for Sustainability in Melbourne (2005:2) also agreed with this kind of approach and stated that a coordinated process required the development of a sustainability strategy instead of piece-meal interventions.

1.2.3.2 Sustainability Context

According to McKenzie (2004:3) the interrelationship between the environmental, social and economic aspects of sustainability is commonly represented by one of two models. The first one is the "overlapping circles" model and the second model features three concentric spheres.

- *"Overlapping Circles" Sustainability Model:*

The figure 1.2-1 below presents the "overlapping circles" model for sustainability integration.
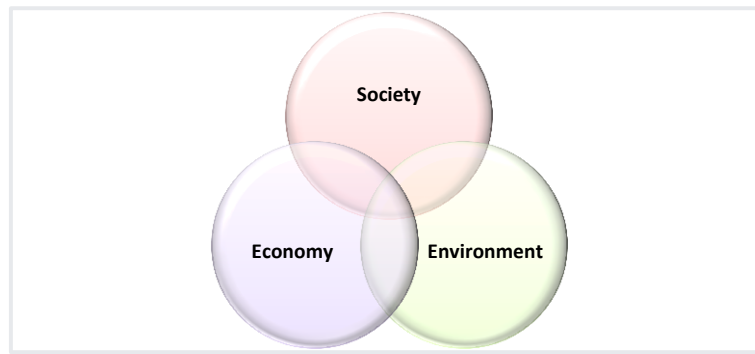
Figure 1.2-1: "Overlapping Circles" Sustainability model.
Source: McKenzie (2004:5)

McKenzie (2004:5) stated that any organization that adopts the "overlapping circles" model should immediately include social, environmental and economic sustainability as equal areas of concern but some argued that the model depicted sustainable development as limited to a fragile space where all three circles intersect.

- *The Concentric Circles Sustainability Model:*

The figure below presents the second model which features three concentric spheres for sustainability integration.
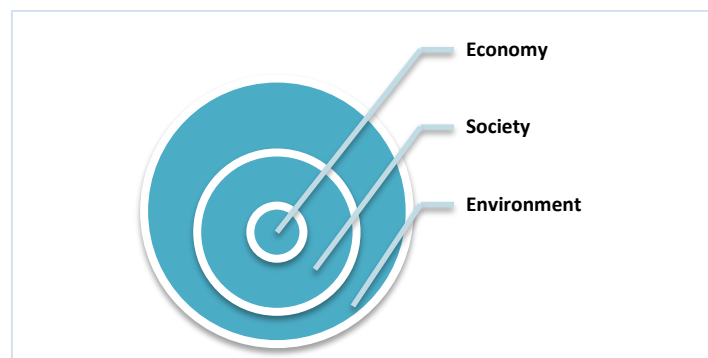
Figure 1.2-2: Three Concentric Circles Sustainability model.
Source: McKenzie (2004:4)

The "three concentric circles" model portrays economic and social spheres as dependent on the health of the environmental sphere. (McKenzie, 2004:4)

- *The South African adaptation of the Concentric Circles Model:*

South Africa, in developing its framework for sustainable development, adopted the concentric circles model and modified it to include the governance system. The figure 1.2-3 below presents the National Framework for Sustainable Development in South Africa (NFSD).
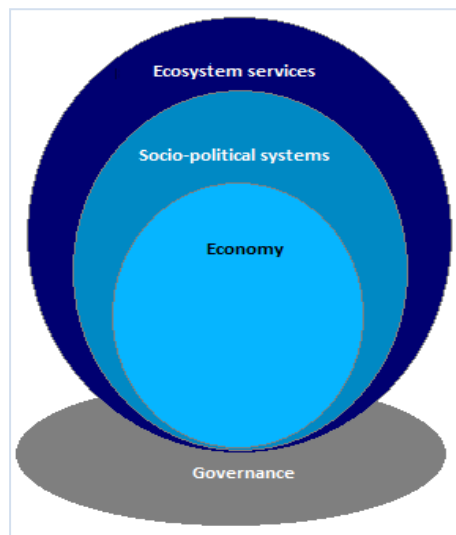
Figure 1.2-3: NFSD model.
Source: Department of Environmental Affairs & Tourism (2008:15)

Figure 1.2-3 of NFSD above represents a systems approach to sustainability; the economic, socio-political and ecosystem are seen as embedded within each other and then integrated through the governance system that holds all other systems together. This is the preferred approach in South Africa over the commonly used "overlapping circles" model (Department of Environmental Affairs & Tourism, 2008:15).

1.2.3.3 Framework for Evaluation Research

The strategic management framework (Ehlers & Lazenby, 2010:57) and the NFSD (Department of Environmental Affairs & Tourism, 2008:15) were used as theoretical and policy frameworks to guide the study. Although the management framework deals with environmental analysis, strategic direction, strategy formulation and strategy implementation; the focus of this research did not include the latter. Governance was also not included as the focus of this research even though the National Framework for Sustainable Development in South Africa includes it. Strategy implementation and governance issues were not the focus of this research because the ELM strategy was a new strategy that was not yet been implemented at the time of the research.

The Ehlers and Lazenby (2010:57) strategic management framework does not include sustainability integration, so the researcher adapted this framework to include sustainability integration for evaluation of all three elements of sustainability. As noted earlier, the implementation component of the framework was not used in the adapted framework. This adapted framework is called sustainability integration and strategic management framework (SISMF). Figure 1.2-4 below illustrates SISMF.
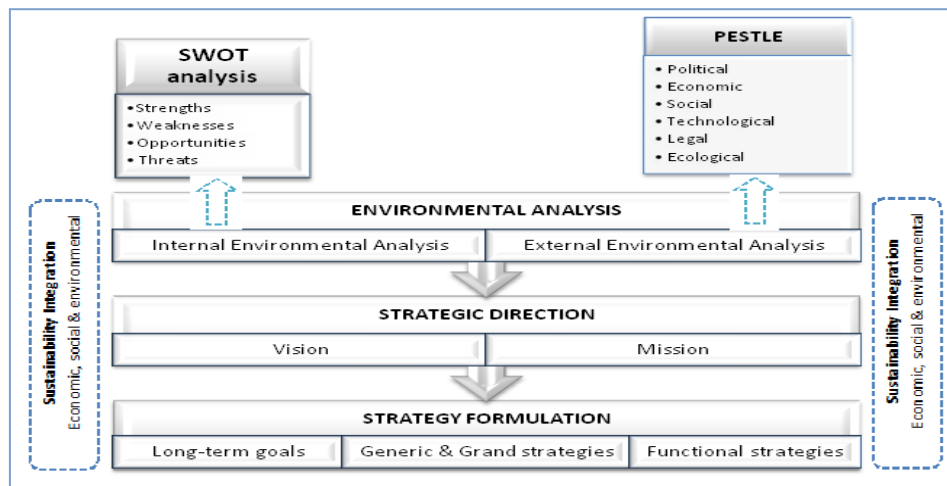
Figure 1.2-4: Sustainability Integration and Strategic Management Framework
Source: Adapted from Ehlers & Lazenby (2010:57)

The SISMF is the framework developed by the researcher by adapting the Ehlers and Lazenby (2010:57) strategic management framework to incorporate sustainability integration in all phases of strategy development. Out of this framework, the Sustainability Integration Assessment Tool (SIAT) was developed during this course of the research as an assessment tool for the review of ELM strategy document. The questionnaire that was used for ELM employees was modified and was based on the same SIAT. Figure 1.2-4 is a graphical representation of SISMF process which illustrates the flow of activities to be undertaken in developing the strategy; the framework of strategy content; and how each phase must integrate economic, social and environmental sustainability.

- The phase of **environmental analysis** focused at the evaluation and analysis of internal environment for possible strengths and weaknesses; and external analysis for possible opportunities and threats (SWOT). According to Ehlers & Lazenby (2010:110,138) the internal environmental analysis is a process of analysing the organization internally, looking at the organization's resources, capabilities and core competencies in order to gain understanding of its current situation whilst external environmental analysis is a process of identifying and evaluating trends and events beyond the control of the organization whilst revealing opportunities and threats facing the organization that have major influence in strategic actions.

- **Strategic direction** is concerned with the development of vision and mission to guide the organization into the future (Ehlers & Lazenby 2010:69).

- **Strategy formulation** is concerned with evaluation and selection of the best possible way to succeed competitively and that include development of long-term goals, strategies (generic & grand) and functional strategies (Ehlers & Lazenby 2010:175).

- **Sustainability integration** according to Stratos (2007:2) means that environmental, social and broader economic factors as well as more traditional financial factors are incorporated into business decision-making, actions and performance.

1.2.4 GOAL AND OBJECTIVES OF THE RESEARCH

1.2.4.1 Goal of the Research

The main aim of the research was to evaluate and assess the extent to which issues of sustainability were integrated into the strategy of ELM as a basis to propose areas of improvements and develop sustainability strategy for ELM.

1.2.4.2 Objectives of the Research

The specific objectives of this research were:

Objective 1:   To evaluate the integration of sustainability elements in the municipal strategy

This objective sought to assess the extent to which ELM five-year strategy was able to address, consider and integrate economic, social and environmental sustainability elements. ELM strategy document review achieved this objective in the results in sub-section 1.5 below.

Objective 2:   To investigate possible reasons for integration or lack thereof regarding sustainability elements in the municipal strategy.

This objective sought to understand reasons for sustainability integration in the ELM five-year strategy and this objective was achieved through the SIAT-based questionnaire which was distributed to ELM employees. The questionnaire included sections for rating of sustainability integration using the Likert scales and the employees were also requested to state reasons for their rating.

Objective 3:   To propose recommendations towards the development of sustainability strategy for ELM going forward.

This objective sought to identify areas of learning and improvement in order to provide feedback to ELM and this was achieved in the discussion and conclusion sub-section 1.6 below where recommendations to improve sustainability integration were proposed.

LITERATURE REVIEW

This literature review is a summary of Section 2. It provides just some highlights of the literature that is coming out on sustainability, sustainable development and sustainability strategy development in general.

Concept of Sustainability

The origins of the concept of sustainability can be traced back to the 19th century. The focus at the time was on a spiritual link of the environmental movement that was known as ecological sustainability, human beings and nature (Edwards 2005:2). Intellectual reformers were in pursuit of ideas that sought to improve human development, social justice and people's treatment of the natural environment (Lumley and Armstrong 2003:371). According to Robinson (2004:371) the focus was on whether and how to preserve or conserve natural areas and there were those (referred to as 'preservationist') who favored the preservation of natural areas in what was perceived to be a pristine form whilst others (referred to as 'conservationist') favored the protection of natural areas, that is, conserving land and resources for later human use including resource extraction and what today is called eco-tourism. In the 20th century, the concept was used to draw attention to environmental damage that was caused by human activities for economic growth (Partridge 2005:2). Gorica *et al* (2012:3) defined sustainability as the concept that related to the maintenance and enhancement of environmental, social and economic resources in order to meet the needs of current and future generations. Weybrecht (2010:14) recognized that sustainability is a complex area that is continually changing whilst everyone is still learning.

Sustainable Development

According to Robinson (2004:370) the concept of sustainable development emerged in the early and mid-1980s (Clark and Munn, 1986; IUCN/UNEO/WWF/FAO/UNSECO, 1980; Brundtland Report, 1987) as a way to close the gap between environmental concerns about increasingly evident ecological consequences of human activities and socio-political concerns about human development issues. Brundtland (1987:41) defined sustainable development as "the development to meet the needs of the present generation without compromising the ability of future generations to meet their own needs." South Africa formalized its definition of sustainable development as integration of **social**, **economic** and **environmental** factors into planning, implementation and decision-making so as to ensure that development serves present and future generations (Department of Environmental Affairs & Tourism, 2008:14).

According to Werbach (2009:9) economic sustainability refers to actions that affect how people and business meet their economic needs – for people this means food security, shelter, water and comfort and for businesses it is about making profit so that they can be able continue for years. He then defines social sustainability to mean actions and conditions that affect all members of society like poverty, injustice, education, health etc. whilst environmental sustainability is about protecting and restoring the ecosystem. Gorica *et al* (2012:141) referred to economic sustainability as development that moves towards social and environmental sustainability, development that is financially feasible whilst social sustainability is about cohesion of society and its ability to work towards common goals and meeting individual needs such as health and well-being, nutrition, shelter, education, cultural expression, etc.; and environmental sustainability refers to the natural capital and making sure that depletion of these resources is prevented.

An integral part of sustainable development is the Triple Bottom line. Elkington (2004:3) stated that the triple bottom line suggests that true sustainable development in business must consider not just the financial 'bottom line' but include other 'bottom lines' such as environmental and social sustainability. The triple bottom line also requires thinking across decades, generations and in some instances centuries, Elkington (2004:23) suggested a need to build in a stronger 'long time' dimension to business planning and use of scenarios or alternative visions of the future. Thus triple bottom line does not only apply to measuring impact or as a monitoring and evaluation measure but can also inform planning and decision making.

Park (2008:2) summarized the evolution of sustainable development into three main periodic phases: 1970-1985 where environmental ministries and agencies were created. According to Park (2008:2) Schot & Fischer defined this phase as the time of 'resistant adaptation' due to companies merely complying but not willing to commit; 1985-1992 was a phase where companies began to own responsibility; and finally, 1992-2002 a phase where business seriously began to engage with the sustainable development agenda.

Sustainability Strategy Development

The concept of strategy

The concept of strategy originated from Greek military term, '*strategos*' which comes from two words *stratus* which means 'the arm' and *agein* which means 'to lead'; so '*strategos*' originally referred to a general leading an army (Louw & Venter 2010:11). Later the strategy

was adapted to business and other areas to refer to strategic direction as a leading element of an entity. Louw & Venter (2010:12) viewed strategy as the direction and scope of an organization over the long term, which achieves advantage for the organization through its configuration of resources within a changing environment and to fulfil stakeholder expectations. Montgomery (2008:29) saw strategy as not just a plan that positions the company in its external landscape but also as a tool that guides the development of the company's identity and purpose over time. Werbach (2009:16) highlighted two main sustainability points in his framework. Firstly, that developing and executing a strategy for sustainability is decisive for business' survival in today and tomorrow's rapidly changing world. Secondly, that a successful strategy for sustainability is different from following a just green strategy – the strategy must consider all dimensions, namely; social, economic and cultural and not just the natural environment.

Stead & Stead (2004:14; 2008:73), Parnell (2008:35) agreed that strategic sustainability is the integration of the principles of sustainability within corporate strategic management processes, structures, cultures, systems and technologies, enabling both competitive and functional level strategies. Borland (2009) argued that if sustainability was about the balance of nature, people and the planet, then there was a need to plan for future and it was that need to plan and strategize that gave rise to the concept of strategic sustainability.

Strategy Development Process

Strategy development process has four main phases, namely; environmental analysis, strategic direction, strategy formulation and strategy implementation. The phase of **environmental analysis** is about the evaluation and analysis of *internal environment* for possible strengths and weaknesses; and *external environment* for possible opportunities and threats (SWOT). According to Ehlers & Lazenby (2010:110) the internal environmental analysis is a process of analysing the organization internally, looking at the organization's resources, capabilities and core competencies in order to gain understanding of its current situation whilst external environmental analysis is a process of identifying and evaluating trends and events beyond the control of the organization whilst revealing opportunities and threats facing the organization that have major influence in strategic actions.

The phase of **strategic direction** is concerned with the development of *vision* and *mission* to guide the organization into the future (Ehlers & Lazenby 2010:69). Vision according to Staude (2006:47) consists of two parts; **(i)** a 10-30 year 'big hairy audacious goal' (BHAG);

and **(ii)** a vivid description of what it would be like to achieve a goal. Van Rensburg (2010:111) stated that a true vision should be clear and easily understood by everyone, it should be compelling and exciting to people, serves as a unifying focal point of effort, act as a catalyst for team spirit with clear finish line. Mission is defined as an enduring statement of purpose that distinguishes organization from other similar ones and it is derived from the vision or strategic intent to deal with the question: "*what is our business or service*?" and other components such as ***growth***, ***profitability***, ***philosophy of the organization***, ***image***, ***self-concept of the organization***, ***quality***, ***customers & stakeholders***, ***competencies*** and ***competitive advantage*** (Ehlers & Lazenby 2010:69; Staude 2006:57).

The phase of **strategy formulation** is concerned with evaluation and selection of the best possible way to succeed competitively and that include development of long-term goals, strategies (generic & grand) and functional strategies (Ehlers & Lazenby 2010:175). Long-term goals are determined in line with the organization's vision. These goals are sometimes called long-term/strategic objectives (Ehlers & Lazenby 2010:175). Strategies are about organization's positioning for long-term competitive advantage. They are about making choices about what markets and segments to participate in and avoid (Ehlers & Lazenby, 2010:175). Generic strategies provide focus and direct organizational activities. According to Ehlers & Lazenby (2010:180) organizations have four generic types of competitive strategy to choose from to complement their competitive advantage and these are *cost leadership, differentiation, focus and best-cost strategy*. Grand strategies are complementary strategies to enhance the range of strategic options referred to as generic strategies above and they provide basic direction for strategic actions. There is a variety of grand strategies that organizations can pursue to achieve their long-term goals and can be broadly grouped into three types: ***growth strategies*** – concentrated growth, market development, product development, innovation (classified as internal growth strategies), diversification and integration (classified as external growth strategies); ***decline strategies*** – turnaround, divestiture, liquidation and bankruptcy; and ***corporate combination strategies*** – joint ventures, strategic alliances and consortia (Ehlers & Lazenby, 2010:201). Functional strategies are annual, short-term goals.

The phase of **strategy implementation** refers to the process that turns the selected strategy into action to ensure that the stated goals are accomplished. Strategy implementation deals with translating the strategic plan into action. It is the phase in which the management aligns strategic leadership, organizational culture, organizational structures, reward systems, policies and resource allocation with the chosen strategy or strategies (Ehlers & Lazenby, 2010:261).

RESEARCH METHOD

1.4.1 RESEARCH ORIENTATION

The study was located within a post-positivism paradigm with the ontological view point of critical realism (Noor 2008:1602). According to Noor (2008:1602) post-positivism is about a reality which is socially constructed rather than objectively determined. The study further took an objective stance on the analysis to reflect that absolute objectivity is impossible to achieve but is worth striving for (Patton 2002:93) and sought to achieve approximate knowledge by using qualitative approach. According to Merriam (2009:13) qualitative approach is about understanding the meaning people have constructed, that is how people make sense of their world and experiences they have in the world.

1.4.2 THE RESEARCH METHOD

The research method that was used for the study is Evaluation Research (Babbie 2012:359) and it was done through the review of the ELM 5 Year Strategy (2012-2017). According to Hansen (2009) evaluation research could be defined in the first place as the systematic assessment of the activity of the research in all its many variations. It is also defined in the second place as systematic evaluation of the merit and worth of the organization, output and outcome of public research policy. This research method was chosen for the study to learn and help in the formulation of new solutions to the recognized problems (Hansen, 2009) and to give useful feedback (Trochim, 2006) to ELM on issues of sustainability integration.

1.4.3 DATA COLLECTION

a) *Sustainability Integration Assessment Tool*

Data was first collected using Sustainability Integration Assessment Tool (SIAT) *see Appendix B*. SIAT was developed by the researcher to assess the extent to which ELM five-year strategy (2012-2017) was able to consider and integrate economic, social and environmental sustainability elements. SIAT content was structured in line with focus of the research; it covered environmental analysis, strategic direction and strategy formulation. ELM five-year strategy (2012-2017) was developed and adopted by the municipal Council in December 2011 and is the document that was reviewed and used as the main source of data. The strategy was the first of its kind in the ELM as the municipality used the IDP before as the principal strategy.

b) *SIAT-Based Questionnaire*

The other data was collected using a questionnaire targeting ELM employees. The questionnaire was modified from the SIAT (*see Appendix C*) in the sense that the structure of the questionnaire was almost similar to that of SIAT. The questionnaire was divided into two sections – section A had introduction and personal information whilst section B covered environmental analysis, strategic direction and strategy formulation with questions that sought to assess employees' response on sustainability integration. It contained open-ended questions and Likert Scale which was used to allow respondents to rate sustainability integration from the scale of *poor, average, good, very good and excellent*. Respondents were asked after rating sustainability integration to state reasons for their rating. The SIAT-based questionnaire was distributed to 39 respondents (*see Appendix C*). Some of the SIAT-based questionnaires were administered to assess whether or not respondent understood the questions before answering them and for the researcher to observe feelings, attitudes and understanding of the subject.

1.4.4   SAMPLING

a) Sampling Method

The sampling method that was used for the research was non-probability judgement sampling also known as purposive sampling (Given, 2008). This method was used to allow the researcher to purposefully pick participants in order to have a representative view. According to Battaglia (2011) purposive sampling refers to the production of a sample that can be logically assumed to be representative of the population.

b) Sample Size

The researcher initially intended to administer 39 questionnaires targeting ELM employees as respondents and was broken down as follows:

- Five ELM Executive Council members, the Mayor and the Speaker, six senior managers, eight employees in middle managers, three employees from each department *(See Appendix F)*.

This targeted number of respondents could not be reached due to the number of reasons - some of the managers left the municipality whilst some of the targeted employees were not available. Almost all employees below the level of management could not attempt to answer the questionnaire because they claimed lack of awareness of the strategy and its contents, so the researcher could not proceed further. Due to all these challenges the sample was reduced to 12 respondents composed of:

- Eight employees in management, two non-management employees and two Executive Council members.

The SIAT-based questionnaire was therefore filled in by 12 respondents and it made sense to focus mainly on available managers because they were conversant with the strategy since they were involved in its development. Since the sample size was too small due to the challenges highlighted above, it limited the researcher's ability to draw meaningful conclusions and therefore information from respondents was mainly used to support and discuss document assessment. It should also be noted that due to sample size limitation most respondents were from management and therefore the findings below do not necessarily represent the general view of ELM employees but rather biased towards management perspective.

1.4.5 DATA ANALYSIS

a) Document Analysis

Bowen (2009:27) defined document analysis as a systematic procedure for reviewing or evaluating documents. During document analysis the researcher first read and thoroughly examined relevant data in the ELM five-year strategy using SIAT as a guide. For instance the first area for analysis was environmental analysis section and the researcher had to go through and read this section in the ELM five-year strategy then identified and highlighted words and/or statements that mentioned or implied sustainability integration. These words and/or statements were selected, put together and sorted into content categories and sub-categories (economic, social and environmental sustainability) that were pre-defined in SIAT. The purpose of sorting was to reconstruct the data in a meaningful way. The researcher then read the statements again in order to revise and refine where necessary. This data was further summarized and presented in the form of bar charts to indicate frequencies and prominence. Descriptive statistics in the form of graphical representation like bar and pie charts were used to describe, organize, summarize and present raw data from ELM strategy document analysis.

b) Questionnaire Analysis

The researcher developed themes and sub-themes based on the questions that were contained in the questionnaire. The researcher then read responses and recorded each response as it was under the relevant theme. The data was later sorted and classified according to similarity and dissimilarity of responses. Frequency of similar responses was then counted and was organized, summarized and presented in the form of graphical representation, that is, bar and

pie charts. The data rating sustainability integration was organized, summarized and presented in the form of pie charts. This data was expressed in percentage form and recorded the number of ELM employees that rated sustainability integration as poor, average, good, very good or excellent.

1.4.6 ETHICAL CONSIDERATIONS

The researcher was guided by principles of ethical qualitative research applicable to the nature of the study (Miller *et al* 2012:1). The respect for the dignity of participants was promoted by obtaining consent and understanding of the participant's view and value system. The researcher avoided conflict of interests and tried to translate research findings objectively. Lastly, the researcher is an employee of ELM and cognisant of possible bias and subjectivity; therefore confidentiality was guaranteed to participants to ensure honesty and openness. Furthermore, communication prior the research through one on one meeting was done to build trust and ensure genuine informed consent was achieved through a legitimate informed decision making process (Miller *et al* 2012:2). The researcher also sought permission from the ELM Municipal Manager to conduct the research with ELM employees *(see Appendix D attached).*

1.4.7 RESEARCH LIMITATIONS

There were three notable limitations to the research, the first one was that the researcher was the employee of ELM and therefore issues of subjectivity and conflict of interest had to be avoided. The second one was the issue of the sample size which was reduced from the initial size of 39 to 12 respondents due to reasons stated above, thus removing the possibility of conducting statistical analysis. The last limitation was that the researcher struggled to get readily available assessment tools to achieve objectives of the research. Sustainability assessment tools that the researcher could find were focusing either on policy development (Buselich, 2002:1), industrial supply networks (Van Bommel, 2011:1) and social or poverty assessment (Huge & Hens, 2007:1) but not necessarily sustainability integration in strategy formulation, hence, a new tool called SIAT was developed by the researcher.

1.5 RESEARCH RESULTS

1.5.1 Introduction

This section presents research results from the ELM five-year strategy document analysis and data collected from ELM employees through SIAT-based questionnaires. A summary of sustainability issues identified is also presented by the researcher to compare and illustrate prominent issues. The rating of sustainability integration using the Likert scales from poor, average, good, very good and excellent based on the responses of the ELM employees who participated in the research is presented. As noted above that most respondents were from management the findings do not represent the general view of ELM employees but rather biased towards management perspective. Results are categorized into three main areas, namely; environmental analysis, strategic direction and strategy formulation.

1.5.2 ENVIRONMENTAL ANALYSIS

Power (2010) defined the environmental analysis as the provision of the context and knowledge for planning and description of organizations' competitive position, operating and general state of internal and external affairs. It is a planning step which helps to examine the current internal environment of the organization and external environment in order to identify and agree on key issues that affect future planning. This section of environmental analysis presents results of sustainability integration in the internal and external environment of ELM.

1.5.2.1 Internal Analysis – Strengths and Weaknesses

Internal environmental analysis according to Ehlers & Lazenby (2010:110) is a process of analyzing the organization internally; looking at the organization's resources, capabilities and core competencies (strengths and weaknesses) in order to gain understanding of its current situation. There were three questions that were asked in the internal analysis and the questions were looking at economic, social and environmental sustainability elements. These questions assessed resources, capabilities and core competencies identified in the strategy to achieve economic sustainability firstly; social sustainability secondly and environmental sustainability thirdly. The question was *"What are the resources, capabilities and core competencies identified in the strategy to achieve economic; social; and environmental sustainability?"*

   a) *The municipal resources, capabilities and core competencies identified for achieving economic sustainability.*

The ELM strategy document review that was done using the SIAT showed that there were eleven issues identified as strengths and eleven identified as weaknesses. Issues identified as strengths to achieve economic sustainability included funding; tax rebates and concessions for

businesses to free basic services; revenue collection; local economic development best practices; mass job creation; and spending of municipal infrastructure grant. Issues identified as weaknesses included ELM's inability to attract investment; inadequate infrastructure for economic development; delay in provision of service; billing; tariff pricing that is not viable; unaffordable rates; bureaucratic supply chain management processes and poor turn-around time for payment of services. *For detailed ELM strategy review findings see Appendix E.*

The feedback that was received from SIAT-based questionnaires collected from 12 ELM respondents on the same question coincided with the findings from strategy document review as the majority (10) of respondents also identified mass job creation initiative, tax rebates for businesses, municipal plant & machinery as prominent issues. *See Appendix H* for responses from respondents.

> b) *The municipal resources, capabilities and core competencies identified for achieving social sustainability.*

The ELM strategy document review that was done using SIAT showed more identification of social sustainability resources, capabilities and core competencies compared to economic issues above. The results showed that there were fourteen issues identified as strengths and nineteen identified as weaknesses. ELM strengths identified were around acquisition of assets; building of infrastructure and establishment of developmental structures. Assets identified specifically referred to road construction plant and machinery whilst infrastructure identified referred to the building of Mathafeni electricity sub-station; Tina Dam for water supply; bulk supply for sewerage and structures. For detailed list of strengths and weaknesses see *ELM strategy Appendix A*. The feedback that was received from 12 ELM respondents also identified excellent delivery of service and provision of free basic services as two main issues for social sustainability. *See Appendix H* for responses from respondents.

> c) *The municipal resources, capabilities and core competencies identified for achieving environmental sustainability.*

ELM strategy document review that was conducted using SIAT showed that there were three environmental sustainability resources, capabilities and core competencies identified. These issues identified included provision of treated water and bulk supply for sewerage system; landfill sites management; and treated water whilst weaknesses identified were about inadequate cleaning of towns; absence of sustainability strategy; and lack of focus on greening ELM. For detailed list of strengths and weaknesses see *ELM strategy Appendix A*. The feedback that was received from questionnaires collected from 12 ELM respondents

viewed public private partnership (PPP) for landfill site management; cleanest and greenest municipality; and recycling of waste materials as the main capabilities to achieve environmental sustainability.

d) Comparison and summary of sustainability integration in the internal analysis (strengths and weaknesses) review.

The figure below illustrates a graphical presentation and overall summary of economic, social and environmental resources, capabilities and core competencies (strengths) results already presented above.
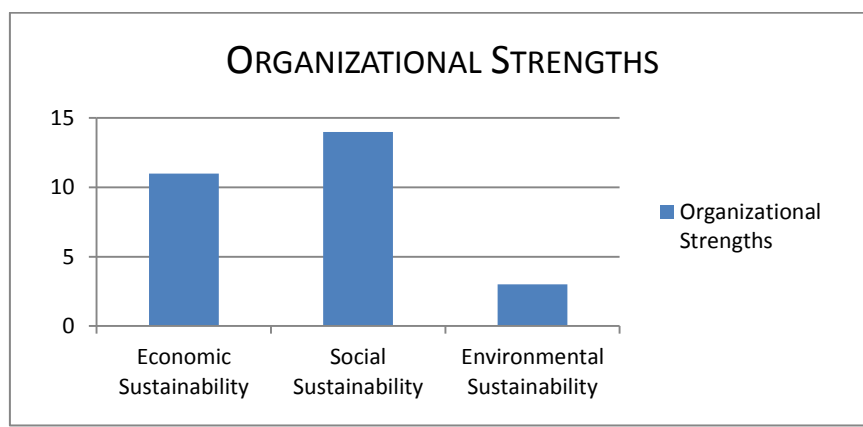
Figure 1.5-1: ELM strengths

Figure 1.5-1 shows that the ELM strategy document had more (14) social sustainability followed by economic sustainability (11) and then environmental sustainability issues (three) as organizational strengths. Economic sustainability strengths were comprised of funding support, tax rebates, concessions for businesses, subsidized electricity, free basic services, improved revenue collection, local economic development best practices, mass job creation, spending of municipal infrastructure grant, mass job creation, unspoilt natural resources.

Social sustainability strengths were comprised of acquisition of road construction plant and machinery to accelerate service delivery to communities; establishment of Project Management Unit, construction of Mathafeni electricity sub-station, establishment of Tina dam in Mt Fletcher for water supply, Service Level Agreement signed with Department of Roads for backlogs, bulk supply for sewerage system, development & implementation of master plans, development of plant policy & systems to run the plant, roads forum establishment, strategic leadership, innovative and creative approaches and development models, effective administrative systems, political and administrative stability, development of service delivery standards and charter.

Environmental sustainability strengths were comprised of provision of treated water and bulk supply for sewerage system; establishment of Public Private Partnership (PPP) for landfill sites management and provision of treated water.

The figure 1.5-2 below illustrates a summary of weaknesses identified in the ELM strategy review and compares all the three sustainability elements.

Figure 1.5-2: ELM weaknesses

Figure 1.5-2 shows that ELM strategy document had 11 economic sustainability, 19 social sustainability and two environmental sustainability issues as organizational weaknesses. Social sustainability issues became prominent again in the organizational weaknesses followed by economic sustainability and environmental sustainability had least of the issues identified. Economic sustainability weaknesses were comprised of ELM's inability to attract investments due to lack of requisite services; inadequate infrastructure for economic development; inability to provide the necessary services to our clients on time; billing for VIPs in poor townships; tariff pricing for refuse not viable; offering of unaffordable rates that compromise payment of services; out-dated prepaid electrical meters; limited revenue generation by ELM; lack of creativity to raise funds beyond grant allocation; SCM processes are inherently bureaucratic in nature and no documented systems to mitigate; poor turn-around time for payment of services.

Social sustainability weaknesses were comprised of general job dissatisfaction amongst employees; incongruence between the formal and informal organization i.e. culture or practice versus intentions are different; lack of holistic integration of organizational systems; insufficient office space and council chambers also accommodate a limited number; insufficient resources at municipal office buildings; Human Resources not positioned as a strategic function; shortage of skills and skills development initiatives that do not support implementation of corporate strategy; turnaround time of the employment process is too long;

customer service is generally poor; there is an information gap between management and employees; there is under investment in IT systems and infrastructure; insufficient attention and focus on building of community leisure facilities; service delivery backlogs; inability to receive unqualified audit reports; non-availability of an effective database system for procurement of services; service delivery standards and poor monitoring mechanisms; shortage of personnel within electricity; license limited to certain areas; underutilization of new media (e.g. website, social networks, etc.) to maximize communication with communities.

Environmental sustainability weaknesses were comprised of inadequate cleaning of towns and absence of sustainability strategy as a result there is a lack of focus on greening ELM.

e) *Rating sustainability integration in the internal analysis*

The 12 respondents from ELM were asked from SIAT-based questionnaire to rate sustainability integration for the internal analysis section above, rating it from poor, average, good, very good and excellent. They were also requested to state the reasons why they rated sustainability integration the way they did. Figure 1.5-3 graphically presents the ratings of sustainability integration by these respondents.
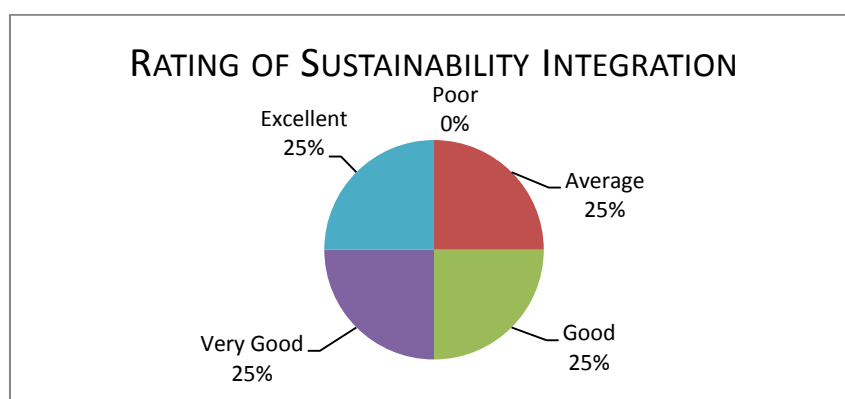
Figure 1.5-3: Rating of sustainability integration in the internal analysis

Figure 1.5-3 above shows that no respondents rated sustainability integration as poor. 25% of the respondents rated sustainability integration as average based on the claim that integration was not holistic and that other ELM departments had not internalized the strategy. 25% of respondents rated sustainability integration as good and another 25% respondents rated it as very good whilst the other 25% rated it as excellent; both respondents that rated integration as good and excellent claimed that the current strategy was balanced and cut across all three areas of sustainability attributing that to the presence of few individuals who are conversant with sustainability issues within the ELM.

1.5.2.2 External Analysis – Opportunities and Threats

External environmental analysis is a process of identification and evaluation of trends and events beyond the control of the organization whilst revealing opportunities and threats facing the organization that have major influence in strategic actions (Ehlers & Lazenby, 2010). The question that was asked for sustainability integration was, *"What are opportunities and trends identified in the strategy to achieve economic; social; and environmental sustainability?"*

Opportunities and Trends:

a) *Opportunities and trends identified for achieving Economic Sustainability*

The SIAT that was used to conduct ELM strategy document review showed that there were eight economic sustainability opportunities and trends identified. These opportunities included tourism development initiatives like annual festivals and rich heritage in culture; heritage sites; tourist attraction site; biggest rock arts in South Africa that can attract local and foreign tourists to ELM; forestry and agriculture as niche sectors of ELM's economy; un-spoilt natural resources offer growth opportunities for tourism; the informal 'second economy' is untapped and yet it offers development opportunities. For detailed list of issues see *Appendix B*.

The feedback that was received from SIAT-based questionnaires collected from 12 ELM respondents showed tourism attraction; growth of business; new revenue streams development; funding for SMMEs; forestry; strategic partnerships; farming and local economic development as main opportunities identified for economic sustainability. *See Appendix H* for responses from respondents.

b) *Opportunities and trends identified for achieving Social Sustainability*

The SIAT that was used to conduct ELM strategy document review showed that there were fifteen social sustainability opportunities and trends identified. These opportunities identified included increased use of social networks like face book and twitter; risk management; identification of ethical opportunities and ethical risks; social grants; poverty alleviation programs; skills development; arts and sports initiatives; programs that focus on health; wellness and prevention of crime; internationally and nationally recognized standards that are created as guidelines for ethical environment. *For detailed list of issues see Appendix B.*

The feedback that was received from SIAT-based questionnaires collected from 12 ELM respondents on the same question showed human settlement planning & urban development; EPWP incentive grant for poverty alleviation; and ability to attract skilled professionals as opportunities identified to achieve social sustainability. *See Appendix H* for responses from respondents.

c) *Opportunities and trends identified for achieving Environmental Sustainability*

The SIAT used to conduct ELM strategy document review showed that there were 18 environmental sustainability trends and opportunities identified. These opportunities identified included renewable energy technology promotion for electricity generation; rebates on energy efficiency; cost efficiency and savings that are made in the reduction in energy and water usage; waste recycling and recovery opportunities; forestry sector domination in the region; programs to fight degradation of land and land restoration; increased funding opportunities available for environmental initiatives, opportunities for entrepreneurs to invent and create technologies for storm and rain water harvesting and storage; building designs and amendment of disaster management plans; increased funding opportunities for developing project that help towards climate change mitigation and adaptation; promotion of local green economy; human settlement spatial planning and urban development; use of thermal mass construction and insulation. *For detailed list of issues see Appendix B*.

The feedback that was received from SIAT-based questionnaires collected from 12 ELM respondents on the same question showed promotion of local green economy and resource efficiency; friendly ecological environment; growth in forestry to reduce carbon emissions; and waste recycling as identified opportunities to achieve environmental sustainability. *See Appendix H* for responses from respondents.

d) *Comparison and summary of sustainability integration in the external analysis (opportunities and trends) review.*

Figure 1.5-4 below presents an overall summary of opportunities identified in the ELM strategy review and compares all the three sustainability elements.
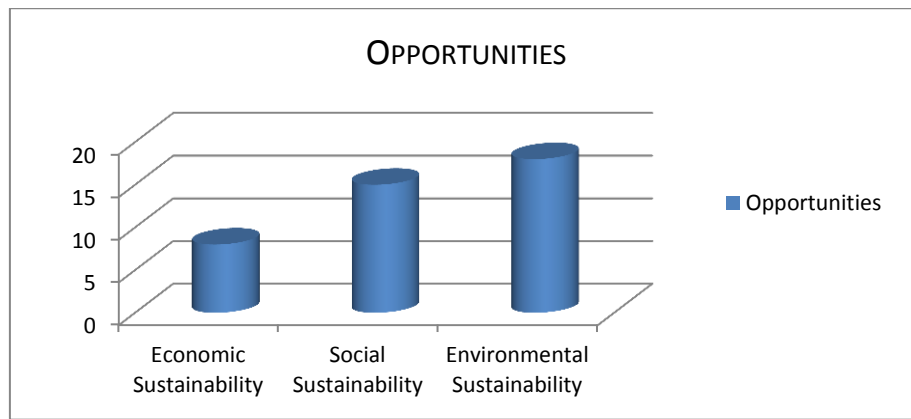
Figure 1.5-4: Results of the external analysis – Opportunities and trends

Figure 1.5-4 shows that the ELM strategy document review identified more (18) environmental issues for the first time compared to social (15) and economic sustainability issues (eight). As opposed to internal analysis above environmental sustainability issues were more prominent in the opportunities and trends.

Economic sustainability opportunities were comprised of tourism development initiatives like annual festivals and rich heritage in culture, heritage sites, and tourist attraction site, biggest rock arts in South Africa are in place and can attract local and foreign tourists to ELM; forestry and agriculture are niche sectors of ELM's economy – presence of PG Bison as a single largest employer in ELM attests to that; unspoilt natural resources offer growth opportunities for tourism; funding and support for development of SME's; the informal 'second economy is untapped and it offers development opportunities for ELM; development of new revenue streams; growth in the investment of business in ELM; increased efficiency and productivity.

Social sustainability opportunities were comprised of increased use of social networks like face book and twitter; increase in use of cellular phones provides ELM with better platform to communicate with its communities; develop and improve a value – based organizational culture; training of employees on risk management and develop a risk appetite and tolerance levels; identification of ethical opportunities and ethical risks; social grants from national government contribute positively towards the well-being, reduction of income inequality, social security and increased spending power of poor people which stimulates the local economy; poverty alleviation programs and strategies provide opportunity to impart certain skills to unskilled and poor people; arts and sports initiatives as well as recreational facilities help to alleviate crime and reduce social distress of ELM communities; programs that focus on health, wellness and prevention of crime in communities provide valuable platforms for

engagement of stakeholders and mobilizations of resources and support for ELM; increased access to life-saving and medicinal drugs and availability of support for health (ARV's) and other related programs improves awareness of our communities to the importance of health, well-being and responsible social behaviour; internationally and nationally recognized standards that are created as guidelines for ethical environment provide an opportunity for the municipality to act ethically to avoid stakeholder conflict and bad reputation; code of ethics for public servants creates a framework and guide for ELM; anticorruption strategies that are in place in Government assist in shaping ethical conduct at ELM; Bathopele principles help ELM to entrench respect and recognition of its stakeholders by its employees; good ethical behaviour also has an opportunity to attract funders that are concerned with good governance and ethics.

Environmental sustainability opportunities were comprised of renewable energy technology promotion for electricity generation gives broader options for the municipality to meet basic service delivery needs; rebates on energy efficiency will contribute towards a culture of saving or allow consumers to invest more on other important areas like education; cost efficiency and savings that are made in the reduction in energy and water usage; waste recycling and recovery opportunities have a potential to create green jobs for especially youth and women within ELM; forestry sector domination in the region contributes towards reduction of carbon emission and footprint; declining crop yield creates an opportunity for farmers to explore other underutilized pieces of land and diversified production; programs to fight degradation of land and land restoration initiatives present employment opportunities to communities land restoration initiatives; increased funding opportunities available for environmental initiatives from which the municipality can benefit through the designing of greening projects; the floods, hailstorms and heavy rainfalls present business opportunities for property developers to come up with solutions that are attractive to property owners. It also creates an opportunity for the municipality to get cooperation from communities in changing the spatiality of the areas; opportunities for entrepreneurs to invent and create technologies for storm and rain water harvesting and storage; building designs and amendment of disaster management plans; increased funding opportunities for developing project that help towards climate change mitigation and adaptation; recognition and response to environmental issues and mitigation of climate change and adaptation strategies; promotion of local green economy and resource efficiency; waste recycling and recovery opportunities have a potential to create green jobs especially for the youth and women within ELM; human settlement spatial planning and urban development will increase ELM's ability to attract skilled professionals;

use of thermal mass construction and insulation will result in improved health and reduce use of energy and contribute towards alleviation of poverty for low – income households; friendly ecological environment can help to position ELM as a place for people to invest, live, work and play; growth of forestry sector in the region will contribute to the reduction of carbon emissions.

Threats and Events:

a) *Threats and events identified that hinder Economic Sustainability*

SIAT that was used to conduct ELM strategy review showed that there were eight economic sustainability threats and events identified. These threats included underinvestment in energy and agriculture; financial crisis and the ensuing recession; lack of access to finance for SME's and entrepreneurs; obnoxious lending and interest rates; challenges in the development of infrastructure and increase in the price of crude oil. *For detailed list of issues see Appendix B.*

The feedback that was received from SIAT-based questionnaires collected from 12 ELM respondents showed inadequate SME & entrepreneur support as threats identified that could hinder economic sustainability.

b) *Threats and events identified that hinder Social Sustainability*

The SIAT that was used to conduct ELM strategy document review showed that there were fourteen social sustainability threats and events identified. Social sustainability threats and events identified included ineffective and delinked social grants from the well-working public health and education systems; poverty and unemployment; low levels of education and skills; high levels of crime associated with acute levels of poverty; high levels of HIV/AIDS and other opportunistic diseases; lack of recreational and leisure facilities; perceptions of corrupt governance; global economic recession resulted in loss of jobs; unemployment; large wealth disparities; high incidents of HIV/AIDS and increased levels of economic crime; development and spread of chronic illnesses. *For detailed list of issues see Appendix B.*

The feedback that was received from SIAT-based questionnaires collected from 12 ELM respondents showed unemployment; crime levels and basic service delivery backlogs; low levels of literacy; and HIV/AIDS as identified main threats that could hinder social sustainability.

c) *Threats and events identified that hinder Environmental Sustainability*

The SIAT that was used to conduct ELM strategy document review showed that there were ten environmental sustainability threats and events identified. Environmental sustainability threats and events identified included water and energy shortages for business and residential use, tree plantations that increase pH levels in the catchment areas, poor quality of potable water, poor landfill operations, the capital costs for renewable energy are higher even after taking into account the lower operating costs, uncontrolled sand mining, over-dependence on non-renewable energy sources, poor planning and development of new & existing settlements, increase in earthquakes, hailstorms, floods and high winds. *For detailed list of issues see Appendix B*.

The feedback that was received from SIAT-based questionnaires collected from 12 ELM respondents showed lack of environmental awareness; lack of environmental planning for ecological balance; and low skills level required for environmental sustainability as threats identified that could hinder environmental sustainability.

d) *Comparison and summary of sustainability integration in the external analysis (threats and events) review.*

The figure below presents an overall summary of threats and events identified in the ELM strategy review and compares all the three sustainability elements.
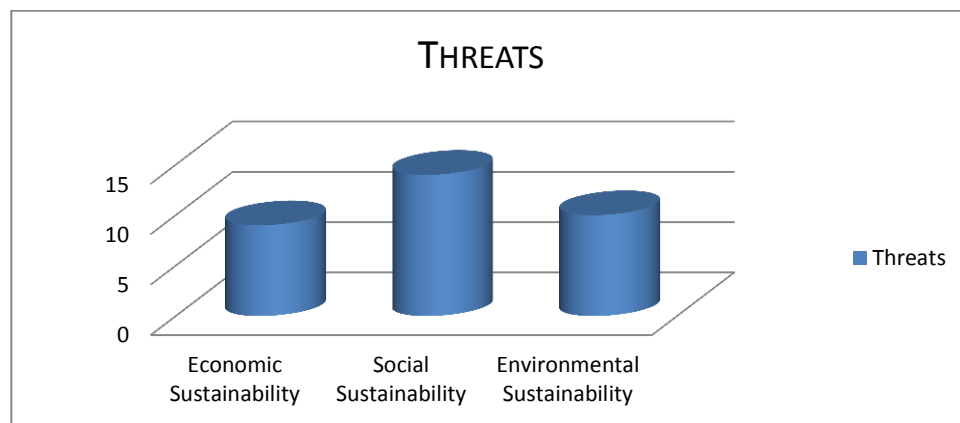
Figure 1.5-5: Results of the external analysis – Threats and events

Figure 1.5-5 shows that the ELM strategy document review identified nine economic, fourteen social and ten environmental sustainability issues as threats and events that could hinder sustainability. The trend in this section of threats is a little bit different even though social sustainability issues remain prominent but environmental sustainability comes second now as opposed to internal analysis where environmental sustainability came last.

Economic sustainability threats were comprised of underinvestment in energy and agriculture are among the biggest economic threats facing the world; financial crisis and the ensuing recession have created a more vulnerable environment where unaddressed risks may become tomorrow's crises; capacity constraint to match the country's strong economic performance; global economic recession resulted in loss of jobs, unemployment, large wealth disparities, high incidents of HIV/AIDS and increases levels of economic crime, etc.; lack of access to finance for SME's and entrepreneurs that discourages development and implementation of business ideas that will contribute to growth of the economy; obnoxious lending and interest rates which may lead to inability of enterprises to pay their debts; current economic growth and job creation initiatives are unable to create sustainable employment and that has a negative bearing on the payment of municipal services; challenges in the development of infrastructure negatively affect the speed at which the economy could grow; increase in the price of crude oil contributes to increase in the price of goods and services to ELM due to the increase of transport costs

Social sustainability threats were comprised of misuse of social grants that are not sustainable and may ultimately lead to the suffering of the beneficiaries; ineffective and delinked social grants from the well-working public health and education systems leads to further disadvantage for poor children; poverty and unemployment lead to an increase in the levels of indigence in the communities; low levels of education and skills lead to scarcity of required competencies to deliver services to communities, effectively; high levels of HIV/AIDS and other opportunistic diseases which lead to high mortality rates and increased shortage of labour and skills; underdevelopment of rural and urban areas at ELM negatively affects social development; lack of recreational and leisure facilities in communities negatively affects social development; perceptions of corrupt governance may shape community thinking to view municipal initiatives with suspicion and that may create social distance and lead to lack of support for initiatives; unethical decisions and behaviour can easily lead to bad reputation and stakeholder disengagement which in the end may compromise issues of trust and service delivery; very low levels of global awareness of transnational crime and corruption, and cyber-vulnerability; supply chain management processes are more susceptible to unethical behaviour and this may discourage other suppliers and service providers from offering their goods and services to ELM; the development and spread of chronic illnesses resulting in increased health costs, productivity reduction and economic growth; global economic recession resulted in loss of jobs, unemployment, large wealth disparities, high incidents of

HIV/AIDS and increases levels of economic crime, etc.; high levels of crime associated with acute levels of poverty,

Environmental sustainability threats were comprised of tree plantations that increase pH levels in the catchment areas which negatively affect the environment and the communities that live and interact with such ecology; poor quality of potable water which could result in the increase in water treatment costs and in turn increased water costs for rate payers; health vulnerability due to poor water quality and HIV/AIDS, tropical diseases such as malaria as well as water borne diseases and infant mortality may occur; poor landfill operations that lead to environmental degradation. Land filling by its nature generates methane gas, a greenhouse gas that is about 25 times more powerful than carbon dioxide which contributes to air pollution and fire hazards; the capital costs for renewable energy are higher even after taking into account the lower operating costs and that causes an obstacle for the municipality to swiftly move to alternative energy; uncontrolled sand mining leads to soil erosion and presents a threat to the environment; over-dependence on non-renewable energy sources which are less environmentally friendly (e.g. firewood, coal etc.); poor planning and development of new & existing settlements. This could result in developing settlements in areas vulnerable to floods and extreme weather and poor residents becoming victims of poor planning. It may also lead to usage of land for activities not suitable for it; increase in earthquakes, hailstorms, floods and high winds may result in damage to property & infrastructure, viz. settlements, roads and bridges, buildings, crops, etc.; displacement of people due to floods: housing and sanitation a grave concern; water and energy shortages for business and residential use.

e) *Rating of sustainability integration in the external analysis*

The 12 respondents from ELM were asked to rate sustainability integration for external analysis section above, rating it from poor, average, good, very good and excellent. Respondents were also requested to state the reasons why they rated sustainability integration the way they did. Figure 1.5-6 below depicts graphically the results.
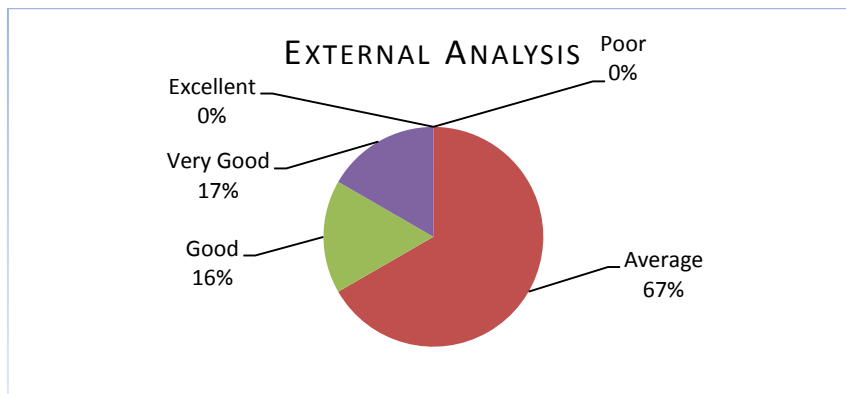
Figure 1.5-6: Rating of sustainability integration in the external analysis

This figure shows that no respondent rated sustainability integration as poor and excellent and 67% of the respondents rated it as average based on the claim that sustainability integration was not adequate and a balance was needed to be struck between all areas of sustainability. 16% of the respondents rated it as good whilst 17% of the respondents rated it as very good. All respondents that rated sustainability integration as good and very good claimed that the current strategy captured well all the sustainability areas and there was synergy between the factors of sustainability.

1.5.3 STRATEGIC DIRECTION

1.5.3.1 Vision

Vision is defined as the first step in strategy formulation that serves as a road map to the future for a company that shows the way products and services must evolve and what new competencies would be needed to get there (Ehlers & Lazenby 2010 and Hart 1997). This section reviewed integration of sustainability in the ELM vision. ELM vision is "*a leading rural municipality that delivers a better quality of life for all citizens; a municipality that is phenomenally viable, highly successful and passionately people-centred.*" **ELM will fulfill this vision through:**

- *Councillors that are delivering satisfaction, officials that are implementing quality service, and communities that are happy with the service from ELM*
- *Fulfilment of its constitutional obligations,*
- *Becoming a change agent – always striving to change the lives of its community,*
- *Committed leaders who serve communities with excellence,*
- *A developmental public entity that creates vibrant communities,*
- *A cutting edge, quality and effective people-centred services,*
- *Corruption-busting that sets the world's new standards on how to run a clean municipality and set an example of ethical leadership across all sectors.*

The question that was asked to assess sustainability in the vision was, *"What does the vision of the municipality explicitly say in relation to economic, social and environmental sustainability as a core value?"* Below are the results for each sustainability element.

a) *Integration of Sustainability in the Municipal Vision as a core value*

Economic sustainability – The SIAT that was used to conduct ELM strategy document review showed that there was no explicit expression of economic sustainability as a core value but to the extent that the vision addressed it, it referred to "phenomenal viability" which was not explicitly explained. The feedback that was received from SIAT-based questionnaires collected from 12 ELM respondents on the same question coincided with SIAT findings during strategy review and all the respondents also identified "phenomenal viability" as a core value for economic sustainability.

Social sustainability – Although the vision did not mention social sustainability, there were elements of social sustainability that were mentioned, for example, the vision referred to "delivery of a better quality of life for all citizens and people-centeredness." In fulfilling the vision the strategy highlighted the following points that reflect social sustainability as a core value:

- "Becoming a change agent – always striving to change the lives of its community
- Committed leaders who serve communities with excellence
- A developmental public entity that creates vibrant communities
- A cutting edge, quality and effective people-centred services"

The feedback that was received from SIAT-based questionnaires collected from 12 ELM respondents on the same question coincided with two SIAT findings during strategy review and all the respondents identified "passionately people-centred municipality" and "committed leaders who serve communities with excellence" as core values of social sustainability.

Environmental sustainability – SIAT used to conduct ELM strategy review showed that the vision did not explicitly expressed environmental sustainability as a core value. The feedback that was received from questionnaires collected from 12 ELM respondents on the same question viewed "phenomenal viability" and "a better quality of life for all citizens" as core values of environmental sustainability because for the municipality to be phenomenally viable required economic, social and environmental sustainability to be addressed holistically so that natural capital and resources are prevented from depletion.

Integrated approach to sustainability – The SIAT that was used to conduct ELM strategy document review showed that the vision did not reflect integrated approach to sustainability as it lacked explicit expression of economic sustainability in general and environmental sustainability in particular. The feedback that was received from SIAT-based questionnaires collected from 12 ELM respondents on the same question was contrary to SIAT findings on ELM strategy review as respondents viewed the vision to have integrated approach towards sustainability because all areas of sustainability were talking to each other and that the vision fused all the three sustainability areas.

b) *Rating of sustainability integration in the Vision*

The 12 respondents from ELM were asked to rate sustainability integration for the vision section above, rating it from poor, average, good, very good and excellent. They were also requested to state the reasons why they rated sustainability integration the way they did. The figure 1.5-7 below illustrates a graphical representation of how respondents rated sustainability integration.

Figure 1.5-7: Rating of Sustainability Integration in the Vision

The figure shows that no respondents rated sustainability integration of the vision as poor and as excellent whilst 50% of the respondents rated the vision as average; 33% of the respondents rated it as good and 17% of the respondents rated it as very good. Respondents who rated the vision as average claimed that there was insufficient mention of three sustainability elements especially environmental sustainability and a lack of monitoring sustainability integration within ELM whilst respondents that rated the vision as good and very good claimed that the vision made sense, it included all areas of sustainability and the vision was very clear and had direction of where the municipality was going.

1.5.3.2 Mission

Mission is defined as an enduring statement of purpose that distinguishes organization from other similar ones and it is derived from the vision or strategic intent to deal with the question: "what is our business or service?" and other components such as growth, profitability, philosophy of the organization, image, self-concept of the organization, quality, customers & stakeholders, competencies and competitive advantage (Ehlers & Lazenby 2010:69, Staude 2006:57). The SIAT that was used to conduct ELM strategy document review showed that the mission integrated sustainability issues although in some areas not convincingly. ELM mission is *"to operate a rural municipality that:*

- *delivers excellent services to its people who remain its priority in everything that it does,*
- *is financially viable,*
- *has good governance in place,*
- *is transformed and developmental,*
- *is clean, green and sustainable.*

The following are the different areas of the mission that were reviewed.

a) ***ELM Service*** –The mission stated "delivery of service to its people" as ELM service and response of all 12 respondents coincided with strategy review findings that the mission indicated the service of the ELM as that of "delivery of excellent service to its people who remain its priority in everything it does."

b) ***Municipal financial goals*** – The mission stated "financial viability" as its economic goal and again responses on the same question from 12 respondents coincided with the findings of strategy review that "financial viability" represented municipal economic goals.

c) ***Operating philosophy*** – The municipal operating philosophy found in the ELM strategy document review was "good governance, transformed and developmental municipality" but respondents had mixed responses on the matter. Eight respondents confirmed good governance as one of the municipal operating philosophy whilst two respondents claimed that the municipal operating philosophy can be found in its vision statement which is "a leading municipality that delivers a better quality of life for all citizens, a municipality that is phenomenally viable, highly successful and passionately people-centred." One other respondent viewed "inclusive, accountable

and efficient public administration that takes into account community needs in their long term planning goals" as municipal operating philosophy whilst one respondent claimed that ELM's operating philosophy was "a responsive municipality and its unique value proposition embraces integrity and honesty in dealing with stakeholders."

d) *Competencies and competitive advantage* – The SIAT that was used to conduct ELM strategy document review showed that although the core competencies and competitive advantage were not expressed in the mission but the internal analysis addressed them adequately and two respondents agreed that there was no mention of competencies and competitive advantage in the mission whilst the rest of respondents (ten) stated some of the competencies that were contained in the SWOT analysis as; stable political environment; a niche market for tourism; high number of youthful population; skilled personnel; financial viability and land availability; strategies and policies that are in place; and ELM's ability to use limited resources.

e) *Municipal customers* – The mission referred to "its people" to indicate customers the municipality aims to serve and failed to give a breakdown but Table 6 in the strategy (ELM Strategy 2012-2017) identified customers that the strategic objectives aim to serve as residents, emerging business, youth, unemployed, business, communities and tourists. Despite the fact that the mission did not do customer segmentation all respondents were able to mention ELM customers as stated in the stakeholder section of the strategy and as they know them – respondents identified customers as community, business & SMEs, farmers, government departments, parastatals, traditional leaders, NGOs, CBOs, CDWs, ward committees, rate payers, tourists, indigent, developmental forums and all the people pursuing their interests or wishing to do so within the geographic boundaries of the municipality.

f) *Municipal social & community responsibility* – SIAT used in conducting ELM strategy review showed that the municipality viewed its responsibility towards social and community as that of "delivery of excellent service to its people." Four respondents said that ELM took social and community responsibility very seriously but without substantiating their claim; whilst eight respondents confirmed the findings and stated "delivery of services" to community as ELM's social and community responsibility. One respondent from the eight further said that community consultation for inputs on issues relating to service delivery should be strengthened to understand

municipal processes and communities should be given all relevant information particularly on the quality and standard of services they should expect as well as the importance of the Batho Pele Principles in serving them.

g) *Municipal employee responsibility* – The mission only mentioned the responsibility of employees towards communities but there was no view expressed on how the municipality saw its responsibility towards employees. Six of the respondents responding to the same question perceived that there was no view on the mission towards employee responsibility and they felt that the municipality did not prioritize employee issues and did not view its responsibility as much important when it came to employee issues. Other six respondents perceived that employee responsibility was expressed through ELM values where it viewed its employees as a corner stone of serving the community. They also stated that ELM was committed to keeping a happy, competent, skilled and appropriately qualified workforce that is productive enough and caring to the clientele of the municipality.

h) *Environmental responsibility* – The municipality's view towards environmental responsibility in the mission was identified to be "clean, green and sustainable" municipality. The feedback that was received from SIAT-based questionnaires collected from 12 ELM respondents on the same question coincided with SIAT strategy review findings. All respondents viewed ELM responsibility towards environment as that of clean, green and sustainable environment and one respondent further advised that development and any other activity pursued by the municipality on behalf of its citizens and in the course of rendering its constitutional obligations should be aligned to environmental concerns and applicable legislation.

i) *Rating of Sustainability Integration in the Mission*

The 12 respondents from ELM were asked to rate sustainability integration for the mission section above, rating it from poor, average, good, very good and excellent. They were also requested to state the reasons why they rated sustainability integration the way they did. Figure 1.5-8 below depicts graphical presentation of results from respondents.
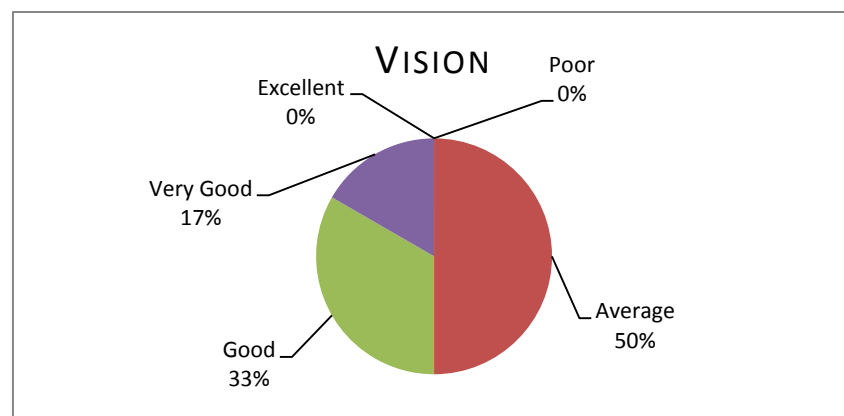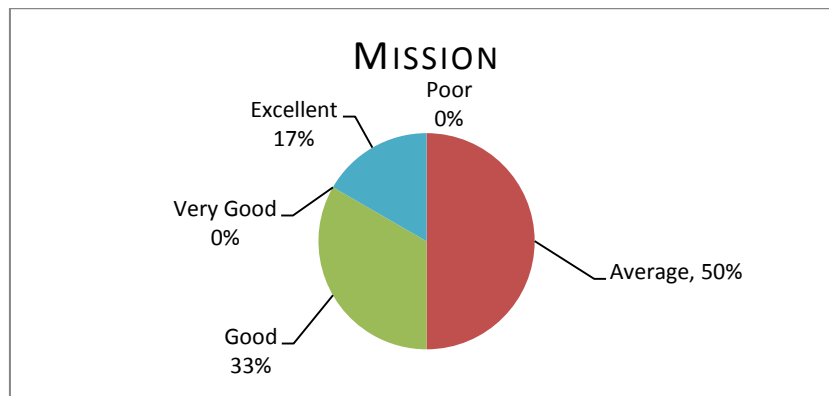
Figure 1.5-8: Rating of Sustainability Integration in the Mission

The figure shows that no respondents rated sustainability integration as poor whilst 50% of the respondents rated it as average because ELM did not prioritize employee issues and two respondents further advised that the municipality had to oil its engine for it to be able to achieve its goals as it did not do enough at the time in terms of motivating its employees. 33% of the respondents rated sustainability integration as good but stated that there was room for improvement in particular on human resource investment because they believed that ELM was weak in that area. Respondents further believed that ELM was good in implementing programs that would benefit its external stakeholders however more needed to be done to invest in employees. 17% of the respondents believed that sustainability integration in the mission was excellent because in the previous year ELM obtained unqualified audit report with less matters of emphasis.

1.5.4 STRATEGY FORMULATION

1.5.4.1 Long-Term Goals and Sustainability Integration

SIAT that was used in ELM strategy document review showed that the long-term goals of the strategy had integrated economic, social and environmental sustainability. Below are the six long-term goals which were found in the ELM strategy (2012-2017) but referred to as strategic objectives:

- *Financial stability* (current ratio is 2:1 – current assets to current liabilities compared to present ratio of 1.6:1)

- *Excellent delivery of services* – 90% of our communities have access to all basics services (i.e. water, sanitation, shelter, electricity, refuse removal, roads, community safety etc.)

- *Empowered business communities* that are able to start and sustain vibrant businesses (create 33 000 jobs over 5 years between business and the ELM)

- *Cleanest and greenest towns* in the Eastern Cape (No.1 in cleanest towns, win the Vuna Awards)

- *Achieved 90 – 100% literacy and numeracy levels* in ELM communities

- *Embodiment of good corporate governance* – achieved clean audit reports, no fraud and no corruption

a) Economic sustainability integration for long-term goals

The strategy mentioned two long-term goals to address economic sustainability, the first one was financial stability whilst the second one was about empowering businesses and creation of 33 000 jobs in the next five years. All 12 respondents also viewed financial viability and empowered business communities through the creation of 33 000 jobs as economic sustainability goals and excellent delivery of services as one of the economic sustainability goals.

b) Social sustainability integration for long-term goals

SIAT showed that ELM strategy mentioned three long-term goals to address social sustainability, the first one was excellent delivery of service which referred to provision of basic services to communities like electricity, water, roads, etc. whilst the second one was literacy and numeracy levels within ELM community; and the last one was good corporate governance. All respondents viewed "achieved 90-100% literacy and numeracy levels and embodiment of good governance" as social sustainability goals.

c) Environmental sustainability integration for long-term goals

The "Cleanest and greenest towns in the Eastern Cape" was the only long-term goal mentioned in the ELM strategy to address environmental sustainability and all the respondents' perceptions confirmed, "cleanest and greenest town goal as an environmental sustainability goal."

d) Rating of Sustainability Integration in the Long-Term Goals

The 12 ELM respondents were asked to rate sustainability integration for the long-term goal section above, rating it from poor, average, good, very good and excellent. They were also requested to state the reasons why they rated sustainability integration the way they did. Figure 1.5-9 depicts rating of sustainability integration in the long-term goals results by respondents.

Figure 1.5-9: Rating of Sustainability Integration in the Long-Term Goals

The figure shows that no respondents rated sustainability integration in the long term goals as poor and excellent. 17% of the respondents rated it as average whilst 33% of the respondents rated it as good and 50% of the respondents rated it as very good. All respondents that rated sustainability integration as good and very good said the long-term goals adequately covered all sustainability elements and were a holistic reflection of where the municipality needed to go in order to be a great municipality. The two respondents that rated sustainability integration as average did not state their reasons. One respondent further advised that ensuring good environmental practices carried with it a possibility of an economic environment that is able to sustain itself.

1.5.4.2 *Strategies to address Sustainability Integration*

According to Ehlers & Lazenby (2010:175) developing and deciding on strategies are important aspects in the strategy development phase and a general classification of strategies

applies to all situations and strategies. This section presents results on the integration of sustainability in generic, grand and functional strategies.

1.5.4.2.1 *Generic Strategy*

SIAT that was used in conducting ELM strategy document review showed that the municipality adopted best-cost strategy which is a combination of cost and differentiation strategies. This strategic choice is viewed as a strategy to enable the municipality to provide cost effective services yet unique and valued by customers. The rationale for the strategy option was to increase impact to the poor and to attract investment. So, the strategy addresses economic (investment attraction) and social sustainability (increased impact to the poor) and lacks environmental sustainability.

1.5.4.2.2 *Grand Strategies*

SIAT that was used in conducting ELM strategy document review showed that the municipality used a combination of grand strategies and these were **strategic alliances**, **diversification** and **internal growth** with specific focus on innovation. The combination of these three grand strategies by ELM was aimed at strengthening the generic strategy adopted to achieve competitive advantage. These strategies complemented very well the cost-best strategy adopted by ELM because strategic alliances would lead to resource sharing with alliance partners whilst diversification challenged ELM to provide unique and valuable service to the community it serves. The internal growth strategy challenges individual employees to be innovative and constantly think of the best ways of improving the service. Usually organizations integrate two or more grand strategies in order to achieve their objective; and a good example of this approach is Cell C when it entered the South African market; its strategic activities combined at least four grand strategies: strategic alliance, market development, concentrated growth and product development (Ehlers & Lazenby, 2010:213).

a) *Grand strategies identified for achieving Economic Sustainability*

SIAT that was used in conducting ELM strategy document review showed that there were nine grand strategic interventions identified to achieve economic sustainability. They were: the establishment of alternative energy partnerships; memorandum of agreement; business and community skills partnerships; attracting and retaining local and foreign

investment; improved revenue growth; fundraising strategy; and business development support services; alternative ways of providing waste disposal and risk management.

b) *Grand strategies identified for achieving Social Sustainability*

SIAT that was used in conducting ELM strategy document review showed that there were eight grand strategic interventions identified to achieve social sustainability. They were: the establishment of partnerships with academic institutions; development of partnership strategy with community based organization; partnership with traditional leaders pertaining to rural development; development of database; building sustainable infrastructure to support innovative development models; recreational facilities; pioneer project *Sifunda Sonke;* as well as alternative ways for infrastructure development.

c) *Grand strategies identified for achieving Environmental Sustainability*

SIAT that was used in conducting ELM strategy document review showed that there were four strategic interventions identified for achieving environmental sustainability. They were: implementation of the cleanest town campaign; development of by-laws for residential and business sustainability buildings; Elundini Goes Green project; and development of a strategy to green municipal offices and buildings.

1.5.4.2.3 Functional strategies

SIAT that was used in conducting ELM strategy document review showed that there were no functional strategies that were developed as a result there were no results to be presented on this area.

a) *Rating of Sustainability Integration in the Strategies*

The 12 questionnaire respondents from ELM were asked to rate sustainability integration for the strategies section above, rating it from poor, average, good, very good and excellent. They were also requested to state the reasons why they rated sustainability integration the way they did. Figure 1.5-10 depicts rating of sustainability integration in the strategies results by respondents.

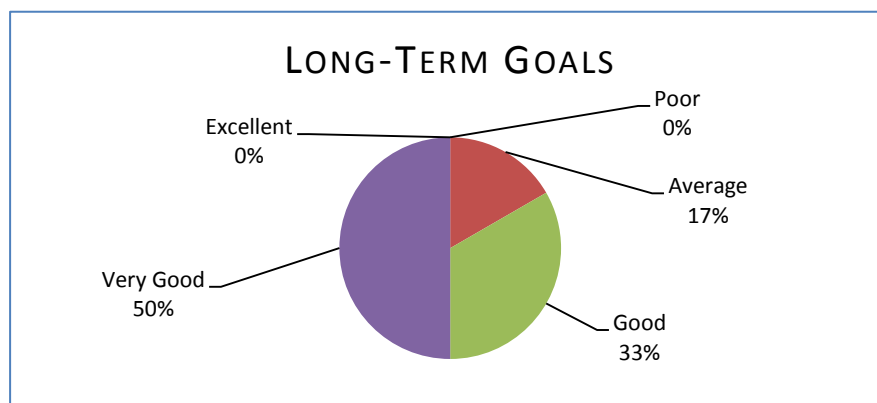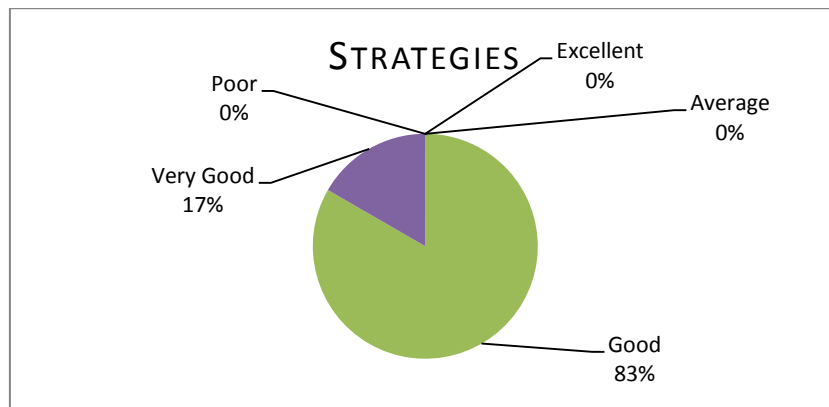**Figure 1.5-10:** Rating of Sustainability Integration in the Strategies

This figure shows that no respondents rated sustainability integration in strategies as poor, average and excellent. 83% of the respondents rated it as good whilst 17% of the respondents rated it as very good. All the respondents that rated integration as good and very good said the strategies accommodated all areas of sustainability.

1.6 DISCUSSION, RECOMMENDATIONS AND CONCLUSION

This section presents key findings, discusses the results and proposes recommendations that are a contribution to the research. It further provides the researcher's conclusion and wrap up of the study.

1.6.1 DISCUSSION

The sustainability integration assessment was done by identifying economic, social and environmental issues in the ELM strategy focusing on environmental analysis, strategic direction and strategy formulation components of the strategic framework. This sustainability integration assessment focused only on these strategic management areas and excluded other areas like implementation. Sustainability integration in the strategy is about consideration of social, economic and cultural elements and not just the natural environment (Werbach, 2009) and it is also about integration of these elements into planning, implementation and decision-making (Department of Environmental Affairs & Tourism, 2008:14). Stead and Stead (2004, 2008), Parnell (2008:35) claimed that strategic sustainability is the integration of the principles of sustainability within corporate strategic management processes, structures, cultures, systems and technologies, to enable competitive and functional level strategies. The results of the study indicated that there was sustainability integration in the ELM strategy to some extent. All the three strategic management areas that were assessed in the ELM strategy had some economic, social and environmental activities identified.

1.6.1.1 Environmental Analysis

The results of the study indicated that economic and social sustainability issues were more prominent compared to environmental sustainability in the internal analysis. Social sustainability issues were more prominent followed by economic sustainability issues. This could be attributed to the inherent nature of ELM services which are mainly about delivering basic services to communities and therefore social issues were expected to be highest on the development agenda. The lack of prominence towards environmental sustainability issues could be attributed to the "narrow" utilization of the SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis by ELM to analyse the internal environment. SWOT analysis is not structured in such a way that it compels planning processes to integrate a range of sustainability issues in a comprehensive and integrated manner. This might have presented a challenge in ensuring that all the sustainability elements were considered adequately in the

internal analysis. Customisation of SWOT analysis is therefore recommended to incorporate all key sustainability elements.

In the external analysis section of the strategy, environmental sustainability was the most prominent compared to economic and social sustainability. The results here might be attributed to the fact that during strategy development PESTLE (**P**olitical, **E**conomic, **S**ocial, **T**echnological, **L**egal & **E**nvironmental/Ecological) was used to analyze external environment. PESTLE has all key sustainability elements like economic, social and environment built into it. The inherent design of PESTLE might have compelled ELM to make an in-depth analysis on all these elements including environmental opportunities and threats.

1.6.1.2 *Strategic Direction*

The results of the study indicated that economic and social sustainability issues were expressed in the vision of ELM and environmental sustainability did not get prominence but some respondents perceived that environmental sustainability was implied in the vision. There is therefore a need for better clarity in the vision to explicitly express all sustainability elements. The mission integrated all sustainability elements but the issue of employees emerged from the study as one of the serious issues that needed to be addressed by ELM even though the intentions of the study was not focusing on employees and their conditions at work.

1.6.1.3 *Strategy Formulation*

The results of the study indicated that sustainability integration in the long-term goals was expressed to some extent even though environmental sustainability goals were inadequate compared to economic and social sustainability goals. The same trend was observed in the strategies that although all sustainability elements were addressed but environmental sustainability in grand strategies were not prominent as economic and social sustainability strategies were.

The results of the study also revealed that there was a gap in the ELM strategy as it did not have functional strategies developed to implement the generic and grand strategies. This gap posed a challenge in ensuring that generic and grand strategies were further broken down into small, annual activities that would allow for sustainability integration at an operational level

for implementation. The development of functional strategies is recommended to ensure that annual goals are set for implementation.

Despite all the inconsistencies observed in the three sustainability elements, the results of the study overall indicated that all three sustainability elements were considered in the strategy even though environmental sustainability was less prominent compared to social and economic sustainability issues. This finding was contrary to the view that sustainable development was used as a slogan to address environmental challenges and that while there has been considerable work done on the environmental and economic aspects, the social aspect tended to fall off the sustainability agenda (Ntsime 2004; Barron & Gauntlet 2002; Partridge 2005). In contrast to this view, the study showed that ELM addressed more social and economic issues rather than environmental issues.

ELM employees that participated in the study perceived that ELM made significant strides to integrate sustainability. Although these employees acknowledged that ELM tried to consider all three sustainability elements but they believed that there was room for improvement. They rated sustainability integration between average and excellent and none of the areas were rated as poor. The sustainability integration and strategic management framework (SISMF) that was developed and used for this study made it feasible to assess and evaluate sustainability integration in the ELM strategy.

1.6.2 RECOMMENDATIONS

In light of the above discussion points, a number of recommendations are proposed for ELM's future strategy formulation. The study recommended:

- The improvement of SWOT analysis to include the three key sustainability elements. The new recommended environmental analysis technique is called "ESEs – SWOT" (Economic, Social, Environmental sustainability – Strengths, Weaknesses, Opportunities, Threats) analysis. Table 1.6-1 below is the graphical presentation of the ESEs – SWOT.

Table 1.6-1: ESEs-SWOT Analysis – Internal Sustainability Integration Analysis Tool

ESEs	STRENGTH	WEAKENESSES
Economic		
Social		
Environmental		
	OPPORTUNITIES	THREATS
Economic		
Social		
Environmental		

ESEs – SWOT is the improvement of SWOT analysis to include all sustainability three sustainability elements. This environmental analysis requires an additional column to the traditional two-column matrix to be inserted as the first column. The first column directs the SWOT analysis to apply "ESE" sustainability elements directly and in that way internal environmental scanning will inherently consider and address all sustainability elements. The other two columns are used for the generic SWOT analysis.

- The introduction of Sustainability Integration and Strategic Management Framework (SISMF) as an improvement on the existing strategic management framework. Shown below, is the graphic presentation of the new model used in the research study.
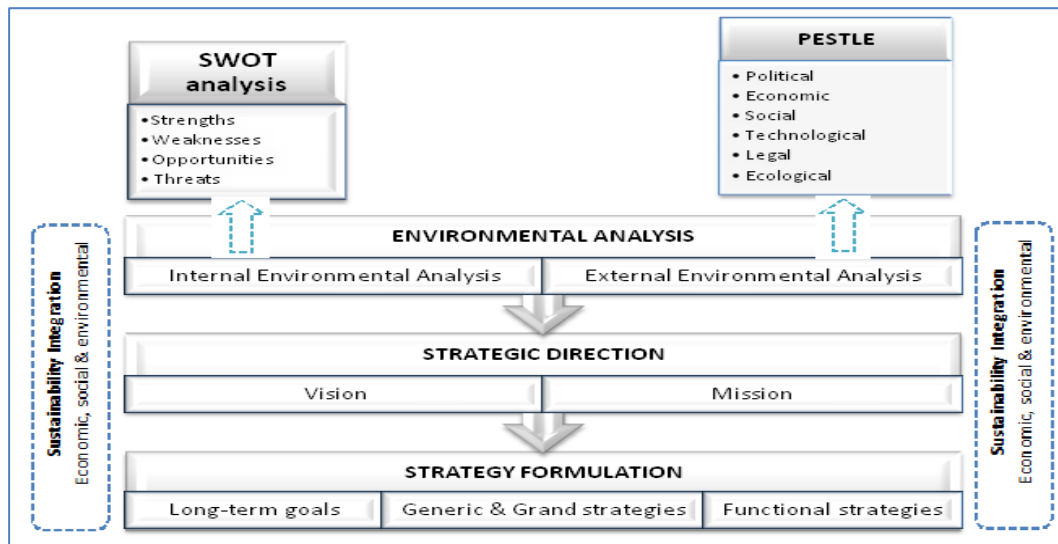
As alluded to earlier, the above model was developed by the researcher as a framework for sustainability integration. It was adapted from Ehlers and Lazenby (2010) strategic management framework. The adapted framework brings the sustainability elements to all the phases to ensure conscious integration of sustainability during planning and strategy development. The intention of the framework is therefore meant to improve and bring an

innovative approach to the already existing strategic management framework. The framework is therefore the researcher's contribution to the body of knowledge on sustainability integration during strategy formulation.

- That ELM revises the current vision to explicitly include environmental sustainability and the vision to be more vividly articulated in order to establish common and shared understanding of the vision.

- That ELM considers development of annual functional strategies for implementation and ensures that there is sustainability integration during the development of those annual strategies.

- Information sharing sessions that are often organized by the ELM for employees to incorporate sustainability principles to increase awareness and the level of consciousness among ELM stakeholders.

- That ELM considers the review of the current strategy to accommodate gaps as shown by the study and to allow for:
  - Explicit integration of the environmental element
  - Development of functional strategies in order to ensure sustainability integration at an operational level, and;
  - Implementation of new proposed ESEs-SWOT for internal analysis.
  - Improvement on the overall sustainability integration for all phases of strategy formulation guided by Sustainability Integration and Strategic Management Framework that was developed for this study.

- Lastly, the study recommended that further research on the reviewed strategy be conducted after five years to further evaluate the extent of sustainability integration.

1.6.3 CONCLUSION

The study was about evaluation of sustainability integration in the five-year strategy of ELM. Three sustainability models were highlighted as part of the research context. These models were the "overlapping circles" model which advocates for social, environmental and economic sustainability to be treated as equal areas of concern; "three concentric" model

which portrays economic and social spheres as dependent on the health of environmental sphere and the National Framework for Sustainable Development in South Africa which sees all three elements of sustainability embedded within each other and then integrated through governance system to hold other systems together. The latter model was used but excluded governance component.

From the literature reviewed it was clear that there is a long way to go when dealing with sustainability given the complexities of the concepts and terms, ambiguity and contestations from different schools of thought. Although there might be different approaches proposed towards sustainability, it was clear that any organization that is serious about sustainability is first seen in its own strategy – how the vision expressed itself in relation to all three key sustainability elements. Various authors agreed that integration of sustainability in the strategy becomes one of the illustrations that the organization is serious, despite other views that would label it as "green-wash" or "smoke-screen" for business. The literature reviewed showed that there was enough scope for municipalities to integrate sustainability using the existing policy framework. The need for sustainability strategy was clearly shown from the City of Burlington case study, that no matter how much and significant organization interventions are, no matter how passionate the organization would be, as long as there is no clear strategy that articulates the future in a more sustainable manner, problems will always crop up.

The study showed that ELM integrated sustainability elements to some extent in the strategy despite disproportionate focus to economic, social and environmental sustainability elements. Attention still needed to be paid to environmental sustainability to promote environmental sustainability integration as it continued to lack prominence except in the external analysis section where there was a lot of environmental issues identified in the strategy. The reason for sustainability integration was mainly attributed to PESTLE that was used to scan external environment when the strategy was developed which included all the three sustainability elements.

The study further indicated a view that ELM employees were not a priority when they responded to a question on municipal employee responsibility. This view might be a testament to the fact that most employees did not participate in the study because they claimed ignorance of the strategy. This might point to the fact that the process of strategy development was "elitist" in approach and/or maybe that the strategy was not effectively communicated to

create awareness, passion and ownership. Hence, it was recommended that information sharing sessions should be used as platforms also for sustainability awareness.

The study also recommended introduction of ESEs-SWOT as improvement of SWOT analysis to incorporate sustainability elements to ensure that sustainability is integrated during internal environmental analysis; introduction of SISMF as improvement to existing strategic management framework in order to incorporate sustainability elements; review of the vision to explicitly include environmental sustainability and clarity to establish common and shared understanding of the vision; and that ELM integrate sustainability issues during internal information sharing sessions with stakeholders. A review of the strategy was also recommended to allow for redressing of disproportionate focus by using the new tool for internal analysis. Lastly, the study recommended further research on the reviewed strategy formulation after five years to further evaluate the extent of sustainability integration.

In conclusion, Brundtland (1987) sums it all when he says, "Sustainable development is not a fixed state of harmony but rather a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are made consistent with future as well as present needs."

REFERENCES

BABBIE, E. 2012. The Practice of Social Research. Cape Town: UOP.

BARRON, L., GAUNTLET, E. 2002. Housing and Sustainable Communities Indicators Project. A Paper presented at 'Sustaining our Communities International Local Agenda 21 Conference in Adelaide. [Online]. Available: http://www.adelaide.sa.gov.au/soc/pdf/barron_gauntlett.pdf. [accessed 28 January 2011]

BATTAGLIA, M.P. 2011. Non Probability Sampling. Encyclopedia of Research Methods. London: Sage Publications.

BORLAND, H. 2009. *Definitions, theories, drivers and managerial implications: grounding global strategic sustainability.* Paper presented at Academy of Marketing Science Conference: Baltimore.

BOWEN, G.A. 2009. Document Analysis as a Qualitative Research Method. Qualitative Research Journal. Vol.9 No.2. Carolina: Western Carolina University.

BOWERS, J. 1997. Sustainability and Environment Economics. Essex: Prentice-Hall.

BRUNDTLAND, G.H., 1987. *Development and International Economic Cooperation*. Report to the World Commission on Environment and Development. Washington D.C.: United Nations.

BUSELICH, K. 2002. An Outline of the current thinking on Sustainability Assessment. Western Australia: Institute of Sustainability and Technology Policy.

DEPARTMENT OF ENVIRONMENTAL AFFAIRS & TOURISM, 2008. People, Planet, Prosperity. A National Framework for Sustainable Development in South Africa.

EDWARDS, A.R. (2005). *The Sustainability Revolution: Portrait of a Paradigm Shift.* Gabriola Island: New Society.

EHLERS, T., LAZENBY, K. 2010. Strategic Management. Southern African Concepts and Cases. 3e. Pretoria: Van Schaik Publishers.

ELKINGTON, J. (2004). Enter the triple bottom line. In A. Henriques & J. Richardson (Eds) *The triple bottom line, does it all add up? Assessing the sustainability of business and CSR* (pp. 1-16). London: Earthscan Publications Ltd.

ELUNDINI LOCAL MUNICIPALITY, 2011. ELM Integrated Development Plan. Maclear.

ELUNDINI LOCAL MUNICIPALITY, 2012. ELM Strategy Final 2012-2016. Maclear.

GIVEN, L.M. 2008. The Sage Encyclopedia of Qualitative Research Methods. London: Sage Publications.

GORICA, K., KRIPA, D., ZENELAJ, E. 2012. Tourism and Sustainable Development. The Role of Local Government in Sustainable Development. ACTA UNIVERSITATIS DANUBIUS Vol. 8. No. 2. February.

GOVERNMENT GAZZETTE. 1996. Constitution of the Republic of South Africa Act 108 of 1996. *Government Gazette* No. 17678. 18 December.

GOVERNMENT GAZZETTE. 1998. National Environmental Management Act 107 of 1998. *Government Gazette* Vol. 665 No. 33411. 30 July.

GOVERNMENT GAZETTE, 2000. Municipal Systems Act No. 32 of 2000. *Government Gazette* Vol. 425 No. 21776. 20 November.

HANSEN, H.N. 2009. Research Evaluation: Methods, Practice and Experience. Copenhagen: Danish Agency for Science, Technology and Innovation.

HUGE, J., HENS, L. 2007. Sustainability Assessment of Poverty Reduction Strategy Papers. Impact Assessment and Project Appraisal. Brussels: University of Brussels.

ICLEI. 2002. Burlington building a new culture of sustainability. http://www.iclei.org/index.php?id=801. [Accessed 12 November 2010].

KEYSAR, E. 2005. Procedural Integration in support of Environmental Policy Objectives: Implementing Sustainability. Kentucky: Routledge Taylor & Francis Group.

LOUW, L., VENTER, P. 2010. The Nature and role of strategy. *Strategic Management: Developing Sustainability in Southern Africa*. Cape Town. Oxford University Press Southern Africa (Pty) Ltd.

LUMLEY, S., ARMSTRONG, P. 2003. Some of the Nineteenth Century Origins of the Sustainability Concept. Australia: The University of Western Australia.

McKENZIE, S. 2004. Social Sustainability: towards some definitions. Hawke Research Institute Working Paper Series No. 27. Magill, South Australia: University of South Australia.

MERRIAM, S. 2009. Qualitative Research. A guide to design and implementation. San Franscisco, CA: Jossedy-Bass.

MILLER, T., BIRCH, M., MAUTHNER, M., & JESSOP, J. 2012. Ethics in Qualitative Research. (2nd Ed.). London: Sage Publications.

MONTGOMERY, C.A. 2008. Putting leadership back into strategy. Harvard Business Review. January.

NATIONAL CENTRE FOR SUSTAINABILITY. 2005. Sustainability strategy. A ten-point guide for small to medium sized businesses. Melbourne: Swinburne University of Technology

NOOR, K. B. M. 2008. Case Study: A Strategic Research Methodology. American Journal of Applied Sciences 5 (11). Science Publications.

NTSIME, P.T. 2004. Deconstructing sustainable development: towards a participatory methodology for natural resource management. Development Southern Africa.

PARK, J. 2008. China, business and sustainability: understanding the strategic convergence. Management Research News. Vol. 31 No. 12. Emerald Group Publishing Limited. Vermont.

PARTRIDGE, E. 2005. *Social Sustainability: a Useful Theoretical Framework?* Paper presented at the Australian Political Science Association Annual Conference, Dunedin, New Zealand.

PARNELL, J. 2008. Sustainable strategic management: constructs, parameters, research directions. International Journal of Sustainable Strategic Management. Vol. 1 No. 1

PATTON, M.Q. 2002. Qualitative Research and Evaluation Methods. (3rd ed.). Thousands Oaks. CA: Sage Publications.

POWER, D. 2010. What is situational analysis? http://planningskills.com/askdan/20.php [accessed on 03 October 2010].

ROBINSON, J. 2004. Ecological Economics. Squaring the Circle? Some Thoughts on the Idea of Sustainable Development. Vancouver: University of British Columbia

SOUTH AFRICAN GOVERNMENT INFORMATION. 1998. White Paper in Local Government. [Online] Available. http://www.info.gov.za/view/DownloadFileAction?id=108131. [Accessed 28 January 2011].

STATISTICS SOUTH AFRICA. 2012. Census 2011. Pretoria.

STAUDE, G. 2006. Strategic Intent. In L. Louw & P. Venter *Strategic Management. Winning in the Southern African Workplace.* Cape Town. Oxford University Press Southern Africa (Pty) Ltd.

STEAD, J.G., STEAD, W.E. 2004. Sustainable strategic management, M.E. Sharpe. New York.

STEAD, J.G., STEAD, W.E. 2008. Sustainable strategic management: and evolutionary perspective. International Journal of Sustainable Strategic Management. Vol. 1 No. 1

STRATOS. 2007. Integrating Sustainability into Business Processes. Case Studies of leading companies. Ontario: Stratos Inc.

TROCHIM, W.M.K., 2006. Research Methods Knowledge Base. [Online] Available: http://www.socialresearchmethods.net/kb/dedind.php. [Accessed 10 July 2011].

UNITED NATIONS. 2002. Report of the World Summit on Sustainable Development. A/CONF.199/20. New York: United Nations Publication.

UNDESA (UNITED NATIONS DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS). 2000. Report of the United Nations Conference on Environment and Development. United Nations. A/CONF.151/26 (Vol. I).

VAN BOMMEL, H.W.M. 2011. A conceptual framework for analyzing sustainability Strategies in Industrial Supply Networks from an innovative perspective. Netherlands: Saxion University of Applied Sciences.

VAN RENSBURG, M.J. 2010. Strategic Direction. In L. Louw & P. Venter (Eds) *Strategic Management. Developing Sustainability in Southern Africa.* Cape Town. Oxford University Press Southern Africa (Pty) Ltd.

WERBACH, A. 2009. Strategy for Sustainability. A business manifesto. Boston: Harvard Business Press.

WEYBRECHT, G. 2010. The Sustainable MBA. The Manager's Guide to Green Business. England: John Wiley & Sons Ltd.

SECTION 2: LITERATURE REVIEW

2.1   INTRODUCTION

The purpose of the section is to review the already existing and relevant literature. It is aimed at creating a firm foundation for advancing knowledge, facilitating theory development, closing areas where a plethora of research exists and uncovering areas where research is needed (Webster & Watson, 2002:2). The section also provides the literature review of the concept of sustainability, the different schools of thought on sustainability, sustainable development and sustainability integration and strategy development.

Municipalities are strategically positioned to deliver services within communities and the White Paper in Local Government of 1998 established the basis for a new developmental local government system that would be committed to working with people, communities, stakeholders in order to create sustainable human settlements that are able to provide for a decent quality of life and meet social, economic and material needs in a holistic manner (South African Government Information, 1998). Roberts & Diederichs (2002:197) admitted that implementation is sluggish and attributed that, in the case of eThekwini, to the lack of support from politicians, tendency to perceive sustainability as a 'green issue,' lack of resources to ensure inclusiveness and consensus-building, power struggles among municipal administrators and the pressure from international donors who wanted funds to be utilized for their own interests.

2.2   CONCEPT OF SUSTAINABILITY

The origins of the concept of sustainability can be traced back to the 19th century. The focus at the time was on a spiritual link of the environmental movement that was known as ecological sustainability, human beings and nature (Edwards 2005:2). Intellectual reformers were in pursuit of ideas that sought to improve human development, social justice and people's treatment of the natural environment (Lumley and Armstrong 2003:371). According to Robinson (2004:371) the focus was on whether and how to preserve or conserve natural areas and there were those (referred to as 'preservationist') who favored the preservation of natural areas in what was perceived to be a pristine form whilst others (referred to as 'conservationist') favored the protection of natural areas, that is, conserving land and resources for later human use including resource extraction and what today is called eco-tourism. In the 20th century, the concept was used to draw attention to environmental damage that was caused by human activities for economic growth (Partridge 2005:2). A number of authors have since begun to review the concept and drew attention to issues such as

maintaining natural systems while developing and strengthening social capital, considering the future and involving people in decision making, etc. (Bowers, 1997); defining sustainability as an overarching political and societal value, calling for active political involvement and awareness (Buckingham-Hatfield & Evans, 1996). Gorica *et al* (2012:3) defined sustainability as the concept that related to the maintenance and enhancement of environmental, social and economic resources in order to meet the needs of current and future generations. The word sustainability, according to Rametsteiner *et al* (2011:62) is derived from a Latin word *sustinere* (*sus* meaning *up* and *tinere* meaning *to hold*). So based on the origins of the word it is therefore concluded that sustainability refers to someone's ability 'to uphold' or 'to hold up to' something.

Rametsteiner *et al* (2011:62) stated that sustainability is about creation of understanding and insight about how human and environmental systems operate whilst sustainability indicators offered a better understanding of how human actions affect different dimensions of sustainability (economic, social and environment). Robinson (2004:380) also highlighted that sustainability is about the purpose and meaning of human life and its relationship to the natural world. He perceived these as profound moral and political issues, which require thoughtful deliberation and collective resolution. This definition therefore calls for active political involvement and awareness and this would be more relevant at local level. Political intervention and awareness become more critical especially in municipalities, considering the eThekwini challenges on the implementation of sustainability as articulated earlier. It also calls for mobilization of masses and creation of awareness in order to pull together towards a sustainable future. Weybrecht (2010:14) warned that sustainability is a complex area that is continually changing and growing; whilst everyone is still learning, the bar is constantly being raised. It is a journey rather than a destination and many organizations can perceive it as a jigsaw puzzle.

2.3   SUSTAINABLE DEVELOPMENT

2.3.1   CONCEPT OF SUSTAINABLE DEVELOPMENT

According to Robinson (2004:370) the concept of sustainable development emerged in the early and mid-1980s (Clark and Munn, 1986; IUCN/UNEO/WWF/FAO/UNSECO, 1980; Brundtland Report, 1987) as a way to close the gap between environmental concerns about increasingly evident ecological consequences of human activities and socio-political concerns about human development issues. Brundtland (1987:41) defined sustainable development as "the development to meet the needs of the present generation without compromising the

ability of future generations to meet their own needs." South Africa formalized its definition of sustainable development as integration of **social**, **economic** and **environmental** factors into planning, implementation and decision-making so as to ensure that development serves present and future generations (Department of Environmental Affairs & Tourism, 2008:14). According to Werbach (2009:9) economic sustainability refers to actions that affect how people and business meet their economic needs – for people this means food security, shelter, water and comfort and for businesses it is about making profit so that they can be able continue for years. He then defines social sustainability to mean actions and conditions that affect all members of society like poverty, injustice, education, health etc. whilst environmental sustainability is about protecting and restoring the ecosystem. Gorica *et al* (2012:141) referred to economic sustainability as development that moves towards social and environmental sustainability, development that is financially feasible whilst social sustainability is about cohesion of society and its ability to work towards common goals and meeting individual needs such as health and well-being, nutrition, shelter, education, cultural expression, etc.; and environmental sustainability refers to the natural capital and making sure that depletion of these resources is prevented.

Park (2008:2) summarized the evolution of sustainable development into three main periodic phases: 1970-1985 where environmental ministries and agencies were created. According to Park (2008:2), Schot & Fischer defined this phase as the time of 'resistant adaptation' due to companies merely complying but not willing to commit; 1985-1992 was a phase where companies began to own responsibility; and finally, 1992-2002 a phase where business seriously began to engage with the sustainable development agenda.

The concept of sustainable development was first introduced in the Brundtland report (1987:41) and this report defined sustainable development as, "the development to meet the needs of the present generation without compromising the ability of future generations to meet their own needs." Although the report conceded that sustainable development required that those who are more affluent adopt lifestyles within the planet's ecological means in their use of resources; the report also acknowledged that sustainable development is not a fixed state of harmony but rather a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are made consistent with future as well as present needs (Brundtland 1987:41). South

Africa formalized its definition of sustainable development as integration of social, economic and environmental factors into planning, implementation and decision-making so as to ensure that development serves present and future generations (Department of Environmental Affairs & Tourism, 2008:14).

2.3.1.1 Triple Bottom Line

Triple Bottom Line (TBL) is an integral part of sustainable development (Elkington 2004:3). TBL suggests that true sustainable development in business must consider not just the financial 'bottom line' of prosperity and profit, i.e. economic sustainability but also other 'bottom lines' such as environmental and social sustainability. According to Gorica *et al* (2012:141) e**conomic sustainability** occurs when development which moves towards social and environmental sustainability, is financially feasible whilst **social sustainability** is about cohesion of society and its ability to work towards common goals and meeting individual needs such as health and well-being, nutrition, shelter, education, cultural expression, etc.; and **environmental sustainability** refers to the natural capital and making sure that depletion of these resources is prevented. The triple bottom line also requires thinking across decades, generations and in some instances centuries, Elkington (2004:23) suggested a need to build in a stronger 'long time' dimension to business planning and use of scenarios or alternative visions of the future. Thus triple bottom line does not only apply to measuring impact or as a monitoring and evaluation measure but can also inform planning and decision making.

2.3.1.2 Rio Declaration on Environment and Development/Local Agenda 21

In the United Nations Earth Summit that was held in Rio de Janerio in 1992 sustainable development became the main agenda. It was in that Summit where a global action plan popularly known as Local Agenda 21 was developed to respond to sustainability challenges (Mniki 2006:19). The 1992 Summit was followed by World Summit on Sustainable Development in 2002 that was held in Johannesburg, South Africa and it was in that Summit where Local Agenda 21 was re-affirmed. Slow progress on the implementation of Local Agenda 21 was noted in that summit.

Mniki (2006:19) stated that authors such as Barton, Figgle & Rowledge defined Local Agenda 21 as a local, government-led, community-wide and participatory effort to establish a comprehensive action plan for environmental protection, economic prosperity and community well-being at local level whilst Mniki (2006:19) explained that Local Agenda 21 goals were to create sustainable and resilient communities, remove barriers to sustainable development such as poverty, injustice, exclusion and conflict, an unhealthy environment and to create

viable local economies. These goals are in line with the reasons for the establishment of local government which is why local authorities were identified as the sphere of government closest to the people and were therefore better placed to identify the needs of their communities and to develop and implement local plans for sustainability. This justified why Mniki (2006:19) defined Local Agenda 21 as a framework for implementing sustainability principles at local level. Criteria for planning for Local Agenda 21 must:

- Be a participatory process between local government, local communities, civic organisations and non-governmental organisations.
- Include a consensus on a vision for a sustainable future
- Address economic, social and ecological needs in an integrated manner
- Prepare an action plan with concrete long-term targets, and;
- Establish a monitoring and reporting framework

2.3.1.3 Phases of the Evolution of Sustainable Development

Park (2008:952) summarized the evolution of sustainable development into three main periodic phases, viz. the first phase, 1970-1985 where many environmental ministries and agencies were found and the first Earth Day was celebrated. This phase was described as 'resistant adaptation' phase because companies at that stage complied with regulations only when they were absolutely necessary and they fought against the adoption of early anti-pollution measures.

The second phase, 1985 -1992 was a phase where companies began to own up to environmental problems as issues they could no longer ignore and defined them as their own responsibility. The ownership was as a consequence of a series of environmental pollution accidents that received international attention and media coverage.

Then the third phase, 1992-2002 became a phase where business seriously engaged with the sustainable development agenda and was willing to act proactively on environmental issues. Businesses began, during this phase, to sponsor workshops that promoted environmental issues and also began to develop green annual reports. It was also during this phase where the International Chamber of Commerce issued the Business Charter for Sustainable Development.

2.3.1.4 Contrasting Views of Sustainable Development

Whilst different authors (Brundtland 1997, Park 2008, Schot and Fischer 1993) defined sustainable development in a way that found convergence; sustainable development, according to O'Riordan, Preston-Whyte, Haman, Manqelo (2002), remained a contestable concept that was open to different interpretations. Sutton (2000), Rametsteiner *et al* (2011:62) argued that sustainability was not about the integration of ecological, social and economic issues; rather, it was about maintaining or sustaining something. So, in order to understand the concept, one needed to identify the focus of concern and depending on the priorities, organizations can apply the concept to a whole range of things, viz. sustenance of profit, economic growth, and human wellbeing. Robinson (2004:382) viewed sustainability as an emergent property of conversation about what kind of world human beings collectively want to live in now and in the future. He argued that sustainability is not a set of future conditions of society that will allow human beings to achieve the three imperatives, that is, economic, social and environment and further advocated for a need to develop methods of deliberation and decision-making that actively engage the relevant interests and communities in thinking through and deciding upon the kind of future they want to try and create.

Partridge (2005:4) noted that it was not necessarily useful to only think of sustainability as context-dependent. While it was useful to apply the idea to a particular object (like forestry, fishing or human wellbeing), the real potential of sustainability as an idea is an integrating framework, i.e. a means for considering the relationships between different dimensions rather than just assessing the sustainability or otherwise of a single element. McKenzie (2004:7) argued that the major stumbling block when defining sustainability was that the context in which the definition was applied was more important than its wording.

Partridge (2005:3) stated that other authors like McManus (1996) advocated for the removal of the term 'development' and a return to 'sustainability' and lobbied for re-orientation of the debate in order to focus on sustainability itself with development as a possible means to move towards sustainability. viewed this approach as analytically sound and therefore also supported it. Partridge (2005:4) highlighted that Crabtree (1999) chose a different and neutral view that both sustainable development and sustainability although bandied about by business, government, media, community and academic bodies alike, the definitions and interpretations of these terms were as varied and numerous as the individuals holding them.

2.3.1.5 Critiques of the Concept of Sustainable Development

However, there are other authors who laid criticism on sustainable development. For instance Partridge (2005:3) stated that some authors saw sustainable development as a hopelessly vague and non-operationalizable concept whilst McKenzie (2004:2) noted, that the vagueness of the definition allowed business and "development" interests to claim that they were in favour of sustainable development when actually they were the perpetrators of *un-sustainability*. McKenzie (2004:3) further extended this argument stating that the sustainable development agenda had been widely criticized due to it being vaguely defined to an extent that terms that were used become a smokescreen behind which business can continue its operations essentially unhindered by environmental concerns, while paying lip service to the needs of future generations. Jabareen (2006:1) also highlighted that a critical review of literature showed that sustainable development definition is vague, unclear in terms of emotional commitment and remains a confused topic fraught with contradiction. Some authors argued that vagueness and ambiguity of the term could be attributed to the fact that sustainable development was a context-dependent concept (Partridge 2005:4).

Another criticism of sustainable development was that it had become a lip service concept. Ntsime (2004:708) for instance is one of those critics and concluded that sustainable development was used as a slogan to address environmental challenges and often reflected conservationist views yet it should be viewed within the context of human development because sustainability is about people and their capacity and willingness to take part in their own development. Jabareen (2006:3) also pointed that sustainability is seen as an environmental logo. Partridge (2005:4) made the same assertion that while the language of sustainability became prevalent in the mission statements and other corporate and organizational public relations material, it was fair to say that such claims were often merely examples of 'green-wash' or 'weasel words'… it was in part the vagueness of the sustainability terms that allows such hypocrisy. But Savitz and Weber (2006:15) contended that some companies were genuinely putting effort towards triple bottom line because they were under scrutiny to demonstrate their real commitment to it.

Other concerns raised about sustainable development were that the social aspect of sustainability is neglected or at least not treated equally with environmental and economic aspects. Partridge (2005:5) illustrated this point vividly, that while the three-part model of sustainability, i.e. social, economic and environmental sustainability, and the idea of a triple bottom line are widely invoked, not all the dimensions, or 'bottom lines' have received equal

attention or elaboration especially the social dimension. McKenzie (2004:7) shared the same sentiment that the role played by the social is rarely equal to the economic and environmental concerns despite its inclusion in the triple bottom line. Barron & Gauntlet (2002:4) registered precisely the same point that while there was considerable work done on the environmental and economic aspects, the social aspect tended to fall off the sustainability agenda. Also Weybrecht (2010:17) admitted that there was a time when some companies viewed environmental protection measures and benefits for employees as costly because the focus was mostly on revenue-generation.

2.4   SUSTAINABLE STRATEGY DEVELOPMENT

2.4.1 STRATEGY CONCEPT

The concept of strategy originated from Greek military term, '*strategos*' which comes from two words *stratus* which means 'the arm' and *agein* which means 'to lead'; so '*strategos*' originally referred to a general leading an army (Louw & Venter, 2010:11). Later the strategy was adapted to business and other areas to refer to strategic direction as a leading element of an entity. Louw & Venter (2010:12) viewed strategy as the direction and scope of an organization over the long term, which achieves advantage for the organization through its configuration of resources within a changing environment and to fulfil stakeholder expectations. Montgomery (2008:29) saw strategy as not just a plan that positions the company in its external landscape but also as a tool that guides the development of the company's identity and purpose over time. Werbach (2009:16) highlighted two main sustainability points in his framework. Firstly, that developing and executing a strategy for sustainability is decisive for business' survival in today and tomorrow's rapidly changing world. Secondly, that a successful strategy for sustainability is different from following a just green strategy – the strategy must consider all dimensions, namely; social, economic and cultural and not just the natural environment.

Stead & Stead (2004:14, 2008:73), Parnell (2008:35) agreed that strategic sustainability is the integration of the principles of sustainability within corporate strategic management processes, structures, cultures, systems and technologies, enabling both competitive and functional level strategies. Borland (2009) argued that if sustainability was about the balance of nature, people and the planet, then there was a need to plan for future and it was that need to plan and strategize that gave rise to the concept of strategic sustainability.

2.4.2 STRATEGY DEVELOPMENT PROCESS

Strategy development process has four main phases, namely; environmental analysis, strategic direction, strategy formulation and strategy implementation. The phase of **environmental analysis** is about the evaluation and analysis of *internal environment* for possible strengths and weaknesses; and *external environment* for possible opportunities and threats (SWOT). According to Ehlers & Lazenby (2010:110) the internal environmental analysis is a process of analysing the organization internally, looking at the organization's resources, capabilities and core competencies in order to gain understanding of its current situation whilst external environmental analysis is a process of identifying and evaluating trends and events beyond the control of the organization whilst revealing opportunities and threats facing the organization that have major influence in strategic actions.

The phase of **strategic direction** is concerned with the development of *vision* and *mission* to guide the organization into the future (Ehlers & Lazenby, 2010:69). Vision according to Staude (2006:47) consists of two parts; **(i)** a 10-30 year 'big hairy audacious goal' (BHAG); and **(ii)** a vivid description of what it would be like to achieve a goal. Van Rensburg (2010:111) stated that a true vision should be clear and easily understood by everyone, it should be compelling and exciting to people, serves as a unifying focal point of effort, act as a catalyst for team spirit with clear finish line. Mission is defined as an enduring statement of purpose that distinguishes organization from other similar ones and it is derived from the vision or strategic intent to deal with the question: "***what is our business or service***?" and other components such as ***growth***, ***profitability***, ***philosophy of the organization***, ***image***, ***self-concept of the organization***, ***quality***, ***customers & stakeholders***, ***competencies*** and ***competitive advantage*** (Ehlers & Lazenby 2010:69, Staude 2006:57).

The phase of **strategy formulation** is concerned with evaluation and selection of the best possible way to succeed competitively and that include development of long-term goals, strategies (generic & grand) and functional strategies (Ehlers & Lazenby, 2010:175). Long-term goals are determined in line with the organization's vision. These goals are sometimes called long-term/strategic objectives (Ehlers & Lazenby, 2010:175). Strategies are about organization's positioning for long-term competitive advantage. They are about making choices about what markets and segments to participate in and avoid (Ehlers & Lazenby, 2010:175). Generic strategies provide focus and direct organizational activities. According to Ehlers & Lazenby (2010:180) organizations have four generic types of competitive strategy to choose from to complement their competitive advantage and these are *cost leadership,*

differentiation, *focus* and *best-cost* *strategy*. Grand strategies are complementary strategies to enhance the range of strategic options referred to as generic strategies above and they provide basic direction for strategic actions. There is a variety of grand strategies that organizations can pursue to achieve their long-term goals and can be broadly grouped into three types: ***growth strategies*** – concentrated growth, market development, product development, innovation (classified as internal growth strategies), diversification and integration (classified as external growth strategies); ***decline strategies*** – turnaround, divestiture, liquidation and bankruptcy; and ***corporate combination strategies*** – joint ventures, strategic alliances and consortia (Ehlers & Lazenby, 2010:201). Functional strategies are annual, short-term goals.

The phase of **strategy implementation** refers to the process that turns the selected strategy into action to ensure that the stated goals are accomplished. Strategy implementation deals with translating the strategic plan into action. It is the phase which the management aligns strategic leadership, organizational culture, organizational structures, reward systems, policies and resource allocation with the chosen strategy or strategies (Ehlers & Lazenby, 2010:261).

2.4.3. *City of Burlington Case Study*

The City of Burlington in Vermont of USA case study by ICLEI (2002) presented a compelling need for municipalities to develop sustainability strategies. Burlington, although for over two decades, implemented many environmental and socio-economic projects with a focus on sustainable community development and principles of economic self-sufficiency, equity, environmental protection and preservation which included major projects like revitalization of the city's waterfront, cleaning up of abandoned industrial sites, awareness, etc. but in spite of all that tremendous work it became clear later on that these initiatives were not well connected to each other and as a result the city faced a number of interrelated problems. So, in response to the problems the Burlington City developed its long term strategy to promote local sustainability and that was done by embarking in a comprehensive process to develop a community vision and plan for the future. Stead and Stead (2004, 2008), Parnell (2008), Shrivastava (1995) agreed that strategic sustainability was about the integration of the principles of sustainability within corporate strategic management processes, structures, cultures, systems and technologies, enabling both competitive and functional level strategies. Borland (2009) argued that if sustainability was about the balance of nature, people and the planet then there was a need to plan for future and it was that need to plan and strategize that gave rise to the concept of strategic sustainability.

2.5   CONCLUSION

The literature reviewed showed that there was enough scope for municipalities to integrate and mainstream sustainability using the existing framework. The need for a sustainability strategy was much clearer from the Burlington City case, that no matter how much and how significant interventions could be, it really does not matter as long as there is no clear strategy that articulates the future in a more sustainable manner.

From the literature reviewed it is also clear that there is a long way to go when dealing with sustainability given the complexities of the concepts and terms, ambiguity and contestations from different schools of thought. Although there may be different approaches proposed towards sustainability, it is clear that any organization that is serious about sustainability is first seen in its own strategy – how the vision expresses itself in relation to it (ICLEI, 2002).

REFERENCES

BARRON, L., GAUNTLET, E. 2002. Housing and Sustainable Communities Indicators Project. A Paper presented at 'Sustaining our Communities International Local Agenda 21 Conference' in Adelaide. [Online]. Available: http://www.adelaide.sa.gov.au/soc/pdf/barron_gauntlett.pdf [accessed 28 January 2011]

BORLAND, H. 2009. *Definitions, theories, drivers and managerial implications: grounding global strategic sustainability.* Paper presented at Academy of Marketing Science Conference: Baltimore.

BOWERS, J. 1997. Sustainability and Environment Economics. Essex: Prentice-Hall.

BRUNDTLAND, G.H., 1987. *Development and International Economic Cooperation*. Report to the World Commission on Environment and Development. Washington D.C.: United Nations.

BUCKINGHAM-HATFIELD, S., EVANS, B. 1996. Environmental planning and sustainability. Chichester: John Wiley & Sons.

DEPARTMENT OF ENVIRONMENTAL AFFAIRS & TOURISM, 2008. People, Planet, Prosperity. A National Framework for Sustainable Development in South Africa.

DRESNER, S. 2002. The Principles of Sustainability. London: Earthscan.

EDWARDS, A.R. (2005). *The Sustainability Revolution: Portrait of a Paradigm Shift.* Gabriola Island: New Society.

ELKINGTON, J. (2004). Enter the triple bottom line. In A. Henriques & J. Richardson (Eds) *The triple bottom line, does it all add up? Assessing the sustainability of business and CSR* (pp. 1-16). London: Earthscan Publications Ltd.

GORICA, K., KRIPA, D., ZENELAJ, E. 2012. Tourism and Sustainable Development. The Role of Local Government in Sustainable Development. ACTA UNIVERSITATIS DANUBIUS Vol. 8. No. 2. February.

ICLEI. 2002. Burlington building a new culture of sustainability. http://www.iclei.org/index.php?id=801 [accessed 12 November 2010].

JABAREEN, Y. 2006. A New Conceptual Framework for Sustainable Development. Department of Urban Studies and Planning. Massachusetts: Massachusetts Institute of Technology.

LOUW, L., VENTER, P. 2010. The Nature and role of strategy. *Strategic Management: Developing Sustainability in Southern Africa*. Cape Town. Oxford University Press Southern Africa (Pty) Ltd.

LUMLEY, S., ARMSTRONG, P. 2003. Some of the Nineteenth Century Origins of the Sustainability Concept. Australia: The University of Western Australia.

McKENZIE, S. 2004. Social Sustainability: towards some definitions. Hawke Research Institute Working Paper Series No. 27. Magill, South Australia: University of South Australia.

McMANUS, P. 1996. *Contested terrains: politics, stories and discourses of sustainability*. Environmental Politics. Vol.5, No.1.

MNIKI, P. 2006. An analysis of the implementation of sustainability principles in Buffalo City Municipality. Unpublished MBA thesis. Rhodes Investec Business School, Rhodes University. [Online] Available: www.eprints.ru.ac.za/1013/1/Mniki-MBA-thesis.pdf [accessed 20 December 2010].

MONTGOMERY, C.A. 2008. Putting leadership back into strategy. Harvard Business Review. January.

NTSIME, P.T. 2004. Deconstructing sustainable development: towards a participatory methodology for natural resource management. Development Southern Africa.

O'RIORDAN, T., PRESTON-WHYTE, R., HAMAN, R., MANQELO, M. 2002. The transition to sustainability: A South African Perspective. South African Geographical Journal.

PARNELL, J. 2008. Sustainable strategic management: constructs, parameters, research directions. International Journal of Sustainable Strategic Management. Vol. 1 No. 1

PARK, J. 2008. China, business and sustainability: understanding the strategic convergence. Management Research News. Vol. 31 No. 12. Emerald Group Publishing Limited. Vermont.

PARTRIDGE, E., 2005. *Social Sustainability: a Useful Theoretical Framework?* Paper presented at the Australian Political Science Association Annual Conference, Dunedin, New Zealand

RAMETSTEINER, E. LZL, H.P., OLSSON, J.A., & FREDERIKSEN, P. 2011. Sustainability Indicator Development – Science or Political Negotiation? Ecological Indicators. Elsevier Pty Ltd.

ROBERTS, D., DIEDERICHS, N. 2002. Durban's Local Agenda 21 Programme: Tackling sustainable development in a post-apartheid city. Environment & Urbanization. Durban.

ROBINSON, J. 2004. Ecological Economics. Squaring the Circle? Some Thoughts on the Idea of Sustainable Development. Vancouver: University of British Columbia

SAVITZ, .A.W., WEBER, K., (2006).*The Triple Bottom Line: How Today's Best Companies Are Achieving Economic, Social and Environmental success- and How You Can Too*. San Francisco: Jossey-Bass.

SCHOT, J., FISCHER, K. 1993. Environmental strategies for industry: International Perspectives on research Needs and Policy Implications. Island Press. Washington DC.

SHRIVASTAVA, P. 1995. The role of corporations in achieving ecological sustainability. The Academy Management Review. Vol. 20 No. 4

SOUTH AFRICAN GOVERNMENT INFORMATION. 1998. White Paper in Local Government. [Online] Available. http://www.info.gov.za/view/DownloadFileAction?id=108131. [Accessed 28 January 2011].

STAUDE, G. 2006. Strategic Management: winning in the Southern African Workplace. Oxford University Press Southern Africa (Pty) Ltd, Cape Town.

STEAD, J.G., STEAD, W.E. 2008. Sustainable strategic management: and evolutionary perspective. International Journal of Sustainable Strategic Management. Vol. 1 No. 1

STEAD, J.G., STEAD, W.E. 2004. Sustainable strategic management, M.E. Sharpe. New York.

SUTTON, P. 2000. Green Innovations. [Online] Available: http://www.green-innovations.asn.au/sustblty.htm. [Accessed 20 January 2011]

VAN RENSBURG, M.J. 2010. Strategic Direction. In L. Louw & P. Venter (Eds) *Strategic Management. Developing Sustainability in Southern Africa.* Cape Town. Oxford University Press Southern Africa (Pty) Ltd.

WEBSTER, J., WATSON, T. 2002. Analyzing the past to prepare for the future: Writing a literature review. *MIS Quarterly*. Vol. 26 No. 2. June.

WERBACH, A. 2009. Strategy for Sustainability. A business manifesto. Boston: Harvard Business Press.

WEYBRECHT, G. 2010. The Sustainable MBA. The Manager's Guide to Green Business. England: John Wiley & Sons Ltd.

3.1   INTRODUCTION

This section provides details on the research orientation, methodology, and data collection and analysis. It also provides an overview of the ethical considerations, and the research limitations.

3.2   RESEARCH ORIENTATION

The study was located within a post-positivism paradigm with the ontological view point of critical realism (Noor 2008:1602). According to Noor (2008:1602) post-positivism is about a reality which is socially constructed rather than objectively determined. The study further took an objective stance on the analysis to reflect that absolute objectivity is impossible to achieve but is worth striving for (Patton 2002:93) and sought to achieve approximate knowledge by using qualitative approach. According to Merriam (2009:13) qualitative approach is about understanding the meaning people have constructed, that is how people make sense of their world and experiences they have in the world.

3.3.   RESEARCH METHOD

According to Hansen (2009) evaluation research can be defined in the first place as the systematic assessment of the activity of the research in all its many variations and in the second place as systematic evaluation of the merit and worth of the organization, output and outcome of public research policy. This research method was chosen for the study to learn and help in the formulation of new solutions to the recognized problems (Hansen, 2009) and to give useful feedback (Trochim, 2006) to ELM on issues of sustainability integration.

The research method that was used for the study is Evaluation Research (Babbie 2012:359) and it was done through the review of the ELM 5 Year Strategy (2012-2017). According to Hansen (2009) research as a concept refers to a creative work undertaken on a systematic basis in order to increase the stock of knowledge and to use this knowledge to come up with new applications whilst evaluation is defined as a systematic assessment of the merit and worth of organization output and outcome of public interventions and is intended to play a role in the future situations of practical action. Hansen (2009) further defined evaluation research as the systematic assessment of the activity of the research in all its many variations whilst on the other hand it could be seen as systematic evaluation of the merit and worth of the organization, output and outcome of public research policy. This research method was chosen for the study to learn and help in the formulation of new solutions to the recognized

problems (Hansen, 2009) and to give useful feedback to ELM on issues of sustainability integration.

3.4. RESEARCH OBJECTIVES

The specific objectives of this research were:

Objective 1: To evaluate the integration of sustainability elements in the municipal strategy

This objective sought to assess the extent to which ELM five-year strategy was able to address, consider and integrate economic, social and environmental sustainability elements. ELM strategy document review achieved this objective and the results showed that ELM integrated sustainability elements to some extent.

Objective 2: To investigate possible reasons for integration or lack thereof regarding sustainability elements in the municipal strategy.

This objective sought to understand reasons for sustainability integration in the ELM five-year strategy and this objective was achieved through the SIAT-based questionnaire which was distributed to ELM employees. The questionnaire included sections for rating of sustainability integration using the Likert scale and the employees were also requested to state reasons for their rating.

Objective 3: To propose recommendations towards the development of sustainability strategy for ELM going forward.

This objective sought to identify areas of learning and improvement in order to provide feedback to ELM and this was achieved in the discussion and conclusion section 1 where recommendations to improve sustainability integration were proposed.

3.5. DATA COLLECTION

a) Sustainability Integration Assessment Tool

Data was first collected using Sustainability Integration Assessment Tool (SIAT) *see Appendix B*. SIAT was developed by the researcher to assess the extent to which ELM five-year strategy (2012-2017) was able to consider and integrate economic, social and environmental sustainability elements. SIAT content was structured in line with focus of the research; it covered environmental analysis, strategic direction and strategy formulation. ELM five-year strategy (2012-2017) was developed and adopted by the municipal Council in December 2011 and is the document that was reviewed and used as the main source of data. The strategy was the first of its kind in the ELM as the municipality used the IDP before as the principal strategy.

b) SIAT-Based Questionnaire

The other data was collected using a questionnaire targeting ELM employees. The questionnaire was modified from the SIAT (*see Appendix C*) in the sense that the structure of the questionnaire was almost similar to that of SIAT. The questionnaire was divided into two sections – section A had introduction and personal information whilst section B covered environmental analysis, strategic direction and strategy formulation with questions that sought to assess employees' response on sustainability integration. It contained open-ended questions and Likert Scale which was used to allow respondents to rate sustainability integration from the scale of *poor, average, good, very good and excellent*. Respondents were asked after rating sustainability integration to state reasons for their rating. The SIAT-based questionnaire was distributed to 39 respondents (*see Appendix C*). Some of the SIAT-based questionnaires were administered to assess whether or not respondent understood the questions before answering them and for the researcher to observe feelings, attitudes and understanding of the subject.

3.6.   SAMPLING

a) Sampling Method

The sampling method that was used for the research was non-probability judgement sampling also known as purposive sampling (Given, 2008). This method was used to allow the researcher to purposefully pick participants in order to have a representative view. According to Battaglia (2011) purposive sampling refers to the production of a sample that can be logically assumed to be representative of the population.

b) Sample Size

The researcher initially intended to administer 39 questionnaires targeting ELM employees as respondents and was broken down as follows:

- Five ELM Executive Council members, the Mayor and the Speaker, six senior managers, eight employees in middle managers, three employees from each department *(See Appendix F)*.

This targeted number of respondents could not be reached due to the number of reasons - some of the managers left the municipality whilst some of the targeted employees were not available. Almost all employees below the level of management could not attempt to answer the questionnaire because they claimed lack of awareness of the strategy and its contents, so

the researcher could not proceed further. Due to all these challenges the sample was reduced to 12 respondents composed of:

- Eight employees in management, two non-management employees and two Executive Council members.

The SIAT-based questionnaire was therefore filled in by 12 respondents and it made sense to focus mainly on available managers because they were conversant with the strategy since they were involved in its development. Since the sample size was too small due to the challenges highlighted above, it limited the researcher's ability to draw meaningful conclusions and therefore information from respondents was mainly used to support and discuss document assessment. It should also be noted that due to sample size limitation most respondents were from management and therefore the findings below do not necessarily represent the general view of ELM employees but rather biased towards management perspective.

3.6.1. DATA ANALYSIS

a) Document Analysis

Bowen (2009:27) defined document analysis as a systematic procedure for reviewing or evaluating documents. During document analysis the researcher first read and thoroughly examined relevant data in the ELM five-year strategy using SIAT as a guide. For instance the first area for analysis was environmental analysis section and the researcher had to go through and read this section in the ELM five-year strategy then identified and highlighted words and/or statements that mentioned or implied sustainability integration. These words and/or statements were selected, put together and sorted into content categories and sub-categories (economic, social and environmental sustainability) that were pre-defined in SIAT. The purpose of sorting was to reconstruct the data in a meaningful way. The researcher then read the statements again in order to revise and refine where necessary. This data was further summarized and presented in the form of bar charts to indicate frequencies and prominence. Descriptive statistics in the form of graphical representation like bar and pie charts were used to describe, organize, summarize and present raw data from ELM strategy document analysis.

b) Questionnaire Analysis

The researcher developed themes and sub-themes based on the questions that were contained in the questionnaire. The researcher then read responses and recorded each response as it was under the relevant theme. The data was later sorted and classified according to similarity and

dissimilarity of responses. Frequency of similar responses was then counted and was organized, summarized and presented in the form of graphical representation, that is, bar and pie charts. The data rating sustainability integration was organized, summarized and presented in the form of pie charts. This data was expressed in percentage form and recorded the number of ELM employees that rated sustainability integration as poor, average, good, very good or excellent.

3.6.2. ETHICAL CONSIDERATIONS

The researcher was guided by principles of ethical research applicable to the nature of the study (Miller *et al* 2012:1). The respect for the dignity of participants was promoted by obtaining consent and understanding of the participant's view and value system. The researcher avoided conflict of interests and tried to translate research findings objectively. Lastly, the researcher is an employee of ELM and cognisant of possible bias and subjectivity; therefore confidentiality was guaranteed to participants to ensure honesty and openness. Furthermore, communication prior the research through one on one meeting was done to build trust and ensure genuine informed consent was achieved through a legitimate informed decision making process (Miller *et al* 2012:2). The researcher also sought permission from the ELM Municipal Manager to conduct the research with ELM employees *(see Appendix D attached).*

3.7. RESEARCH LIMITATIONS

There were three notable limitations to the research, the first one was that the researcher was the employee of ELM and therefore issues of subjectivity and conflict of interest had to be avoided. The second one was the issue of the sample size which was reduced from the initial size of 39 to 12 respondents due to reasons stated above, thus removing the possibility of conducting statistical analysis. The last limitation was that the researcher struggled to get readily available assessment tools to achieve objectives of the research. Sustainability assessment tools that the researcher could find were focusing either on policy development (Buselich, 2002:1), industrial supply networks (Van Bommel, 2011:1) and social or poverty assessment (Huge and Hens, 2007:1) but not necessarily sustainability integration in strategy formulation, hence, a new tool called SIAT was developed by the researcher.

REFERENCES

BABBIE, E., MOUTON, J. 2004. The Practice of Social Research. Cape Town: Oxford University Press.

BATTAGLIA, M.P. 2011. Non Probability Sampling. Encyclopedia of Research Methods. London: Sage Publications.

BUSELICH, K. 2002. An Outline of the current thinking on Sustainability Assessment. Western Australia: Institute of Sustainability and Technology Policy.

ELUNDINI LOCAL MUNICIPALITY, 2011. ELM Integrated Development Plan 2011-2012. Maclear.

ELUNDINI LOCAL MUNICIPALITY, 2012. ELM Five Year Strategy Final 2012-2016. Maclear.

GIVEN, L.M. 2008. The Sage Encyclopedia of Qualitative Research Methods. London: Sage Publications.

HANSEN, H.N. 2009. Research Evaluation: Methods, Practice and Experience. Copenhagen: Danish Agency for Science, Technology and Innovation.

HUGE, J., HENS, L. 2007. Sustainability Assessment of Poverty Reduction Strategy Papers. Impact Assessment and Project Appraisal. Brussels: University of Brussels.

MERRIAM, S. 2009. Qualitative Research. A guide to design and implementation. San Franscisco, CA: Jossedy-Bass.

MILLER, T., BIRCH, M., MAUTHNER, M., & JESSOP, J. 2012. Ethics in Qualitative Research. (2nd Ed.). London: Sage Publications.

NOOR, K. B. M. 2008. Case Study: A Strategic Research Methodology. American Journal of Applied Sciences 5 (11). Science Publications.

PATTON, M.Q. 2002. Qualitative Research and Evaluation Methods. (3rd ed.). Thousands Oaks. CA: Sage Publications.

TROCHIM, W.M.K., 2006. Research Methods Knowledge Base. [Online] Available: http://www.socialresearchmethods.net/kb/dedind.php. [Accessed 10 July 2011].

VAN BOMMEL, H.W.M. 2011. A conceptual framework for analyzing sustainability Strategies in Industrial Supply Networks from an innovative perspective. Netherlands: Saxion University of Applied Sciences.

APPENDIX A – ELM 5 Year Strategy

Strategy 2012 - 2017

Elundini Local Municipality

Strategy 2012 - 2017

Table of Contents

Table of tables

1. Introduction

Elundini Local Municipality (ELM) is a rural municipality that is situated in the Province of the Eastern Cape under the Joe Gqabi District Municipality.

Strategic direction

- ❖ The strategic direction of the municipality for the next five years is premised from **best-cost** strategy.
    - ❖ Best-cost strategy enables the municipality to provide cost effective services but yet unique and valued by customers.

Rationale for strategic direction

- ❖ Increase impact to the poor
- ❖ Attract investment

The context of the strategy clearly sets the tone that members of the executive committee and management in ELM chose to inspire the municipality over the next five years. ELM set out to develop this Strategy to optimise its leadership for success and create an exemplary municipality tackles its challenges to create prosperity for its residents through effective results – oriented leadership that upholds exemplary ethical standards and clean governance.

2. Stakeholders

ELM recognises that it exists to create value for its stakeholders and it commits itself to work tirelessly towards addressing gaps that may currently exist in its ability to create such value. **Section 152b** in chapter 7 of the constitution of the Republic of South Africa states that local government should ensure the provision of services to the community in a sustainable manner while **Section 195d** in chapter 10 on "basic values and principles governing public administration says these services must be impartial, fair, equitable and without bias.

This implies that the public sector's main objective is service delivery and its first priority is to address the citizens' (Stakeholder) needs. ELM identified its stakeholders as shown in Table 1 and Table 2 below. It also identified the value that it shall have created for each of these stakeholders when it has implemented this Strategy successfully. This Strategy, amongst other thing, sets ELM's priority areas (Strategic Objective) in addressing its gaps towards delivering value to its stakeholders.

Table 1: EXTERNAL STAKEHOLDERS AT COMMUNITY LEVEL

Identified stakeholder	Value added by the municipality	Uniqueness of the value (what we add and what we expect to add)	Achieving expectations of our stakeholders (Excellent, good, average, poor)	Where do we excel in providing value to each stakeholder?	What are the drivers of our excellence/ what causes us to excel?	Where do we need to improve in order to exceed expectation of our stakeholder?
Communities & rate payers,	Provide basic services like electricity, access roads, refuse removals, etc.	Improvement of rural livelihood	Average	Public Participation and Good Governance	Consultation	Poor time management for planned activities Providing more sustainable projects

Tourists	Provide tourist information	Our information centre is located centrally.	Average	We provide relevant information to stakeholders	Tourist attraction	Improved infrastructure provision

Identified stakeholder	Value added by the municipality	Uniqueness of the value (what we add and what we expect to add)	Achieving expectations of our stakeholders (Excellent, good, average, poor)	Where do we excel in providing value to each stakeholder?	What are the drivers of our excellence/ what causes us to excel?	Where do we need to improve in order to exceed expectation of our stakeholder?
Traditional leaders	Consultation and participation in municipal affairs. Co-operation and assistance towards their needs	Rural municipalities with shared authority with traditional leaders. Putting systems in place (policy, mayor's conversation)	Good	Consultation. Putting systems.	Mutual understanding. Entrench public participation	Participation in Council business. Respond to their input/comments.
Ward committees & CDWs	Provide information, empowerment & coordination of ward committees.	Effective functioning	Average	Public Participation and Good Governance	Periodic Meetings	Execution of the plan
NGOs, CBOs (HCBCs, Sports forums, AIDS Forums, etc.) & FBOs, HCBCs,	Capacity development, information, partnership & resource support	Funding opportunity	Average	Capacity building	We have a good strategic plan	Maximum utilisation of NGO's Increase capacity at all levels Convene regular partnership workshops
Focus groups - Youth, women & people with disability	Mobilization, coordination, empowerment, business support & talent promotion.	Applied and developed new models for development	Good	Talent promotion	Support from focus groups and successful resource mobilization	More of focus group to participate Progress and innovations which are not sufficiently tracked

Identified stakeholder	Value added by the municipality	Uniqueness of the value (what we add and what we expect to add)	Achieving expectations of our stakeholders (Excellent, good, average, poor)	Where do we excel in providing value to each stakeholder?	What are the drivers of our excellence/ what causes us to excel?	Where do we need to improve in order to exceed expectation of our stakeholder?
Development Forums, viz. LED Forum, IDP Rep Forum, Roads Forum, etc.	Mobilization, coordination, information sharing &networking, etc. Strengthened voice of business for better representation when it comes to economic development planning at municipal level. Services are client-oriented	Effective coordination	Good	Coordination	Cooperation of stakeholders	Increased participation of stakeholders
Business, SMEs, Farmers, etc.	Create enabling environment for business to strive. Facilitate SME support, business development services, access to finance & market, etc.	Coordinate platform for networking and resource mobilisation Establish legal entities to provide accountability	Good	Creating consultative platforms Facilitate business development services	Business/municipal round tables We provide venue for SEDA etc to operate	Lack of understanding of business risks Public sector red tape which is highly unattractive to business Ideas for PPP's that are not sufficiently catered for during planning Costs of doing business with government – too

					high due to delays Insufficient interaction between public and private sector.
Indigent customers	Provide free basic services	Offer relief to the poor	Good	Provision of electricity to the poor	Went to each ward to register for indigents. Create more awareness

Table 2 EXTERNAL STAKEHOLDERS AT GOVERNMENT LEVEL

Identified stakeholder	Value added by the municipality	Uniqueness of the value (what we add and what we expect to add)	Achieving expectations of our stakeholders (Excellent, good, average, poor)	Where do we excel in providing value to each stakeholder?	What are the drivers of our excellence/ what causes us to excel	Where do we need to improve in order to exceed expectation of our stakeholder?
Government departments & Joe Gqabi District Municipality	Intergovernmental coordination, act as agency for some department like DOT.	The participatory path is transparent and open	Average	We play an agency role	Inter-governmental round tables	Improved coordination
Parastatals - ECDC, Eskom, Telkom, Post office,	Development coordination & facilitation.	N/A	Average	Being the linking agent between Parastatals and		More reliable implementation by Parastatals

				communities		
Inter-governmental forms (Munimec, DIMAFO etc	Information sharing & escalation of pertinent issues to be attended.	N/A	Good	Information sharing & escalation of pertinent issues to be attended	Round tables	Coordination

3. ELM Strategic Environment Analysis

3.1. PESTLE Analysis

In order to create deeper understanding of its Strategic Environment, ELM used the PESTLE Analysis model to consider current attributes, possible changes and likely impact on its effectiveness that could emanate from the Political, Economic, Social, Technology, Legal and Ecological environments.

The analysis revealed the following:

3.1.1. Political Environment

World political events like death of Osama Bin Laden in May 2011, the liberation of South Sudan on 09th July 2011 as well as its welcoming by the United Nations as the 193rd country on the 14th July 2011, the return of South Africa to the UN Security Council tend to have an impact mainly through changes of priorities, world order and focus areas that ultimately impact on ELM. This is a result of globalisation and the growing inter-dependence of different countries across the world on each other as well as on regional politics and postures.

Political governance in South Africa is underpinned by a vibrant democracy. The country has managed to hold relatively incident – free local government elections. It has well established institutions that support democracy and protect the rights of all its citizens. Its multi-party system has enabled a stable environment and to a great extent facilitated the success of its local government model. Approval of Local Government turn-around strategy (LGTAS) is the latest intervention to make local government work better. The dramatic change in the executive leadership of the country through the recall of former President Mbeki had significant consequences for governance in the Eastern Cape Province and various municipalities

The following developments in the political environment will offer opportunities to improve governance at ELM:

- The MDGs create an opportunity for global political focus which may lead to international technical and financial support. It further helps municipalities to plan and push performance and productivity levels to meet the set targets.

- Stable national government and sound national policy framework,

- The special focus given to local government and rural development present great opportunity to support service delivery,

- Yearly visits by Provincial and National Government to the region create an opportunity for exposure, increased support and prioritization of resources.

The following developments in the political environment may threaten effective governance at ELM:

- Perceived social distance between government and society,

- Service delivery protests happening elsewhere in the country can have contagious effect and lead to community hostility and negative perceptions about ELM,

- Powers and functions (decisions making).

3.1.2. Economic Environment

South Africa has a growing prominence in the world economy. In 2011 it joined the BRICS (i.e. Brazil, Russia, India, China and South Africa) and has previously been a member of IBSA (India, Brazil and South Africa). It also participates in the Forum for China-Africa Cooperation (FOCAC), the Tokyo International Cooperation on African Development (TICAD) and the Korea-Africa Forum (KAF). South Africa sees Asia as a major reservoir of financial liquidity with China being South Africa's second largest trading partner (responsible for 11% of South Africa's total trade). Japan is South Africa's 3rd largest export destination; whilst the Republic of Korea is the 13th largest trade partner to South Africa.

South Africa has also strengthened its relationships with the European Union (EU) and EU is now South Africa's largest trading partner. There is also continuous strengthening of South Africa – United States of America bilateral relations through contributing resources to support sustainable economic growth, social development and capacity building. National Growth Plan (NGP) aims to grow foreign direct investments (FDI) commitments in South Africa in the sectors of energy, transport, agriculture (agro-processing), mining (beneficiation), manufacturing (green technologies) and tourism.

There is a historical legacy of economic imbalance where black women have the least access to economic and educational resources and the least skills to allow them to participate in the broader economy in South Africa. The country aims to reduce the unemployment rate from the current 24% to 14% by 2014. Economic development underpins the economic environment.

South Africa is an economic powerhouse of Africa. It is leading the continent in industrial output, mineral production and it generates a large proportion of Africa's electricity. It has sophisticated and robust financial systems, abundant natural resources, well-developed financial, legal, communications, energy and transport sectors. Its securities exchange, the Johannesburg Securities Exchange (JSE) is ranked amongst the top 20 in the world. Until 2008, when the global economic crisis hit South Africa, it had a steady and unprecedented growth of the economy.

At ELM unemployment is at 23.11% which is slightly lower when compared to national and provincial rates of unemployment. 61.29% of the population at ELM have no income at all. 29.69% earns between ZAR 1000 – 1600 per month. There is a high level of dependency on government grants and subsidies. 63. 64% of the population of ELM are not economically active and approximately 50% of the population is unemployed.

The following developments in the economic environment offer opportunities for improvement at ELM:

- South Africa's international relations like the joining of emerging economies block (BRICS) and others present increased twinning opportunities for ELM,

- Economic growth of South Africa makes ELM an investment destination,

- Development of national economic policies that promote economic growth and create a stable economic environment help ELM to grow its economy,

- National and provincial initiatives to reduce unemployment and improve living conditions of people help ELM to grow its economic performance,

- Financial and industrial "first economy" has established infrastructure and economic base with great potential for further growth and development that helps ELM to attract investments and grow its economic performance,

- SMME support and development programs create opportunity for enterprise development and economic growth,

- Commercial and emerging black farming which has led to job creation and economic growth at ELM,

- Forestry sector development through PG Bison led to creation of employment

- Massive national job creation initiatives like EPWP, CWP, National Rural Youth Service, COOPS, ECF, etc. can also increase opportunities for employment at ELM,

- Stable interest rates also create space for growth of entrepreneurship at ELM,

- Efficient collection of tax leads to increased revenue allocations to ELM,

- Progressive tax incentives offered to business promote investments in ELM,

- Supply chain management creates opportunity for local economic development at ELM.

The following developments in the economic environment threaten economic performance at ELM:

- Underinvestment in energy and agriculture are among the biggest economic threats facing the world,

- The financial crisis and the ensuing recession have created a more vulnerable environment where unaddressed risks may become tomorrow's crises,

- Capacity constraint to match the country's strong economic performance,

- Global economic recession resulted in loss of jobs, unemployment, large wealth disparities, high incidents of HIV/AIDS and increases levels of economic crime, etc.

- Lack of access to finance for SME's and entrepreneurs that discourages development and implementation of business ideas that will contribute to growth of the economy at RLM,

- Obnoxious lending and interest rates which may lead to inability of enterprises to pay their debts,

- Current economic growth and job creation initiatives are unable to create sustainable employment and that has a negative bearing on the payment of municipal services,

- Challenges in the development of infrastructure negatively affect the speed at which the economy could grow,

- Increase in the price of crude oil contributes to increase in the price of goods and services to ELM due to the increase of transport costs

3.1.3. Social Environment

The population of ELM declined by 11, 2% between 2001 and 2007. There are low levels of education at ELM where 21% of the population has no schooling, 47% has grades 0 – 6, 27% has grade 7 – 11 and only 3% has grade 12 and another 3% has grade 12 with tertiary qualifications. A high proportion of youth is between the ages of 5 and 14 and there is a significant decrease in the ages of 15 to 19 years old. In South Africa more than 12,8 million children benefit from the child support grants.

One of the main reasons behind many institutions failing is the lack of business ethics. Ethics are defined as a true understanding of Right and Wrong and the ability to distinguish between the two. For an entity to have long-term relationships with its customers and external stake holders its operations must be founded on an ethical base. It is said that the trustworthiness of a business, its customer service, its customer care, its way of dealing with customers and its urge to retain their old customers, are a part of the business ethics. Accepting bribes, pleasing the so-called 'important' clients, favouring a part of the customers while being unfair towards the others, etc are against good ethical conduct.

Nationally, trends for use of internet are growing; www accessed grown from 8.3 million users in 2007 to 18 million users in 2010 and hugely accessed from home followed by work and elsewhere. Emails penetration increased from 5.9 million users in 2005 to 13.0 million users in 2010. Internet search increased from 5.9 million users in 2005 to 12.0 million users in 2010. Social networking grew from 4.2 million users in 2009 to 8.0 million users in 2010. Table 3 below shows that there is a considerable amount of time that is spent by people consuming media and it is generally growing:

Table 3: Monthly Time Spent in Hours: Minutes Per User 2+

	Q4 2009	Q4 2008	% Diff	Absolute Diff
Watching TV in the home*	153:47	152:38	+0.8%	1:09
Watching Timeshifted TV*	9:13	7:23	+24.9%	1:50
Using the Internet**	26:32	27:04	-2.0%	:32
Watching Video on Internet**	3:22	2:53		:29
Mobile Subscribers Watching Video on a	3:37	3:37	--	

The following developments in the social environment were identified as having a potential to improve performance of ELM:

- Social grants from national government contribute positively towards the well-being and reduction of income inequality at ELM,

- Social grants also contribute to social security and increased spending power of poor people which stimulates the local economy at ELM,

- Poverty alleviation programs and strategies provide opportunity to impart certain skills to unskilled and poor people,

- Arts and sports initiatives as well as recreational facilities help to alleviate crime and reduce social distress of ELM communities,

- Programs that focus on health, wellness and prevention of crime in communities provide valuable platforms for engagement of stakeholders and mobilizations of resources and support for ELM,

- Increased access to life-saving and medicinal drugs and availability of support for health (ARV's) and other related programs improves awareness of our communities to the importance of health, well-being and responsible social behaviour,

- Internationally and nationally recognized standards that are created as guidelines for ethical environment provide an opportunity for the municipality to act ethically to avoid stakeholder conflict and bad reputation.

- Code of ethics for public servants creates a framework and guide for ELM.

- Anticorruption strategies that are in place in Government assist in shaping ethical conduct at ELM.

- Bathopele principles help ELM to entrench respect and recognition of its stakeholders by its employees.

- Good ethical behaviour also has an opportunity to attract funders that are concerned with good governance and ethics.

Opportunities for ELM also derive from growing trends in the use of communication media in South Africa. The following opportunities were identified:

- Diverse media choice creates opportunity for increased municipal exposure & marketing.

- Pressure on public broadcasters to produce rural content helps the municipality to stand a chance for media coverage.

- Flexible licensing processes by ICASA increase chances of establishing media that distribute local content.

- Existence of community radios helps ELM to communicate with its stakeholders.

- Media provides trends, culture & other positive influence.

- Increased media interface to allow community to express themselves.

- Print media (newspapers, magazines) promote literacy as people will want to be informed.

- The recent launch of the South African Youth Magazine provides a platform for youth issues to be shared across the country.

The following developments have the potential to negatively affect the social environment and performance at ELM:

- Social welfare may not last forever. Misuse of cash transfers that is not sustainable may ultimately lead to the suffering of the beneficiaries,

- Ineffective and delinked social grants from the well-working public health and education systems leads to further disadvantage for poor children,

- Poverty and unemployment lead to an increase in the levels of indigence in the communities,

- Low levels of education and skills lead to scarcity of required competencies to deliver services to communities, effectively,

- High levels of crime associated with acute levels of poverty,

- High levels of HIV/AIDS and other opportunistic diseases which lead to high mortality rates and increased shortage of labour and skills,

- Underdevelopment of rural and urban areas at ELM negatively affects social development,

- Lack of recreational and leisure facilities in communities negatively affects social development,

- Perceptions of corrupt governance may shape community thinking to view municipal initiatives with suspicion and that may create social distance and lead to lack of support for initiatives,

- Unethical decisions and behaviour can easily lead to bad reputation and stakeholder disengagement which in the end may compromise issues of trust and service delivery,

- Supply chain management processes are more susceptible to unethical behaviour and this may discourage other suppliers and service providers from offering their goods and services to ELM.

- Very low levels of global awareness of transnational crime and corruption, and cyber-vulnerability.

- The development and spread of chronic illnesses resulting in increased health costs, productivity reduction and economic growth.

The following developments in the media could negatively affect ELM:

- Poor access due to infrastructure and other limitations like availability of electricity.

- Affordability of modern media technologies like digital media technology may limit access to poor communities.

- Media interest to often report negative news about government.

- General lack of media interest to reach out to peripheral locations.

- Negative media influence on youth in particular, promotion of drug abuse, sexual content, etc.

- Family viewing programs are very few.

- There is a rapid decline of print media with the introduction of electronic media.

- Print media only caters for the literate, which is a small percentage of the population at ELM.

3.1.4. Technological Environment

South Africa is the 20th largest consumer of IT products and services in the world. It is a leader in development of ICT in Africa and ICT is one of the major contributing sectors to the GDP OF South Africa. IT industry in South Africa is characterized by technology leadership especially in the field of provision of banking services. South African companies are leaders in the provision of pre-payment, revenue management and fraud prevention systems. They also are emerging as leaders in the manufacture of set-top boxes which are successfully exported to the rest of the world. There are also international corporates that operate subsidiaries in South Africa, like IBM, Unisys, Microsoft, Intel, System Application Protocol (SAP), Dell, Novell and Compaq.

The country has the most developed telecommunications network in Africa with a network that is 99% digital including the latest wireless and satellite communication. South Africa has also successfully established itself as a viable destination for location of quality, low-cost call centres like AOL, UK retailer Asda, Virgin Mobile UK, Samsung's European division of digital cameras and many others.

The following developments in technology were identified as providing potential opportunities to develop and support ELM:

- Improvements in technologies and communication that supports delivery of services to communities,

- Change of TV and Radio signals from analogue to digital will create jobs in manufacturing, distribution installation and maintenance of equipment that is needed to effect such changes,

- Upgrade of communication networks to 4G will increase accessibility of communication services by communities and facilitate improved delivery of services,

- Communities prefer and prioritise acquisition of mobile phones regardless of their socio-economic status,

- Use of technology to close the digital divide will help close the information gap between government and the communities,

- Establishment of social networks like face book, twitter etc. provides opportunity for increased communication, sharing of information and networking between ELM and its stakeholders

The following developments in technology could negatively affect ELM:

- Increase in price of technology will negatively affect its accessibility and use,

- Dependency of access to technology on adequate availability of sources of energy in a country that has limited capacity for energy could negatively affect use of technology at ELM,

- Cybercrimes like theft of ID, immoral activities and other transgression negatively affect use and reliability of technology,

- Fears about the confidentiality of cyber space will result in communities avoiding use of technology especially where personal information is involved and this may limit ELM's ability to use technology to deliver better services,

- Lack of network coverage in most rural communities compromise service delivery.

3.1.5. Legal Environment

South Africa is a constitutional democracy where the rule of law reigns supreme. The Bill of Rights is a cornerstone of democracy and it enshrines the rights of all people. It affirms the democratic value of human dignity, equality and freedom. The Constitution of the Republic of South Africa also outlines the objects of local government. The legal framework acknowledges that local government may be constrained in achieving its objectives, hence it is required of national and provincial governments to support and strengthen capacity of local government.

The legal environment provides opportunities for local government to grow its performance through the following:

- Progressive constitution that is upheld through all spheres of government as well as protected and effected by Constitutional Institutions like the Human Right Commission, the Constitutional Court itself and other similar structures,

- Amendment of Local Government Systems Act to clarify administrative role within municipalities,

- Review of legislation on labor brokers and the policy framework for the provision of public employment services

- Position Paper on Social Security Reform to deal with funding and nature of the National Social Security Fund underway.

- The municipality has a legislative framework for management of the financial affairs, establishment of municipalities and public administration.

The following developments were identified as having a potential negative impact on ELM from the legal environment:

- There is no synergy between national, provincial and local government legislative framework which results in disjointed planning cycles, efforts and accountability.

- Non-alignment of financial period of local government to other spheres of government,

- Non-alignment of magisterial and municipal boundaries has a negative bearing on service delivery.

3.1.6. Ecological environment

South Africa is a signatory to the Kyoto Protocol to bring about reductions in GHG emissions, Rio Conference, WSSD, Polokwane Declaration of Zero Waste by 2013. These illustrate the importance that South Africa attaches to responsible and sustainable management of the environment. Climate change has now become a global issue and a serious threat to communities and business. It is underpinned by global warming that could lead to extreme changes of weather patterns and climatic conditions like droughts, hurricanes, typhoons, floods etc. The Intergovernmental Panel on Climate Change (IPCC) reported that water, its availability & quality will be the main pressures for societies and environment. In China & India growth is already limited by reduced water supply due to depletion & glaciers shrinkage. California in USA started to limit agricultural activities due to drought. Other countries like France, Spain & Germany were forced to close nuclear plants due to low water levels.

South Africa is a country with limited natural hydrologic resources. It has few rivers, no snow pack and an average yearly rainfall well below the world average. Due to high evaporation rates, only 8% of rainfall is converted into useable runoff. Municipalities like Ndlambe, Amathole, Amahlathi & Nelson Mandela Bay already face water scarcity problems. Knysna faces energy shortage due to fast economic growth. South Africa depends on coal for synthetic fuels to generate electricity. Fuels used for electricity generation are dominated by coal. Eskom burns about 110 million tons of coal per year with environmental implications of 963g of CO_2 emitted for each kWH used. This use of coal to generate electricity results in South Africa's carbon emissions being:

- A quarter higher than other African countries
- A third higher than developing countries
- 40% higher than the world average

The Government of South Africa is committed to energy efficiency. The Minister of Public Enterprises, honorable Malusi Gigaba in his 2011/12 Budget Vote Speech said, "In order to address South Africa's commitment to carbon reduction and clean energy and in line with the Integrated Resource Plan (IRP). Eskom has incorporated renewable energy projects into its build program. The African Development Bank approved a US$ 365m loan to Eskom for the 100

MW Concentrated Solar Power Plant and the 100 MW Wind Power Plant. Eskom has submitted a US$ 250 million loan application to the World Bank for funding from the Clean Technology Fund (CTF), the final outcome of which is expected later this year."

The following developments in the ecological environment offer opportunities to ELM:

- Renewable energy technology promotion for electricity generation gives broader options for the municipality to meet basic service delivery needs.

- Rebates on energy efficiency will contribute towards a culture of saving or allow consumers to invest more on other important areas like education.

- Cost efficiency and savings that are made in the reduction in energy and water usage.

- Waste recycling and recovery opportunities have a potential to create green jobs for especially youth and women within ELM.

- Forestry sector domination in the region contributes towards reduction of carbon emission and footprint.

- Declining crop yield creates an opportunity for farmers to explore other underutilized pieces of land and diversified production.

- Programs to fight degradation of land and land restoration initiatives present employment opportunities to communities land restoration initiatives.

- Increased funding opportunities available for environmental initiatives from which the municipality can benefit through the designing of greening projects.

- The floods, hailstorms and heavy rainfalls present business opportunities for property developers to come up with solutions that are attractive to property owners. It also creates an opportunity for the municipality to get cooperation from communities in changing the spatiality of the areas.

- Opportunities for entrepreneurs to invent and create technologies for storm and rain water harvesting and storage.

- Building designs and amendment of disaster management plans.

- Increased funding opportunities for developing project that help towards climate change mitigation and adaptation.

The following developments in the ecological environment negatively affect ELM:

- Water and energy shortages for business and residential use. This could lead to increase in water and energy tariffs charged by the municipality and in turn this could impact financial base of the municipality and its cash flow.

- Some types of tree plantations increase pH levels in the catchment areas which negatively affects the environment and the communities that live and interact with such ecology.

- Poor quality of potable water which could result in the increase in water treatment costs and in turn increased water costs for rate payers. Health vulnerability can be worsened due to poor water quality and HIV/AIDS, tropical diseases such as malaria as well as water borne diseases and infant mortality may occur.

- Poor landfill operations that lead to environmental degradation. Land filling by its nature generates methane gas, a greenhouse gas that is about 25 times more powerful than carbon dioxide which contributes to air pollution and fire hazards.

- The capital costs for renewable energy are higher even after taking into account the lower operating costs and that causes an obstacle for the municipality to swiftly move to alternative energy.

- Uncontrolled Sand mining leads to soil erosion and presents a threat to the environment.

- Over-dependence on non-renewable energy sources which are less environmentally friendly (e.g firewood, coal etc).

- Poor planning and development of new & existing settlements. This could result in developing settlements in areas vulnerable to floods and extreme weather and poor residents becoming victims of poor planning. It may also lead to usage of land for activities not suitable for it.

- ***Increase in earthquakes, hailstorms, floods and high winds*** may result in damage to property & infrastructure, viz. settlements, roads and bridges, buildings, crops, etc.
  - For instance, the 2009 storm not only affected communities and municipal buildings but affected even business premises leaving them leaking or utterly destroyed. Cars in public parking were destroyed and some were written off at ELM.

- Displacement of people due to floods: housing and sanitation a grave concern and may also result in any of the following that negatively affect poor areas like ELM:
  - Loss of human life
  - Loss of business and industrial competitiveness (loss of market share)

    ○   Decline in business confidence

3.2.   SWOT Analysis

ELM conducted a SWOT Analysis to develop its understanding of its strengths and weaknesses that it presently has in its internal environment as well opportunities and threats that lie in its external environments.

The following were identified through the analysis:

3.2.1. STRENGTHS and WEAKNESSES

Table 4: Strengths and Weaknesses for ELM

Key Result Area	Strengths	Weaknesses
1. Local Economic Development (LED)	Unspoilt natural resources	ELM is unable to attract investments due to lack of requisite services
	Mass job creation initiative aimed at creating employment	Inadequate infrastructure for economic development
	Good relations with organised economic development structures	Inability to provide the necessary services to our clients on time
	Good stakeholder reputation	
	Funding support and impressive performance to funders	
	Benchmarked as a municipality with an effective LED	
2. Financial Viability	ELM offers electricity and tax rebates to organizations/business. Subsidized electricity to poor communities.	Billing for VIPs in poor townships Tariff pricing for refuse not viable.
	Concessions given to businesses that are established within the region	Offering of unaffordable rates that compromise payment of services
	Indigent support is provided to poor households	Out-dated prepaid electrical meters
	ELM offers a comprehensive basket of free basic services to some communities	Inefficient financial system
		Limited revenue generation by ELM
	Good collection rate from 27% to over 80%	Lack of creativity to raise funds beyond grant allocation

Key Result Area	Strengths	Weaknesses
3. Service Delivery	Acquisition of road construction plant and machinery.	Insufficient attention and focus on building of community leisure facilities
	MIG spending	Service delivery backlogs
	Lobbying of funds	Inadequate cleaning of towns
	PMU Unit established	Service delivery standards and poor monitoring mechanisms.
	Provision of treated water	Shortage of personnel within electricity.
	Development & implementation of master plans	License limited to certain areas.
	Development of plant policy & systems to run the plant.	
	Roads forum establishment	
	Bulk supply for sewerage system	
	SLA with Department of Roads for backlogs	
	PPP landfill sites management	
	Tina dam in Mt Fletcher	
	Mathafeni sub-station	
4. Institutional Transformation	Strategic leadership is in place	General job dissatisfaction amongst employees
	Innovative and creative approaches and development models	Incongruence between the formal and informal organization i.e. culture or practice versus intentions are different

	Administrative systems are in place and working	There is no holistic integration of organizational systems
	Political and administrative stability	Insufficient office space and council chambers also accommodate a limited number
	New organizational structure and Human Resources Policy	Insufficient resources at municipal office buildings
		Human Resources is not positioned as a strategic function
		Shortage of skills and skills development initiatives do not support implementation of corporate strategy
		Turnaround time of the employment process is too long
		Customer service is generally poor
		There is an information gap between management and employees
		There is under investment in IT systems and infrastructure
		No sustainability strategy and there is a lack of focus on greening ELM

Key Result Area	Strengths	Weaknesses
5. Good Governance	Institutional mechanisms to strengthen good governance like audit committees, internal audit unit, etc. are in place	Inability to receive unqualified audit reports
	Development and implementation of good governance policies and strategies like supply chain management, public participation, whistle blowing, fraud and corruption, etc. has been done	non-availability of an effective database system for procurement of services
	Development of service delivery charter and employment of customer care consultants has been done	SCM processes are inherently beaurocratic in nature and no documented systems to mitigate. Poor turn-around time for payment of services.
	Improved interface and reputation between the municipality and communities through mayor's conversations, newsletter, events, meetings, etc.	Underutilization of new media (e.g. website, social networks, etc.) to maximize communication with communities
	Increased communication and marketing of ELM	

3.2.2. OPPORTUNITIES and THREATS

Table 5: Opportunities and Threats for ELM

Key Result Area	Opportunities	Threats
1. **Local Economic Development**	Tourism development initiatives like annual festivals and rich heritage in culture, heritage sites, tourist attraction site, biggest rock arts in South Africa are in place and can attract local and foreign tourists to ELM	Unavailability of finance for SME's and entrepreneurs that could potentially discourage business ideas
	Forestry and agriculture are niche sectors of ELM's economy – presence of PG Bison as a single largest employer in ELM attests to that	Strict lending terms and increase of interest rates may lead to enterprises being unable to pay their debts
	Promotion of local green economy and resource efficiency. Waste recycling and recovery opportunities have a potential to create green jobs especially for the youth and women within ELM	Shortage of land for development and commonage uses that could result in land invasions and conflicts
	Unspoilt natural resources offer growth opportunities for tourism	Increase in the rate of unemployment
	Funding and support for development of SME's	

		The informal 'second economy is untapped and it offers development opportunities to ELM	
2. Financial Viability		Development of new revenue streams	Electricity price increases by ESKOM
		Growth in the investment of business in ELM	Increase of the inability of communities to pay for municipal services due to unaffordability
		Increased efficiency and productivity in ELM	

Key Result Area	Opportunities	Threats
3. Service Delivery	Planet GIS for planning & asset register maintenance EPWP incentive grant Recognition and response to environmental issues and mitigation of climate change and adaptation strategies	Inclement weather and storms
	Human settlement spatial planning and urban development will increase ELM's ability to attract skilled professionals	Development of settlements below flood lines.
	Use of thermal mass construction and insulation will result in improved health and reduce use of energy and contribute towards alleviation of poverty for low – income households	Inability to provide housing
	Friendly ecological environment can help to position ELM as a place for people to invest, live, work and play	Growing rate of urbanization
	Growth of forestry in the region will contribute to the reduction of carbon emissions	Increasing capital costs for implementation of renewable energy
4. Institutional Transformation	Increase in use of cellular phones provides ELM with better platform to communicate with its communities	Lower levels of literacy and numeracy in ELM
	Increased use of social networks like face book and twitter.	Increasing levels of crime at Ugie and Maclear including crimes that are associated with acute levels of poverty
		Increase in the rate of HIV/AIDS infection as well as opportunistic diseases may lead to high mortality rates,

			further population decline and shortage of labour and skills
5. Good Governance		Benchmark against other municipalities	Increase in fraud and corruption
		Identify ethical opportunities and ethical risks	Decline of morality and ethical standards
		Train employees on risk management and develop a risk appetite and tolerance levels	Loss of reputation for ELM or local government sector
		Develop and improve a value – based organizational culture	Decline in levels of accountability

4. Vision

"A leading rural municipality that delivers a better quality of life for all citizens;

a municipality that is phenomenally viable, highly successful and passionately people-centred."

ELM will fulfill this vision through:

- *Councillors that are delivering satisfaction, officials that are implementing quality service, and communities that are happy with the service from ELM*
- *Fulfilment of its constitutional obligations,*
- *Becoming a change agent – always striving to change the lives of its community,*
- *Committed leaders who serve communities with excellence,*
- *A developmental public entity that creates vibrant communities,*
- *A cutting edge, quality and effective people-centred services,*
- *Corruption-busting that sets the world's new standards on how to run a clean municipality and set an example of ethical leadership across all sectors.*

5. Mission

Our mission is to operate a rural municipality that:

- delivers excellent services to its people who remain its priority in everything that it does,
- is financially viable,
- has good governance in place,

- is transformed and developmental,

- is clean, green and sustainable.

6. Values

ELM is committed to identify, implement and live a set of values that promotes behaviour that will support successful implementation of its strategy. It identified the following values as important to achieve this milestone and therefore can never be compromised at ELM:

- **Teamwork**

- **Commitment**

- **Trustworthiness**

- **Transparency**

- **Ethical conduct**

- **Professionalism**

- **Accountability, and**

- **Respect**

Whilst embracing the above values, ELM will also guard against emergence of the following behaviours that were identified as detrimental to its successful implementation of this strategy:

- Arrogance
- Negligence
- Corruption
- Recklessness
- Non-commitment
- Dishonesty

In order to achieve a performance environment that is guided by the above values, ELM is going to implement the following:

- Shared values
- Awareness of ethical standards
- Code of conduct/ethics
- Discipline
- Policy (Fraud Prevention plan)
- Information sharing platforms (goal, plan etc.)

7. Unique Value Proposition

ELM identified the following key differentiators that distinguish the municipality and enable it to add optimal value to its stakeholders:

- **Integrity (honesty)**: in dealing with stakeholders - enable them to gain trust and confidence in ELM through honest engagements that seek to co-create a future of prosperity in spite of challenges of today,

- **Passion**: everyone at ELM is passionate about what they do. We always strive to do our best and aim to deliver better than anyone could do in our municipality,

- **Transparency**: we are transparent in our dealings. We tell the truth and never attempt to hide anything from our stakeholders,

- **Commitment**: we are committed to our work. At all times we strive to achieve our strategy and exceed expectations of our stakeholders,

- **Unity (teamwork)**: we are a united team that supports each other and works together toward the achievement of our common goals,

- **Customer-centric**: at the heart of everything that we do, we serve without reservation. Our people are our customers, ours is to serve them with distinction!

- **Authentic (Genuine, real makoya)**: we are true to our being; we value our stakeholders and work to achieve their satisfaction. In doing so, we are genuinely committed to their prosperity delivered through the success of ELM,

- **Brave warriors**: we face our challenges head on! We go the full mile to deliver value to our stakeholders and in doing we are not afraid tackle our challenges. Our stakeholders can count on us!

8. Strategic Objectives

ELM identified the following Strategic Objectives that it shall have achieved when it is phenomenally successful over the next 5 years:

8.1 Financial stability (current ratio is 2:1 current assets to current liabilities compared to present 1,6:1),

8.2 Excellent delivery of services – 90% of our communities have access to all basics services (i.e. water, sanitation, shelter, electricity, refuse removal, roads, community safety etc.),

8.3 Empowered business communities (LED) that are able to start and sustain vibrant businesses (created 33 000 jobs over 5 years between business and the ELM),

8.4 Cleanest and greenest towns in the Eastern Cape (NO. 1 in cleanest towns, win the Vuna Awards),

8.5 Achieved 90 – 100% literacy and numeracy levels of our community,

8.6 Embodiment of good corporate governance – achieved clean audit reports, no fraud and no corruption,

These define our strategic priority areas and create a context of our success at ELM over the next five years. We define strategic initiatives and key success factors that enable us to deliver these objectives later in this document. Below Table 6 shows key beneficiary stakeholders from ELM's achievement of the above strategic objectives:

Table 6: Key beneficiaries from ELM's Strategic Objectives

Who benefits from successful implementation of ELM's Strategic Objectives?

Valuable Outcome	Stakeholder
1. Financial Stability	Residents
2. Excellent delivery of services	Residents
3. Empowered business community	Youth, emerging businesses, unemployed residents
4. Cleanest towns	Residents, tourists, business, ELM
5. Achieve 90 – 100%literacy/numeracy	Communities, businesses
6. Good corporate governance	ELM, Residents, business community, National & provincial governments

ELM shall engage these stakeholders through strategic initiatives that are aimed at achieving these objectives. We will solicit inputs from these and other stakeholders work with our partners in other spheres of Government and private sector to deliver the above strategic objectives. Our organizational structures, allocation of resources shall promote coherent achievement of these strategic objectives.

9. Strategic Initiatives

The following strategic initiatives were developed to drive achievement of the above strategic objectives:

Table 7: Strategic Initiatives for ELM

Strategic Initiatives

Strategic Objective	Strategic Initiatives	Difference made	Completion Date	Responsible person
1. Financial Stability. Current ratio is 2:1 current assets to current liabilities compared to present 1,6:1	• Attract and retain local & foreign investment • Improve revenue growth	✓ Attract investment ✓ Improved and diversified revenue base	30 June 2013	Manager: SP&ED and CFO
	• Develop structured fundraising strategy	✓ Diversified sources of funding	Annually	
	• Automated systems to improve metering	✓ Accurate billing tariff system	December 2013	Manager: IP&D
	• Create partnerships to implement and subsidize alternative energy	✓ Affordable and improved access to services	June 2014	Municipal Manager & Manager: IP&D
2. Excellent delivery of services. 90% of our communities have access to all basics services (i.e. water, sanitation, shelter, electricity, refuse	✓ Investigate alternative ways of providing infrastructure, i.e. roads; electricity and water.	✓ Improved access to services and better quality of life ✓	31 March 2012	Municipal Manager & Manager: IP&D

removal, roads, community safety etc.			June 2014	Municipal Manager
	✓ Establish partnerships with academic institutions and other institutions both nationally and internationally;		June 2014	Municipal Manager
	• Explore alternative ways of providing waste disposal in rural areas.	Clean and healthy environment	June 2015	Manager: IP&D
	• Build sustainable infrastructure to support innovative development models: o Build a multi-purpose centre for performing art (theatre/playhouse), conferencing & indoor sport facility.	Improved quality of life and well-being	June 2015	
	• Improved focus on community leisure facilities development		June 2016	
3. Empowered Business communities that are able to start and sustain vibrant businesses (created 33000 jobs over	Enter into a Memorandum of Agreement with JoGEDA with regards to implementation of projects	Additional projects implemented More jobs created than current rate	31 March 2012	Manager: SP&ED
	Implement a business risk	✓ Developed risk identification and mitigation plan	31 March 2012	Manager: SP&ED

5 years between business and the ELM)	management program	✓ Improved businesses operating at ELM		
	Implement a business skills planning program in ELM communities through partnerships with DoE, SETA's and DoL	✓ Well capacitated owners of businesses ✓ Increased employment opportunities in SMME sector ✓ Developed small businesses to medium-sized businesses and beyond	31 March 2012	Manager: Corporate Services and SP&ED
4. Cleanest towns in the Eastern Cape (NO. 1 in cleanest towns, win the Vuna Awards)	Implement a cleanest towns campaign	✓ Scheduled collections of waste ✓ Well maintained parks and gardens ✓ Secured participation in the Vuna Awards ✓ Improved tourism profile ✓ Reduced costs of waste Management	31 March 2012	Manager: Community Services
	Elundini Goes Green (*Project EGG*): ✓ Conduct a status quo and gap analysis ✓ Develop a program of action to address the gaps ✓ Set ELM targets ✓ Monitor and evaluate progress	✓ Established a clean, safe and healthy environment ✓ Increased employment opportunities and reduced levels of poverty ✓ Increased investments in tourism		

	✓ Enrol for the cleanest towns competition	✓ Improved profile and reputation of ELM		
5. Achieve 90 – 100% Literacy/numeracy	Implement Project Sifunda Sonke (*Project SS*) ✓ Develop a project plan starting with a community survey to identify gaps and opportunities ✓ Develop and implement HRD Strategy for ELM ✓ Develop and implement a Basic Literacy and Numeracy program ✓ Provide better library and information services (including mobile and satellite facilities) ✓ Offer career guidance programs	✓ Increased community and employee literacy and numeracy levels ✓ Improved effectiveness of communication through print media from ELM ✓ Increased employability of ELM community members in tourism and other markets	30 June 2012	Manager: Corporate Services
6. **Embodiment of good corporate governance** – achieved clean audit	Integrate CDW's into Ward Committees	Established synergies between CDW's and Ward Committees	31 March 2012	Municipal Manager

reports, no fraud and no corruption	Enter into a Memorandum of Understanding with traditional leaders pertaining to rural development	Coordinated and Accelerated development of the rural areas	31 March 2012	Municipal Manager
	Development of a comprehensive data base of CBO's	Identified all CBOs based & operating in ELM	31 March 2012	Municipal Manager and Manager: SP&ED
	Develop and implement partnership strategy with CBO's	Established working partnerships between ELM and CBO's	31 March 2012	Municipal Manager and Manager: SP&ED
	Develop and implement business development support services	✓ Facilitated provision of mobile/satellite services ✓ Capacitated municipal staff ✓ Upgraded an information centre and developed it into a one-stopshop ✓ Improved access to information for business	31 March 2012	Manager SP&ED
	Implementation of the Indigent Policy	✓ Increased beneficiaries of indigent policy, ✓ Reduced poverty levels ✓ Increased access to free basic services ✓ Increase in the equitable share allocated to ELM	31 March 2012	CFO

	Develop HIV/AIDS Strategy in the work place and implementation plan.	✓ Extended productive life and improved health of infected employees, ✓ Increased productivity in the ELM workplace	31 March 2012	Corporate Services
	Establish a local IGR Forum	Increased participation of all relevant governance structures in the affairs of ELM	31 March 2012	Municipal Manager
	• Develop and implement stakeholder engagement program	✓ Aligned partnerships with ELM's strategic partners	31 March 2012	Municipal Manager
	• Pursue establishment of a community television and radio	✓ Closed information gap between different stakeholders	June 2016	Municipal Manager
	• Open municipal twitter, facebook, YouTube accounts		June 2013	
	• Departmental and institutional team building initiatives for improved customer service	✓ Motivated and productive staff	Annually & quarterly	Manager: Corporate Services
	• People management & leadership development	✓ Shared vision and purpose	June 2013	
	• Develop a strategy to green municipal offices & buildings	✓ Sustainability & resource efficiency	June 2014	Manager: IP&D and Corporate Services

	• Develop by-laws for residential and business sustainable buildings		June 2014	Manager: SP&ED

10.Strategic Risks

In order to successfully deliver the strategy, ELM recognizes that whilst meeting its performance targets is important, protecting the municipality and its strategy from risks is also very important. In enabling this protection of ELM from risks that could harm achievement of its strategy, it identified the following key strategic risks that will form part of its risk management program:

Table 8: Strategic Risks for ELM

Strategic Objectives	Risks to be eliminated (bad events happening)	Risks of good events not happening	Risks that ELM should master for rewards
Financial Stability	• Corruption, fraud and embezzlement of funds • Services/ Rent boycotts, • Withholding/withdrawal of grant funding, • Disinvestment of business from ELM • Slow growth of revenue base • Natural disasters • Non-compliance to set financial standards	• Continued growth rate in tourism (may for instance be affected by incidences of terrorism) • Recovery of economic markets (i.e. another slow down or recession may stop the recovery)	• Management of credit risks (e.g. skip bins given to business at no rental over 6 months to penetrate the market, and provision of bridging finance to SME's that have contracts with ELM)
Excellent delivery of services	• Strikes, riots and natural disasters • Corruption • Non-payment for municipal services • Community not buying into municipal services	• Population growth • Delivery of bill to residents by the Post Office • Disbursement of grants by National Treasury	• Upfront investments in infrastructure (ensure no white elephants) • Up skilling of staff • Credibility/reputational risk

	• Poor customer care and service		

Strategic Objectives	Risks to be eliminated (bad events happening)	Risks of good events not happening	Risks that ELM should master for rewards
Empowered business community	• Disinvestments from ELM by established business • Increase in the rate of crime • Increase in levels of unemployment • Riots and social disturbances	• Growing business investments • Growing SMME sector • Growing local economy • Growing tourism market • Growing forestry and agricultural operations	• Provision and retention of business skills in ELM • Fair, transparent and equitable access to provision of business skills
Cleanest/greenest towns	• Increase in public littering • Increase in hawking activities • Non-compliance to relevant by-laws by business • Failure to provide adequate litter containment facilities by ELM	• Implementation of Project "Elundini Goes Green" • Enrolment to the cleanest towns competition • Community buy-in and participation	• Social investments • Investment in Ecological environment • Marketing tourists destination •
Achievement of 90 – 100% Literacy and Numeracy levels	• Failure to establish partnerships with DoE, SETA's and DoL • Negative attitudes of people that should be trained • Dropouts	• Implementation of Project SifundaSonke • Enrolment into Project SifundaSonke by all illiterate and innumerate members of the ELM community	• Sustained enrolment throughout the program • Engaged teaching staff • Sustained partnerships
Good Corporate Governance	• Dysfunctional structures in ELM • Non-compliance to audit standards and procedures • Failure of oversight function in Council • Loss of credibility or reputation • Fraud, corruption and embezzlement of funds and other resources of ELM	• Clean and unqualified audits • Implementation of a value-based culture • Fraud prevention program • Risk management • Performance management • Stakeholder relationship management	• Delegation of authority • Implementation of culture programs • Committing to stakeholders on clean administration and upholding of values • Managing health, safety and wellness of employees • Implementing effective and reliable

	systems (financial, operational, strategic systems etc.)

11. Key Success Factors

Key Success Factors shown in Table 9 below were identified to guide the municipality towards achievement of its strategic objectives:

Table 9: Key Success Factors to achieve Strategic Objectives of ELM

Strategic Objective	Key Success Factor
1. Financial Stability	• Implementation of a plan to attract investments • Prompt payment of services • Budgeting: on – time and aligned to strategy • Reliable and effective billing system • Effective tariffing system • Effective monitoring of expenditure • Available and committed trained staff
2. Excellent delivery of services	• Understanding of the backlog • Adequate infrastructure grant allocation • Effective and efficient utilization of the municipality roads construction plant, • Improved productivity of staff • Good inter-departmental relations and integration • Effective IGR,

	• Active and interested residents in service delivery
3. Empowered business community	• Functional organized business structures, • Information sharing and networking platforms in place and working efficiently • Capacitated facilitators e.g. Coaching and mentoring in place and working

Strategic Objective	Key Success Factor
4. Cleanest/ greenest towns	- Organized hawking business structures - Rehabilitated pavement - Effective implementation of by-laws - Competition to promote cleanliness - Functional equipment - Proper draining system
5. Achievement of 90 – 100% Literacy and Numeracy	- Availability of teaching staff - Willingness to learn - Incentive opportunities for people that have learned - Volunteers – universities and companies - Budget – adequately allocated and efficiently utilized - Marketing and communication of the program
6. Good Corporate Governance	- Clean audit reports - Training of staff implemented and well attended - Creation of a value-based culture - Awareness of managers effected and buy-in - Effective risk management in place - Anti – corruption strategies and programs in place

	- Accountability management in place
	- Effective oversight by Council
	- Fraud prevention plans in place and implemented
	- IGR Forum successfully implemented and working at ELM

These will now form inputs to the performance management system of ELM where Key performance Areas (KPA), Key Performance Indicators (KPI) and Performance Targets will be developed to enable ELM to effectively implement and monitor achievement of this strategy.

Sustainability Integration Assessment Tool

APPENDIX B

INTRODUCTION

The Sustainability Integration Assessment Tool (SIAT) was developed to achieve the following objectives: *to evaluate the integration and incorporation of sustainability aspects into the municipal strategy* and is the only tool used for the review of the strategy, within this research context. *To investigate possible reasons for integration or lack thereof regarding sustainability aspects in the municipal strategy.* The tool is used both for the assessment of Elundini Local Municipality (ELM) strategy and as a questionnaire to be administered for proposed respondents.

Figure 1: Sustainability Integration Assessment Framework. Source: Adapted from Ehlers &Lazenby (2010), McKenzie (2004).

Sustainability Integration Assessment Tool

The Sustainability Integration Assessment Framework (SIAF) illustrated as Figure 1 above was developed and informed by the Strategic Management Framework, as adapted from Ehlers & Lazenby (2010) and McKenzie (2004). The framework above depicts theoretical and strategic context of the research. It also seeks to illustrate the area of focus and scope of this research.

Sustainability Integration Assessment Tool

1. ENVIRONMENTAL ANALYSIS

Introduction

Environmental analysis for the purposes of this questionnaire refers to provision of the context and knowledge for planning and further describes organizations' competitive position, operating and general state of internal and external affairs (Power, 2010). It is a planning step which helps to examine the current situation of the organization and external environment in order to identify and agree on key issues that affect future planning.

For the purposes of this research, the following definitions will be used for assessment of sustainability. Sustainability refers economic sustainability, environmental quality and social sustainability. **Economic sustainability** occurs when development which moves towards social and environmental sustainability, is financially feasible. **Social sustainability** refers to cohesion of society and its ability to work towards common goals and meeting individual needs such as health and well-being, nutrition, shelter, education, cultural expression, etc. **Environmental sustainability** refers to the natural capital and making sure that depletion of these resources is prevented (Elkington, 1997).

Sustainability Integration Assessment Tool

1.1.Internal Analysis

Introduction

Internal analysis is a process of analyzing the organization internally, looking at the organization's resources, capabilities and core competencies in order to gain understanding of its current situation (Ehlers & Lazenby, 2010).

Municipal resources, capabilities and core competencies for sustainability

1. What are the municipal resources, capabilities and core competencies identified in the internal analysis to achieve economic sustainability?

_____

_____

_____

2. What are the municipal resources, capabilities and core competencies identified in the internal analysis to achieve social sustainability?

_____

_____

_____

3. What are the municipal resources, capabilities and core competencies identified in the internal analysis to achieve environmental sustainability?

_____

_____

_____

1.2. External Analysis

External environment analysis focuses on identification and evaluation of trends and events beyond the control of the organization whilst revealing opportunities and threats facing the organization that have major influence strategic actions (Ehlers & Lazenby, 2010).

Trends and opportunities

Sustainability Integration Assessment Tool

4. What are the trends and opportunities identified in the external analysis that the municipality can take advantage of to achieve economic sustainability?

_____

_____

_____

5. What are the trends and opportunities identified in the external analysis that the municipality can take advantage of to achieve social sustainability?

_____

_____

_____

6. What are the trends and opportunities identified in the external analysis that the municipality can take advantage of to achieve environmental sustainability?

_____

_____

_____

Threats and events

7. What are threats and negative events identified in the external analysis that can hinder the municipality from achieving economic sustainability?

_____

_____

_____

8. What are threats and negative events identified in the external analysis that can hinder the municipality from achieving social sustainability?

_____

_____

_____

9. What are threats and negative events identified in the external analysis that can hinder the municipality from achieving environmental sustainability?

Sustainability Integration Assessment Tool

_____

_____

_____

Sustainability Integration Assessment Tool

2. **STRATEGIC DIRECTION**

   2.1.Vision

Integration of sustainability in the municipal vision as a core value

10. What does the vision of the municipality explicitly say in relation to economic sustainability as a core value?

_____

_____

_____

11. What does the vision of the municipality explicitly say in relation to social sustainability as a core value?

_____

_____

_____

12. What does the vision of the municipality explicitly say in relation to environmental sustainability as a core value?

_____

_____

_____

13. How does the vision reflect an integrated approach to sustainability?

_____

_____

_____

   2.2.Mission

Does the municipality mission answer the following questions?

14. What service is the municipality in?

_____

_____

_____

15. What are the municipal economic goals?

_____

_____

_____

16. What is the municipal operating philosophy in terms of quality, organizational image and self-concept?

_____

_____

_____

17. What are the core competencies and competitive advantage?

_____

_____

_____

18. Indicate which customers (or groups of customers) the municipality aims at serving.

_____

_____

_____

19. How does the municipality view its responsibility to social issues?

_____

_____

_____

20. How does the municipality view its responsibility to employee issues?

_____

_____

_____

21. How does the municipality view its responsibility to community issues?

_____

_____

_____

22. How does the municipality view its responsibility to environmental issues?

_____

_____

_____

23. How does the municipality view its responsibility to social issues?

_____

_____

_____

Sustainability Integration Assessment Tool

3. STRATEGY FORMULATION

3.1. Long term goals sustainability integration

Long term goals which are sometimes called long term objectives reflect the organization's specific direction on a high level and are a basis for more specific tactical goals (Ehlers & Lazenby, 2010).

24. What long term goals/objectives address economic sustainability in the strategy?

_____

_____

_____

25. What long term goals/objectives address social sustainability in the strategy?

_____

_____

_____

26. What long term goals/objectives address environmental sustainability in the strategy?

_____

_____

_____

3.2. Generic strategies to address sustainability

27. What generic strategies are selected by the municipality to complement economic sustainability?

_____

_____

_____

28. What generic strategies are selected by the municipality to complement social sustainability?

_____

_____

_____

29. What generic strategies are selected by the municipality to complement environmental sustainability?

_____

_____

_____

3.3. Grand and functional strategies to address sustainability

30. What grand and functional strategies are considered by the municipality to pursue economic sustainability?

_____

_____

_____

31. What grand and functional strategies are considered by the municipality to pursue social sustainability?

_____

_____

_____

32. What grand and functional strategies are considered by the municipality to pursue environmental sustainability?

_____

_____

_____

APPENDIX C – QUESTIONNAIRE FOR ELM STAFF

BACKGROUND

The researcher is currently completing her Master's Degree at Rhodes Business School and now is doing her half thesis in partial fulfilment of the requirements of the Degree of Masters in Business Administration. The study topic is "***Towards Sustainable Municipalities – An Evaluation Of Sustainability Integration in Elundini Local Municipality Strategy***." The purpose of the study is 1. *to evaluate the integration and incorporation of sustainability aspects into the municipal strategy*. 2. *To investigate possible reasons for integration or lack thereof regarding sustainability aspects in the municipal strategy*. Information gathered from respondent will be used solely for research purposes and anonymity of everyone participated is guaranteed.

SECTION A

PERSONAL INFORMATION

Name of interviewee) :_____

Male/Female :_____

Occupation :_____

Fax number :_____

Email address :_____

Name of interviewer:_____

Telephone number :_____

SECTION B

1. ENVIRONMENTAL ANALYSIS

Introduction

Environmental analysis for the purposes of this questionnaire refers to provision of the context and knowledge for planning and further describes organizations' competitive position, operating and general state of internal and external affairs (Power, 2010). It is a planning step which helps to examine the current situation of the organization and external environment in order to identify and agree on key issues that affect future planning.

For the purposes of this research, the following definitions will be used for assessment of sustainability. Sustainability refers economic sustainability, environmental quality and social sustainability. **Economic sustainability** occurs when development which moves towards social and environmental sustainability, is financially feasible. **Social sustainability** refers to cohesion of society and its ability to work towards common goals and meeting individual needs such as health and well-being, nutrition, shelter, education, cultural expression, etc. **Environmental sustainability** refers to the natural capital and making sure that depletion of these resources is prevented (Elkington, 1997).

1.1. Internal Analysis

Introduction

Internal analysis is a process of analyzing the organization internally, looking at the organization's resources, capabilities and core competencies in order to gain understanding of its current situation (Ehlers & Lazenby, 2010).

Municipal resources, capabilities and core competencies for sustainability

1. What are the municipal resources, capabilities and core competencies identified in strategy to achieve economic sustainability?

_____

_____

_____

2. What are the municipal resources, capabilities and core competencies identified in the strategy to achieve social sustainability?

_____

_____

_____

3. What are the municipal resources, capabilities and core competencies identified in strategy to achieve environmental sustainability?

_____

_____

_____

4. How would you rate sustainability integration in the internal analysis, based on your answers above?

Poor		Average		Good		Very Good		Excellent	

(b) State the reasons for your rating?

1.2. External Analysis

External environment analysis focuses on identification and evaluation of trends and events beyond the control of the organization whilst revealing opportunities and threats facing the organization that have major influence strategic actions (Ehlers & Lazenby, 2010).

Trends and opportunities

5. What are the trends and opportunities identified in the strategy that the municipality can take advantage of to achieve economic sustainability?

_____

_____

_____

6. What are the trends and opportunities identified in the strategy that the municipality can take advantage of to achieve social sustainability?

_____

_____

_____

7. What are the trends and opportunities identified in the strategy that the municipality can take advantage of to achieve environmental sustainability?

_____

_____

_____

Threats and events

8. What are threats and negative events identified in the strategy that can hinder the municipality from achieving economic sustainability?

_____

_____

_____

9. What are threats and negative events identified in the strategy that can hinder the municipality from achieving social sustainability?

_____

_____

_____

10. What are threats and negative events identified in the strategy that can hinder the municipality from achieving environmental sustainability?

_____

_____

_____

11. How would you rate sustainability integration in the external analysis, based on your answers above?

Poor		Average		Good		Very Good		Excellent	

(b) State the reasons for your rating?

2. STRATEGIC DIRECTION

2.1.Vision

Integration of sustainability in the municipal vision as a core value

12. What does the vision of the municipality explicitly say in relation to economic sustainability as a core value?

_____

_____

_____

13. What does the vision of the municipality explicitly say in relation to social sustainability as a core value?

_____

_____

_____

14. What does the vision of the municipality explicitly say in relation to environmental sustainability as a core value?

_____

_____

_____

15. How does the vision reflect an integrated approach to sustainability?

_____

_____

_____

16. How would you rate sustainability integration in the vision, based on your answers above?

Poor		Average		Good		Very Good		Excellent	

(b) State the reasons for your rating?

2.2.Mission

Does the municipality mission answer the following questions?

---

17. What service is the municipality in?

_____

_____

_____

---

18. What are the municipal economic goals?

_____

_____

_____

---

19. What is the municipal operating philosophy in terms of quality, organizational image and self-concept?

_____

_____

_____

---

20. What are the core competencies and competitive advantage?

_____

_____

_____

---

21. Indicate which customers (or groups of customers) the municipality aims at serving.

_____

_____

_____

---

22. How does the municipality view its responsibility to social issues?

_____

_____

_____

23. How does the municipality view its responsibility to employee issues?

_____

_____

_____

24. How does the municipality view its responsibility to community issues?

_____

_____

_____

25. How does the municipality view its responsibility to environmental issues?

_____

_____

_____

26. How does the municipality view its responsibility to social issues?

_____

_____

_____

27. How would you rate sustainability integration in the mission, based on your answers above?

Poor		Average		Good		Very Good		Excellent	

(b) State the reasons for your rating?

3. STRATEGY FORMULATION

3.1. Long term goals sustainability integration

Long term goals which are sometimes called long term objectives reflect the organization's specific direction on a high level and are a basis for more specific tactical goals (Ehlers & Lazenby, 2010).

28. What long term goals/objectives address economic sustainability in the strategy?

_____

_____

_____

29. What long term goals/objectives address social sustainability in the strategy?

_____

_____

_____

30. What long term goals/objectives address environmental sustainability in the strategy?

_____

_____

_____

31. How would you rate sustainability integration in the long-term goals, based on your answers above?

Poor		Average		Good		Very Good		Excellent	

(b) State the reasons for your rating?

3.2. Generic strategies to address sustainability

32. What generic strategies are selected by the municipality to complement economic sustainability?

_____

_____

_____

33. What generic strategies are selected by the municipality to complement social sustainability?

_____

_____

_____

34. What generic strategies are selected by the municipality to complement environmental sustainability?

_____

_____

_____

35. How would you rate sustainability integration in the strategies, based on your answers above?

Poor		Average		Good		Very Good		Excellent	

(b) State the reasons for your rating?

   3.3. Grand and functional strategies to address sustainability

36. What grand and functional strategies are considered by the municipality to pursue economic sustainability?

_____

_____

_____

37. What grand and functional strategies are considered by the municipality to pursue social sustainability?

_____

_____

_____

38. What grand and functional strategies are considered by the municipality to pursue environmental sustainability?

_____

_____

_____

39. How would you rate sustainability integration on internal analysis, based on your answers above?

Poor		Average		Good		Very Good		Excellent	

(b) State the reasons for your rating?

The Municipal Manager
Elundini Municipality
01 Celler Street
Maclear
5480

Dear Sir,

This serves to request permission to conduct my research within the institution. The intended participants for my research are members of the Mayoral Committee, Senior Managers, middle managers and three employees per each department. The research will be in the form of a questionnaire which will be administered by the researcher and the topic of my research is *"Towards Sustainable Municipalities – An evaluation of Sustainability integration in Elundini Local Municipality Strategy."*

So permission is sought to use municipal documents in particular the ELM Five-Year Strategy 2012-2017 because it is the document that has been chosen for review. Questionnaires will be administered to compare desktop findings and responses from respondents.
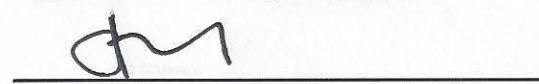
Please indicate your approval of this permission by signing the letter.

Yours Sincerely,

Nonkuselo Sokutu
Student

Approved/ Not approved

Khaya Gashi
The Municipal Manager
Elundini Local Municipality

APPENDIX E – STRATEGY REVIEW FINDINGS

INTRODUCTION

The Sustainability Integration Assessment Tool (SIAT) was developed to achieve the following objectives: *to evaluate the integration and incorporation of sustainability aspects into the municipal strategy* and is the only tool used for the review of the strategy, within this research context. *To investigate possible reasons for integration or lack thereof regarding sustainability aspects in the municipal strategy.* The tool is used both for the assessment of Elundini Local Municipality (ELM) strategy and as a questionnaire to be administered for proposed respondents.

Figure 1: Sustainability Integration Assessment Framework. Source: Adapted from Ehlers &Lazenby (2010), McKenzie (2004).

Sustainability Integration Assessment Tool

The Sustainability Integration Assessment Framework (SIAF) illustrated as Figure 1 above was developed and informed by the Strategic Management Framework, as adapted from Ehlers & Lazenby (2010) and McKenzie (2004). The framework above depicts theoretical and strategic context of the research. It also seeks to illustrate the area of focus and scope of this research.

Sustainability Integration Assessment Tool

1. ENVIRONMENTAL ANALYSIS

Introduction

Environmental analysis for the purposes of this questionnaire refers to provision of the context and knowledge for planning and further describes organizations' competitive position, operating and general state of internal and external affairs (Power, 2010). It is a planning step which helps to examine the current situation of the organization and external environment in order to identify and agree on key issues that affect future planning.

For the purposes of this research, the following definitions will be used for assessment of sustainability. Sustainability refers economic sustainability, environmental quality and social sustainability. **Economic sustainability** occurs when development which moves towards social and environmental sustainability, is financially feasible. **Social sustainability** refers to cohesion of society and its ability to work towards common goals and meeting individual needs such as health and well-being, nutrition, shelter, education, cultural expression, etc. **Environmental sustainability** refers to the natural capital and making sure that depletion of these resources is prevented (Elkington, 1997).

Sustainability Integration Assessment Tool

1.1.Internal Analysis

Introduction

Internal analysis is a process of analyzing the organization internally, looking at the organization's resources, capabilities and core competencies in order to gain understanding of its current situation (Ehlers & Lazenby, 2010).

Municipal resources, capabilities and core competencies for sustainability

1. *What are the municipal resources, capabilities and core competencies identified in the internal analysis to achieve economic sustainability?*

   The internal analysis identifies municipal resources, capabilities and core competencies for economic sustainability as:

   - Funding support and impressive performance to funders
   - Subsidized electricity to poor communities
   - Tax and electricity rebates to local businesses
   - Concessions given to businesses that are established within the region
   - ELM offers a comprehensive basket of free basic services to some communities
   - Good collection rate from 27% to over 80%
   - ELM benchmarked as the municipality with effective Local Economic Development within the district.
   - Mass job creation program aimed at creating employment for Elundini community.
   - Unspoilt natural resources for economic development

2. *What are the municipal resources, capabilities and core competencies identified in the internal analysis to achieve social sustainability?*

   The internal analysis identifies municipal resources, capabilities and core competencies for social sustainability as:

   - Indigent support is provided to poor households
   - Acquisition of road construction plant and machinery to accelerate service delivery to communities.
   - Development of service delivery standards and charter

- Improved interface and reputation between the municipality and communities through mayor's conversations, newsletter, events, meetings, etc.
- Increased communication and marketing of ELM
- Development and implementation of good governance policies and strategies like supply chain management, public participation, whistle blowing, fraud and corruption, etc. has been done

3. *What are the municipal resources, capabilities and core competencies identified in the internal analysis to achieve environmental sustainability?*

   The internal analysis identifies municipal resources, capabilities and core competencies for environmental sustainability as:

   - Provision of treated water and bulk supply for sewerage system
   - Establishment of Public Private Partnership (PPP) for landfill sites management

   1.2. External Analysis

External environment analysis focuses on identification and evaluation of trends and events beyond the control of the organization whilst revealing opportunities and threats facing the organization that have major influence strategic actions (Ehlers & Lazenby, 2010).

Trends and opportunities

4. *What are the trends and opportunities identified in the external analysis that the municipality can take advantage of to achieve economic sustainability?*

   - Tourism development initiatives like annual festivals and rich heritage in culture, heritage sites, tourist attraction site, biggest rock arts in South Africa are in place and can attract local and foreign tourists to ELM
   - Forestry and agriculture are niche sectors of ELM's economy – presence of PG Bison as a single largest employer in ELM attests to that
   - Unspoilt natural resources offer growth opportunities for tourism
   - Funding and support for development of SME's
   - The informal 'second economy is untapped and it offers development opportunities to ELM
   - Development of new revenue streams
   - Growth in the investment of business in ELM
   - Increased efficiency and productivity in ELM

Sustainability Integration Assessment Tool

5. *What are the trends and opportunities identified in the external analysis that the municipality can take advantage of to achieve social sustainability?*
   - Increased use of social networks like face book and twitter.
   - Increase in use of cellular phones provides ELM with better platform to communicate with its communities.
   - Develop and improve a value – based organizational culture
   - Training of employees on risk management and develop a risk appetite and tolerance levels.
   - Identification of ethical opportunities and ethical risks
   - Social grants from national government contribute positively towards the well-being, reduction of income inequality, social security and increased spending power of poor people which stimulates the local economy.
   - Poverty alleviation programs and strategies provide opportunity to impart certain skills to unskilled and poor people.
   - Arts and sports initiatives as well as recreational facilities help to alleviate crime and reduce social distress of ELM communities.
   - Programs that focus on health, wellness and prevention of crime in communities provide valuable platforms for engagement of stakeholders and mobilizations of resources and support for ELM,
   - Increased access to life-saving and medicinal drugs and availability of support for health (ARV's) and other related programs improves awareness of our communities to the importance of health, well-being and responsible social behavior.
   - Internationally and nationally recognized standards that are created as guidelines for ethical environment provide an opportunity for the municipality to act ethically to avoid stakeholder conflict and bad reputation.
   - Code of ethics for public servants creates a framework and guide for ELM.
   - Anticorruption strategies that are in place in Government assist in shaping ethical conduct at ELM.
   - Bathopele principles help ELM to entrench respect and recognition of its stakeholders by its employees.

- Good ethical behavior also has an opportunity to attract funders that are concerned with good governance and ethics.

6. *What are the trends and opportunities identified in the external analysis that the municipality can take advantage of to achieve environmental sustainability?*
   - Renewable energy technology promotion for electricity generation gives broader options for the municipality to meet basic service delivery needs.
   - Rebates on energy efficiency will contribute towards a culture of saving or allow consumers to invest more on other important areas like education.
   - Cost efficiency and savings that are made in the reduction in energy and water usage.
   - Waste recycling and recovery opportunities have a potential to create green jobs for especially youth and women within ELM.
   - Forestry sector domination in the region contributes towards reduction of carbon emission and footprint.
   - Declining crop yield creates an opportunity for farmers to explore other underutilized pieces of land and diversified production.
   - Programs to fight degradation of land and land restoration initiatives present employment opportunities to communities land restoration initiatives.
   - Increased funding opportunities available for environmental initiatives from which the municipality can benefit through the designing of greening projects.
   - The floods, hailstorms and heavy rainfalls present business opportunities for property developers to come up with solutions that are attractive to property owners. It also creates an opportunity for the municipality to get cooperation from communities in changing the spatiality of the areas.
   - Opportunities for entrepreneurs to invent and create technologies for storm and rain water harvesting and storage.
   - Building designs and amendment of disaster management plans.
   - Increased funding opportunities for developing project that help towards climate change mitigation and adaptation.
   - Recognition and response to environmental issues and mitigation of climate change and adaptation strategies.

Sustainability Integration Assessment Tool

- Promotion of local green economy and resource efficiency. Waste recycling and recovery opportunities have a potential to create green jobs especially for the youth and women within ELM.
- Human settlement spatial planning and urban development will increase ELM's ability to attract skilled professionals.
- Use of thermal mass construction and insulation will result in improved health and reduce use of energy and contribute towards alleviation of poverty for low – income households.
- Friendly ecological environment can help to position ELM as a place for people to invest, live, work and play.
- Growth of forestry sector in the region will contribute to the reduction of carbon emissions.

Threats and events

7. *What are threats and negative events identified in the external analysis that can hinder the municipality from achieving economic sustainability?*
   1. Underinvestment in energy and agriculture are among the biggest economic threats facing the world,
   2. The financial crisis and the ensuing recession have created a more vulnerable environment where unaddressed risks may become tomorrow's crises,
   3. Capacity constraint to match the country's strong economic performance,
   4. Global economic recession resulted in loss of jobs, unemployment, large wealth disparities, high incidents of HIV/AIDS and increases levels of economic crime, etc.
   5. Lack of access to finance for SME's and entrepreneurs that discourages development and implementation of business ideas that will contribute to growth of the economy at RLM,
   6. Obnoxious lending and interest rates which may lead to inability of enterprises to pay their debts,
   7. Current economic growth and job creation initiatives are unable to create sustainable employment and that has a negative bearing on the payment of municipal services,
   8. Challenges in the development of infrastructure negatively affect the speed at which the economy could grow,

9. Increase in the price of crude oil contributes to increase in the price of goods and services to ELM due to the increase of transport costs

8. *What are threats and negative events identified in the external analysis that can hinder the municipality from achieving social sustainability?*

- Social welfare may not last forever. Misuse of cash transfers that is not sustainable may ultimately lead to the suffering of the beneficiaries.
- Ineffective and delinked social grants from the well-working public health and education systems leads to further disadvantage for poor children.
- Poverty and unemployment lead to an increase in the levels of indigence in the communities.
- Low levels of education and skills lead to scarcity of required competencies to deliver services to communities, effectively.
- High levels of crime associated with acute levels of poverty.
- High levels of HIV/AIDS and other opportunistic diseases which lead to high mortality rates and increased shortage of labour and skills,
- Underdevelopment of rural and urban areas at ELM negatively affects social development,
- Lack of recreational and leisure facilities in communities negatively affects social development,
- Perceptions of corrupt governance may shape community thinking to view municipal initiatives with suspicion and that may create social distance and lead to lack of support for initiatives,
- Unethical decisions and behaviour can easily lead to bad reputation and stakeholder disengagement which in the end may compromise issues of trust and service delivery,
- Supply chain management processes are more susceptible to unethical behaviour and this may discourage other suppliers and service providers from offering their goods and services to ELM.
- Very low levels of global awareness of transnational crime and corruption, and cyber-vulnerability.

Sustainability Integration Assessment Tool

- The development and spread of chronic illnesses resulting in increased health costs, productivity reduction and economic growth.

9. *What are threats and negative events identified in the external analysis that can hinder the municipality from achieving environmental sustainability?*

- Water and energy shortages for business and residential use. This could lead to increase in water and energy tariffs charged by the municipality and in turn this could impact financial base of the municipality and its cash flow.
- Some types of tree plantations increase pH levels in the catchment areas which negatively affects the environment and the communities that live and interact with such ecology.
- Poor quality of potable water which could result in the increase in water treatment costs and in turn increased water costs for rate payers. Health vulnerability can be worsened due to poor water quality and HIV/AIDS, tropical diseases such as malaria as well as water borne diseases and infant mortality may occur.
- Poor landfill operations that lead to environmental degradation. Land filling by its nature generates methane gas, a greenhouse gas that is about 25 times more powerful than carbon dioxide which contributes to air pollution and fire hazards.
- The capital costs for renewable energy are higher even after taking into account the lower operating costs and that causes an obstacle for the municipality to swiftly move to alternative energy.
- Uncontrolled Sand mining leads to soil erosion and presents a threat to the environment.
- Over-dependence on non-renewable energy sources which are less environmentally friendly (e.g firewood, coal etc).
- Poor planning and development of new & existing settlements. This could result in developing settlements in areas vulnerable to floods and extreme weather and poor residents becoming victims of poor planning. It may also lead to usage of land for activities not suitable for it.
- Increase in earthquakes, hailstorms, floods and high winds may result in damage to property & infrastructure, viz. settlements, roads and bridges, buildings, crops, etc.

Sustainability Integration Assessment Tool

- o For instance, the 2009 storm not only affected communities and municipal buildings but affected even business premises leaving them leaking or utterly destroyed. Cars in public parking were destroyed and some were written off at ELM.
- Displacement of people due to floods: housing and sanitation a grave concern and may also result in any of the following that negatively affect poor areas like ELM:
  - o Loss of human life
  - o Loss of business and industrial competitiveness (loss of market share)
  - o Decline in business confidence

Sustainability Integration Assessment Tool

2. **STRATEGIC DIRECTION**

2.1. Vision

The vision of the municipality is a qualitative target vision (Staude, 2009) and is stated in the strategy as follows:

"A leading rural municipality that delivers a better quality of life for all citizens; a municipality that is phenomenally viable, highly successful and passionately people-centred."

ELM will fulfill this vision through:

- *Councillors that are delivering satisfaction, officials that are implementing quality service, and communities that are happy with the service from ELM*
- *Fulfilment of its constitutional obligations,*
- *Becoming a change agent – always striving to change the lives of its community,*
- *Committed leaders who serve communities with excellence,*
- *A developmental public entity that creates vibrant communities,*
- *A cutting edge, quality and effective people-centred services,*
- *Corruption-busting that sets the world's new standards on how to run a clean municipality and set an example of ethical leadership across all sectors.*

Integration of sustainability in the municipal vision as a core value

10. *What does the vision of the municipality explicitly say in relation to economic sustainability as a core value?*

There is no explicit expression of economic sustainability as a core value but to the extent that the vision explicitly addresses it, it refers to "phenomenal viability" which is not explicitly explained what it means.

11. *What does the vision of the municipality explicitly say in relation to social sustainability as a core value?*

The vision refers to "delivery of a better quality of life for all citizens and people-centeredness." In fulfilling the vision the municipality highlights the following points to reflect social sustainability as a core value:

12

- Becoming a change agent – always striving to change the lives of its community
- Committed leaders who serve communities with excellence
- A developmental public entity that creates vibrant communities
- A cutting edge, quality and effective people-centered services

12. What does the vision of the municipality explicitly say in relation to environmental sustainability as a core value?

Neither the vision nor the vivid description of the vision explicitly expresses environmental sustainability as a core value.

13. How does the vision reflect an integrated approach to sustainability?

The vision does not reflect integrated approach to sustainability as it lacks explicit expression of economic sustainability in general and environmental sustainability in particular.

2.2.Mission

The mission of the municipality is stated in the strategy as follows:

Does the municipality mission answer the following questions?

14. What service is the municipality in?

The municipality's mission is to operate a rural municipality that:

- delivers excellent services to its people who remain its priority in everything that it does,
- is financially viable,
- is clean, green and sustainable.

15. What are the municipal economic goals?

Financial viability

16. What is the municipal operating philosophy in terms of quality, organizational image and self-

concept?
- has good governance in place,
- is transformed and developmental,

17. *What are the core competencies and competitive advantage?*

Although the core competencies and competitive advantage are not expressed in the mission but the internal analysis which

18. *Indicate which customers (or groups of customers) the municipality aims at serving.*

Although the mission only makes reference to "its people" to indicate customers Table 6 in the strategy identifies customers the strategic objectives aim to serve as residents, emerging business, youth, unemployed, business, communities and tourists.

19. *How does the municipality view its responsibility to social issues?*

Delivering excellent service to its people

20. *How does the municipality view its responsibility to employee issues?*

The mission only mentions the responsibility of employees towards communities but there is no view expressed in terms of how the municipality sees its responsibility towards employees.

21. *How does the municipality view its responsibility to community issues?*

Operate a municipality that delivers excellent service to its people.

22. *How does the municipality view its responsibility to environmental issues?*

Clean, green and sustainable.

Sustainability Integration Assessment Tool

3. STRATEGY FORMULATION

3.1. Long term goals sustainability integration

Long term goals which are sometimes called long term objectives reflect the organization's specific direction on a high level and are a basis for more specific tactical goals (Ehlers & Lazenby, 2010).

23. What long term goals/objectives address economic sustainability in the strategy?

There are two long term goals, referred to in the strategy as strategic objectives, to address economic sustainability.

- Financial stability (current ratio is 2:1 current assets to current liabilities compared to present 1,6:1).
- Empowered business communities (LED) that are able to start and sustain vibrant businesses (created 33 000 jobs over 5 years between business and the ELM).

24. What long term goals/objectives address social sustainability in the strategy?

- Achieved 90 – 100% literacy and numeracy levels of our community.
- Embodiment of good corporate governance – achieved clean audit reports, no fraud and no corruption.

25. What long term goals/objectives address environmental sustainability in the strategy?

- Cleanest and greenest towns in the Eastern Cape (NO. 1 in cleanest towns, win the Vuna Awards).

3.2. Generic strategies to address sustainability

26. *What generic strategies are selected by the municipality to complement economic sustainability?*

- Attract and retain local & foreign investment
- Improve revenue growth
- Develop structured fundraising strategy
- Automated systems to improve metering

Sustainability Integration Assessment Tool

- Develop and implement business development support services
- Create partnerships to implement and subsidize alternative energy
- Enter into a Memorandum of Agreement with JoGEDA with regards to implementation of projects
- Implement a business risk management program
- Implement a business skills planning program in ELM communities through partnerships with DoE, SETA's and DoL

27. What generic strategies are selected by the municipality to complement social sustainability?

- Investigate alternative ways of providing infrastructure, i.e. roads; electricity and water.
- Establish partnerships with academic institutions and other institutions both nationally and internationally
- Explore alternative ways of providing waste disposal in rural areas.
- Build sustainable infrastructure to support innovative development models:
- Build a multi-purpose centre for performing art (theatre/playhouse), conferencing & indoor sport facility.
- Improved focus on community leisure facilities development
- Enter into a Memorandum of Understanding with traditional leaders pertaining to rural development
- Development of a comprehensive data base of CBO's
- Develop and implement partnership strategy with CBO's

28. What generic strategies are selected by the municipality to complement environmental sustainability?

- Implement a cleanest towns campaign
- Launch Elundini Goes Green (EGG) project
- Develop a strategy to green municipal offices & buildings
- Develop by-laws for residential and business sustainable buildings

3.3. Grand and functional strategies to address sustainability

29. What grand and functional strategies are considered by the municipality to pursue economic sustainability?

The strategy only contains generic strategies and there are no grand and functional strategies yet.

30. What grand and functional strategies are considered by the municipality to pursue social sustainability?

The strategy only contains generic strategies and there are no grand and functional strategies yet.

31. What grand and functional strategies are considered by the municipality to pursue environmental sustainability?

The strategy only contains generic strategies and there are no grand and functional strategies yet.

Sustainability Integration Assessment Tool

1.1.RESULTS

1.1.1. ENVIRONMENTAL ANALYSIS

1.1.1.1. Internal Analysis

Table 1.4.1 Municipal Strengths & Weaknesses

	Municipal resources, capabilities and core competencies (Strengths)	Municipal weaknesses
Economic Sustainability	1. Funding support and impressive performance to funders	1. ELM is unable to attract investments due to lack of requisite services
	2. Subsidized electricity to poor communities	2. Inadequate infrastructure for economic development
	3. Tax and electricity rebates to local businesses	3. Inability to provide the necessary services to our clients on time
	4. Concessions given to businesses that are established within the region	4. Billing for VIPs in poor townships
	5. ELM offers a comprehensive basket of free basic services to some communities	5. Tariff pricing for refuse not viable.
	6. Good collection rate from 27% to over 80%	6. Offering of unaffordable rates that compromise payment of services
	7. ELM benchmarked as the municipality with effective Local Economic Development within the district.	7. Out-dated prepaid electrical meters
	8. Mass job creation program aimed at creating employment for Elundini community.	8. Limited revenue generation by ELM
	9. Unspoilt natural resources for economic development	9. Lack of creativity to raise funds beyond grant allocation
	10. MIG spending	10. SCM processes are inherently

Sustainability Integration Assessment Tool

		bureaucratic in nature and no documented systems to mitigate.
	11. Lobbying of funds	**11.** Poor turn-around time for payment of services.
Social Sustainability	**1.** Acquisition of road construction plant and machinery to accelerate service delivery to communities.	**1.** General job dissatisfaction amongst employees
	2. Project Management Unit established	**2.** Incongruence between the formal and informal organization i.e. culture or practice versus intentions are different
	3. Construction of Mathafeni electricity sub-station.	**3.** There is no holistic integration of organizational systems
	4. Establishment of Tina dam in Mt Fletcher for water supply	**4.** Insufficient office space and council chambers also accommodate a limited number
	5. Service Level Agreement signed with Department of Roads for backlogs	**5.** Insufficient resources at municipal office buildings
	6. Bulk supply for sewerage system	**6.** Human Resources is not positioned as a strategic function
	7. Development & implementation of master plans	**7.** Shortage of skills and skills development initiatives do not support implementation of corporate strategy
	8. Development of plant policy & systems to run the plant.	**8.** Turnaround time of the employment process is too long
	9. Roads forum establishment	**9.** Customer service is generally poor
	10. Strategic leadership is in place	**10.** There is an information gap between management and employees
	11. Innovative and creative approaches and	**11.** There is under investment in IT

	development models	systems and infrastructure
	12. Administrative systems are in place and working	12. Insufficient attention and focus on building of community leisure facilities
	13. Political and administrative stability	13. Service delivery backlogs
	14. Development of service delivery standards and charter	14. Inability to receive unqualified audit reports
		15. non-availability of an effective database system for procurement of services
		16. Service delivery standards and poor monitoring mechanisms.
		17. Shortage of personnel within electricity.
		18. License limited to certain areas.
		19. Underutilization of new media (e.g. website, social networks, etc.) to maximize communication with communities
Environmental Sustainability	1. Provision of treated water and bulk supply for sewerage system	1. Inadequate cleaning of towns
	2. Establishment of Public Private Partnership (PPP) for landfill sites management	2. No sustainability strategy and there is a lack of focus on greening ELM
	3. Provision of treated water	

Sustainability Integration Assessment Tool

Opportunities and Threats

	Opportunities	Threats
Economic Sustainability	1. Tourism development initiatives like annual festivals and rich heritage in culture, heritage sites, tourist attraction site, biggest rock arts in South Africa are in place and can attract local and foreign tourists to ELM	1. Underinvestment in energy and agriculture are among the biggest economic threats facing the world,
	2. Forestry and agriculture are niche sectors of ELM's economy – presence of PG Bison as a single largest employer in ELM attests to that	2. The financial crisis and the ensuing recession have created a more vulnerable environment where unaddressed risks may become tomorrow's crises,
	3. Unspoilt natural resources offer growth opportunities for tourism	3. Capacity constraint to match the country's strong economic performance,
	4. Funding and support for development of SME's	4. Global economic recession resulted in loss of jobs, unemployment, large wealth disparities, high incidents of HIV/AIDS and increases levels of economic crime, etc.
	5. The informal 'second economy is untapped and it offers development opportunities to ELM	5. Lack of access to finance for SME's and entrepreneurs that discourages development and implementation of business ideas that will contribute to growth of the economy.
	6. Development of new revenue streams	6. Obnoxious lending and interest rates which may lead to inability of enterprises to pay their debts,
	7. Growth in the investment of business in ELM	7. Current economic growth and job creation initiatives are unable to create sustainable employment and that has a negative bearing on the payment of

Sustainability Integration Assessment Tool

		municipal services,
	8. Increased efficiency and productivity in ELM	**8.** Challenges in the development of infrastructure negatively affect the speed at which the economy could grow,
		9. Increase in the price of crude oil contributes to increase in the price of goods and services to ELM due to the increase of transport costs
Social Sustainability	**1.** Increased use of social networks like face book and twitter.	**1.** Social welfare may not last forever. Misuse of cash transfers that is not sustainable may ultimately lead to the suffering of the beneficiaries,
	2. Increase in use of cellular phones provides ELM with better platform to communicate with its communities.	**2.** Ineffective and delinked social grants from the well-working public health and education systems leads to further disadvantage for poor children,
	3. Develop and improve a value – based organizational culture	**3.** Poverty and unemployment lead to an increase in the levels of indigence in the communities,
	4. Training of employees on risk management and develop a risk appetite and tolerance levels.	**4.** Low levels of education and skills lead to scarcity of required competencies to deliver services to communities, effectively,
	5. Identification of ethical opportunities and ethical risks	**5.** High levels of HIV/AIDS and other opportunistic diseases which lead to high mortality rates and increased shortage of labour and skills,
	6. Social grants from national government	**6.** Underdevelopment of rural and urban

contribute positively towards the well-being, reduction of income inequality, social security and increased spending power of poor people which stimulates the local economy.	areas at ELM negatively affects social development,
7. Poverty alleviation programs and strategies provide opportunity to impart certain skills to unskilled and poor people.	7. Lack of recreational and leisure facilities in communities negatively affects social development,
8. Arts and sports initiatives as well as recreational facilities help to alleviate crime and reduce social distress of ELM communities.	8. Perceptions of corrupt governance may shape community thinking to view municipal initiatives with suspicion and that may create social distance and lead to lack of support for initiatives,
9. Programs that focus on health, wellness and prevention of crime in communities provide valuable platforms for engagement of stakeholders and mobilizations of resources and support for ELM.	9. Unethical decisions and behaviour can easily lead to bad reputation and stakeholder disengagement which in the end may compromise issues of trust and service delivery.
10. Increased access to life-saving and medicinal drugs and availability of support for health (ARV's) and other related programs improves awareness of our communities to the importance of health, well-being and responsible social behavior.	10. Very low levels of global awareness of transnational crime and corruption, and cyber-vulnerability.
11. Internationally and nationally recognized standards that are created as guidelines for ethical environment provide an opportunity for the municipality to act ethically to avoid stakeholder conflict and bad reputation.	11. Supply chain management processes are more susceptible to unethical behaviour and this may discourage other suppliers and service providers from offering their goods and services to ELM.
12. Code of ethics for public servants creates a	12. The development and spread of chronic

	framework and guide for ELM.	illnesses resulting in increased health costs, productivity reduction and economic growth.
	13. Anticorruption strategies that are in place in Government assist in shaping ethical conduct at ELM.	**13.** Global economic recession resulted in loss of jobs, unemployment, large wealth disparities, high incidents of HIV/AIDS and increases levels of economic crime, etc.
	14. Bathopele principles help ELM to entrench respect and recognition of its stakeholders by its employees.	**14.** High levels of crime associated with acute levels of poverty,
	15. Good ethical behavior also has an opportunity to attract funders that are concerned with good governance and ethics.	
Environmental Sustainability	**2.** Renewable energy technology promotion for electricity generation gives broader options for the municipality to meet basic service delivery needs.	**1.** Some types of tree plantations increase pH levels in the catchment areas which negatively affects the environment and the communities that live and interact with such ecology.
	3. Rebates on energy efficiency will contribute towards a culture of saving or allow consumers to invest more on other important areas like education.	**2.** Poor quality of potable water which could result in the increase in water treatment costs and in turn increased water costs for rate payers. Health vulnerability can be worsened due to poor water quality and HIV/AIDS, tropical diseases such as malaria as well as water borne diseases and infant mortality may occur.
	4. Cost efficiency and savings that are made	**3.** Poor landfill operations that lead to

in the reduction in energy and water usage.	environmental degradation. Land filling by its nature generates methane gas, a greenhouse gas that is about 25 times more powerful than carbon dioxide which contributes to air pollution and fire hazards.
5. Waste recycling and recovery opportunities have a potential to create green jobs for especially youth and women within ELM.	**4.** The capital costs for renewable energy are higher even after taking into account the lower operating costs and that causes an obstacle for the municipality to swiftly move to alternative energy.
6. Forestry sector domination in the region contributes towards reduction of carbon emission and footprint.	**5.** Uncontrolled Sand mining leads to soil erosion and presents a threat to the environment.
7. Declining crop yield creates an opportunity for farmers to explore other underutilized pieces of land and diversified production.	**6.** Over-dependence on non-renewable energy sources which are less environmentally friendly (e.g firewood, coal etc).
8. Programs to fight degradation of land and land restoration initiatives present employment opportunities to communities land restoration initiatives.	**7.** Poor planning and development of new & existing settlements. This could result in developing settlements in areas vulnerable to floods and extreme weather and poor residents becoming victims of poor planning. It may also lead to usage of land for activities not suitable for it.

	9. Increased funding opportunities available for environmental initiatives from which the municipality can benefit through the designing of greening projects.	**8.** Increase in earthquakes, hailstorms, floods and high winds may result in damage to property & infrastructure, viz. settlements, roads and bridges, buildings, crops, etc. **1.** For instance, the 2009 storm not only affected communities and municipal buildings but affected even business premises leaving them leaking or utterly destroyed. Cars in public parking were destroyed and some were written off at ELM.

	10. The floods, hailstorms and heavy rainfalls present business opportunities for property developers to come up with solutions that are attractive to property owners. It also creates an opportunity for the municipality to get cooperation from communities in changing the spatiality of the areas.	**9.** Displacement of people due to floods: housing and sanitation a grave concern and may also result in any of the following that negatively affect poor areas like ELM:
		  1. Loss of human life
		  2. Loss of business and industrial competitiveness (loss of market share)
		  3. Decline in business confidence

	11. Opportunities for entrepreneurs to invent and create technologies for storm and rain water harvesting and storage.	**10.** Water and energy shortages for business and residential use. This could lead to increase in water and energy tariffs charged by the municipality and in turn

Sustainability Integration Assessment Tool

		this could impact financial base of the municipality and its cash flow.
	11. Building designs and amendment of disaster management plans.	
	12. Increased funding opportunities for developing project that help towards climate change mitigation and adaptation.	
	13. Recognition and response to environmental issues and mitigation of climate change and adaptation strategies.	
	14. Promotion of local green economy and resource efficiency. Waste recycling and recovery opportunities have a potential to create green jobs especially for the youth and women within ELM.	
	15. Human settlement spatial planning and urban development will increase ELM's ability to attract skilled professionals.	
	16. Use of thermal mass construction and insulation will result in improved health and reduce use of energy and contribute towards alleviation of poverty for low – income households.	
	17. Friendly ecological environment can help to position ELM as a place for people to invest, live, work and play.	
	18. Growth of forestry sector in the region will contribute to the reduction of carbon emissions.	

Sustainability Integration Assessment Tool

STRATEGIC DIRECTION

Vision

The vision of the municipality is a qualitative target vision (Staude, 2009) and is stated in the strategy as follows:

"A leading rural municipality that delivers a better quality of life for all citizens; a municipality that is phenomenally viable, highly successful and passionately people-centred."

ELM will fulfill this vision through:

- *Councillors that are delivering satisfaction, officials that are implementing quality service, and communities that are happy with the service from ELM*
- *Fulfilment of its constitutional obligations,*
- *Becoming a change agent – always striving to change the lives of its community,*
- *Committed leaders who serve communities with excellence,*
- *A developmental public entity that creates vibrant communities,*
- *A cutting edge, quality and effective people-centred services,*
- *Corruption-busting that sets the world's new standards on how to run a clean municipality and set an example of ethical leadership across all sectors.*

Integration of sustainability in the municipal vision as a core value

32. What does the vision of the municipality explicitly say in relation to economic sustainability as a core value?

There is no explicit expression of economic sustainability as a core value but to the extent that the vision explicitly addresses it, it refers to "phenomenal viability" which is not explicitly explained what it means.

33. What does the vision of the municipality explicitly say in relation to social sustainability as a core value?

The vision refers to "delivery of a better quality of life for all citizens and people-centeredness." In fulfilling the vision the municipality highlights the following points to reflect social sustainability as a core value:

- Becoming a change agent – always striving to change the lives of its community
- Committed leaders who serve communities with excellence
- A developmental public entity that creates vibrant communities
- A cutting edge, quality and effective people-centered services

34. What does the vision of the municipality explicitly say in relation to environmental sustainability as a core value?

Neither the vision nor the vivid description of the vision explicitly expresses environmental sustainability as a core value.

35. How does the vision reflect an integrated approach to sustainability?

The vision does not reflect integrated approach to sustainability as it lacks explicit expression of economic sustainability in general and environmental sustainability in particular.

3.4.Mission

The mission of the municipality is stated in the strategy as follows:

Does the municipality mission answer the following questions?

36. *What service is the municipality in?*

The municipality's mission is to operate a rural municipality that:

- delivers excellent services to its people who remain its priority in everything that it does,
- is financially viable,
- is clean, green and sustainable.

37. *What are the municipal economic goals?*

Financial viability

---

38. *What is the municipal operating philosophy in terms of quality, organizational image and self-concept?*

- has good governance in place,
- is transformed and developmental,

---

39. *What are the core competencies and competitive advantage?*

Although the core competencies and competitive advantage are not expressed in the mission but the internal analysis which

---

40. *Indicate which customers (or groups of customers) the municipality aims at serving.*

Although the mission only makes reference to "its people" to indicate customers Table 6 in the strategy identifies customers the strategic objectives aim to serve as residents, emerging business, youth, unemployed, business, communities and tourists.

---

41. *How does the municipality view its responsibility to social issues?*

Delivering excellent service to its people

---

42. *How does the municipality view its responsibility to employee issues?*

The mission only mentions the responsibility of employees towards communities but there is no view expressed in terms of how the municipality sees its responsibility towards employees.

---

43. *How does the municipality view its responsibility to community issues?*

Operate a municipality that delivers excellent service to its people.

---

44. *How does the municipality view its responsibility to environmental issues?*

Clean, green and sustainable.

Sustainability Integration Assessment Tool

1.1.1.1.1. Integration of sustainability in the municipal vision as a core value

Economic sustainability – There is no explicit expression of economic sustainability as a core value but to the extent that the vision addresses it, it refers to "phenomenal viability" which is not explicitly explained what it means. Having said that but there is a consensus between the findings of the researcher and those of respondents that "phenomenally viable" phrase contained in the vision statement of ELM represents economic sustainability, despite the lack of clear explanation of the phrase in the vision. All the respondents gave the same answer.

Social sustainability – Although the vision does not mention social sustainability, there are elements of social sustainability that are mentioned, for example, the vision refers to "delivery of a better quality of life for all citizens and people-centeredness." In fulfilling the vision the municipality highlights the following points to reflect social sustainability as a core value:

- Becoming a change agent – always striving to change the lives of its community
- Committed leaders who serve communities with excellence
- A developmental public entity that creates vibrant communities
- A cutting edge, quality and effective people-centered services

Five respondents mentioned "passionately people-centred municipality" and one respondent mentioned "committed leaders who serve communities with excellence" represent social sustainability.

Environmental sustainability – The evidence from the study showed that neither the vision nor the vivid description of the vision explicitly expresses environmental sustainability as a core value. Notwithstanding that finding, three respondents on the same question claimed that "phenomenally viable" can also refer to environmental sustainability because for the municipality to be phenomenally viable requires that economic, social and environmental sustainability are addressed holistically so that natural capital and resources are prevented from depletion. Two respondents argued that "a better quality of life for all citizens" implicitly refers also to environmental sustainability although it is not vividly expressed in the vision. One respondent said the vision is quiet on environmental sustainability.

Sustainability Integration Assessment Tool

The evidence also showed that the vision does not reflect integrated approach to sustainability as it lacks explicit expression of economic sustainability in general and environmental sustainability in particular and two respondents agreed with the finding whilst four respondents claimed that the vision reflected an integrated approach towards sustainability because all areas of sustainability are talking to each other and the vision fuses all the three sustainability areas.

Mission

Integration of sustainability in the municipal vision as a core value

The service that ELM is in – The evidence collected from the study shows that the mission does answer sustainability integration issues although in some areas not convincingly. The mission stated "delivery of service to its people" as the service ELM is in

Municipal financial goals – The evidence showed that the mission stated financial viability as its economic goal

Operating philosophy – The study showed that municipal operating philosophy in the mission was "good governance, transformed and developmental municipality" but respondents had mixed responses on the matter.

Competencies and competitive advantage – The evidence showed that although the core competencies and competitive advantage are not expressed in the mission but the internal analysis addresses them adequately.

Municipal customers – The mission referred to "its people" to indicate customers the municipality aims to serve and failed to give a breakdown but Table 6. in the strategy (ELM Strategy 2012-2017) identified customers that the strategic objectives aim to serve as residents, emerging business, youth, unemployed, business, communities and tourists.

Municipal social & community responsibility – The municipality views its responsibility with regards to social and community as that of "delivery of excellent service to its people."

Municipal employee responsibility – When it comes to the municipality's view towards employee responsibility, the mission only mentioned the responsibility of employees towards communities but there was no view expressed in terms of how the municipality saw its responsibility towards employees.

Sustainability Integration Assessment Tool

Environmental responsibility – the municipal view towards environmental responsibility in the mission is that of a municipality that is "clean, green and sustainable."

1.1.2. STRATEGY FORMULATION

1.1.2.1. Long-term goals sustainability integration

The study revealed that the long-term goals of the strategy had integrated economic, social and environmental sustainability. Below are the six long-term goals which are referred to as strategic objectives in the ELM strategy:

- **Financial stability** (current ratio is 2:1 current assets to current liabilities compared to present 1,6:1)
- **Excellent delivery of services** – 90% of our communities have access to all basics services (i.e. water, sanitation, shelter, electricity, refuse removal, roads, community safety etc.)
- **Empowered business communities** that are able to start and sustain vibrant businesses (created 33 000 jobs over 5 years between business and the ELM)
- **Cleanest and greenest towns** in the Eastern Cape (NO. 1 in cleanest towns, win the Vuna Awards)
- **Achieved 90 – 100% literacy and numeracy levels** of our community
- **Embodiment of good corporate governance** – achieved clean audit reports, no fraud and no corruption

Economic sustainability – The strategy mentioned two long-term goals to address economic sustainability, the first one was financial stability whilst the second one was about empowering businesses and creation of 33 000 jobs in the next five years.

Social sustainability – The strategy mentioned three long-term goals to address social sustainability, the first one was excellent delivery of service which referred to provision of basic services to communities like electricity, water, roads, etc. whilst the second one was literacy and numeracy levels within ELM community and the last one was good corporate governance.

Environmental sustainability – The "Cleanest and greenest towns in the Eastern Cape" was the only long-term goal mentioned in the strategy to address environmental sustainability.

Sustainability Integration Assessment Tool

Strategies to address sustainability

Generic strategy

The introduction section of ELM strategy refers to best-cost strategy as its generic strategy which is a combination of cost and differentiation strategies. This strategic choice is viewed as a strategy to enable the municipality to provide cost effective services yet unique and valued by customers.

Grand Strategies

ELM strategy did not classify strategies either as generic, grand or functional strategies. There were strategic interventions that were aimed at achieving the long-term goals. Thus, sustainability integration of strategies is not evaluated under strategy types, namely; generic or grand strategies although a reflection is made to indicate categories strategies would fall under if the strategies were clearly classified. The strategies could be classified into three grand strategy types, namely; **strategic alliances**, **diversification** and **internal growth** with specific focus on innovation. The combination of these three grand strategies by ELM is aimed at strengthening generic strategy adopted to achieve competitive advantage. These strategies complement very well the cost-best strategy adopted by ELM because strategic alliances would lead to resource sharing with alliance partners whilst diversification challenges ELM to provide unique and valuable service to the community it serves and internal growth strategy challenges individual employees to be innovative and constantly think of the best ways of improving the service. Table below illustrates three combined grand strategies chosen by ELM and sustainability integration. Somber

Strategies to address economic sustainability.

	Strategic alliances	Diversification	Innovation
Economic Sustainability	Create partnerships to implement and subsidize alternative energy	Attract and retain local & foreign investment	Explore alternative ways of providing waste disposal in rural areas.
	Enter into a Memorandum of Agreement with JoGEDA with regards to implementation of projects	Improve revenue growth	Implement a business risk management program

	Implement a business skills planning program in ELM communities through partnerships with DoE, SETAs and DoL.	Develop structured fundraising strategy	
		Develop and implement business development support services	

Strategies to address social sustainability.

	Strategic alliances	**Diversification**	**Innovation**
Social Sustainability	Establish partnerships with academic institutions and other institutions both nationally and internationally	Development of a comprehensive data base of CBO's	Build sustainable infrastructure to support innovative development models
	Develop and implement partnership strategy with CBO's		Build a multi-purpose centre for performing art (theatre/playhouse), conferencing & indoor sport facility.
	Enter into a Memorandum of Understanding with traditional leaders pertaining to rural development		Implement Project Sifunda Sonke
			Investigate alternative ways of providing infrastructure, i.e. roads; electricity and water.

Sustainability Integration Assessment Tool

Strategies to address environmental sustainability.

	Strategic alliances	Diversification	Innovation
Environmental Sustainability		Implement a cleanest towns campaign Develop by-laws for residential and business sustainable buildings	Launch Elundini Goes Green (EGG) project
			Develop a strategy to green municipal offices & buildings

APPENDIX F - TABLES

1. **The municipal resources, capabilities and core competencies identified in strategy to achieve economic sustainability**.

	STATEMENT	NO. OF RESPONSES
Economic Sustainability	Mass job creation initiative, tax rebates for businesses, municipal plant & machinery.	10
	Financial stability and empowered businesses	1
	Economic sustainability is one of the best-cost strategies that will enable the municipality to provide cost effective service but yet unique and valued by customers.	1
	Spatial and land use planning	1
	Investment and local economic development strategies	1
	Provision and delivery of quality and reliable service	1
	Financial sustainability	1
	Identification and growing of local talent	1
	Development of local economic development strategy, SME programs and projects	1

2. **The municipal resources, capabilities and core competencies identified in strategy to achieve social sustainability**.

	STATEMENT	NO. OF RESPONSES
Social Sustainability	Provision of free basic services	2

	Excellent delivery of service	5
	Good governance	1
	Sustainable human settlement	1
	Youth development	1
	Indigent support	1
	Competent staff	4

3. **The municipal resources, capabilities and core competencies identified in strategy to achieve environmental sustainability**.

	STATEMENT	NO. OF RESPONSES
Environmental Sustainability	PPP for landfill site management	5
	Provision of treated water	1
	Having cleanest and greenest municipality	2
	Legislative compliance with environmental legislation	1
	Environmental scoping/analysis (through Environmental Management Planning)	1
	Eradication of alien plant species (e.g. wattle; water hyacinth)	1
	Greening of towns and settlements (creation of parks and beautification of open spaces)	1
	Energy efficient strategies/green procurement (use of less energy dependant materials, promotion of use for recycled paper, alternative energy uses etc)	1
	Recycling of waste materials (reuse and reclamation of discarded materials)	2

Trends and opportunities

1. **The trends and opportunities identified in the strategy that the municipality can take advantage of to achieve economic sustainability**

`

	STATEMENT (Opportunities & Trends)	NO. OF RESPONSES
Economic Sustainability	Tourism attraction	8
	Forestry industry (Steinhoff/PG Bison) can attract various investment opportunities for this area apart from the job creation potential that this sector already has to the locals.	4
	Strategic partnerships with stake holders for future investment prospects	4
	Large farming sector and local economic development	6
	Growth in the of business, new revenue streams development, funding for SMMEs	6

2. **The trends and opportunities identified in the strategy that the municipality can take advantage of to achieve social sustainability**.

	STATEMENT (Opportunities & Trends)	NO. OF RESPONSES
Social Sustainability	Human settlement planning & urban development	6
	EPWP incentive grant for poverty alleviation	4
	Develop and improve value-based organizational culture	2
	Safety and security in the area (prevalence of crime at minimum levels)	2
	Adequate schooling/educational facilities for the youth, health care facilities, sporting and library facilities	1
	Increase ELM's ability to attract skilled professionals	3

3. **The trends and opportunities identified in the strategy that the municipality can take advantage of to achieve environmental sustainability**.

	STATEMENT (Opportunities & Trends)	NO. OF RESPONSES
Environmental Sustainability	Promotion of local green economy and resource efficiency	7
	Growth in forestry to reduce carbon emissions	2
	Waste recycling has a potential to create green jobs for youth and women within ELM.	2
	Friendly ecological environment	8
	Promotion of local green economy and resource efficiency	4

THREATS AND EVENTS

Threats and negative events identified in the strategy that can hinder the municipality from achieving economic sustainability.

	STATEMENT (Threats and events)	NO. OF RESPONSES
Economic Sustainability	Inadequate SME & entrepreneur support	5
	Increasing electricity tariffs	2
	Poor levels of service & inadequate bulk supply	1
	Growing rate of urbanization	1
	Lower levels of literacy and numeracy in ELM	1
	Poor spatial planning	1
	Manufacturing activities not receiving priority consideration	1
	Less formalized small business sector which if well organized can provide significant employment for locals	1

	Unemployment which is rife in the area with high rate of indigence	2
	Few or no banking facilities in other towns of the municipality	1
	Geographic location and inadequate infrastructure for economic development	1

Threats and negative events identified in the strategy that can hinder the municipality from achieving social sustainability.

	STATEMENT (Threats and events)	NO. OF RESPONSES
Social Sustainability	Increasing rate of unemployment	3
	Lower levels of literacy and skills	2
	Increasing crime levels	3
	Decline in the levels of accountability	1
	Basic service delivery backlogs	3
	High prevalence of HIV AIDS and other opportunistic diseases	2

Threats and negative events identified in the strategy that can hinder the municipality from achieving environmental sustainability.

	STATEMENT (Threats and events)	NO. OF RESPONSES
Environmental Sustainability	Development of settlements below flood lines	1
	Growing rate of urbanization	1
	Increased capital cost for implementing renewable energy.	1

	No environmental planning (for ecological balance)	2
	Lack of environmental awareness raising measures/programmes	2
	No environmental activism/interest groups	1
	Lack of involvement by the private sector/corporate responsibility	1
	Low levels of skills and education that can lead to scarcity of required environmental sustainability competencies.	2

1. **STRATEGIC DIRECTION**

Vision

The vision of the municipality in relation to economic sustainability.

Vision in relation to economic sustainability	NO. OF RESPONSES
A municipality that is phenomenally viable	12

The vision of the municipality in relation to social sustainability.

Vision in relation to social sustainability	NO. OF RESPONSES
A passionately people-centred municipality	10
Committed leaders who serve communities with excellence	2

The vision of the municipality in relation to environmental sustainability.

Vision in relation to environmental sustainability	NO. OF RESPONSES
Phenomenally viable so that natural capital and resources are prevented from depletion	1
A better quality of life for all citizens	6
A cutting-edge, quality and effective people-centred service	1
Nothing	4

Vision integrated approach to sustainability

Vision integrated approach to sustainability	NO. OF RESPONSES

It has correlation, all areas of sustainability are talking to each other.	3
It fuses all the three sustainability areas	4
The vision links economic, social and environmental sustainability well and is holistic in its approach.	3
There is lack of integrated approach to sustainability	1
No answer	1

Mission

The service of the municipality

	NO. OF RESPONSES
Yes, it indicates that it delivers excellent service to its people who remain its priority in everything it does	12

Municipal economic goals

	NO. OF RESPONSES
Financial viability	12

Operating philosophy in terms of quality, organizational image and self-concept

	NO. OF RESPONSES
Good governance	8
The municipal operating philosophy can be found on its vision statement which is ''a leading municipality that delivers a better quality of life for all	2

citizens, a municipality that is phenomenally viable, highly successful and passionately people-centered."	
Inclusive, accountable and efficient public administration that takes into account communities needs in their long term planning goals	1
It is a responsive municipality and its unique value proposition embraces integrity and honesty in dealing with stakeholders	1

Core competencies and competitive advantage

	NO. OF RESPONSES
Not mention of core competencies and competitive advantage	2
Stable political environment	1
Advantage of having a niche market for tourism (natural beauty)	1
High number of youthful population	1
Basic services, skilled personnel, stable political environment, financial viability and land availability.	2
Strategies and policies in place and ELM's ability to use limited resources	3
Financial sustainability	2

Customers or group of customers the municipality aims at serving

	NO. OF RESPONSES
Community	3
Business & SMEs	2
Farmers	2
Government departments	1
Parastatals	1

Traditional leaders	1
Ward committees	2
Rate payers	1
Tourists	1
Indigent	1
Development forums and groups	1

Municipal view to social issues

	NO. OF RESPONSES
Delivery of excellent service	8
The Kairos Moment and Dare To Dream are some of the programs that the municipality has initiated as part of its social responsibility.	1
Through the indigent policy the poor are assisted by the municipality to meet their basic needs.	1
Empowered communities are able to take better care of themselves almost independently of the government an ideal situation for a vibrant and thriving social setting.	1
Very important	4
Community consultation for inputs on issues relating to service delivery should be strengthened to understand municipal processes and be given all relevant information particularly on the quality and standard of services they must expect and that are entitled to as well as the importance of the Batho Pele Principles in serving them.	1

APPENDIX H – RESPONSES FROM ELM RESPONDENTS

BACKGROUND

The researcher is currently completing her Master's Degree at Rhodes Business School and now is doing her half thesis in partial fulfilment of the requirements of the Degree of Masters in Business Administration. The study topic is "***Towards Sustainable Municipalities – An Evaluation Of Sustainability Integration in Elundini Local Municipality Strategy***." The purpose of the study is 1. *to evaluate the integration and incorporation of sustainability aspects into the municipal strategy.* 2. *To investigate possible reasons for integration or lack thereof regarding sustainability aspects in the municipal strategy.* Information gathered from respondent will be used solely for research purposes and anonymity of everyone participated is guaranteed.

SECTION A

PERSONAL INFORMATION

Name of interviewee) :_____

Male/Female   :_____

Occupation   :_____

Fax number   :_____

Email address   :_____

Name of interviewer:_____

Telephone number   :_____

Sustainability Integration Assessment Tool

1. ENVIRONMENTAL ANALYSIS

Introduction

Environmental analysis for the purposes of this questionnaire refers to provision of the context and knowledge for planning and further describes organizations' competitive position, operating and general state of internal and external affairs (Power, 2010). It is a planning step which helps to examine the current situation of the organization and external environment in order to identify and agree on key issues that affect future planning.

For the purposes of this research, the following definitions will be used for assessment of sustainability. Sustainability refers economic sustainability, environmental quality and social sustainability. **Economic sustainability** occurs when development which moves towards social and environmental sustainability, is financially feasible. **Social sustainability** refers to cohesion of society and its ability to work towards common goals and meeting individual needs such as health and well-being, nutrition, shelter, education, cultural expression, etc. **Environmental sustainability** refers to the natural capital and making sure that depletion of these resources is prevented (Elkington, 1997).

Sustainability Integration Assessment Tool

1.1.Internal Analysis

Introduction

Internal analysis is a process of analyzing the organization internally, looking at the organization's resources, capabilities and core competencies in order to gain understanding of its current situation (Ehlers & Lazenby, 2010).

MUNICIPAL RESOURCES, CAPABILITIES AND CORE COMPETENCIES FOR SUSTAINABILITY

1. **The municipal resources, capabilities and core competencies identified in strategy to achieve economic sustainability**.

CATEGORY	STATEMENT	NO. OF RESPONSES
Economic Sustainability	Mass job creation initiative, tax rebates for businesses, municipal plant & machinery.	10
	Financial stability and empowered businesses	1
	Economic sustainability is one of the best-cost strategies that will enable the municipality to provide cost effective service but yet unique and valued by customers.	1
	Spatial and land use planning	1
	Investment and local economic development strategies	1
	Provision and delivery of quality and reliable service	1
	Financial sustainability	1
	Identification and growing of local talent	1
	Development of local economic development strategy, SME programs and projects	1

Sustainability Integration Assessment Tool

2. **The municipal resources, capabilities and core competencies identified in strategy to achieve social sustainability**.

CATEGORY	STATEMENT	NO. OF RESPONSES
Social Sustainability	Provision of free basic services	2
	Excellent delivery of service	5
	Good governance	1
	Sustainable human settlement	1
	Youth development	1
	Indigent support	1
	Competent staff	4

3. **The municipal resources, capabilities and core competencies identified in strategy to achieve environmental sustainability**.

CATEGORY	STATEMENT	NO. OF RESPONSES
Environmental Sustainability	PPP for landfill site management	5
	Provision of treated water	1
	Having cleanest and greenest municipality	2
	Legislative compliance with environmental legislation	1
	Environmental scoping/analysis (through Environmental Management Planning)	1
	Eradication of alien plant species (e.g. wattle; water hyacinth)	1
	Greening of towns and settlements (creation of parks and beautification of open spaces)	1
	Energy efficient strategies/green procurement (use of less	1

	energy dependant materials, promotion of use for recycled paper, alternative energy uses etc)	
	Recycling of waste materials (reuse and reclamation of discarded materials)	2

4. **Rating of sustainability integration in the internal analysis**

Poor	0	Average	×**3**	Good	×**3**	Very Good	×**3**	Excellent	×**3**

4.1. Reasons for integration in the internal analysis

- Integration is not holistic and other ELM departments have not yet internalized the strategy and need to be encouraged to implement the strategy effectively**. 3**
- The current strategy is balanced and is cutting across all areas of sustainability maybe because there are few individuals who are conversant with sustainability issues within the ELM. **6**
- Other **3** did not state reasons

Interpretation of rating

Respondents were requested to rate sustainability integration in the internal analysis, rating it from *poor, average, good, very good and excellent*. Three respondents rated integration as average based on the claim that integration is not holistic and other ELM departments have not yet internalized the strategy and need to be encouraged to implement the strategy effectively**.** Another three of the respondents rated it as good and the other three rated it as very good whilst the other three rated it as excellent, all respondents that rated integration as good and excellent claimed that the current strategy is balanced and is cutting across all areas of sustainability maybe because there are few individuals who are conversant with sustainability issues within the ELM.

Sustainability Integration Assessment Tool

1.2. External Analysis

External environment analysis focuses on identification and evaluation of trends and events beyond the control of the organization whilst revealing opportunities and threats facing the organization that have major influence strategic actions (Ehlers & Lazenby, 2010).

Trends and opportunities

1. **The trends and opportunities identified in the strategy that the municipality can take advantage of to achieve economic sustainability**

`

CATEGORY	STATEMENT (Opportunities & Trends)	NO. OF RESPONSES
Economic Sustainability	Tourism attraction	8
	Forestry industry (Steinhoff/PG Bison) can attract various investment opportunities for this area apart from the job creation potential that this sector already has to the locals.	4
	Strategic partnerships with stake holders for future investment prospects	4
	Large farming sector and local economic development	6
	Growth in the of business, new revenue streams development, funding for SMMEs	6

2. **The trends and opportunities identified in the strategy that the municipality can take advantage of to achieve social sustainability**.

CATEGORY	STATEMENT (Opportunities & Trends)	NO. OF RESPONSES
Social Sustainability	Human settlement planning & urban development	6
	EPWP incentive grant for poverty alleviation	4
	Develop and improve value-based organizational	2

	culture	
	Safety and security in the area (prevalence of crime at minimum levels)	2
	Adequate schooling/educational facilities for the youth, health care facilities, sporting and library facilities	1
	Increase ELM's ability to attract skilled professionals	3

3. **The trends and opportunities identified in the strategy that the municipality can take advantage of to achieve environmental sustainability**.

CATEGORY	STATEMENT (Opportunities & Trends)	NO. OF RESPONSES
Environmental Sustainability	Promotion of local green economy and resource efficiency	7
	Growth in forestry to reduce carbon emissions	2
	Waste recycling has a potential to create green jobs for youth and women within ELM.	2
	Friendly ecological environment	8
	Promotion of local green economy and resource efficiency	4

THREATS AND EVENTS

Threats and negative events identified in the strategy that can hinder the municipality from achieving economic sustainability.

CATEGORY	STATEMENT (Threats and events)	NO. OF RESPONSES
Economic Sustainability	Inadequate SME & entrepreneur support	5
	Increasing electricity tariffs	2
	Poor levels of service & inadequate bulk supply	1

Sustainability Integration Assessment Tool

	Growing rate of urbanization	1
	Lower levels of literacy and numeracy in ELM	1
	Poor spatial planning	1
	Manufacturing activities not receiving priority consideration	1
	Less formalized small business sector which if well organized can provide significant employment for locals	1
	Unemployment which is rife in the area with high rate of indigence	2
	Few or no banking facilities in other towns of the municipality	1
	Geographic location and inadequate infrastructure for economic development	1

Threats and negative events identified in the strategy that can hinder the municipality from achieving social sustainability.

CATEGORY	STATEMENT (Threats and events)	NO. OF RESPONSES
Social Sustainability	Increasing rate of unemployment	3
	Lower levels of literacy and skills	2
	Increasing crime levels	3
	Decline in the levels of accountability	1
	Basic service delivery backlogs	3
	High prevalence of HIV AIDS and other opportunistic diseases	2

Sustainability Integration Assessment Tool

Threats and negative events identified in the strategy that can hinder the municipality from achieving environmental sustainability.

CATEGORY	STATEMENT (Threats and events)	NO. OF RESPONSES
Environmental Sustainability	Development of settlements below flood lines	1
	Growing rate of urbanization	1
	Increased capital cost for implementing renewable energy.	1
	No environmental planning (for ecological balance)	2
	Lack of environmental awareness raising measures/programmes	2
	No environmental activism/interest groups	1
	Lack of involvement by the private sector/corporate responsibility	1
	Low levels of skills and education that can lead to scarcity of required environmental sustainability competencies.	2

Rating of sustainability integration in the external analysis

Poor		Average	$\times^8$	Good	$\times^2$	Very Good	$\times^2$	Excellent	

(b) Reasons for rating

- The current strategy has captured well all the sustainability areas and there is synergy between the factors of sustainability (good & very good = 4).
- True integration is possible when communities are integrated and located closer to areas of economic activity in order to pursue their livelihood (average = 1).
- A balance needs to be struck between ensuring that locals equally enjoy quality services given by the municipality, are provided with adequate recreational facilities and enjoy the benefits of having decent shelter for their protection (average = 1).

Sustainability Integration Assessment Tool

- Spatiality of the area therefore is of paramount importance in ensuring that the structural problems associated with the previous dispensation are adequately addressed for the benefit of those previously disadvantaged individuals (average = 1).
- Reason not stated (1).
- Insufficient integration (average = 5)

Interpretation

Respondents were requested to rate sustainability integration in the external analysis, rating it from poor, average, good, very good and excellent. Eight respondents rated integration as average based on the claim that a balance needs to be struck between all areas of sustainability and currently they felt there was no sufficient integration. Two respondents rated it as good whilst the other two rated it as very good, all respondents that rated integration as good and very good claimed that the current strategy has captured well all the sustainability areas and there is synergy between the factors of sustainability. The figure depicts graphically the results stated above.

Sustainability Integration Assessment Tool

2. **STRATEGIC DIRECTION**

Vision

The vision of the municipality in relation to economic sustainability.

STATEMENT	NO. OF RESPONSES
A municipality that is phenomenally viable	12

The vision of the municipality in relation to social sustainability.

STATEMENT	NO. OF RESPONSES
A passionately people-centred municipality	10
Committed leaders who serve communities with excellence	2

The vision of the municipality in relation to environmental sustainability.

STATEMENT	NO. OF RESPONSES
Phenomenally viable so that natural capital and resources are prevented from depletion	1
A better quality of life for all citizens	6
A cutting-edge, quality and effective people-centred service	1
Nothing	4

Vision integrated approach to sustainability

STATEMENT	NO. OF RESPONSES

Sustainability Integration Assessment Tool

It has correlation, all areas of sustainability are talking to each other.	3
It fuses all the three sustainability areas	4
The vision links economic, social and environmental sustainability well and is holistic in its approach.	3
There is lack of integrated approach to sustainability	1
No answer	1

Rating sustainability integration in the vision

Poor	0	Average	$\times^6$	Good	$\times^4$	Very Good	$\times^2$	Excellent	0

(b) Reasons for your rating

- It makes sense and it includes all areas of sustainability and the vision is very clear and has direction of where the municipality is going. (6)
- There is insufficient mention of three sustainability elements especially environmental sustainability (5)
- There is also a lack of monitoring sustainability integration.(1)

Interpretation

Respondents were requested to rate sustainability integration in the vision, rating it from poor, average, good, very good and excellent and were also requested to state the reason for their rating. Six respondents rated the vision as <u>average</u> whilst four respondents rated it as <u>good</u> and two respondents rated it as <u>very good</u>. Respondents who rated the vision as average claimed that there is insufficient mention of three sustainability elements especially environmental sustainability and a lack of monitoring sustainability integration within ELM whilst respondents that rated the vision as good and very good claimed that the vision made sense, it included all areas of sustainability and the vision is very clear and has direction of where the municipality is going. The figure below represents a graphical representation of these findings.

12

Sustainability Integration Assessment Tool

Mission

The service of the municipality

STATEMENT	NO. OF RESPONSES
Yes, it indicates that it delivers excellent service to its people who remain its priority in everything it does	12

Municipal economic goals

STATEMENT	NO. OF RESPONSES
Financial viability	12

Operating philosophy in terms of quality, organizational image and self-concept

STATEMENT	NO. OF RESPONSES
Good governance	8
The municipal operating philosophy can be found on its vision statement which is "a leading municipality that delivers a better quality of life for all citizens, a municipality that is phenomenally viable, highly successful and passionately people-centered."	2
Inclusive, accountable and efficient public administration that takes into account communities needs in their long term planning goals	1
It is a responsive municipality and its unique value proposition embraces integrity and honesty in dealing with stakeholders	1

Core competencies and competitive advantage

Sustainability Integration Assessment Tool

STATEMENT	NO. OF RESPONSES
Not mention of core competencies and competitive advantage	2
Stable political environment	1
Advantage of having a niche market for tourism (natural beauty)	1
High number of youthful population	1
Basic services, skilled personnel, stable political environment, financial viability and land availability.	2
Strategies and policies in place and ELM's ability to use limited resources	3
Financial sustainability	2

Customers or group of customers the municipality aims at serving

STATEMENT	NO. OF RESPONSES
Community	3
Business & SMEs	2
Farmers	2
Government departments	1
Parastatals	1
Traditional leaders	1
Ward committees	2
Rate payers	1
Tourists	1
Indigent	1
Development forums and groups	1

Sustainability Integration Assessment Tool

Municipal view to social issues

STATEMENT	NO. OF RESPONSES
Delivery of excellent service	8
The Kairos Moment and Dare To Dream are some of the programs that the municipality has initiated as part of its social responsibility.	1
Through the indigent policy the poor are assisted by the municipality to meet their basic needs.	1
Empowered communities are able to take better care of themselves almost independently of the government an ideal situation for a vibrant and thriving social setting.	1
Very important	4
Community consultation for inputs on issues relating to service delivery should be strengthened to understand municipal processes and be given all relevant information particularly on the quality and standard of services they must expect and that are entitled to as well as the importance of the Batho Pele Principles in serving them.	1

All the people pursuing their interests or wishing to do so within the geographic boundaries of the municipality.

---

4. How does the municipality view its responsibility to social issues?

No

5. How does the municipality view its responsibility to employee issues?

No

.

The municipal responsibility to employees

	NO. OF RESPONSES
The municipality does not prioritise employee issues. It does not view its responsibility as much important to employee issues	6
Through its values the municipality views its employees as a corner stone of serving the community. To keep a happy, competent, skilled and appropriately qualified workforce that is productive enough and caring to the clientele of the municipality.	6

The municipality responsibility to community issues

	NO. OF RESPONSES
Yes, it has taken very serious	6
The municipality has initiated many programs that are aimed at enhancing the community in municipal affairs and these include ward committees.	2
Important	1
Community consultation for inputs on issues relating to service delivery should be strengthened to understand municipal processes and be given all relevant information particularly on the quality and standard of services they must expect and that are entitled to as well as the importance of the Batho Pele Principles in serving them.	3

6. **The municipality responsibility to environmental issues?**

	NO. OF RESPONSES
The mission talks of clean, green and sustainable environment	12
Developments and any other activity pursued by the municipality on behalf of its citizens and in the course of rendering its constitutional obligations must be aligned to environmental concerns and applicable legislation.	1

Rating sustainability integration in the mission

Poor	0	Average	$\times^6$	Good	$\times^4$	Very Good	0	Excellent	$\times^2$

(b) Reasons for your rating

There is room for improvement in particular on HR investment towards development. (4)

The municipality has been good in implementing programs that would benefit its external stakeholders, however, more needs to be done to invest in employees.

Based on the view that the municipality does not prioritize employee issues, the municipality has to oil its engine for it to be able to achieve its goals and currently it does not do enough in terms of motivating its employees. 6

Existence of social cohesion of an acceptable degree and prevailing social stability evidences that strides are being made at ensuring that integration takes center stage.

Unqualified audit report has been obtained with less matters of emphasis. (excellent = 2)

Sustainability Integration Assessment Tool

3. STRATEGY FORMULATION

3.1. Long term goals sustainability integration

Long term goals which are sometimes called long term objectives reflect the organization's specific direction on a high level and are a basis for more specific tactical goals (Ehlers & Lazenby, 2010).

7. Long term goals/objectives that address economic sustainability in the strategy
- Financial stability and viability (2:1 ratio) (5)
- Creation of 33 000 jobs (6)
- Provision of services (infrastructure) (2)

8. Long term goals/objectives address social sustainability in the strategy
- Provision of service (4)
- Achieve 90-100% literacy and numeracy levels (12)
- Embodiment of good corporate governance (12)

9. Long term goals/objectives address environmental sustainability in the strategy
- Be the cleanest and greenest town in the Eastern Cape (12)

10. **Rating sustainability integration in the long-term goals**

Poor	0	Average	$\times^2$	Good	$\times^4$	Very Good	$\times^6$	Excellent	0

(b) State the reasons for your rating?

All areas are adequately covered. (6)

The long-term objectives are a holistic reflection of where the municipality needs to go in order to be a great municipality. 4

Public participation is one of the cornerstones of Local government. Ensuring good environmental practices carries with it the possibility of an economic environment that is able to sustain itself.

Reason not stated

Generic strategies to address sustainability

11. Generic strategies selected by the municipality to complement economic sustainability

    Attract and retain investment (12)

    Investigate alternative ways to provide infrastructure (1)

    Improve revenue growth (4)

12. Generic strategies selected by the municipality to complement social sustainability

    Implement Sifunda Sonke (8)

    Implementation of indigent policy (1)

    Development of health awareness strategy (1)

    Establish partnerships with academic institutions both nationally and internationally. (2)

13. Generic strategies selected by the municipality to complement environmental sustainability

    Implement the cleanest and greenest towns campaign (Elundini Goes Green). (12)

14. Rating sustainability integration in the strategies

Poor	**0**	**Average**	**0**	**Good**	$\times^{10}$	**Very Good**	$\times^2$	**Excellent**	**0**

(b) Reasons for your rating

It accommodates all areas of sustainability (10)

Generic strategies are achievable (2)

All respondents could not answer grand and functional strategy questions due to the following reasons:

- The strategy was not classified according to generic, grand and functional strategies
- The strategy did not have functional strategies at all.

    3.2. Grand and functional strategies to address sustainability

15. What grand and functional strategies are considered by the municipality to pursue economic sustainability?

_____

_____

_____

16. What grand and functional strategies are considered by the municipality to pursue social sustainability?

_____

_____

_____

17. What grand and functional strategies are considered by the municipality to pursue environmental sustainability?

_____

_____

_____

18. How would you rate sustainability integration on internal analysis, based on your answers above?

Poor		Average		Good		Very Good		Excellent	

(b) State the reasons for your rating?