

SURVEY OF BUSINESS ORGANISATIONS' COMMUNICATION NEEDS WITH A METROPOLITAN MUNICIPALITY

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Abstract

Information and communication technologies (ICT) are playing an increasingly important role in the daily lives of citizens and changing existing business rules. The networking capability offered by the Internet and associated technologies have the potential to transform structures and operation of government organisations. eThekwini Municipality sees an e-Government strategy as an important management tool for improved communication between itself and business organisations in the eThekwini Municipality Area (EMA). The concept of a Municipal Information Society (MIS) is introduced. A survey instrument was developed and administered to 100 different business organisations in the EMA to gauge their ICT communication needs and readiness for implementing an e-Government strategy. The author reports on the ICT considerations for business organisations' communication needs in the EMA and suggests that South African municipalities need to ensure they adopt appropriate ICT infrastructures for business organisations in their municipal areas.

INTRODUCTION

In the African renaissance, information and communication technologies (ICT) are playing an increasingly important role in the daily lives of citizens, revolutionising work and leisure and changing the rules of doing business. ICT encompass all technologies that facilitate the processing and transfer of information and communication services (United Nations, 2002). In the realm of government, ICT applications are promising to enhance the delivery of public goods and services to citizens not only by improving the process and management of government but also by redefining the traditional concepts of citizenship and democracy (Pascual, 2003). van der Waldt (2004) notes that the South African Government makes provision for the use of information technology to deliver certain services electronically (electronic governance). According to this approach to service delivery, Government utilises Internet technology to improve quality (better services), efficiency (cost effectiveness) and effectiveness (economic development).

Electronic Service Delivery (ESD) is a method of delivering services and conducting business with customers, suppliers and stakeholders to achieve local government developmental goals of improved customer service and business efficiency. There is no more important an issue in South Africa than improving the delivery of public services (van der Waldt, 2004). eThekwini Municipality sees the e-Government strategy (Ethekewini Municipality Integrated Development Plan 2003-2007, 2003) and its website at URL <http://www.durban.gov.za> as important management tools for improved citizen service delivery and communications to the business community in the eThekwini Municipality Area (EMA). The website is seen as "key to retaining constant communications" with its constituents (Making City Strategy Come Alive, 2004). Improving service delivery calls for a shift away from inward-looking bureaucratic systems and attitudes towards a search for new ways of working which puts the needs of the public first (van der Waldt, 2004). It calls "for a radical adjustment of the [existing] frame of reference" (Leaning and Averweg, 2006). The author suggests that ICT represent a key enabler for improved service delivery to both its citizens and business organisations in the EMA.

ETHEKWINI MUNICIPALITY AREA (EMA)

eThekwini Municipality's population is 3,09 million citizens (Statistics South Africa, 2001). The population is an amalgamation of racial and cultural diversity. The Black African community comprises 68,3%, Coloured citizens 2,8%, Asian citizens 19,9% and White citizens 9,0% (Statistics South Africa, 2001). Thirty-eight percent (38,0%) of the population is under 19 years of age (Ethekewini Municipality Integrated Development Plan 2003-2007, 2003). eThekwini Municipality has a capital budget of R2,29 billion and an

operating budget of R8,56 billion for the 2004/5 financial year - see URL <http://www.durban.gov.za>. The EMA's gross geographic product income is R25,529 per person per annum which is higher than the South African average of R17,756 per person per annum. Thirty-eight percent (38,0%) of citizens in EMA are employed, 21,7% are unemployed and 40,2% are not economically active (eThekweni Municipality: Quality of Life Household Survey 2002/2003, 2003). The non-economic activities include learners, home keepers and pensioners. eThekweni Municipality is the local authority governing the City of Durban. Durban is becoming recognised for its ability to contribute towards building a knowledge and learning network not just on the African continent but on an international scale (Making City Strategy Come Alive, 2004).

Erwin and Averweg (2003) report that there is a need for organisations to adapt to constantly changing business conditions. During this adaptation, transformation occurs which consists of rapid and rapid change in all the facets of an organisation. These changes may be so significant that they may result in a new identity. van der Waldt (2004) suggests that transformation is thus "a process of becoming" that re-organises organisational knowledge and operations. It creates new relationships between an organisation (such as eThekweni Municipality) and its environment (such as EMA). These new relationships in turn alter both the organisation and its environment in a knowledge-based society. Transformation comes not from moving services online but from redesigning the organisation and processes to place both its citizens and business organisations at the centre, integrating across agencies to simplify interaction, reducing costs and improving service delivery.

Of particular concern to business organisations in the EMA is the uncertainty, inconsistency and unpredictability of government actions, delays in delivery platform infrastructure, the high cost of doing business (especially rates and service charges) and for effective partnerships. From the eThekweni Municipality Reviewed Integrated Development Plan 2003-2007 (2004), a summary of some of these business organisation needs is reflected in Table 1.

*Table 1. Summary of business organisations' needs in EMA
(Source: Adapted from eThekweni Municipality Reviewed Integrated Development Plan 2003-2007, 2004)*

Business organisations' needs from eThekweni Municipality
Provide business support, skills training and access to procurement
Provide predictability and efficiency in government processes
Ensure maintenance of facilities, services and infrastructure
Ensure strategic utilisation of city resources for economic growth and employment creation projects
Create clean, well-maintained environments
Ensure reasonable business and property rates and rents
Upgrade and developing adequate infrastructure
Develop commercial and industrial nodes in townships and peri-urban areas
Facilitate investment by reducing bureaucracy and "red tape"
Ensure equitable economic development of all areas
Promote tourism opportunities
Implement recommendations from the Best Practice City Commission

eThekweni Municipality has a number of strategic integrated development plan goals (see eThekweni Municipality Reviewed Integrated Development Plan 2003-2007, 2004) and e-Government can contribute in various ways. Some examples are:

- economic growth - by becoming a truly developmental municipality;
- empowerment - particularly for those who have been previously historically disadvantaged;
- efficiency - in setting correct customer service protocols;
- effectiveness - through creating a modern, connected smart city; and
- equality - ensuring services are provided equally across the EMA.

ICT is thus seen as an effective mechanism to access municipal information and development information in general.

e-GOVERNMENT AND e-GOVERNANCE

An important consequence of public service transformation in South Africa has been the changing nature of state-society interaction and exchange (van der Waldt, 2004). There are major pressures for a renewed focus on the issue of “service delivery” in South Africa. e-Government is about transformation that helps citizens and business organisations find new opportunities in the world’s knowledge economy (Pacific Council on International Policy, 2002). Governments have not been immune to the impact ICT have in our society (Rivera-Sanchez and Sriramesh, 2003). Governments that define e-Government as simply moving services online “miss larger opportunities which will determine competitive advantage in the long run” (Caldow, 2002).

Definitions of e-Government range from “the use of information technology (IT) to free movement of information to overcome the physical bounds of traditional paper and physical based systems” to “the use of technology to enhance the access to and delivery of government services to benefit citizens, business partners and employees” (Deloitte and Touche, 2003). Ultimately, e-Government aims to enhance access to and delivery of government services to benefit citizens (Pascual, 2003). According to van der Waldt (2004), drivers of e-Governance in South Africa include the following:

- improved services to citizens and business organisation (customer satisfaction);
- cost effectiveness and efficiency;
- economic development (compete and attractive investment);
- capacitate citizens and business organisations by improving access to services and products;
- establishment of “virtual communities”;
- establishment of “digital democracy” (eg. by informing citizens by improving access to information); and
- enable African renaissance networking.

This effectively means the business community’s use of innovative ICT (eg. Internet and associated technologies) to deliver to all business organisations improved services, reliable information and greater knowledge in order to facilitate access to the governing process thereby improving customer satisfaction, improving cost effectiveness and efficiency and promoting economic development in the EMA. e-Government needs to find a positive developmental role. Without this, e-Government runs the risk of being a 21st century “rusting tractor”, cast aside as it fails to fulfil its promise (Heeks, 2003). e-Government services focus on four main customers: citizens, the business community, government employees and government agencies. The customer focus of this paper is on the business community in the EMA.

RESEARCH GOALS

ICT can be defined as an electronic means of capturing, processing, storing and communicating information (Heeks, 1999). e-Readiness can be defined in terms of availability of ICT infrastructure, the accessibility of ICT to the general citizen population and the effect of the legal and regulatory framework on ICT use (Manyanga, 2002). In building a model of ICT, two separate elements exist: the technology itself and the information on which it operates. Heeks (1999) suggests that in order to make this model useful, two further processes should be added: processes of purposeful activity and the people to undertake those processes. Together these constitute an “information system”, such as a support system that helps business organisations interact with their local municipality. eThekweni Municipality plays a vital role in the cultural life of Durban (eThekweni Municipality Reviewed Integrated Development Plan 2003-2007, 2004). The author suggests the spawning of a Municipal Information Society (MIS) is only possible if the availability of multilingual and multicultural information is encouraged. For the purposes of this paper, the author defines a MIS as the innovative use of ICT to improve the internal operation of a municipality as well as its communication and collaboration with citizens and business organisations in a municipal region.

eThekweni Municipality embarked on an initiative to understand the ICT communication needs of business organisations to establish effective communication between itself and its constituencies. Public participation is a powerful tool; it informs and educates citizens and therefore enhances the democratisation processes in South Africa (van der Waldt, 2004). Public participation balances the tension between democracy and bureaucracy (Brynard, 1998). This paper reports on this initiative, findings from a survey conducted and

considerations relating to the adoption of an e-Government strategy in the EMA. With the high failure rate of e-Government projects, Heeks (2003) notes that it carries direct and indirect financial costs. Failure damages morale, credibility and trust, preventing the benefits of e-Government from being delivered.

A requirement for effective e-Governance requires an understanding of the e-Readiness of business organisations. Accordingly, the focus of this study is on the e-Readiness of business organisations in the EMA to tap the new ways of communication *ie.* e-Governance. The primary goal of this research is to obtain a snapshot of business organisations in the EMA using ICT as an alternative and a new method of communication. This will serve to provide some insights for eThekwini Municipality electronic service delivery strategies, obstacles, challenges and directions for e-Governance. The research method and data gathering are now presented.

RESEARCH METHOD AND DATA GATHERING

A survey instrument was developed to gauge business organisations' information needs in the EMA. This survey tool represents an attempt to obtain a snapshot of the current interaction (if any) with the eThekwini Municipality website, the manner in which business organisations receive information from eThekwini Municipality and the manner in which they will like communicate (by receiving information). The survey instrument (Business Needs Analysis, Information and Communication Technology Survey - see Appendix A) comprises two sections:

Section 1: General Information: Section 1 contains three subsections: (1) business organisation's information; (2) access and usage of Internet for business purposes; and (3) focus on the eThekwini Municipality website.

Section 2: Business Organisation's Information Needs: Section 2 contains three subsections: (1) how business organisations currently receive and would like to receive information about eThekwini Municipality; (2) how business organisations currently interact and will like to interact with eThekwini Municipality; and (3) business organisations' perceptions regarding eThekwini Municipality.

During May 2003, the questionnaire was administered telephonically to 100 business people in 100 different business organisations in the EMA. Fifty small and 50 large organisations were selected on a random basis. The respondent (business person) was in a position to give a meaningful response on behalf of his organisation.

RESULTS AND DISCUSSION

ICT survey results are the reflection of e-Readiness of business organisations in the EMA to use ICT as a communication medium with eThekwini Municipality and among themselves in virtual communities. Analysis and discussion of the 100 completed survey instruments is now given.

From Section 1 of the survey instrument, Table 2 reflects an analysis of the organisational levels of respondents surveyed in organisations in the EMA.

Table 2. Analysis of organisational level of respondents surveyed in the EMA

Organisational level	Percentage (%) of respondents (N=100)
Upper Management	30,0%
Middle Management	22,0%
Supervisor	21,0%
Secretary	11,0%
Employee	16,0%

From Table 2, the 100 respondents surveyed were spread across 43 different core businesses. Twenty-two respondents reported that their organisation's core business was manufacturing. This was followed by 12 respondents in retail, 7 respondents in accounting and 6 respondents in repair business organisations. The balance of respondents (53 respondents of the survey sample) was from 39 different core business organisations (eg. airline, leisure, security, shipping, transportation, etc). For these core business organisations, the associated percentages ranged from 1,0 to 4,0%.

Eighty-six respondents reported that their organisations had access to the Internet. From the four highest reported organisation core businesses (retail, manufacturing, accounting and repair), the respective accesses to the Internet is reflected in Table 3. From the 43 different core businesses surveyed, only Security and Surgery reported that their business organisations had no access to the Internet.

Table 3. Four highest reported core business accesses to the Internet

Core business	Percentage (%) of respondents
Retail	91,7%
Manufacturing	86,4%
Accounting	85,7%
Repair	50,0%

An analysis of the primary purpose for which the surveyed business organisations use Internet access is reflected in Table 4. Other reported uses of the Internet include advertising, banking, communication (including with branch organisations), e-Mail, enquiries, browsing, internal, payments, South African Revenue Services, research and tracing shipments. There was no reported use of short message service (SMS).

Table 4. Primary purpose for which surveyed business organisations use Internet access

Purpose	Percentage (%) of respondents
Searching for information	39,1%
Marketing	26,1%
e-Administration	20,3%
Purchasing	14,5%

More than half (55,2%) of respondents surveyed, reported that their business organisations had a website. However, only 23,0% of total respondents surveyed were aware of the eThekwini Municipality website at URL <http://www.durban.gov.za>. Some 13,0% of respondents surveyed indicated that the eThekwini Municipality website contained information their business organisation will expect to find while 10,0% reported that it did not.

From Section 2 of the survey instrument, the predominant method (89,0%) in which business organisations receive information about eThekwini Municipality is via the Post Office. This method is followed by municipal publications (7,0%). Other methods include information received via the telephone and at municipal offices. Surveyed respondents were satisfied (48,0%) or on average satisfied (30,0%) with the manner in which they receive information from eThekwini Municipality. Heeks (1999) cautions that as an aid to entrepreneurs in the developing world “poor entrepreneurs need more than money, skills and infrastructure in order to make use of the data delivered by ICT”. Only 18,0% of respondents surveyed were not satisfied with the manner in which they receive information from eThekwini Municipality and 4,0% did not know whether they were satisfied.

When respondents surveyed were asked how their business organisations will like to receive information from eThekwini Municipality, more than half (54,0%) reported that they will like to receive information via the Post Office, followed by e-Mail (34,0%) and then the Internet (9,0%). The aim is not simply to deliver services electronically in the EMA but to encourage business organisations to start learning about the Internet via its website and thereafter make use of the Internet for other services. The success of the Internet should be measured in terms of accessibility and contribution to social progress, rather than in terms of numbers of connected individuals (Kamel and Hussein, 2000). Evidence suggests that countries that have experienced the most rapid diffusion of ICT have also experienced the most rapid rates of employment and output growth (Baily and Lawrence, 2001). As reflected in Table 1, one of business organisation’s needs in the EMA is “for economic growth and employment creation projects”. The eThekwini Municipality Integrated Development Plan 2003-2007 (2003) states that its strategic commitment is to develop a smart city as part of the process of economic development and “a shift to service and knowledge-based activities”.

The majority of respondents surveyed reported that when their business organisations interact with eThekwini Municipality regarding important issues, the preferred communication method is telephone (80,0%). The second preferred communication method is writing a letter (11,0%). Some 53,0% of respondents surveyed indicated that their business organisations were satisfied with the manner eThekwini Municipality responded to queries/complaints raised while 47,0% were not satisfied. When respondents surveyed were asked whether their business organisations will be interested in interacting with eThekwini Municipality using the Internet as a communication medium, 59,0% reported positively and 41,0% negatively. This tends to suggest that there is a need to institute effective interaction mechanisms that will facilitate business organisations accessing and interacting with eThekwini Municipality using the Internet. The concept of e-Government involves using ICT (eg. Internet and associated technologies) to deliver public services (Rivera-Sanchez and Sriramesh, 2003).

This survey focused on establishing a better understanding of how ICT can contribute to eThekwini Municipality's business organisation service delivery and development communication in the EMA. The main objective was to establish how business organisations in the EMA perceive Internet technology and their willingness to "try out" ICT as a new form of communication (e-Readiness). Organisations have also sought to improve the efficiency of communications within their organizations and between themselves, their suppliers and partners. Trying out ICT should spawn virtual communities in a MIS in the EMA. Readiness for e-Government is not only a governmental issue (Pacific Council on International Policy, 2002).

van der Waldt (2004) reports that there needs to be better use of technology in the delivery of services. It is important that innovative ICT be adopted by eThekwini Municipality to deliver to all business organisations in the EMA improved services, reliable information and greater knowledge in order to facilitate the e-Governance process by encouraging their participation. This will facilitate the establishment of a digital democracy thereby leading to customer satisfaction with eThekwini Municipality.

CONCLUSION

National Government in South Africa wants to see strong, vibrant, innovative and responsive local municipalities delivering the quality of local leadership and public services which their communities and business organisations need. Business organisation participation is an important element in the stages of the e-Government process, from defining a society's vision and priorities for e-Government to determining e-Readiness and managing e-Government projects. e-Government is not just about municipal websites, e-Mail and SMS. It is not about service delivery using ICT via the Internet. It is not about digital access to eThekwini Municipality information. It is about how business organisations in the EMA change in relating to their eThekwini Municipality and the degree to which e-Governance changes businesses relating to each other in a MIS. South African municipalities need to ensure they adopt appropriate ICT infrastructures for business organisations in their municipal areas. This will lead to improved ESD and communication, satisfying business organisation needs thereby facilitating African renaissance networking.

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BUSINESS NEEDS ANALYSIS

INFORMATION AND COMMUNICATION TECHNOLOGY SURVEY



Hello I am phoning from the eThekweni Municipality in Durban. We are conducting a business survey relating to municipal information and computerised communication with business. Can you put me through to someone who can spend 5 minutes answering a few questions. *(The objective of the survey is to improve service delivery and establish effective communication with the business sector)*

1. GENERAL INFORMATION

1. What is your position in the company? 1 Management 2 Supervisor 3 Employee 4 Secretary 5 Other

1.1. What is your core business?.....

1.2. How many employees do you have in your company?

0 - 5 1 6 - 25 2 26 - 50 3 51 - 100 4 101 - 500 5 500 above 6

1.3. Does your company have access to the Internet?

If the answer to question 1.3 is no proceed to question 2.1

1.3.1. How many employees in your company need Internet access to accomplish their daily activities?

1 - 10 1 11 - 25 2 26 - 50 3 51 and above 4 None 5

1.4. Does your company have a website

1.5. For what purpose does your company use the Internet?

Marketing 1 e-Administration 2 Purchasing 3 Other 4

1.6. Is your company aware of the eThekweni Municipality website (www.durban.gov.za)?

1 Yes 2 No

1.7. If Yes, how did your company find out about eThekweni Municipality website?

1.8. Does eThekweni Municipality website have the information your company will expect?

1 Yes 2 No

1.9. If your expectations have not been met, what would you like to find there?

1.10. Would you like to have the site available in another official South African language?

1 Yes 2 No

1.11. Specify Language

2. BUSINESS INFORMATION NEEDS

2.1. How does your company receive information about eThekwini Municipality?

Telephone enquiries 1 Post Office 2 Municipal offices 3 Municipal publications 4 Internet 5

2.2. How would you rate your satisfaction with the way your company receives information from eThekwini Municipality?

Not Satisfied 1 Average 2 Satisfied 3 Don't know 4

2.3. How will you like information about eThekwini Municipality to be delivered to your company?

Telephone 1 Post Office 2 Municipal Offices 3 Municipal publications 4 Internet 6 e-Mail 7

2.4. Which department / office within eThekwini Municipality does your company usually approach for information?

1. 2.

2.5. How does your company interact with eThekwini Municipality regarding issues that you think are important?

Telephone 1 Writing a letter 2 Writing and e-Mail 3 Face-to-Face 4 Never 5

2.6. Is your company satisfied with the way eThekwini Municipality responds to its queries/complaints? 1 Yes 2 No

2.6.1. If your answer to question 2.6 is Yes, what impressed you?

2.6.2. If your answer to question 2.6 is No, what needs to be improved?

2.7. Is your company interested in interacting with eThekwini Municipality using the Internet? 1 Yes 2 No

2.8. Do you have specific things that you will like to interact with eThekwini Municipality on the Internet?

1. 3.

2. 4.

2.9. Do you have anything to say that can improve communication between eThekwini Municipality and the business sector with regard to electronic service delivery?

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2.10. If you could say one thing with regard to the way information about eThekwini Municipality reaches you, what is it?

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Thank you very much for participating in this survey.