The effect of mayoral attributes on the financial performance of selected municipalities for improved service delivery in South Africa

By

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DEDICATION

This study is dedicated to my father, the late **Mpasa Patrick Mannya.** He always believed in me and it is so sad that he passed on before he could celebrate this substantial achievement with me. It is also dedicated to my aunt, the late Sinah Mmakwena Mabatswa, who encouraged me to further my studies; my mother, Caroline Ramokone Mannya, who despite difficult financial times pretended as though everything was going well and continued to encourage me in my studies; andmy grandmother, Mmanare Tsiri, who is 103 years old but can still remind grand grandchildren to focus on their studies. My dedication also goes to my husband, Kingsley Masilo Rapholo and my three sons, Matome, Letsolo and Mosima, for their sacrifice and understanding my hectic schedule during the time of my studies.

DECLARATION

I, **Matau Gladys Rapholo** hereby declare that the dissertation **"The Effect of mayoral attributes on the financial performance of selected municipalities for improved service delivery in South Africa"** submitted for the Degree of Master of Commerce (Accounting) at the University of Limpopo, is my own work, and that all sources that I used or quoted from have been indicated and acknowledged by means of complete references. The dissertation has not in part or in full, been previously submitted for any other degree or examination at this or any other university.

MRapholo. 09 September 2021

M G Rapholo Date

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When you pass through the water, I will be with you, and through rivers, they shall not overwhelm you, when you walk through fire you shall not be burned, and the flame shall not consume you (**Isaiah43:6**). Firstly, I acknowledge the presence of the Lord almighty for the journey I went through my studies: the death of my father, my mother's hospitalisation for some months after the death of my father, and then my aunt passing away, so that I had to take care of my 103 year-old grandmother. *He will never leave me nor forsake*.

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ABSTRACT

This study investigated the effect of mayoral attributes on the financial performance of selected municipalities for improved service delivery in South Africa. The study adopted the quantitative research method to examine the relationship between mayoral attributes (age, administrative experience, and educational background) and financial performance. This study used data from 30 municipalities based in the Limpopo Province of South Africa. The study used data collected from selected municipal annual reports available on their websites using purposive sampling and panel data analysis to analyse the data. The results showed a positive relationship between administrative experience and financial performance, a negative relationship between age and financial performance, and a negative relationship between educational background and financial performance. Therefore, the study recommends that to improve financial performance in municipalities for improved service delivery the appointment of a municipal mayor should be based on administrative experience. Furthermore, the study suggests that in consideration of the need to interpret constantly emerging new financial regulations to promote financial stability in municipalities, the educational qualifications of mayoral candidates should be prioritised. However, the study did not examine other mayoral attributes that can affect financial performance, such as independence, race, and allowance because they are challenging to estimate.

Keywords: Financial performance; age; Administrative experience; Educational background; municipalities; mayoral attributes.

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CHAPTER ONE: GENERAL INTRODUCTION

1.1. Introduction

For local governments to be efficient, sound financial performance and financial sustainability are needed. Strategic and operational positioning the governance structure of municipalities strategically and operationally will ensure compliance with their mandate. Most South Africans are not satisfied with service delivery and the fiscal management practices within municipalities. Monkam (2014) confirms that significant service delivery challenges such as poor fiscal management, corruption, and the lack of skills have plagued local municipalities in South Africa. This situation resulted in municipalities experiencing financial distress and a loss of confidence and trust in local government administration (Monkam, 2014:275). Kanyane (2006) noted that weak leadership in strategic management including poor corporate governance structure; shortage of skills, that is, educational background to implement financial management; misinterpretation of legislation; lack of expertise within municipalities; political considerations and nepotism in appointments of senior managers without required qualifications have severely weakened the performance of municipalities.

Graves and Dollery (2009) found that budget funding in South African municipalities is ineffective and unsustainable because of poor financial planning practices which can compromise effective financial management. Concerns have been raised about continual service delivery protests. These protests may indicate that financial planning may be ineffective in South African municipalities (Republic of South African National Treasury, 2011; Managa, 2012). The poor financial planning may be due to the lack of administrative experience and educational background of municipal officials.

Additionally, Horn and Raga (2012) state that the laudable policy framework introduced for South African municipalities is often grossly undermined by, for instance, incidences of lack of accountability, political interference, and the appointment of inexperienced and unqualified officials and contractors. Others include the lack of technical ability, lack of understanding of the relevant regulatory framework and non-compliance with the policy framework.

Political leadership and career administrators need to find a way to work together to protect public assets through efficient public expenditure for better service delivery. The study examines the relationship between financial performance and leadership qualities of political heads (mayors) and population sizes of municipalities in Limpopo with effect from the 2011-2016 local elections.

1.2. Problem statement

Most municipalities face a challenge of fiscal sustainability because of their overreliance on grants from the national government coupled with the low internally generated revenue. These challenges combined with political interference in the appointment of municipal mayors and leadership have dire consequences for their fiscal sustainability as they can lead to misappropriations and inefficient service delivery. The practice of cadre deployment by the ruling party might have denied municipalities the opportunity of electing mayoral candidates with the right attributes to leadership positions. As such, political interference could have detrimental consequences for the financial sustainability of municipalities as argued by Mahran, Mohamed, Sohrab and Mendi (2018), namely, that mayoral attributes can affect municipal fiscal performance either favourably or adversely. Moreover, mayoral attributes can affect a municipal internal revenue generation and financial performance; consequently, leading to poor service delivery. Moreover, poor mayoral attributes can result in fund misappropriation, embezzlement, misallocation, and inappropriate budgeting; hence, poor service delivery (Schulz-Herzenberg, 2014). Additionally, political interference in the appointment of municipal mayors may result in obscure procurement processes and poorly managed tendering processes marred with corrupt practices and poor service delivery (Munzhedzi, 2016). Consequently, it is important to consider how a municipal mayor's attributes affect the financial performance of selected municipalities for improved service delivery. Hence, this study examines the relationship between mayoral attributes and municipal financial performance in selected municipalities in the Limpopo Province of South Africa.

1.3. Research hypothesis

The following are the research hypotheses formulated for this study.

H_1: There is no relationship between a municipal mayor's age and financial performance in selected municipalities in the Limpopo Province of South Africa.

H_2: There is no relationship between a municipal mayor's *administrative experience and financial performance* in selected municipalities in the Limpopo Province of South Africa.

H_3: There is no relationship between municipal mayor's *educational background and financial performance* in selected municipalities in the Limpopo Province of South Africa.

*Financial performance= $\frac{IGR}{TE}$. Where IGR is internally generated revenue, and TE is total expenditure.

1.4. Research objectives

The following are the research objectives to be addressed in this study:

- To determine the relationship between a municipal mayor's age and financial performance in selected municipalities in the Limpopo Province of South Africa.
- To determine the relationship between a municipal mayor's administrative experience and financial performance in selected municipalities in the Limpopo Province of South Africa.
- To determine the relationship between a municipal mayor's educational background and financial performance in selected municipalities in the Limpopo Province of South Africa.

1.5 Research method

The study adopted a correlational research design to address the research problem. The study used a quantitative method to test the research hypotheses. The study used a regression analysis to analyse the data to determine the relationship between the variables. The study sample consisted of all thirty municipalities in the Limpopo Province with data collected from municipal annual reports and audited Annual Financial Statement for ten years. This data is reliable and valid because it is audited. The information placed on municipal websites is valid as it is the requirement of sec 75 of the Municipal Finance Management Act no 56 of 2003 (MFMA).

1.6 Significance of the study

The study addressed the significance in the following areas: academia, economic and social.

1.6.1 Academia

The study added value to the existing information and literature on financial performance in municipalities for improved service delivery. Future researchers can use this study to investigate other measures that will improve financial performance in municipalities.

1.6.2 Economic

Administrative experience showed a positive result which has a major influence on financial performance in municipalities. The study showed that an increase in internally generated revenue would result in less dependence on national grants.

1.6.3. Social

Appointing the right mayoral candidate with the right attributes will improve municipal internally generated revenue; hence, improved service delivery for the citizens.

1.7 Structure of the study

The following shows the structure of the study:

Chapter One: Introduction

Chapter one introduced the study. It outlined the research problem to allow the readers of this paper to understand the problem. The chapter also outlined the problem statement, research hypothesis and the research objectives. Lastly, the chapter showed the significance of the study.

Chapter Two: Literature review

This chapter reviewed theories related to the study and the identified literature.

Chapter Three: Research methodology

This chapter explained the research methodology used in this study. It outlined the research method and research design, the population target, sample and sampling method, data collection, data analysis and operational definition of research variables.

Chapter Four: Analysis and Findings

This chapter addressed the analysis and findings based on the research problem and hypothesis. Statistical and non-statistical techniques were used to analyse data.

Chapter Five: Conclusion

The chapter presented a summary of the findings, conclusion, recommendation, and future research.

1.8 Summary of the chapter

The chapter provides the background to the study, the research problem and the objectives of the study. The problem statement, research objectives, research hypothesis and summary of the research approach were also covered in this chapter.

The next chapter reviewed the literature relevant to the study.

CHAPTER TWO: LITERATURE REVIEW

2. Literature review

The earlier chapter provides the introduction and background of the study and discusses the research problem, research hypothesis and the research objectives. In this chapter, the study reviews the literature and provides an overview of the theoretical framework. Section 2.1 discusses the theoretical framework (leadership theory and competency theory) of the study. Section 2.3 discusses the age of the municipal mayor and the financial performance in municipalities. Section 2.4 discusses the administrative experience of the municipal mayor and financial performance in municipalities. Section 2.4 discusses the educational background of the municipal mayor and financial performance. A summary of the chapter is presented at the end of this chapter.

2.1 Introduction

Sound financial management is essential to the long-term sustainability of municipalities (Bolivar, Galera, Munoz & Subires, 2014). Mayoral attributes may contribute positively or negatively to the financial performance in municipalities. Therefore, the age of the mayor may influence the financial performance in their municipalities, the administrative experience and the educational background may also influence the financial performance in municipalities. Mayoral experience in local government and educational qualification can also contribute positively or negatively to financial performance in municipalities. Municipalities governed by young mayors tend to perform better though they may be lacking on the level of maturity. Besides, a young mayor may be interested in developing technologies that will assist municipalities to be financially viable (Alesia, Trioano & Cassidy, 2015). Therefore, the attributes of a mayor may be crucial when determining the financial performance of a municipality.

2.2 Theoretical framework

This section discusses the theoretical framework adopted in this study. The study used two theories, namely, leadership and competency theories. Leadership and competency theories were both used to explain the qualities of a mayor and how these could influence the financial performance of the municipality.

The mayor as a leader must have experience, self-confidence, and trust in one's competence as an essential resource to improve financial performance in a municipality (Haveri, Airaksinen & Paananen, 2015). Since competencies were associated with knowledge and skills for the implementation of specific assignments or projects effectively, the mayor should have both the knowledge and skills to improve the financial management of the municipality (Singh & Malhotra, 2016).

The next section explains the two theories.

2.2.1 Leadership Theory

Venter (2015) defines leadership as a combination of positions, responsibilities, attitudes, skills and behaviour, allowing one person to bring out the best in others, and the best in an organisation, in a sustainable manner. In this study, the determination of the attributes such as responsiveness, attitudes, skills, and behaviour of the municipal mayor can improve the financial performance of a municipality. Leadership is the exertion of influence, leading, orchestrating possible change by setting an example for others to follow, empowering and inspiring or motivating a group to achieve a common goal or vision is a more acceptable quality (Hernon, 2017). The municipal mayor as a leader is expected to lead by example to inspire or motivate the administrative staff towards achieving the local government objective of delivering services. According to Sethuraman and Suresh (2014), effective leadership is an aspect of personalities such as dominance, extraversion, sociability, self-confidence, elevated level of energy and resilience. Additionally, Hussain and Hassan (2015) describe leadership as a science to lead people to a common goal. The municipal mayor needs to have self-confidence and the skill to lead the management and staff to improve financial performance in municipalities. Leadership is a principle that underlines the method, ability and techniques managers use in managing situations and expressing leadership within an organisation (Rich, 2017). Since leadership is an important trait that affects organisation effectiveness, a mayor with the right leadership style is likely to influence or motivate individual employees or workgroup performance to improve the performance of the whole organisation.

2.2.2 Trait theory of leadership

Trait theory approach focuses on the essential traits like physical and personal character along with the competencies a leader should have and the consistent behaviour of the leaders in different situations (Sethuraman & Suresh, 2014). However, Lee, Park and Lee (2013) assume that leaders are born, and not made, on the premise that there are common attributes among leaders. According to Hussain and Hassan (2015), specific individuals have unique inborn or innate traits that make them leaders. For municipalities to perform effectively financially, the municipal mayor should have individual competencies.

The trait theory assumes that people accede to certain qualities or traits to make them better suited to leadership. Furthermore, great leaders have certain familiar character traits. Besides, effective leadership depends on the degree of fit between a leader's qualities and leadership style and that of a specific situation (Uzohue, Yaya & Akintayo, 2016). Trait approach emphasises attributes of leaders such as personality, motives, values, and skills (Aalateeg, 2017). Hence, the mayoral attributes as a leader are important to improve municipal performance for better service delivery.

2.2.3 Behavioural theory of leadership

According to Kovach (2018), behavioural theory of leadership is the belief that great leaders are made, not born. It also focuses on the actions of leaders, not only on intellectual qualities or internal states. One can learn to become a leader through training and observation (Uzohue, Yaya & Akintayo, 2016). Hence, this study focuses on mayoral attributes which may determine the financial performance of municipalities towards service delivery, namely, age, administrative experience, and educational background. Lee and Park (2013) assume that leaders have a specific pattern and style of behaviour in any of their achievements. In context, an effective leader shows the behaviours that are most conducive to group productivity and group psychosocial growth. Acceptable leadership style in aspects of both task and people illustrate the behaviours of active versus ineffective leaders (Ghasabeh *et al*., 2015). Gavetti, Greve, Levinthal and Ocasio (2012) describe behavioural theory of the firm as the processes within firms and how interactions between various groups or individuals contribute to decisions (various behavioural theories can be linked to improved organisational financial performance based on progressive diversity amongst board members (Taljaard, Ward & Muller, 2015).

2.2.4 Competency theory

The competency theory assumes sufficiency of knowledge and skills that enable someone to act in a wide variety of situations. Since each level of responsibility has its requirements; competence can occur at any period of a person's life or at any stage of his or her career development. Tai, Omar, Mohamed and Khuan (2014) explain leadership competency as knowledge, skills, ability, and attitudes that a leader needs to have to perform their roles and jobs competently. As such, it is plausible that a municipal mayor with the required knowledge, skills and ability may improve the financial performance of his or her municipality. Competency enables the reframing of responsibilities by reviewing positions or jobs and rephrasing their content as components and elements such as knowledge, skills and attitudes to encourage improved performance (Soutter, 2013; Hill, Gonigle, Hunter, Sipes & Hebda, 2014). Competency is the knowledge or skill shown by an individual that causes or forecasts excellent performance (Hill *et al*., 2014; Singh & Malhotra, 2016). Additionally, technical competency refers to qualification, rank and professional respect and leadership competency as personnel competency, peoples' competency, administrative competence, visionary competency, and networking competency (Rich, 2017). Hence, a mayor with the required competency may be able to find the right skills required within the municipality. Competencies are the general, functional, and specific knowledge, skills, and educational qualifications that are necessary to enable directors to perform their roles effectively (Armstrong, 2012).

2.3 Age of municipal mayor and financial performance in municipalities

The possible impact of executive age on an organisation's success has gained attention in the literature which assumes that older executives have a competitive advantage compared to younger executives, who inevitably have less experience in business (Peni, 2014). Studies have examined the relationship between age of the municipal mayor and financial performance in municipalities (Alesia *et al*., 2015; Walter & Scheibe, 2013). According to Walter and Scheibe (2013:885), older mayors base their experience on age and period spent in the council, which might reflect ineffective leadership. Furthermore, they may inadequately interpret current legislation and regulations that govern municipalities to improve financial performance. However, younger mayors may differ from older mayors since they have potentially longer careers and longer horizons which might influence the adoption of long-term policies as young mayors are more energetic and productive at work (Alesina, Trioano & Cassidy, 2015). Additionally, younger mayors are more likely to strategically increase expenditure on infrastructure as a strategy to attract the transfers of more grants from the National Government to provide more services (Alesina *et al*., 2015). Walter and Scheibe (2013), in their studies, found that mayors are active until the age of 50, while municipal financial performance decreases as mayors grew older. Older mayors are considered less educated and as such might find it difficult to adapt to the current economic situation through political experience (Alesina *et al.*, 2015). Compared to older mayors, being a younger mayor could be an attribute to improving the financial performance of a municipality.

Astraea, Collins, Gecker and Dougher (2018) found that youth engagement in the community and political process is not examined through a lens focused on social inequality. This engagement may not only reduce social inequality but may also rectify existing inequality. They further indicate that targeting opportunities in education, employment, and community life are foundational approaches to influencing life trajectories in preparing youth as future leaders, which might have a positive impact on the overall performance of municipalities. Therefore, young mayors might be more strategic than old mayors based on the modern technologies that might aid them to investigate systems further to improve the financial performance in municipalities. Mahadeo, Soobaroyen and Hanuman (2012) found a significantly positive association between age diverse of groups on board and company performance as a young board could consider various strategic and operational aspects more effectively. Moreover, the market accepts younger boards as being more innovative and willing to take risks, which enables higher growth rates in future. Consequently, age might have a positive association with improved company financial performance (Taljaard, Ward & Muller, 2015).

As such, boards with different age groups are of great benefit to the organisation since companies with young managers experience higher growth than companies with older managers, as young managers are willing to accept new ideas (Akpan & Amran, 2014). Tarus and Aime (2015), in their study, found that youthful decision-makers engage more in strategic decision-making. Hence, a board of directors composed of younger board members is more likely to venture into novel and advice on risky decisions because of their risk-seeking. Additionally, young board members might affect financial performance positively due to their flexibility, physicality, mental stamina as well as information- processing ability. As a result, the age of the appointees could impact their decision-making capability, risk-taking behaviour, career concerns and economic incentives. Compared to younger appointees, older ones have more experience in making decisions when they face complex and ambiguous tasks (Worthy, Gorlick, Pacheco, Schnyer & Maddox, 2011). However, Jhunjhunwala and Mishra (2012) found that younger directors tend to be well educated and familiar with modern technologies, which could be implemented to improve the financial performance in municipalities. On the other hand, older directors bring to the board valuable experience that they have accumulated, which could improve financial performance in municipalities.

Muhammad, Yin Lu and Carol (2014) found that diverse boards may improve strategic decisions, expand networks, and engage talent, which may help organizations to become productive and financially successful because younger and older directors' attributes complement one another, and the organization can leverage these differences to improve its strategic decision-making. Young mayors are likely to take risks to improve financial performance in municipalities. However, young mayors may lack enough experience on which to base their risk-taking. Accordingly, Aripin, Yusof, Ishak and Amrana (2014) found evidence that the experience of the older chairmen and the aggressiveness of the younger CEO work as a better combination to achieving higher firm performance rather than having either older chairman and CEO or younger chairman and CEO. Younger CEOs tend to be more energetic and aggressive in action taking and are willing to take risks while this may need to be balanced withthe caution and experience of the older chairmen or CEOs.

Investors have less confidence in younger managers due to lack of managerial experience. It isargued that when the manager matures in age, the chances of firm performance are higher when compared to younger managers (Amran, 2011:107).

Ewart (2015) too found that age is a representative of experience; a young CEO does not yield a better result than an older CEO. The market assumes a certain level of experience in an older CEO as necessary to lead a company in order to improve the financial performance. In contrast, based on Darmadi's (2013) findings, young managers are likely to be less conservative and more motivated to process innovative ideas and this is positively related to financial performance. Furthermore, Darmadi (2013) argue that the age of directors can be associated with the skills and knowledge of individuals. Moreover, young directors are more productive, and the older board members are well experienced. Darmadi (2013) argue for a broader age range among board members and support the distribution of tasks because older members can contribute their accumulated experience and resources over the years. Besides, old middle members can execute tasks and responsibilities while the younger members can use their energy to make plans. Therefore, Rivas (2012) argues that age diversity in the board of directors and top management teams leads to a greater willingness to learn, taking risks and a greater likelihood of providing advice and resources which, in turn, could ensure better financial performance. Therefore, whereas young mayors may contribute to improved financial performance in municipalities, the above literature suggests that age diversity in municipalities could yield a better result for better service delivery in municipalities.Accordingly, the study hypothesises that:

H_1: There is no relationship between age of municipal mayor and financial performance among selected South African municipalities.

2.4 Administrative experience of the municipal mayor and financial performance in municipalities

Notwithstanding the professional and academic knowledge, it is often the belief that experience plays a significant role in the performance of individuals (Kotur & Anbazhagan, 2014). Previous administrative experiences could assist municipal mayors in understanding the various challenges which prevent the smooth running of a municipality by been able to innovate and respond to these ever increasingly complex problems in financial performance (Copus & Steyvers, 2017:8). In other words, past administrative experience may aid municipal mayors in making an informed decision in resolving financial performance problems. Additionally, leadership and quality of decisions made by a municipality's management team led by an administratively experienced municipal mayor are viewed as an essential prerequisite for municipal financial performance (Van Baalen, Schutte & Von Leipzig, 2015:4). Hence, it is plausible that having these essential administrative qualities is likely to improve a municipality's financial performance.

Municipal mayors often dictate necessary strategies to overcome expected technical and administrative obstacles that might contribute to poor financial performance and deal with challenging tasks to unblock such administrative obstacles (Avellaneda, 2009). Weak management within a municipality can contribute to poor service delivery and delay in development projects because of fund misuse through theft, corruption, fraud, overspending, under-spending and wasteful expenditure (Singh & Twalo, 2015). However, it is unlikely that a municipal mayor with no administrative experience would be able to find and overcome administrative obstacles that affect the financial performance in municipalities. Moreover, frequent changes in the administrative leadership or the regular restructuring within municipalities' management driven by changes in the political leadership especially after elections may restrict a municipal mayor from implementing financial improvement plans and gaining the requisite administrative experience (Ramutsheli & Van Rensburg, 2015). Consequently, mayoral skills gained from earlier managerial or executive roles may add to the improved municipal performance. Municipal mayors need to have relevant experience of public service to be successful in addressing the financial crisis, and thus those with a local political background tend to be less successful at addressing financial problems in municipalities (Eckersley & Timm-Arnold, 2014). Therefore, the administrative experience of municipal mayors is likely to contribute to successfully addressing financial challenges.

According to Reddy (2016), the current challenges and weaknesses experienced by municipalities may be because of a cadre deployment policy by the ruling party without considering previous administrative experience. As a result, the dysfunctionality of municipalities might be due to lack of political and management administrative will when making appointments and acting decisively on contentious issues, failing to pass municipal budgets, their inability to gain qualified audits, and failure to communicate and address local communities' needs (Reddy, 2016). Moreover, Legoabe and Worku (2017) contend that councillors influence most decisions, which ensure that lower-income households get adequate service delivery. Additionally, the appointment of local contractors and engaging local community members who do not have adequate resources to execute projects or the required skills often lead to poor quality or delayed service delivery (Legoabe & Worku, 2017). Added to this, ruling parties often deploy members considered loyal instead of competent, committed, disciplined and conscientious to administer municipalities (Ahmed, 2012). Therefore, it might be beneficial to appoint a municipal mayor with administrative experience to improve financial performance.

In most cases, the reason for the delay in service delivery is linked to the deployment of untried administrators such as municipal mayors. The municipal environment is perceived as an impersonal development zone because of political influences and perceived favouritism in the recruitment processes (Legoabe & Worku, 2017). Appointments made through political deployment results in inexperienced, unregistered persons, sometimes un-registrable persons such as teachers, university dropouts and matriculants becoming municipal mayors (Legoabe & Worku, 2017). Moreover, it is conceivable that ignoring recruitment policies during the recruitment process of municipal mayors is connected with poor service delivery.

Candidates who occupy a high position on the ballot list, with extensive political connections and resources to run an intense campaign win the most preferential votes for municipal mayor without considering administrative experience (Patrick, van Erkel & Thijssen, 2016). However, a municipal mayor with only political experience but with no administrative experience might impact negatively on the financial performance of municipalities

Accordingly, the Auditor General of South Africa (AGSA) (2015/16) found that the lack of administrative experience by political leadership appointed to critical government positions might cause instability resulting in inadequate service delivery. A lack of administrative experience in the control environment to improve financial and performance management in municipalities causes slow progress in addressing weaknesses pointed out by AGSA. This appears to be due to instabilityfollowing changes in the political leadership and contributes to regression in audit outcomes. (Makwetu, 2015/16). Changes in political leadership create instability in critical positions, terminations of positions and resignation by critical municipal administrators and result in audit queries (AGSA, 2016/17). Pasquini and Shearing (2014) argue that political instability may result in not only a change in political champions but also administrative champions when critical officials are replaced. As such, administrative experience may aid in developing strategies to improve the audit outcome. Moreover, politicians are less interested in setting up new performance budgets than top managers are, particularly the Chief Financial Officers (CFOs) (Grossi *et al*., 2016). Hence, municipal mayors with little or no administrative experience might be less interested in the financial performance of municipalities.

According to Mpehle and Kanjere (2013), municipal mayors with financial ability can motivate for more grants since they align positively to efficient service delivery. In contrast, Avellaneda (2009) found that municipal mayors with earlier administrative experience tend to receive fewer national grants, compared to those mayors with no local leadership experience. Additionally, De Janvry, Finan and Sadoulet (2012) found that second-term mayors by default have more consecutive years of experience than first-term mayors. Without controlling for these potential differences in experience, performance will be upwardly biased. Therefore, the mayoral experience is likely to impact positively on the financial performance of municipalities.

Interestingly, CEOs with accumulated experience from diverse institutional environments have personal dispositions favouring experimentation and change, while those with low experience diversity show a preference toward stability and continuity (Crossland *et al*., 2014, p. 653). According to Iqbal (2016), board members with more experience can manage business problems very effectively because experience plays an essential role in improving firm performance. Similarly, Johl, Kaur and Cooper (2015) found a positive relationship between accounting ability of board members and firm performance. Similarly, Metzger and Custódio (2014) found that experienced CEOs with financial ability positively affects firms' financial policies. So too, Chen (2015) found that executives with experience can change the status quo of poor-performing firms to meet the shareholder's expectation. So, Elsaid, Wang and Davidson (2011) suggest that appointing external CEOs with experience is more likely to bring improved financial performance than appointing external CEOs without experience.

Accordingly, Hasson, Tran and Quach (2016) observed that many corporate governance codes require the CEO to possess certain qualities and attributes. This will enable them to discharge their duties thoroughly and usually interact with the board of directors to maximise the profits of a company. Cimerova (2012) thus argues that a more experienced CEO can have better executive skills since experience-related characteristics influence a wide range of firm policies. Moreover, Cimerova (2012) says that older and more experienced CEOs are associated with more conservative strategies that improve firm financial performance. As a result, having experienced CEOs in many corporations is likely to reduce the occurrence of accounting inconsistencies (Saleh, Latif & Bakar, 2018). Likewise, CEOs with years of experience can enhance firm performance through tax benefits (Saleh *et al*., 2018). In contrast, Hamor and Koyuncu (2015) found that CEOs' experiences are negatively related to post succession firm performance and that CEOs who have job-specific experience in a similar-sized firm or a related industry show considerably lower post-succession performance than their peers without prior CEO experience.

The provision of better service delivery is a constitutional obligation of governments at all levels, and for that to happen, local municipalities need to have leaders with the right sets of skills. Most municipalities often ignore audit queries raised in audit reports, and this affects their financial performance. Thus municipal mayors appointed without administrative experience might be unfamiliar with the municipal environment and financial prudence. Consequently, the South African Local Government Association (SALGA) introduced programmes to empower municipal mayors with the right financial skills for improved service delivery. Hence, the study hypothesises that:

H_2: There is no relationship between the administrative experience of the municipal mayor and financial performance in municipalities.

2.5 Educational background of the municipal mayor and financial performance in municipalities

Jannen (2018) describes qualifications as the education, experience, skills, and personal qualities a person has. Also, Priyadharsan and Pavithera (2015) explain that qualification is the fitness of purpose through fulfilment of necessary conditions. These conditions include attainment of a specific age, the taking of an oath, completion of required training and the acquisition of a degree or diploma. Priyadharsan and Pavithera (2015) further state that qualification does not necessarily imply competence. Section 158 of the South Africa Constitution states that citizens who qualify to vote for the municipal council are eligible to be a member of that council (Constitution of the RSA, 1996). However, the section neglects to emphasise the qualification of a member of such local council. Sec 48 of the Municipal Structures Act 117 of 1998 further states that municipalities must elect a member of its executive committee as the mayor. Moreover, if the Member of Executive Council (MEC) for local government in the province so approves, another member of the executive committee is elected as the deputy mayor of the municipality. Therefore, the Municipal Structures Act 117 neglect the importance of qualifications in the appointment of the municipal mayor, which might hurt the financial performance of municipalities. Mello (2018:3) suggests that voters should nominate and elect people with a minimum of a Grade 12 or post-school qualification since qualifications of councillors, training, time, and remuneration are contributing factors to poor oversight by political leadership. Uche (2014:138) found that given the lack of having a qualified mayor in terms of education and experience would compensate in part for personnel deficiencies and municipalities are expected to select qualified personnel to fulfil the municipal mandate of improving financial performance. Besides, Uche (2014:137) states that the qualification of the mayors should be a requirement for local administrative performance since the lack of skills and leadership qualities result in poor planning, poor implementation, and poor performance. Consequently, the educational background of the mayor may help in finding gaps in terms of administrative ability. Ricardo and Martin do Volle (2014:9) contend that the leader who is more knowledgeable and informative is more likely to succeed in making the right decisions. Furthermore, knowledge is not the only cognitive resource likely to influence a leader's performance. Poorly educated mayors and municipal managers are likely to run municipalities under supervision of the Provincial governments if their performance is unimpressive (Sithole, 2014). Zhang, Tochem, Hibbard and Tang (2017) argue that the education level of a municipal mayor may have a positive effect on environmental concerns such as environmental degradation. An educated mayor may be more aware of such issues and thus prioritise policies or actions to address such issues.

. Usually, educated mayors have generated positive results in the municipal administration by making positive critical decisions about current prominent issues; and so, municipal mayors' educational qualification can also influence their financial decision for improved financial performance.

According to Sithole (2014), municipalities in distress are either informed by both unfriendly struggles, unpleasant competition, and intense conflicts between the two critical leaders (mayor and municipal manager). Otherwise, a cosy relationship often promotes collaboration in wrongdoing by siphoning municipal resources for personal gain through misinterpretation of legislations for lack of the required qualification. Bogopa (2013:117) found that party allegiance for cadre deployment is a significant determinant before educational qualification, skills, and competence, resulting in the risk of inadequate service delivery.Moreover , inappropriate deployment of party loyalists has led to a myriad of problems in municipalities including undue political interference, the tension between political and administrative interface and conflicts between political party loyalists and municipal administrators causing financial distress in municipalities. Avellaneda and Gomes (2017) acknowledged that qualified mayors are expected to find whom to appoint or keep in achieving the administrative objective. Qualified mayors are also more likely to inspire confidence, appropriately structure organisational subunits and communicate both clear assignment and operational proceedings to achieve effectiveness. However, the appointment of a municipal mayor in South Africa is the prerogative of the ruling party that ignores the educational qualifications of the preferred candidates. Hence, the above research suggests that educational background relates to financial performance in municipalities.

Gomes, Alfinito and Albuquerrque (2013) found that a qualified mayor can raise a higher percentage of funds locally and reduce dependence and reliance on grants from the national government. Elected mayors with a higher level of formal qualification will work towards a lower level of debt and a higher efficiency in the provision of public goods, which will lead to lower expenditure (Freier & Thomasius, 2016). In addition, Rocha, Orellano and Bugarin (2018) found that educated and experienced mayors tend to spend less on current expenditure and as a consequence more on capital expenditure and tend to attract more intergovernmental transfers. Such mayors have a higher re-election probability, and by attracting more discretionary transfers and spending on capital projects, signalling efficient management. The educationally qualified mayor distributes funds based on the priority needs of the locality (Uche, 2014:138). Avellaneda and Gomes (2017:563) found that uneducated mayors do not take advantage of opportunities like human and financial resources to improve service delivery. Hence, municipal mayors without appropriate educational qualification might not have the expertise to increase internally generated revenue.

The municipal mayor's responsibilities are assigned in terms of Municipal Finance Management Act (MFMA) no 56 of 2003, which among others is to approve the annual budget of the municipality before the start of the budget year. Furthermore, Sec 54(e) of Municipal Finance Management Act (MFMA) no 56 of 2003 state that the municipal mayor must identify any financial challenges facing the municipality, including emerging or impending financial glitches (National Treasury, 2003). As such, the professionalisation of the position of the mayor will encourage local voters to elect mayoral candidates whom they consider prepared and trained to perform adequately (Wollmann, 2014). Moreover, budget approval and identification of financial constraints need a skilled person. As such, appointing a mayor in terms of the Municipal Structures Act might not assist in detecting financial constraints faced by the municipality because the Act does not state the pre-requisite for the appointment of the municipal mayor.

Legoabe and Worku (2017) found that the lack of adequately skilled human capital in municipalities has directly or indirectly contributed to poor service delivery by municipalities, leading to community unrest, financial losses for municipalities, an outbreak of diseases, as well as the non-payment of services by local communities. Also, Leibbrandt and Botha (2014) explain that municipalities are in severe distress with regular service delivery protests, massive service delivery and infrastructure backlog challenges (for example, electricity, roads, housing, water, and sanitation), poor financial management and the inability to execute approved strategies, plans, and programs. Therefore, educationally qualified mayors may develop strategies to reduce infrastructure backlogs and improve service delivery.

Moreover, Brollo and Troiano (2016) argue that educated and experienced mayors are more corrupt and likely to attract discretionary transfers. They explain that such mayors spend more on capital to increase campaign contributions often associated with fund diversions. Nevertheless, Nicolus and Noam (2016) found that highly educated mayors have the requisite skills to motivate employees to improve service delivery. Besides, college-educated leaders are better performers than the less educated. In contrast, Nicolus and Noam (2016) contend that politicians with college degrees have failed to improve service delivery because they are no less corrupt. This indicates that honesty and integrity are vital traits required in a mayor. In this vein, Reddy (2016:3) opines that municipal funding strategies are insufficient and that the service delivery functions of local governments are quite onerous. It is, therefore, imperative that municipal functionaries responsible for fiscal management responsibilities are qualified and have the required technical ability to access available funding opportunities like grants and subsidies (Reddy, 2016). Hence, the relationship between the educational background of the municipal mayor and financial performance are important.

Cameron (2014) states that local governments acknowledged that the deployment of unskilled party loyalists to senior municipal positions contribute to poor service delivery. According to Cooperative Governance and Traditional Affairs (COGTA), the deployment of party loyalists and political interference have contributed to inefficient and ineffective municipal administration because many of the senior managers including municipal managers often lack the requisite skills and relevant qualifications to manage municipalities. Besides, the report by the Auditor- General of South Africa (AGSA) (2017) indicates that for municipal administration, political leadership and municipal officials to achieve service delivery objectives, they need to consistently adhere to the requirements of legislation and policies in the interest of the public. As such, accountability is critical to fulfilling public interest where municipal leaders are answerable to local communities by taking responsibility for their actions, decisions, and policies. Hence, municipalities should be able to defend the appropriateness of their actions by adhering to mechanisms that encourage and enforce ethical values and respect for the rule of law. Moreover, a mayor’s adherence to government policies is necessary for efficient service delivery, especially where the mayor has the required qualification.

It is improbable that municipalities with adequate funding can satisfactorily provide quality services to the community characterised by corruption, selfishness and greed, and lack of accountability (Lwendo & Tonchi, 2017:733). The establishment of administrative structures is meant to enhance performance. Nonetheless, municipalities have the power to change or redesign such structures as and when necessary. Also, they can review such structures if the performance is not satisfactory. Indeed, South Africa has acknowledged the challenge of skills development in the administration of local governments and have, therefore, set up some legislative frameworks to provide good governance among South African local governments (Sebola, 2014).

Moreover, such legislative frameworks require professional administrative and political systems that are conscious of and understand the complex local government environment systems for implementation. Additionally, more skilled, and professional administrators and committed politicians must deliver services to local communities effectively and efficiently. Political interference in the appointment of career municipal administrators with no requisite skills to implement legislative requirement promotes institutional weakness (Mautjana, 2014). In South Africa, mayoral appointments made by political parties are done through the deployment of candidates with no consideration for qualifications. In the same vein, municipal mayors instead of appointing competent personnel to managerial positions resort to cadre deployment thereby neglecting candidates that have the appropriate qualification. This irregular appointment has negatively affected the financial performance of municipalities.

Furthermore, the South African Local Government Association (SALGA) introduced the programme of councillors' induction after the 2011 election and 2016 election. This gives councillors a comprehensive understanding of their roles and responsibilities in line with the legislative framework, policies and procedures, and the express mandate of a developmental local government system in South Africa. Additionally, SALGA organised training in 2017 for Mayors and Chairpersons for the Finance portfolio committee members in municipalities. Consequently, SALGA introduced the Councillors Development Programme in response to municipal service delivery failures to address deficiencies associated with human capital. This intends to enable councillors to respond effectively to the needs and expectations of the electorate. It is plausible that an empowered local municipality will ensure responsive and accountable service delivery. However,, most municipal mayors received basic councillor induction training that does not relate to their broad roles and functions of managing municipalities finances. Thornhill and Dlamini (2012) concur that most mayors receive leadership and management training, but not relating to budget development or fiscal management. Most municipalities whose mayors attended the training adopted an unfunded budget for the 2018/19 fiscal year. This suggests that the induction training does not fill skill gaps as proved by such elected municipal mayors, and therefore it indicates that they require a formal educational qualification. This highlights the importance of education as an essential attribute of a municipal mayor, particularly in the financial performance of municipalities.

The adoption of the cadre recruitment approach might ultimately impact negatively on the financial performance of the municipalities. This concern emanates from the current practice of municipal mayors appointing municipal managers (MMs), chief financial officers (CFOs) and other senior managers based on party considerations rather than the legally prescribed requirements such as educational qualifications and competencies (Mamogale, 2014:76). In this study, the researcher determines the relationship between the educational background of the mayor and the financial performance in municipalities. If the municipal mayor has the requisite educational background, cadre deployment may not apply. This may then lead to improvement in financial performance because people with required skills are appointed.

Public managers in the 21st-century face complex and shifting challenges, which may be easier to overcome when the manager has the requisite educational qualification and experience. Educationally qualified municipal mayors can also take advantage of the positive institutional, political, demographic, and socio-economic characteristics of the municipality. Even when these contexts are favourable to performance, if the mayor is unable to exploit them, these advantages will remain unrealised opportunities (Avellaneda & Gomes, 2017). In a developing country context, however, most municipalities are led by educationally unqualified mayors who do not capitalise on opportunities such as the human and financial resources. Avellaneda and Gomes (2017) found that educationally qualified mayors are expected to show a good sense of judgment in selecting advisers, namely, know whom to hire to achieve the administration's goals. A mayor may not be proficient in all municipal responsibilities and worse still if the municipal mayor is educationally unqualified, it will be difficult to appoint the right set of advisers. In situations where mayors must work with incumbent staff, mayors can adopt certain strategies to attain goals, such as innovation, networking, personnel training, reward systems, revenue expansion, enforcement mechanisms, and promotion of citizen participation (Avellaneda & Gomes, 2017).

Also, Avellaneda and Gomes (2017) found that educationally qualified mayors are more likely to inspire confidence, appropriately structure organisational sub-units, and communicate clear assignments and operational proceedings to achieve effectiveness.

Most local municipalities have insufficient capacity to carry out their developmental mandates, because of insufficient and inexperienced staff, a deficiency of qualified staff, poor performance management, lack of capacity at councillors' level, and shortages of critical skills (Asha, Belete & Moyo, 2016). An attitude change by municipal officials, politicians and the party in government may bring about a fitting solution to municipal capacity skills development problems (Mashamaite, 2014). Further, political leadership ought to augment their oversight responsibilities through forums such as the Public Accounts Committees and Municipal Public Accounts Committees at the municipal level by punishing transgressors (Munzhedzi, 2016:6). Additionally, oversight committees need to be enhanced by educationally skilled municipal legislators with the ability to hold the executive accountable. Lwendo and Tonchi (2017) state that municipal policymakers should ensure that qualified staff occupy strategic positions for quality service delivery. This is necessary because unqualified staff may undermine the municipality's ability to deliver better services or display an inability to collect revenues due to the municipality and so be unable to ensure regular generation of financial reports. Munzhedzi (2016) reiterates that enhancing administrative and political officials' accountability mechanisms through performance management systems is possible by punishing offenders who contravene legislative prescripts and recruiting and keeping qualified and efficient administrative officials.

Money and time spent without the required approval and ability to acquire or learn vital expertise, means that the public remains deprived of essential services, which is wasteful (Cambini & Rondi, 2017). Municipalities face a challenge in executing collective legislation because the provisions are open to different interpretations, leading to further unwarranted interference of politics into municipal administration (Saleem, Bashir, Riaz & Sami 2018). However, a mayor with an economics-related university degree might favour more prudent municipal spending and reduce the risk of municipal default as the knowledge and expertise acquired could facilitate the adoption of control measures to avoid insolvency (Galera, Carillo, Rubio & Canton, 2017). In contrast, in South Africa, elected councillors approve policies and by-laws, approve the yearly budget, and oversee municipal administration. Usually, there is no minimum education requirement for elected councillors, and so councillors on average have shallow levels of education, which could undermine their role as overseers of the work of the municipal managers and departmental heads; the latter having on average attained higher levels of education. The lack of requisite qualifications, experience and skills level of municipal mayors results in poor relations with management and mistrust of each other abilities to fulfil specified duties (Monkam, 2014:19). The board of mayors and municipal councils is expected to focus its attention on the daily management of the municipality and the bureaucracy. The political setting limits the executive power of the mayor because of the municipal election which does not have a formal threshold (Schoute, Budding & Gradus, 2018). Politicians whose deployment requires higher education are more inclined to use structured loans than politicians with less educational qualification. As a result, the financial performance in municipalities might suffer due to non-adherence to the educational qualification of the mayor.

In relation to this, Akpan and Amran (2014) found that the board of directors oversees the monitoring of management on behalf of shareholders. For this reason, the shareholders ought to ensure that the board consists of well-educated members to protect their investment. Businesses formed and managed by educated managers tend to perform better than those managed by uneducated managers. The educational qualifications of directors is vital for decision making. According to common perception, educated people can easily do specific tasks

efficiently compared to the uneducated or those with less education. Inadequate levels of education and knowledge can paralyse a person and make a person inefficient (Kotur & Anbazhagan, 2014).

Furthermore, Williams (2016) argues that a CEOs' educational background in terms of the level and quality of education obtained plays a crucial role in shaping decision-making and determining financial performance. In contrast, Tarus and Aime (2014) contend that individuals with higher levels of education, are too specialised in their respective areas and may lack the generalised knowledge to participate effectively in strategic change to maximise the firm's financial performance. Moreover, their study found that individuals with higher educational levels tend to withdraw from the business-operating environment, given their social status that comes with higher levels of education, and so find it challenging to undertake strategic decisions (Tarus & Aime, 2014).

From the literature review above, it is therefore likely that the effect of the educational qualification of municipal mayors would have a significant positive correlation between the variables named for this study. Similarly, Iqbal (2016) also found a positive relationship between the education level of CEOs and firm performance. In contrast, Gottesman and Morey (2015) found that educational background of the CEO is not related to financial performance.

2.6 Summary of the chapter

The chapter reviewed extant literature on attributes of the municipal mayor focussing on the age, administrative experience, and educational background. Furthermore, the chapter discussed relevant theories on the attributes of the mayor and the financial performance of municipalities for improved service delivery in South Africa. The two theories discussed in this chapter are the leadership and the competency theories. These theories explain the attributes of the mayor, which can influence the financial performance of municipalities. The mayor that has applies both leadership and competency theories would improve financial performance and, in turn, would improve service delivery towards better lives of South Africans. The chapter further reviewed the political influence on the financial viability of municipalities and the inability to generate revenue. The chapter also discussed the age of mayors and the effect of it on the financial performance of municipalities. It referred to arguments presented that young mayors could attract investment and could adapt quickly to the new technologies and the counter arguments which proffered that elderly mayors depend on experience within the council. Mayors with administrative experience will learn from the earlier performance and correct errors going forward. Lastly, it was submitted that mayors with educational background and age diversity can attract skilled personnel who will help in the implementation of developed strategies to improve the financial performance in municipalities.

The next chapter will discuss the overall research method including the research design, research paradigm, research method, population target, sample size, data collection and data analysis. The chapter will further discuss the validity, reliability, ethical considerations, limitation, and significance of the research.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The earlier chapter discussed the theoretical framework and literature on the age of the mayor, administrative experience, and educational background of the mayor. This chapter discusses the overall research method for this study. Sections 3.2, 3.3 and 4.3 discuss the research design, the research paradigm and the research method, respectively. Sections 3.5, 3.5, 3.7 and 3.8 discuss the population target, sample size, data collection and data analysis, respectively. Section 3.9 defines variables used in this study. The chapter further discusses the quality criteria reliability and validity in Section 3.10, which is also subdivided into data and research method. Sections 3.11, 3.12 and 3.13 discuss ethical considerations, the limitation of the study and the significance of the research.

3.2 Research methodology

A research methodology is a methodological approach that the researcher engages in to solve an identified problem within a society, a study of methods utilised to gather and gain knowledge (Rajasekar, Philominathan & Thanjavur, 2013:5). Additionally, Carey (2012:83) refers to research methodology as different methods applied by researchers to collect information or data as part of the research, and it offers a theoretical and philosophical foundation, which in turn will then influence the methods employed to collect information and data. This suggests that the research method is an essential part of the research as it provides a guide on different types of research methods to be utilised to collect research information.

The section below outlines the research design, research paradigm, and research method, population of the study, sample size, data collection and data analysis.

3.3 Research design

The research design is a plan for the collection, measurement and analysis of data detailing how the study should be conducted in order to achieve the specified objectives as well as to obtain answers to the research hypothesis (Gray 2009:131; Babbie & Mouton, 2010:74; Langford & Young, 2013:86; Van Zyl, 2014:397). The objectives of the study are to measure the relationship between the age, educational background and administrative experience of the mayor against the financial performance in municipalities. Therefore, the study adopted a correlational research design.

3.3.1 Correlational research design

A correlational research design uses correlational statistic to describe and measure the relationship between two or more variables (Creswell, 2012). The study adopted the correlational research design to examine the relationship between the attributes of the municipal mayor and financial performance as represented by variables: age, educational background and administrative experience. Sucuahi and Cambarihan (2016:150) argue that the correlational design is appropriate where no treatments were applied to any of the participants and existing conditions were investigated to explain any potential relationships that might exist amongst variables. The study chose the correlational research design over other forms of research designs because it measures the relationship between variables. Hence, this study measures the relationship between age, administrative experience and education background and financial performance. The correlational research design was similar to the research approach used by Eneizan and Wahab (2016:36) to measure the relationship between green marketing strategies and customer satisfaction. Similarly, Warner (2013) adopted a correlational research design to measure any relationships that exist between the variables named. Furthermore, Tsegba and Herbert (2013) adopted the correlational research design to measure the relationship flanked by the explanatory variable and response variable of the study. Moreover, James (2016); Omoro, Aduda and Okiro (2015:007) and Hassan (2015) adopted a correlational research design to measure relationships between variables. Van Zyl (2014) also asserts that a correlational research is an indication as to how two or more variables are related. Hence, this study examined whether or not there is a relationship between the mayoral attributes and the financial performance in municipalities.

3.4 Research paradigm

A research paradigm is a set of assumptions and understandings about key aspects of the research such as the nature of reality, the intent, ethics and values of the researcher, the nature of knowledge, the data collection approach and the nature of the research outcomes (Ling, 2017). This study adopted the positivist research paradigm since the quantitative research approach was used. Lin (2015:24), for example, defines the research paradigm as a set of beliefs, theories, empirical methodologies, and communication practices shared by a community of researchers that gives the standards and norms for inquiry within that paradigm. Antwi and Hamza (2015:218) found that the positivist paradigm is a convenient model for examining problems and finding solutions. Additionally, Sekaran and Bougie (2013) highlight that a fundamental approach to the positivist researcher is the experiment which allows the researcher to measure a cause and effect relationship through manipulation and observation. Hence, this study measures the relationship between mayoral attributes and financial performance.

3.5 Research method

A research method is a logical way of solving problems through different procedures and algorithms (Kamaruddin & Abeysekera, 2013). Besides, Waller *et al.* (2016:3) define research methods as specific strategies for finding things out, such as interviews or observations. Furthermore, Rees (2011: 24) refers to research methods as steps, procedures, principles, and strategies for collecting and analysing the data in a research investigation. There are three kinds of research methods available to the researcher, namely, qualitative research, quantitative research, and mixed methods. This study adopted a quantitative research approach to realise the goals.

3.5.1 Quantitative research method

This study applied the quantitative method to measure the research objectives in a controlled setting to gather numeric data that are used to measure the hypothesis (Ary, Jacobs, Walker & Irvine, 2014). The quantitative research method is an aid to measuring the relationship between the variables. Hence, data is collected in the study on variables by expressing age, educational background, and administration experience in numbers. For this reason the study adopted a quantitative method. Cresswell (2014:4) describes the quantitative research method as an approach for measuring unbiassed models of the relationship among variables. In turn, these variables are measured, so that numbers data can be analysed using statistical procedures. A quantitative approach is more objective, thereby limiting research bias, which allowed the researcher to assess respondents' sustainable luxury value perceptions through the collection of numerical data to determine and describe the correlation and relationships between variables (Maree, 2013: 145).

Further, the quantitative research approach primarily follows the confirmatory scientific method because its focus is on hypothesis testing and theory testing (Antwi & Hamza, 2015). According to Barczak (2015), the quantitative method identifies a theory related to a study, after which it develops a hypothesis based on the theory and then tests those hypotheses with data that either confirms the hypothesis or not. Quantitative research deals primarily with numerical data and their statistical interpretations under a reductionist, logical and objective paradigm (Leung, 2015).

Quantitative research is about determining the relationship between facts and measures of reliability, generalisability and validity, and these are backed up by established statistical tests, which are seen as externally verifiable and are central to the methodology (Fawcett & Pocket, 2015:72). In a quantitative method, data is collected based on a hypothesis or theory and is followed with the application of descriptive or inferential statistics. According to Goertzen (2017:12), quantitative research methods are concerned with collecting and analysing data that is structured and represented numerically. One central goal is to build accurate and reliable measurements that allow for statistical analysis. Salloum and Suissa (2016), for instance, in their study, used the quantitative research method to understand how the presence of women affect the financial performance of the firms. This is similar to the study of Smonikova, Veselinova and Gruevski (2017) where the focus was on the relationship between domestic borrowings and expenditures of the municipality, and as such, the study used the quantitative approach. Furthermore, linear regression was used to analyse data in their study. Besides, Suwanda (2015) tested the relationship of Quality Human Resources, Internal Control System Implementation, Organisational Commitment and Utilisation of Information Technology to the quality of the financial statements concerning local government getting an Unqualified Opinion of the Audit Board using the quantitative method. Furthermore, Suwanda (2015) used multilinear regression to analyse the data. In this study, the multiple linear regression analysis was used to assist the researcher in measuring the relationship between independent variables (age, educational background and administrative experience) and the dependent variable (internally generated revenue and total revenue). Nyirenda and Ngwakwe (2014) and Abbas and Awan (2017) used a similar method.

3.6 Target Population

In this study, the focus was the local governments in South Africa. The local government in South Africa consists of nine provinces with 278 municipalities. The study focused on the effect of mayoral attributes on the financial performance of selected municipalities for improved service delivery in South Africa.

According to Carey (2012: 247), a sample is drawn from a study population. Salkind (2012), and Van Zyl (2014:95) define a population as a group of potential participants to whom the researcher wants to generalise the results of a study. Similarly, Rubin and Babbie (2016) define the population as the group or complete set of units or elements that have common characteristics. Furthermore, a population is a group of identified study objects (Welman, Kruger & Mitchel, 2012:52; De Vos, Strydom, Fouche, and Delport, 2012: 223; Brink, van der Walt & van Rensburg, 2014:131). The researcher used municipalities as a target population because the information is readily available on municipal websites.

3 .7 Sample size

Sampling is selecting a sample from a population. Saldkin (2012:95); Kumar (2014:230); Van Zyl (2014:95); and Kohtala (2014); and Igwenagu (2016:32). Sreejesh, Mohapatra and Anusree (2014:19) explain sampling as a process that uses a small number of the population to to reach a conclusion about the larger population. The sampling process begins when the researcher chooses the subset of the population that he or she intends to engage with and decides on how he or she will locate and involve them (Thorne, 2016:96). From the nine provinces in South Africa, the study selected only one province, which is Limpopo Province due to its proximity to the researcher. It consists of 30 municipalities. The study covers ten (10) years (2007-2016) which comprise data which yield reliable, accurate presentation and robust conclusions.

The purposive sampling method was used to select the sample size because of the proximity of the researcher to the Limpopo Province. Purposive sampling is a type of non-probability sampling based on the judgment of the researcher about the subjects or objects that are typical or representative of the study phenomenon or who are exceptionally knowledgeable about the question at hand (Brink, van der Walt & van Rensburg, 2014:134). This study used purposive sampling because data in the public domain was easily accessible by the researcher from the selected municipalities. The thirty (30) selected municipalities in Limpopo Province South Africa from are indicated in the diagram below:

Figure 3. 1: Municipalities in Limpopo

Source: Website - Map of Limpopo Province municipalities

3.8 Data collection

The study used secondary data publicly available from the Municipalities' annual reports on the municipal websites. The data ranges from the years 2007 to 2016. The time chosen covers the South African local municipal elections that occurred in 2007, 2011 and 2016. These elections have a direct effect on the change in who becomes the mayor, a key variable in this study. Secondary data is data that already exist which have been collected by some other person or organisation for their use and are generally made available to other researchers free or at a concessional rate (Sreejesh, Mohapatra & Anusree, 2014:11). Additionally, Adams, Khan and Raeside (2014) define secondary data as data collected by others for their specific purposes and made available through books, libraries, and websites to a broader audience of researchers.

This study obtained secondary data from the publicly available data on municipalities' websites. It includes annual reports from the 2007 to 2016 municipal fiscal years. The annual report contains the following as prescribed by circular 11 of the Municipal Finance Management Act No. 56 of 2003:

- The annual financial statements;
- The Auditor-General's report on the financial statements;
- Explanations necessary to clarify issues in connection with the financial statements;
- An assessment by the accounting officer on any arrears on municipal taxes and service charges;
- Details of any corrective action taken or to be taken in response to issues raised in the audit reports;
- any recommendations by the audit committee, and:
- any other information as may be prescribed.

Consequently, data contained in the annual report aided this study to obtain results on the financial performance of municipalities about internally generated revenue. As such, a change of guard in municipal administration has resulted in the inability to generate enough internal revenue to complement grants received from the National Government. Hence, the study aims to examine the relationship between the mayoral attributes and the financial performance in municipalities. Other researchers such as

Gomes, Alfinito and Albuquerque (2013), Akpan and Amran (2014) and Taurus and Aime (2014) also used secondary data to solve the research problem.

3.9 Data analysis

Johnston (2014:619) defines secondary data analysis as an analysis of data that was collected by someone else for another primary purpose. Data were analysed using multiple linear regression analysis. The statistical software, Stata 15 was used to test the regression model and ascertain whether any relationship exists between mayoral attributes and financial performance in municipalities towards improving service delivery. In this study, the age of the mayor, administrative experience and educational background stood for the measurement of mayoral attributes.

Multiple linear regression

Multiple linear regression analysis is a modelling technique that measures the linear relationship between a dependent and one or more independent variables (Nataraja *et al*., 2018). Simple linear regression analysis allows the selection of variables that are significant to construct a model to determine the financial condition that includes the independent variables through multiple linear regressions. (Brusca *et al*., 2015).

Multiple regression analysis determines the correlation between a criterion or variable and a combination of two or more other variables (Babbie, 2013:467). This regression model is concerned with finding relationships between numbers of variables expressed in the form of an equation (Adams *et al*. 2014:202). Mule and Mukras (2015), in their study, used multiple linear regression to determine the relationship between financial leverage and the firm's performance. Similarly, Suwanda (2015), in his study used multiple linear regression to test the hypothesis of his study. This study used regression analysis to analyse the data (generated from the secondary data source) to determine the correlation or relationship between the independent variables (age, administrative experience and educational background) and financial performance.

3.10 Operational definition of variables

In this study, the dependent variable was the financial performance, and the independent variables were age, administrative experience, and educational background. The study adopted a correlational research design to test the relationship between these variables.

In this study, the model used was the regression equation stated as follows:

$$FINPERFM_{it} = \alpha_{it} + \beta_1 AGE_{it1} + \beta_2 ADMEXP_{it2} + \beta_3 EDBACKGRD_{it3} + \beta_4 GENDER_{it4} + \beta_5 POPULATION_{it5} + \varepsilon \quad (1)$$

Where:

$FINPERFM_{it}$ (Financial performance); α_{it}= intercept; $\beta_1 AGE_{it}$ (age); $\beta_2 ADMEXP_{it}$ (administrative experience); $\beta_3 EDBACKGRD_{it}$ (educational background); $\beta_4 GENDER_{it}$(gender); $\beta_5 POPULATION_{it}$(population); β is the slope; ε= error.

3.10.1 Dependent variable

In this study, the dependent variable is financial performance used to measure the level of sustainability in South African municipalities to reduce reliance on government subsidies. Internally generated revenue (IGR) over total expenditure (TE) is a proxy for financial performance. This measure is selected because the study seeks to determine whether municipalities can generate their own revenue so that they may be sustainable and be able to provide better services to the communities, hence $\frac{IGR}{TE}$, was the appropriate variable. Researchers such as Manbub, Marizurul and Hoque (2017) have used the same variable in similar studies. Moreover, Gomes, Alfinito and Albuquerque (2013) used financial performance in their study as the dependent variable to measure the level of self-sufficiency. Similarly, Akapan and Amaran (2014) used financial performance as the dependent variable in their study.

3.10.2 Independent variables

The study used age, administrative experience, and educational background of the mayor as the independent variables.

Below is the discussion of independent variables:

3.10.2.1 Age

The study employed the age of the mayor as an independent variable to determine the relationship between the age of the mayor and the financial performance in municipalities. Researchers such as Alesina, Troiano and Cassidy (2015) used age as an independent variable in their study to determine the effect of age on revenue and expenditure. Furthermore, Huang, Green and Lee (????) used age to investigate the association between CEO age and financial performance. Additionally, Mahadeo, Soobaroyen and Hanuman (2012) used age in their study to determine the relationship between the age of the board of directors and the financial performance of the firm.

Hence, the study used age to determine the relationship between age of the mayor and financial performance in municipalities.

3.10.2.2 Administrative experience

The administrative experience was used as an independent variable to measure financial performance in municipalities. Iqba (2016) used board experience to measure financial performance. Additionally, Hamor and Koyuncu (2015) used CEO experience to test its relationship with financial performance. Furthermore, Cımerova (2012) tested the influence of CEO experience on financial performance as an independent variable. Similarly, Johl, Kaur and Cooper (2015) used expertise as an independent variable to determine its relationship and the firm's financial performance. Hence, the study determined the relationship between the administrative experience of the mayor and the financial performance in municipalities.

3.10.2.3 Educational qualification

The sustainability of the municipality depends on the effectiveness of the municipal mayor; however, to achieve the objective of the municipality, the mayor should possess necessary qualification. In their study, Kotur and Anbazhagan (2014) used the educational qualification as independent variable to test its relationship with financial performance.

Furthermore, Aripin, Ishak, Yusof and Amrana (2014) tested the relationship between educational qualification and financial performance of the firms. Additionally, Iqba (2016) used the qualification of the board to measure the financial performance of the firm. Hence, this study tested the relationship between the educational qualification of the mayor and the financial performance in municipalities.

Dummy variables

Table 3. 1: Dummy variables

Independent variable	Measure
Administrative experience	Numbers of years in council
Age	Dummy variable one (1) for young mayors and zero (0) for others
Educational background	Dummy variable one (1) for graduate degree holders and zero (0) for others.
Gender	Dummy variables one (1) for Female mayors and zero (0) for males
Population size	Dummy variable one (1) for the broader community and zero for others

3.10.3 Control variables

Kleina and Sakurai (2015) define the control variable as a set of variables used to control. As such, in this study, the analysis of independent variables (age, administrative experience and educational background**)** alone does not explain the findings from this study. Other researchers used the control variables in their studies to justify their findings (Muhamed, Yin & Carol, 2014; Amran, 2011; Huang *et al*., 2012; Navaretti & Castellani, 2014). Control variables aimed at controlling factors that may influence the regression result. Therefore, this study considered gender and population to be control variables, as explained below.

3.10.3.1 Gender

Mitrana and Budaciaa (2015) suggested that gender must be introduced in the model as a control variable to see if it poses an influence on the relations assumed within the model. Other researchers such as Cass *et al*. (2015), Achtziger *et al*. (2015) and Bastiaensens *et al*. (2014) used gender as a control variable. Hence, gender was appropriate to control the other variable, such as financial performance.

3.10.3.2 Population size

Other researchers such as Jones and Hill (2014) and Pevcin (2014) used population size of each municipality as a control variable. Hence, population size was appropriate to control the other variable such as financial performance.

3.11 Reliability and Validity

The study explained the measures taken to ensure the reliability and validity of the study.

3.11.1 Reliability of data

Sreejesh, Mohapatra and Anusree (2014:114) define reliability as the consistency with which the results produced in the same environments with the same or comparable populations are consistent and free from errors. In quantitative research, reliability refers to the exact replicability of the processes and the results. Reliability occurs when a test measures the same thing more than once and results in the same outcomes (Leung, 2015). Furthermore, Salkind (2012:115) shows that reliability occurs when a test measures the same thing more than once and results in the same outcome. Van

Zyl (2014) defines the reliability of an instrument as the degree of consistency with the measures it purports to measure. According to Babbie (2013:188), reliability is concerned with the quality of the measurement method and suggests that the same data should be collected each time in repeated observations of the same. In this study, the use of municipal annual reports assisted the study as they contain the information audited by AGSA.

3.11.2 Reliability of research method

The researcher used the quantitative research method and multiple linear regression analysis to ensure the reliability of data analysed. Samonikov *et al*. (2017) based the methodological framework on quantitative research methods (correlations and regression methods) and tested the accuracy of the hypothesis by performing statistical analyses using correlation and regression relationships within the accounts of each municipalities' annual reports. Other researchers such as Fawcett and Pocket (2015) and Coertzen (2017) used a quantitative research method in their study to measure reliability and accuracy of the results tested. The researcher in this study used Multiple Linear Regression (MLR) in analysing data to find the relationship between variables as other researchers such as Nataraja et al. (2018) and Giannarakis (2014) relied on MLR in their studies. Gomes *et al*. (2013) also used linear regression to test the reliability of results on the financial performance and mayoral quality (a composite of age, educational background and previous administrative experience).

3.11.3 Validity of data

Neuendorf (2017) defines validity as the extent to which a measuring procedure represents the intended and only the intended concept. Validity is the standard of having the right measurement and seen as encompassing the criteria of reliability, accuracy, and precision. A measure may not be valid if it is not dependable, exact, or precise.

Salkind (2012:123) defines and refers to validity as the truthfulness, accuracy, authenticity, genuineness, and soundness; and how investigators generate reliable research conclusions and respond to the inevitable threats that might undermine even the most reliable research design if left unchecked. Van Zyl (2014) defines validity as the extent to which an instrument measures what it claims to measure; it does not focus on the instrument itself, but the interpretation and meaning of scores derived from the instrument, and validity is the most crucial consideration in developing and evaluating the measuring instrument. Babbie (2013: 191) describes validity as a measure that accurately reflects the concepts measured. Moreover, the study used a multicollinearity test and a autocorrelation test to eliminate possible multicollinearity and autocorrelation. Therefore, the tests revealed that multicollinearity does not exist; therefore, the test augmented the validity of the data.

3.11.4 Validity of research method of analysis

The researcher concluded that the research is trustworthy based on the information collected from the municipalities' websites available to the public, audited by the Auditor General of South Africa (AGSA). Therefore, this confirms that the information used by the researcher is valid. The researcher used a quantitative research method which tests the relationship between variables. Researchers such as Fawcett and Pocket (2015) also used a quantitative method in determining the relationship between facts and measures validity, which is externally verifiable. The correlational research method was adopted in this study, which was also used by researchers such as Omoro *et al*. (2015) to show the relationship among variables. This confirms that the method used by the researcher is valid as it seeks to establish the relationship between the mayoral qualities (comprising of age, educational background and administration experience) and financial performance.

3.12. Ethical considerations

Since the information was accessed from the published financial data of municipalities on their websites, there will be no participant to be protected in this study. The rights of municipalities will be protected as the information published on the websites are legally allowed to be accessed by the public. Additionally, there will be no physical contact with the municipalities' staff. The intention of the study is not to put sampled municipalities in disrepute. Additionally, no information will be used for personal gains. Therefore, there was no need for ethical clearance from the Turfloop Research Ethics Committee (TREC).

3.13. Limitations of the study

The study was limited to one province out of nine provinces, namely, Limpopo Province, which is made up of 30 municipalities. Other methods could be used, but for this study, multilinear regression was used to analyse data collected from municipalities from 2007 to 2016. Different results can be obtained by others using different research methods. The researcher was a full-time employee of the government. Therefore, time was the main constraint in conducting the study. The researcher lives in a rural area where there are no adequate resources such as a library.

3.13. Significance of the study

Municipal financial sustainability is vulnerable to a change in governance structure; poor service delivery could be a result of such changes. The change in governance structure affects the financial performance of municipalities because after municipal elections, the newly elected councillors tend to restructure the administration in a way that it accommodates them. The promises made by politicians to the community during election campaigns are compromised and service delivery is not achieved.

This study suggests that the government strengthens the appointment of key positions in municipalities to improve the financial performance of municipalities. The recruitment process for key positions should be facilitated by the National Government so that politicians will not form part of the recruitment process and will eliminate cadre deployment.

3.14. Summary of this chapter

The chapter presented the research methodology employed. The quantitative methods applied to address the objectives of the study were explained. The study adopted the correlation research method, which tested the relationship between the attributes of the mayor in terms of age, educational background and administrative experience and the financial performance in municipalities. The sources of data were the Annual reports of municipalities in Limpopo Province, which assisted the researcher to achieve the objectives of the study. The study used a desktop research method, which allowed access to secondary data on the municipalities' websites. The population, sample size, sampling procedure, and ethical considerations were discussed. The study discussed the validity and reliability of the methodological approach. The procedures that form part of the ethical requirements for research were outlined in the chapter. Therefore, this chapter laid the foundation for the next chapter, which presents the findings of the study.

CHAPTER FOUR: DATA ANALYSIS AND DISCUSSION

41. Introduction

The previous chapter discussed the overall research methodology used in this study. The chapter outlined the research design and method appropriateness, the population, sample and sampling procedures, data collection, the operational definition of research variables, data analysis, and the summary of the chapter was presented.

This chapter addresses the analysis and findings based on the research problem and hypothesis. This chapter discusses the statistical and non-statistical techniques used to analyse data. Chapter Three showed that the results are based on the quantitative method and this chapter how it was applied.

4.2 Panel data analysis

The raw data used was obtained from the annual reports retrieved from the municipal websites. The Stata software was used to analyse the relationship between internally generated revenue and total expenditure and independent variables (age, experience, and education). Control variables used in this study to certify the findings were gender and population. These variables were subjected to panel data analysis to determine the correlation between the study variables.

4.3 Statistical models and tests

Statistical models that were used are the fixed effect model and random effect model. After that, the Hausman test was conducted to decide on the appropriate model for the study analysis. Additionally, the autocorrelation test, correlation matrix, covariance matrix, multicollinearity, and homo/heteroscedasticity, were run to justify and enhance the validity of the panel data results.

4.3.1 Descriptive statistics

This section presents the descriptive statistics variables used in the study.

Table 4. 1: Summary of descriptive statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Igrte	300	0.5935	3.323906	-0.09	57.8
Age	300	0.04	0.196287	0	1
Experience	300	2.646667	2.365122	0	10
Education	300	0.31	0.463266	0	1
Gender	300	0.503333	0.500824	0	1
Population	300	0.353467	0.362033	0.03	1.39

Source: Researcher’s result of the descriptive statistics (2019)

Table 4.1 above shows 300 observations over a period of ten years for thirty municipalities in Limpopo Province. The mean of the dependent variable, Internally Generated Revenue over Total Expenditure was 0.5935. While those for the independent variables, age, experience, and education was 0.04, 2.646667 and 0.31, respectively; the mean of the control variables, gender and population, are 0.503333 and 0.353467, respectively. The result shows that administrative experience is the most significant variable as compared with age and educational background. Moreover, gender is the most significant compared to population.

The spread of variables from the average mean is measured by standard deviations. The results showed internally generated revenue over total expenditure as 3.323906. The standard deviation for independent variables, age, administrative experience, and education background were 0.196287, 2.365122 and 0.463265, respectively. Furthermore, standard deviation for control variables, that is, gender and population, were 0.503333 and 0.362033. Standard deviation is widely spread if it is more than the mean. Table 4.1 above shows a standard deviation of 3.323906 which is more than the average mean of 0.5935 for IGR.TE. This means that IGR/TE is widely spread.

Furthermore, the standard deviation for age is 0.196287 which is more than the mean of 0.04. Therefore, age is widely spread. The standard deviation for administrative experience is 2.365122, which is less than the mean of 2.646667. This means the standard deviation is low and cannot be widely spread. Educational background is 0.463266 which is more than the mean of 0.31. Therefore IGR/TE, age and educational background are widely spread.

Moreover, gender has a standard deviation and a mean of 0.500824 and 0.503333, respectively. Gender cannot be widely spread. Population has a standard deviation of 0.362033 more than the mean of 0.353467, which shows that population is widely spread.

The minimum and maximum for internally generated revenue over total expenditure are −0.9 and 57.8, respectively. The minimum for the independent variables, age administrative experience, and educational background, were 0. The maximum for independent variables for age, administrative experience and educational background were 1, 10 and 1, respectively. These figures symbolize the maximum value of data in the series of independent variables. Lastly, The minimum of the control variables, gender and population, were 0 and 0.03 and the maximum for gender and population were 1 and 1.39, respectively. These figures symbolize the maximum value of data in the series of control variables. Table 4.2 below will discuss the two-sample t-test.

4.3.2 Two-sample t-test

This section compares the two sample means to test if they are from the same population.

Table 4. 2: Two-sample t-test

Variable	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
Gender	300	0.503333	0.028915	0.500824	0.44643	0.560236
Population	300	0.353467	0.020902	0.362033	0.312333	0.3946
Combined	600	0.4284	0.018086	0.443004	0.392881	0.463919
Diff		0.149867	0.035679		0.079796	0.219938

Note: diff = mean (gender) - mean (population); t = 4.2004; Ho: diff = 0; degrees of freedom = 598; Ha: diff < 0; Ha: diff!= 0; Ha: diff > 0; Pr(T < t) = 1.0000; Pr(|T| > |t|) = 0.0000 ; Pr(T > t) = 0.0000

Source: Researchers' results of *t* -test (2019).

Table 4.2 shows an independent t-test using a sample of 600 joint *obs* of control variables (CVs) (gender and population) to determine if they influence financial performance differently. Control variables are tested, as they are independent and of a different population. Control Variables consist of 600 randomly assigned observations. The results show that gender had statistically significant (0.50 $\pm$ 0.03) influence on population compared to gender (0.35 $\pm$ 0.02). Therefore, gender is statistically insignificant to influence internally generated revenue over total expenditure, and the population is statistically insignificant to influence internally generated revenue over total expenditure. The section below discusses the regression test.

4. 3.3 Regress test

The section presents the coefficient of regression of a variable against or on one another.

Table 4. 3: Regress table

Source	SS	Df	MS		Number of obs	=	300
					F(5, 294)	=	1.55
Model	84.68231	5	16.93646		Prob > F	=	0.1752
Residual	3218.774	294	10.94821		R-squared	=	0.0256
					Adj R-squared	=	0.0091
Total	3303.456	299	11.04835		Root MSE	=	3.3088

Igrte	Coef.	Std. Err.	t	P>t	[95% Conf.	Interval]
Age	-0.04841	1.020316	-0.05	0.962	-2.05646	1.959638
Experience	0.183503	0.082771	2.22	0.027	0.020605	0.346402
Education	-0.18469	0.490482	-0.38	0.707	-1.14999	0.780614
Gender	0.307746	0.415838	0.74	0.46	-0.51065	1.126141
Population	-0.63912	0.667733	-0.96	0.339	-1.95326	0.675027
_cons	0.238025	0.422255	0.56	0.573	-0.593	1.069051

Source: Researcher's results of regress (2019).

The p-value for age 0. 962 shows convincing evidence against the null hypothesis, which is more than 0.05; therefore, the null hypothesis is rejected. This implies that age is not a significant variable to explain financial performance in the selected municipalities. Experience is 0.027 which less than 0.05, therefore it is significant to measure the financial performance. Education is 0.707, which is more than 0.05; hence, education cannot be used to measure financial performance in municipalities. Gender is 0.46, which is more than the 0.05; therefore, gender is not significant to measure financial performance. The population is 0.339, which is more than 0.05; therefore, the population is not a significant variable to explain the financial performance among the selected municipalities.

The coefficient of age is −0.0481, which means that the greater the age of the municipal mayors, the more the financial performance of municipalities declines . Experience is 0.183503, which is positive, and indicates that the more experience the mayors have in administering the more the financial performance of the municipality improves. Education is −0.18469, which is lower than the significance level, and financial performance is higher. Gender is 0.307746, which is positive; therefore, the more female mayors and the more financial performance increases. The population is −0.63912, showing that if the population decreases, the financial performance increases.

R-squared is 0.0256 (2, 56%), which means that 2.56 of variations in financial performance in municipalities can be explained by independent variables jointly. However, 97.44 % (100%−2.56 %) can be explained by other variables besides those used in this study. As such, the three independent variables (age, education, and experience) and two control variables used together are insignificant to explain the financial performance of municipalities. The result of this model is not satisfactory to explain the results. Therefore, the results are NULL. The section below discusses the Durban Watson d static.

4.3.4 Durbin Watson d-statistic

Durbin Watson d- statistic tests autocorrelation between independent variables

Durbin-Watson d-statistic (6, 300) = 1.97626

The table above shows the value of 1.97626, which is less than 2, which shows positive autocorrelation. This study used age, administrative experience, educational background, gender, and population, hence autocorrelation. However, other mayoral attributes not used in this study can affect financial performance, , such as, independence, race, and allowance. The next section shows a scatter graph to demonstrate how much one variable is affected by another.

4.3.5 Scatter graph

Scatter plots demonstrate how much one variable is affected by another.

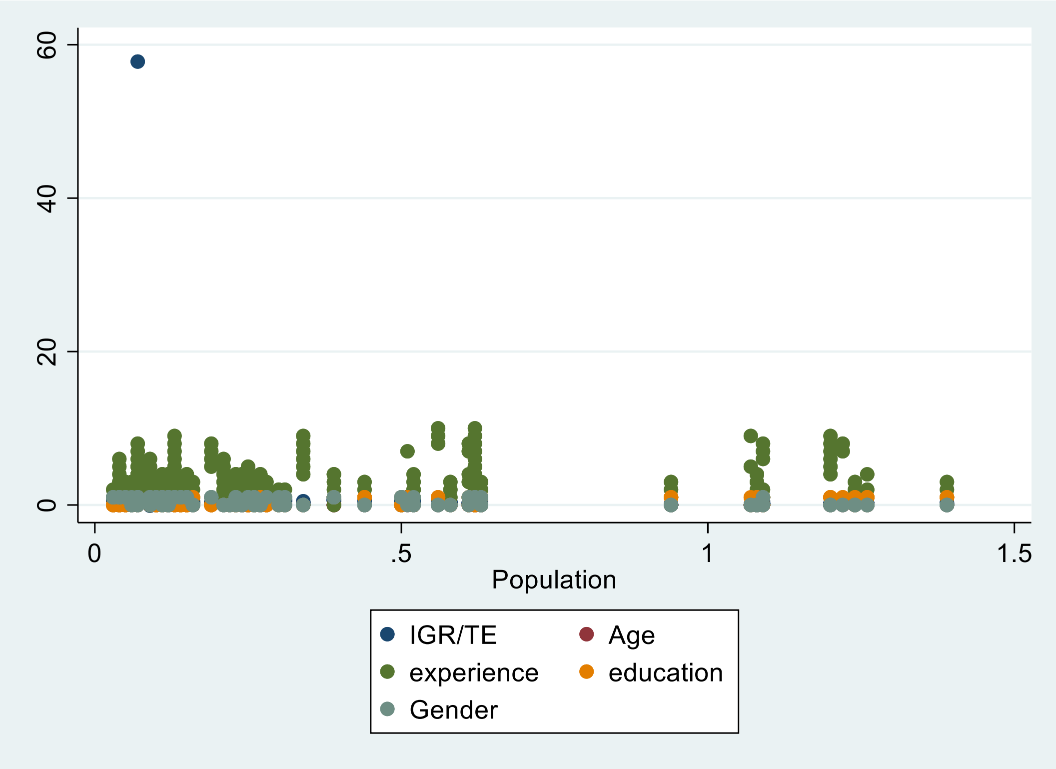

Figure 4. 1: Scatter graph

A scatter graph represents the relationship between two variables. The graph above does not show a clear relationship between two variables. The data points do not form a straight line, therefore there is no correlation between the two variables, thus no relationship. As a result; there is a negative relationship between the dependant variable (IGR/TE) and the independent variables (age, experience, and education) and control variables (gender and population). All variables are constant and do not have any movement.

The section below discusses the Breusch–Pagan/Cook-Weisberg test for heteroscedasticity.

4.3.6 The Breusch-Pagan / Cook-Weisberg test for heteroscedasticity

This section tests whether the variance of the errors from regression is dependent on the values of the independent variables

Ho: Constant variance

Variables: fitted values of igrte

$chi^{2(1)}$ = 962.37

Prob > chi^2 = 0.0000

Null hypothesis: Residual are homoscedastic.

Alternate hypothesis: Residual are heteroscedastic.

The table above shows prob > chi^2 of 0.0000, which is less than the p-value of 0.05; therefore, the alternative hypothesis is accepted, and the null hypothesis rejected. This implies that residuals are heteroscedastic, meaning that the variability of the independent variable in this study is unequal across the ranges of values used. The next section discusses the multicollinearity test.

4.3.7 Multicollinearity test

This section tests if the independent variables in a regression model are correlated.

Table 4. 4: Multicollinearity test

Variable	VIF	1/VIF
Population	1.6	0.626569
Education	1.41	0.709193
Gender	1.18	0.844217
Age	1.1	0.912896
Experience	1.05	0.955454
Mean VIF	1.27	

Source: Researcher's results of multicollinearity (2019).

The Multicollinearity test was performed to check if variables in a regression model are correlated or high intercorrelations occur. Table 4.4 shows variance inflation factors (VIF), which determine whether a multicollinearity problem exists in this model or not. The VIFs of between 1 and 5 suggest that there is a moderate correlation, but not severe enough to warrant corrective measures and that there is no correlation between the independent variable and any others. The VIF test was performed in Stata, to test the presence of multicollinearity. This test measures how the standard errors inflate the coefficients in the regression model, leading to a bias in the *P*- values. An ideal VIF should not be more than four times the square of the standard errors. Therefore, based on the mean VIF (1.27) and the individual VIF of the independent variables as shown in Table 4.4, multicollinearity does not exist. Therefore, there is no multicollinearity problem in this study. Table 4.5 below discusses the results for the covariance matrix.

4.3.8 Covariance matrix of coefficients of the regress model

This section discusses the covariance matrix, which tests the possibilities of the relationship between variables.

Table 4. 5: Covariance matrix

e(V)	Age	experience	Education	Gender	Population	_cons
Age	1.041045					
Experience	0.008064	0.006851				
Education	−0.13227	−0.00026	0.240573			
Gender	−0.00228	−0.00317	−0.03016	0.172921		
Population	0.119022	−0.00845	−0.16496	0.106947	0.445867	
_cons	−0.0629	−0.01379	0.00489	−0.10701	−0.14269	0.1783

Table 4.5 tests the possibilities of the relationship between the independent variable and the control variables. The covariance between age and experience shows a positive relationship of 0. 008064; therefore, age and experience move together as they are positively related. The covariance of the level of education and age is negative with −0.13227, while for education and experience it is also negative,namely, 0.00026. As such, the variables are inversely related. The covariance for gender and age is negatively related to −0.00228. On the other hand, gender and experience, gender, and education have a negative relationship with the covariance of −0.00317 and −0.03016, respectively. Population and age show a positive covariance of 0.119022; as a result; there is a relationship between the two variances. The covariance between the population and experience shows a negative relationship of −0.00845 and population and education show a negative relationship of −0.16496 resulting in a negative relationship between population, education, and experience. The covariance of population and gender show a positive relationship of 0.106947; consequently, there is a relationship between the two variables. Table 4.6 below discusses the correlation matrix.

4.3.9 Correlation matrix

This section shows the correlation coefficients between sets of variables

Table 4. 6: Correlation coefficient

e(V)	Age	experience	Education	Gender	Population	_cons
Age	1					
Experience	0.0955	1				
Education	-0.2643	-0.0064	1			
Gender	-0.0054	-0.0921	-0.1479	1		
Population	0.1747	-0.1529	-0.5037	0.3852	1	
_cons	-0.146	-0.3946	0.0236	-0.6095	-0.5061	1

Source: Researcher's results of the correlation matrix (2019).

As seen from Table 4.6 above, the correlation between independent variables age, experience and education and itself is a perfect 1.0000. The same applies to the control variables, gender and population. They are perfectly correlated with one another as expected at 1.0000. Moreover, the results show a weak negative correlation between experience and education –0.0064. The results suggest that years of experience is substituted for the level of education. The table below discusses Durbin's alternative autocorrelation.

4.3.10 Durbin's alternative test for autocorrelation

This section tests if the residuals are serially correlated.

Table 4. 7: Durbin alternative test for autocorrelation

lags(p)	chi^2	Df	Prob > chi^2
1	0.039	1	0.8428

H_0: no serial correlation

Null hypothesis: Residuals are not serially correlated; Alternate hypothesis: Residuals are serially correlated.

The above table shows the prob > chi^2 of 0.8428, which is more than 0.05; therefore, we can accept the null hypothesis because there is no serial correlation. The alternate hypothesis is rejected. This suggests that residual is not serially correlated. The next section discusses the Breusch-Godfrey LM test for autocorrelation.

4.3.11 Breusch-Godfrey LM test for autocorrelation

This section tests for autocorrelation of the errors in a regression model using residuals from the model being considered in a regression analysis.

Table 4. 8: Breusch-Godfrey LM test for autocorrelation

lags(p)	chi^2	Df	Prob > chi^2
1	0.04	1	0.841

H_0: no serial correlation

Null hypothesis: Residuals are not serially correlated; Alternate hypothesis: Residuals are not serially correlated.

The above table shows a prob > chi^2 of 0.841, which is more than 0.05; therefore, we can accept the null hypothesis because there is no serial correlation. The alternate hypothesis is not accepted. This proposes that the residual is not serially correlated. The next section discusses the Shapiro-Wilk *W* test for normality.

4.3.12 Shapiro-Wilk W test for normality

This section tests if the random sample comes from a normal distribution

Table 4. 9: Shapiro-Wilk test for normality

Variable	Obs	W	V	z	Prob>z
EU	300	0.11639	188.251	12.295	0

Null hypothesis: Residuals are normally distributed; Alternate hypothesis: Residuals are not normally distributed.

P-value is set at 0.05. If the value is more than 0.05, the null hypothesis is accepted and the alternative rejected. The table above shows the probability of 0.0000, which is less than 0.05; therefore, the alternative hypothesis is accepted, and the null hypothesis is rejected. This implies that residuals are not normally distributed. The section below shows the results of the fixed effect model of the internally generated revenue over total expenditure ($\frac{IGR}{TE}$).

4.3.13 Fixed effect model of internally generated revenue over total expenditure

This section shows the result of individual-specific effects that are correlated with the independent variables.

Table 4. 10: Fixed effects model

Fixed-effects (within) regression					Number of obs		=	300
Group variable: cocode					Number of groups		=	30
R-sg: within	=	0.0148			Obs per group: min		=	10
between	=	0.0035				Avg	=	10.0
overall	=	0.0038				Max	=	10
					F(5,265)		=	0.80
corr(u_i,Xb)	=	−0.3099			Prob > F		=	0.5535

Igrte	Coef.	Std. Err.	t	P>t	[95% Conf.	Interval]
Age	0.056225	1.26947	0.04	0.965	−2.44331	2.555756

Experience	0.195545	0.098986	1.98	0.049	0.000646	0.390444
Education	0.136602	0.809275	0.17	0.866	–1.45683	1.730029
Gender	0.080166	0.51337	0.16	0.876	–0.93064	1.090968
Population	0.691981	6.961385	0.10	0.921	–13.0147	14.39864
_cons	–0.25358	2.502985	0.10	0.919	–5.18185	4.674688
sigma_u	1.220437					
sigma_e	3.308405					
Rho	0.11978	(fraction of variance due to u_i)				

F test that all u_i=0: F(29, 265) = 1.00 Prob > F = 0.4669

The P-value for age is 0. 965, which is more than 0.05; therefore, it is insignificant. This implies that age is not a significant variable to explain financial performance in municipalities. Experience is 0.049 which is less than 0, 05, therefore it is significant to measure the financial performance. Education is 0.866, which is more than 0.05; education cannot be used to measure financial performance in municipalities. Interestingly, education *plus* experience may be a good combination. Gender is 0.876, which is more than 0.05; therefore, gender is not significant to measure financial performance. The populationis 0.921, which is more than 0.05; therefore, the population is not a significant variable to explain financial performance.

The coefficient of age is 0.056225, meaning that the older the municipal mayors are the greater the increase in the financial performance. Experience is 0.195545, which is positive. This shows that the more administrative experience the mayors have e, the more the financial performance of the municipality improves. Education’s co-efficient is 0.136602, which is positive and so the financial performance increases. Gender is 0.080166, which is positive; therefore, the more female mayors there are, the likelihood that they can influence improve financial performance. The co-efficient for population is 0.691981. If the population increases, the financial performance also increases. The next section discusses the results of the random effect model of internally generated revenue over total expenditure ($\frac{IGR}{TE}$).

4.3.14 The random effect model of internally generated revenue over total expenditure

This section shows the results of individual-specific effects that are uncorrelated with the independent variables

Table 4. 11: Random-effects model

Random-effects GLS regression					Number of obs		=	300
Group variable: cocode					Number of groups		=	30
R-sg: within	=	0.0136			Obs per group: min		=	10
between	=	0.1247				avg	=	10.0
overall	=	0.0256				max	=	10
					Wald chi$^{2(5)}$		=	7.23
corr(u_i,X)	=	0 (assumed)			Prob>chi^{2}		=	0.2041

Igrte	Coef.	Std. Err.	z	P>z	[95% Conf.	Interval]
Age	−0.04571	1.038815	0.04	0.965	−2.08175	1.99033
Experience	0.184363	0.083952	2.20	0.028	0.019819	0.348907
Education	−0.16461	0.509906	0.32	0.747	−1.16401	0.834785
Gender	0.284816	0.423198	0.67	0.501	−0.54464	1.114269
Population	−0.66196	0.705409	0.94	0.348	−2.04454	0.720612
_cons	0.249036	0.439925	0.57	0.571	−0.6132	1.111273
sigma_u	0.437061					
sigma_e	3.308405					
Rho	0.017153	(fraction of variance due to u_i)				

The P-value for age is 0. 965, which is more than 0.05; therefore, it is insignificant. This implies that age is not a significant variable to explain financial performance in municipalities. Experience has a p-value of 0.028 which is less than 0, 05; therefore, it is significant to measure the financial performance. Education’s value is 0.747, which is more than 0.05; hence education cannot be used to measure financial performance in municipalities. For gender it is 0.501, which is more than the 0.05; therefore, gender is not significant to measure the financial performance. The p-value of population is 0.348 and more than 0.05; therefore, the population is not a significant variable to explain financial performance.

The coefficient of age is –0.04571, which means that the more municipal mayors get older, the financial performance of municipalities increases. The coefficient for experience is 0.184363, which is positive. The more experience the mayors have in administering, the better the financial performance of the municipality becomes. That of education is –0.16461, which is negative, and the financial performance increases. For gender the coefficient is 0.284816, which is positive; therefore, having more female mayors results in increased financial performance. The coefficient for population is –0.66196, and so if the population is negative, the financial performance increases. The last table below discusses the Hausman test result.

4.3.15 The Hausman test of internally generated revenue over total expenditure

This section compares the consistent fixed-effects model with the efficient random-effects model.

Table 4. 12: Hausman test

	Coefficients ----			
	(b) Fixed	(B) Random	(b-B) Difference	sqrt(diag(V_b-V_B)) S.E.
Age	0.056225	–0.045711	0.1019359	0.729669
Experience	0.1955451	0.1843631	0.011182	0.0524424
Education	0.1366015	–0.1646123	0.3012138	0.6284288
Gender	0.0801657	0.2848158	–0.2046501	0.2906063
Population	0.6919814	–0.6619645	1.353946	6.925552

Source: Researcher's results of the Hausman test (2019).

b = consistent under Ho and Ha; obtained from xtreg

B = inconsistent under Ha, efficient under Ho; obtained from xtreg

Test: Ho: difference in coefficients not systematic

$chi^{2(5)}$ = (b-B)'[(V_b-V_B) ^(-1)](b-B)

= 0.78

Prob>chi^2 = 0.9783

Null hypothesis: Random effect is appropriate. Alternate hypothesis: Fixed effect model is appropriate.

The above table shows that a Prob>chi^2 of 0.9783 is more than 0.05; therefore, the null hypothesis is accepted, and the alternate hypothesis rejected. This implies that the random effect is accepted. The section below discusses the findings.

4.4 Discussion of the results

This section of the study further discusses the findings based on the selected model.

4.4.1 Random effect: Hypothesis 1 (H_1) - There is no relationship between age and financial performance

Random effect results show that the p-value of 0.965 is more than 0.05; therefore, the relationship between age and financial performance is insignificant. Hypothesis one of this study states that there is no relationship between age and financial performance and is thus accepted. According to Walter and Scheibe (2013:885), older mayors base their experience on age and period spent in the council, which might reflect ineffective leadership, though the test has revealed that age does not affect the financial performance. Furthermore, it may inadequately interpret current legislation and regulations that govern municipalities to improve financial performance. However, younger mayors may differ from older mayors since they have potentially longer careers and longer horizons. This might influence the adoption of long-term policies as young mayors are more energetic and productive at work (Alesio, Trioano & Cassindy, 2015). Hence, there is no relationship between age and financial performance. Venter (2015) defines leadership as a combination of positions, responsibilities, attitudes, skills and behaviour, and allows someone to bring out the best in others, and the best in the organisation, in a sustainable manner.

4.4.2 Random effect: Hypothesis two (H_2)- There is no relationship between administrative experience and financial performance

The random effect result for experience is 0.028, which is less than 0.05; therefore it is significant to measure the financial performance. Hypothesis two of this study states that there is no relationship between administrative experience and financial performance is thus not accepted. Therefore, there is a relationship between the administrative experience and the financial performance in municipalities. Kotur and Anbazhagan (2014) confirmed that apart from the professional and academic knowledge, the administrative experience is believed to play an important role in the performance of individuals. Indeed, Copus and Steyvers (2017:8) found that previous administrative experiences could assist municipal mayors in understanding the various challenges which prevent the smooth running of a municipality by been able to innovate and respond to these ever increasingly complex problems in financial performance. Furthermore, municipal mayors need to have relevant experience of public service to be successful in addressing the financial crisis and those with local political background tend to be less successful at addressing financial problems in municipalities (Eckersley & Timm-Arnold, 2014). In this vein, Legoabe and Worku (2017) argue that candidates with extensive political influence become municipal mayors without the requisite administrative experience and may not be able to improve the financial performance of municipalities. People can, however, learn to become leaders through training and observation (Uzohue, Yaya & Akintayo, 2016).

4.4.3 Random effect: Hypothesis three (H3) - There is no relationship between the educational background of the and financial performance

Level of education has a random effect result of 0.747, which is more than 0.05; hence, educational qualification cannot be used to measure financial performance in municipalities. Hypothesis three of this study states that there is no relationship between educational background and financial performance and is consequently accepted; therefore, there is no relationship between the educational background and the financial performance in municipalities. Bogopa (2013:117) found party allegiance for cadre deployment as the key qualifier before the qualification, skills and competence, with the resultant risk at the expense of the state, community development and service delivery. Additionally, inappropriateness in cadre deployment has led to a myriad of problems in municipalities, including undue political interference, the tension between the political and administrative interface and insufficient separation of powers between political parties and municipal councils. This might be the reason for the variuous causes of financial distress in municipal governance. In contrast, Brollo and Troiano (2016) argue that educated and experience mayors are more corrupt and attract discretionary transfers and spend more on capital to increase campaign contributions that are frequently associated with fund deviations. It is improbable that municipalities with all the resources at each municipality's disposal can provide adequate and quality services to the community it serves if its operations are characterised by corruption, selfishness and greed, and the lack of accountability (Lwendo & Tonchi, 2017). Tai, Omar, Mohamed and Khuan (2014) explain that leadership competency comprises knowledge, skills, ability, and attitudes that a leader needs to have or demonstrate to perform his/her role and job competently. Additionally, Rich (2017) listed technical competency to include qualification, rank and professional respect; leadership competency to personnel competency, peoples' competency, administrative competence, visionary competency, and networking competency.

4.5 Summary of the chapter

This chapter presented an analysis of data and the results of the study from the statistical analysis performed to achieve the objectives.The research hypotheses were identified. The results discovered that there is a negative relationship between financial performance and age. Additionally, there is no significant relationship between education and financial performance. In the three hypotheses tested, only administrative experience tested positively to influence financial performance in municipalities; therefore, there is a relationship between administrative experience and financial performance.

The last chapter of this study will provide the conclusion to the study and provide recommendations on how to improve financial performance in municipalities within Limpopo and reduce considerable reliance on government grants.

CHAPTER FIVE: SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.1 Introduction

The previous chapter analysed and interpreted data collected for this study. Different statistical models and tests were discussed. Among the tests discussed were two-sample t-tests, autocorrelation, heteroscedasticity, multicollinearity and the Hausman test. The tests discussed were the covariance matrix and the correlation matrix and the fixed effect and random effect model. This chapter presents a summary of the study, recommendations, and the conclusions reached on completion of the study.

5.2 Summary of the study

The aim and objectives of the study were achieved through the discussion of different parts of the extant literature, including the analysis and the theoretical frameworks. Based on the reviewed literature, there is no known study conducted on the effect of mayoral attributes on the financial performance of selected municipalities for improved service delivery in South Africa.

Chapter One presented the general introduction of the study, the problem statement, and research hypotheses and research objectives. The first objective of the study was to examine the relationship between the age of municipal mayors and the financial performance among selected South African municipalities. The study also sought to establish the relationship between the administrative experience of the municipal mayors and financial performance among selected South African municipalities. Moreover, another objective was to establish the relationship between the educational background of the municipal mayors and financial performance among selected South African municipalities.

Chapter Two discussed the theoretical framework. The leadership theory, which focuses on leadership qualities, was discussed. The trait theory of leadership which focuses on essential traits characteristics that a leader should possess was also explained. Furthermore, the behavioural theory that focuses on the actions of leaders was also examined. The last theory discussed was the competency theory which highlights the knowledge, skills and abilities required to execute assigned responsibilities competently. The literature pertaining to the age of the municipal mayor, administrative experience and educational background of the mayor was studied..

Chapter Three described the overall research methodology. The research design, paradigm and method were discussed. The target population which made up the selected municipalities in Limpopo Province was scrutinised. Furthermore, the sample size that consisted of thirty (30) municipalites in Limpopo Province was discussed. Secondary data was used for this study. Data collected was analysed using multilinear regression. Variables for this study (financial performance, age, administrative experience, educational background, gender and population) were explained. Limitations and the significance of the study were discussed.

Chapter Four analysed the data collected for the study. Descriptive statistics which showed 300 observations were discussed. The two-sample t-test, which showed 600 combined observations for the two control variables (gender and populations), was discussed. The regression test for autocorrelation revealed an insignificant relationship between age and education with financial performance, respectively. The autocorrelation test further revealed a significant relationship between experience and financial performance. The Durban Watson d-static test was performed and revealed a positive autocorrelation between control variables. A scatter graph was scrutinised and revealed a negative relationship between dependent variables, independent variables, and control variables. Residuals were tested for heteroscedasticity, and homoscedasticity and results revealed that residuals were heteroscedastic with a prob > chi^2 of 0.0000, which is less than a p-value of 0.05.

Chapter Four further describedthe multicollinearity test performed to check for autocorrelation. The results revealed a mean VIF of 1.27, which is less than 5; and therefore, there is no multicollinearity of variables. The covariance matrix of the coefficient was discussed, which tested the possibilities of the relationship between independent variables and the control variable. The correlation matrix of independent and control variables that are perfectly correlated to themselves at 1.000 was discussed. Residuals for Durban's alternative and Breusch-Godfrey LM autocorrelation were tested, and the results revealed a prob > chi^2 of 0.8428 and 0.841, respectively, which is more than 0.05; therefore, there is no serial correlation. The Shapiro –Wilk W test for normality showed probability of 0.0000, which indicates that residuals are not normally distributed.

In addition, the fixed and random effect models were performed and found that experience is a significant variable to measure financial performance in municipalities. Age and education are not significant to measure financial performance in municipalities. The population was found to be an insignificant control variable to measure financial performance for both the fixed and random-effects model.

Moreover, gender was found significant to explain financial performance in the random-effects model and insignificant in the fixed-effects model. The Hausman test was used to select the appropriate model for the study, and the random effect model was considered appropriate.

5.2.1 Lessons learned

This section discusses the key lessons learned from this study. The issues examined in this study relate to the influence that mayoral attributes could have on the financial performance of a municipality, especially in designing strategies to improve internally generated revenue. The discussion is based on the three objectives examined in the study.

The first objective examines how the age of the municipal mayor can influence financial performance in municipalities. Previous studies found that the age of a municipal mayor can influence a municipality’s financial performance. However, this study found that the age of the municipal mayor is insignificant to influence financial performance. As such, it is unsurprising that many South African municipalities are financially unsustainable because they could not increase their internally generated revenue. Moreover, age might come with some level of maturity, which can translate to the ability to mobilise the workforce in strategising to boost internally generated revenue for improved service delivery.

The second objective examines how mayoral administrative experience influences financial performance in municipalities through an increase in internally generated 0/

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*./0revenue. Although the results show that a mayor's administrative experience can influence municipal financial performance this has not in reality proved to be so because most South African municipalities are financially dependent on the national government for fulfilling their financial obligations. One can assume that despite administrative experience being shown to be significant from the study's analysis, there could be a number of factors which prevent municipal mayors from achieving financial sustainability or improving service delivery.

The third objective examines the influence that a mayor's educational qualification has on the financial performance of a municipality to increase its internally generated revenue. As expected, the result showed that a mayor's educational qualification is insignificant to influence municipal financial performance. This goes confirms the literature that in South Africa the majority of the municipal mayors are appointed through cadre deployment. This approach to deciding who is elected to the position the mayor is a recipe for incompetence and mediocrity in matters of financial governance and sustainability. Hence, most municipalities in South Africa are indebted to many of their service providers and this leads to inefficient service delivery and the incessant community protests.

5.3 Contribution of the study

Based on the random effect results, there is no relationship between age and financial performance; educational background and financial performance. However, a significant relationship exists between administrative experience and financial performance. Hence, mayoral attributes are considered to distort/affect consistency in municipal service delivery which consequently affects their financial performance adversely. However, the Constitution of the Republic of South Africa, 1996 and the Local Government Municipal Structures Act no 117 of 1998 are silent about the mayoral age, administrative experience, and educational background.

5.4 Conclusion

Financial performance in most of the selected municipalities in the Limpopo Province of South Africa is unsustainable. Despite the results showing that administrative experience has a significant influence on municipal financial performance; reality indicates the opposite in most of these municipalities. Age and educational qualification of municipal mayors on the other hand show insignificant influences on municipal financial performance. One can thus conclude that the reason for corrupt practices, embezzlement, and financially unsustainable municipal administration in South Africa to most likely be the various political parties' failure to select mayoral candidates ethically and objectively.

5.5 Recommendation

Bearing the results of the study in mind, the recommendations below are based on the principles of academia, society, the economy and municipal government regulations.

5.5.1 Academia

Future studies can be conducted using a larger sample, that is, municipalities in the whole of South Africa, not only Limpopo. The independent variables used in this study to determine the best mayoral attributes towards improving financial performance in municipalities can also be extended. The study used a quantitative research method, and future researchers could also adopt a qualitative method, conduct in-depth interviews with municipal employees and have access to additional documents that are not available on websites. Other researchers can use this study as a literature source. The study provided mayoral attributes that can influence municipalities' financial performance.. These could be considered in future when appointing a municipal mayor.

5.5.2 Social

The study will assist the society during the election process to elect a suitable person who is able to understand the procedures of local government essential to improving internally generated funds and reducing reliance on government funds. Municipalities should be able to create more jobs through internally generated revenue, which in turn may reduce poverty and crime. In this way this study might contribute positively to the life of our society.

5.5.3 Economic

Including the consideration of municipal mayors' educational background and administrative experience could assist our country in developing effective strategies that will improve financial viability in municipalities. Municipalities will not be a burden to the government as own revenue can be generated. The economic state of the country will be better since fewer funds will be transferred to municipalities. The current turmoil of the country, for instance, regarding petrol might be relieved.

5.5.4. Regulators

In reviewing future Municipal Acts such as the Municipal Structures Act 1998 it is essential to incorporate mayoral attributes to ensure that candidates are appointed on merit rather than political party deployments.

5.6 Future research

The study has paved the way for future research on the effect of mayoral attributes on the financial performance of selected municipalities for improved service delivery. Other researchers can opt to expand the research by including more municipalities in the rest of South Africa.

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