

GENERAL NOTICE

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MINISTRY FOR THE PUBLIC SERVICE AND ADMINISTRATION

WHITE PAPER ON THE TRANSFORMATION OF THE PUBLIC SERVICE

The White Paper on the Transformation of the Public Service is hereby published by the Ministry for the Public Service and Administration. The object of the White Paper is to serve as a broad framework of government policy during the process of transformation and reform.

WHITE PAPER ON THE TRANSFORMATION OF THE PUBLIC SERVICE

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#### ABBREVIATIONS

ABET	Adult Basic Education and Training
ACA	Anti-Corruption Arm
CBO	Community Based Organisation
DG	Director-General
FFC	Financial and Fiscal Commission
GNU	Government of National Unity
ILO	International Labour Office
LRA	Labour Relations Act
NEDLAC	National Economic Development and Labour Council
MIS	Management Information Systems

NGO	Non-Governmental Organisation
OMPASA	Office of the Minister for the Public Service and Administration
PSA	Public Service Act
PSC	Public Service Commission
PSCA	Public Service Commission Act
PSLRA	Public Service Labour Relations Act
PSTF	Public Sector Transformation Forum
RDP	Reconstruction and Development Programme
SAMDI	South African Management and Development Institute
TBVC	Transkei, Bophuthatswana, Venda & Ciskei
TQM	Total Quality Management

## PART 1

### Setting the Scene for Transformation

#### CHAPTER 1

##### INTRODUCTION

###### 1.1 THE NEED FOR ADMINISTRATIVE TRANSFORMATION

On its accession to power the Government of National Unity inherited a society marked by deep social and economic inequalities, as well as by serious racial, political and social divisions. Guided by the principle of national reconciliation, the new South African Government adopted the Reconstruction and Development Programme (RDP) to reorient and reunite society towards a common purpose, that of a socially coherent and economically equitable society.

In forging ahead with the processes of reconciliation, reconstruction and development, the South African public service will have a major role to play as the executive arm of government. To fulfill this role effectively, the service will need to be transformed into a coherent, representative, competent and democratic instrument for implementing government policies and meeting the needs of all South Africans.

The Government's commitment to this process is demonstrated by the fact that it has identified institutional transformation and reform as one of the key medium and long-term programmes to drive the implementation of the RDP.

The Government took a first step in this direction through the introduction of the Public Service Act of 1994 (Procl. 103/1994). This act created the basis for integrating the fragmented system of state administrations inherited from the apartheid era into a unified national public service.

Much more needs to be done, however, to transform the public service into an agency that is coherent and representative, as well as capable of achieving the crucial goals set for it by the people and government of South Africa.

###### 1.2 TRANSFORMATION AND REFORM

The Government regards transformation as a dynamic, focused and relatively short-term process, designed to fundamentally reshape the public service for its appointed role in the new dispensation in South Africa. Transformation can be distinguished from the broader, longer-term and on-going process of administrative reform which will be required to ensure that the South African public service keeps in step with the changing needs and requirements of the domestic and international environments.

Whereas the goals of transformation are to be achieved within an anticipated timescale of two to three years, the process of administrative reform will be ongoing.

This is not to suggest that transformation and reform cannot take place at the same time. In fact this is what will happen during the next two to three years, with transformation being the dominant process. After this time, reform will become more of the order of the day.

The transformation of the public service will inevitably be a complex and controversial process. Furthermore, government policies that are likely to have a significant impact on the public service are still being shaped and negotiated. The new Constitution to be adopted in 1996, in particular, will influence the structure and function of a number of key sectors within the public service.

In view of this, further elaboration of policy will be necessary in the forthcoming years. In consequence, while this White Paper will contribute towards the longer-term reform process, through the elaboration of a broad vision and policy guidelines, its immediate concern will be to facilitate the shorter-term process of administration transformation. The White Paper thus marks the beginning of an on-going process of change and reform, which will require additional policy documents, including new White Papers, in the future.

### 1.3 PURPOSE OF THE WHITE PAPER

The principle aim of this White Paper is to establish a policy framework to guide the introduction and implementation of new policies and legislation aimed at transforming the South African public service.

In recognition of the diversity of the public service, the White Paper does not attempt to elaborate detailed strategies for the implementation of the policies outlined. As with all policy documents of this kind, it is a statement of intent. The development of specific implementation strategies will be the responsibility of individual departments and provincial governments. These strategies should be located within the policy framework provided.

### 1.4 SCOPE

The scope of the White Paper is guided by the terms of the present Constitution of the Republic of South Africa (Act 200/93), as well as by the agreed policy statements of the RDP as regards the transformation and developmental roles of the public sector (RDP White Paper, November 1994). Its mandate is to cover those parts of the public sector, both national and provincial, which are regulated by the Public Service Act (Procl 103/94). However, the broader thrust of the White Paper aims to be relevant to the remaining areas of the public sector, such as local government and parastatals, as well as the South African Defence Force and the Intelligence Services who are carrying out their own restructuring.

With respect to those parts of the public sector covered directly by this document it is important to distinguish between three types of agency:

- (a) Administrative agencies such as the Office of the Minister for the Public Services and Administration, which provide services to other departments rather than directly to the public.
- (b) Service Delivery agencies, such as the departments of Health, Agriculture and Education, which deliver services directly to the public.
- (c) Statutory agencies, such as the Public Service Commission and the Auditor-General, which are established by the Constitution or other legislation as bodies independent from the executive with important regulatory and monitoring functions with respect to the public service.

It is important to stress that it is not just those departments and agencies that provide direct services to the public that will be in need of transformation. All three types of agency will be subject to review and change. The process of transformation will need to be based, however, on an understanding of the different measures of service delivery and service quality that will be required for each agency.

#### 1.5 A CONSULTATIVE CHANGE PROCESS

In line with overall government policy, the Ministry for Public Service and Administration places considerable emphasis on the need for effective consultation both within the public service and with South African society. This White Paper, consequently, has benefitted from an extensive process of discussion and debate both within and outside the public service. This was seen as essential both to the development of a sound policy document and to the forging of a new and more inclusive identity for the public service.

It is intended that further public input will be solicited both before legislation is presented to Parliament, as well as afterwards, to ensure that the transformation process keeps pace with the changes taking place in the country.

#### 1.6 STRUCTURE OF THE WHITE PAPER

The White paper is divided into three parts:

Part 1 sets the scene for the transformation process by outlining:

- \* A new vision and mission for the South African public service.
- \* The main challenges and opportunities presented by the transformation process.
- \* Comparative insights and lessons from abroad.
- \* Priority areas and processes for transformation.
- \* The policy instruments necessary to effect change.
- \* The principal financial implications of the transformation process.

Part 2 outlines a strategic framework for change, by specifying policy objectives, guidelines and instruments to carry the transformation process forward in the following priority areas:

- \* Rationalisation and restructuring the public service.

- \* Institution building and management.
- \* Representativeness and affirmative action.
- \* Transforming service delivery.
- \* Democratising the state.
- \* Human resource development and training.
- \* Employment conditions and labour relations.
- \* The promotion of a professional service ethos.

Part 3 of the White Paper draws a number of conclusions with regard to carrying the transformation process forward.

## CHAPTER 2

### VISION AND MISSION FOR THE NEW PUBLIC SERVICE

#### 2.1 VISION

In transforming and reforming the public service, it is vital that the process is guided by a clear, comprehensive and commonly accepted vision of the fundamental principles that should shape the new public service. To this end, the Government has adopted the following vision:

The Government of National Unity is committed to continually improve the lives of the people of South Africa through a transformed public service which is representative, coherent, transparent, efficient, effective, accountable and responsive needs of all.

To give effect to this vision, the Government envisages a public service which is:

- \* guided by an ethos of service and committed to the provision of services of an excellent quality to all South Africans in an unbiased and impartial manner;
- \* geared towards development and the reduction of poverty;
- \* based upon the maintenance of fair labour practices for all public service workers irrespective of race, gender, disability or class;
- \* committed to the effective training and career development of all staff;
- \* goal and performance orientated, efficient, and cost effective;
- \* integrated, coordinated and decentralised;
- \* consultative and democratic in its internal procedures and in its relations with the public;
- \* open to popular participation, transparent, honest and accountable;
- \* respectful of the Rule of Law, faithful to the Constitution and loyal to the Government of the day.

#### 2.2 MISSION

In pursuit of this vision, the GNU sees its mission as:

The creation of a people centred and people driven public service which is characterised by equity, quality, timeousness and a strong code of ethics.

The Ministry for Public Service and Administration aims to facilitate the transformation of the South African public service in accordance with the vision and mission outlined above. Central goals are:

- (a) to create a genuinely representative public service which reflects the major characteristics of South African demography, without eroding efficiency and competence;
- (b) to facilitate the transformation of the attitudes and behaviour of public servants towards a democratic ethos underlined by the overriding importance of human rights;
- (c) to promote the commitment of public servants to the Constitution and national interest rather than to partisan allegiance and factional interests.
- (d) to assist in creating an integrated yet adequately decentralised public service capable of undertaking both the conventional and, developmental tasks of government, as well as responding flexibly, creatively and responsively to the challenges of the change process;
- (e) to promote human resource development and capacity building as a necessary precondition for effective change and institution building;
- (f) to encourage the evolution of effective accountability and transparency in public management processes;
- (g) to upgrade the standards of efficiency and effectiveness of service delivery.
- (h) to create an enabling environment within the public service, in terms of efficiency and stability, to facilitate economic growth within the country.

The vision and mission for the public service outlined in this document are consistent with the relevant provisions of the Interim Constitution (Section 212 (2) (b) and Principle XXX of Schedule 4), as well as Chapter 2 of the RDP White Paper (November 1994).

### 2.3 THE STATE AND CIVIL SOCIETY

It is important to stress that the above vision and mission for the new public service are based on a fundamental redefinition of the role of the State and its relationship to civil society in the new democratic order in South Africa. In this respect, the new vision envisages a partnership between the state and civil society.

The GNU is firmly committed to transforming the State to an enabling agency which serves and empowers all the people of the country in a fully accountable and transparent way.

The GNU is aware that this process can only succeed if it is carried out in partnership with the organisations of civil society. Structured opportunities must therefore be provided to involve civil society in the formulation, implementation and monitoring of government policies and programmes at all levels, national, provincial and local.



If the representative organisations of civil society, from business groups to NGOs and community-based organisations, are to be fully involved in the system of governance, it necessarily follows that they must be equally ally involved in the efforts to reshape it, particularly through the process of transforming the public service. For this reason, the White Paper lays specific emphasis on the need to establish viable transformation structures and mechanisms which will facilitate such involvement.

## 2.4 STRATEGIC CHANGE MANAGEMENT

In pursuing the above vision and mission, the Government is aware that there are a number of broad models of public management and change that might be followed and adapted to the South African situation. These range from traditional bureaucratic models to neo-liberal models of public choice, based on the restructuring and contracting-out of state services. Although lessons can be learned from all such models, the Government believes that the process of administrative transformation and reform in South Africa can best be informed by a different model or approach, known usually as the Strategic Change Management Approach. By focusing in particular on the need for new forms of managerial leadership, the devolution of decision-making power, the democratisation of internal work procedures, and the incorporation of civil society bodies into the governance process, this approach has obvious relevance to the vision and mission for the new public service and the specific needs of the transformation process in South Africa.

## CHAPTER 3

### CHALLENGES AND OPPORTUNITIES

If the public service is to be transformed to fulfill the above vision and play a key role in the social and economic transformation of the country, a number of important challenges and constraints will have to be addressed and overcome. Some of these emanate from the legacy of the apartheid past, others from the current situation.

It is equally important to recognise that there are positive strengths and achievements in the public service that can be built upon in the transformation process. Strategies for change that are preoccupied with resolving past and present problems tend to be reactive in nature, concentrating in particular on problem solving and crisis management. What is needed in South Africa is a more proactive, coherent and visionary approach which recognises and addresses problems, but also exploits opportunities and builds upon strengths.

### 3.1 CHALLENGES AND CONSTRAINTS

The following section on past and current problems is not intended to induce a sense of pessimism or hopelessness about the magnitude of the challenges involved in the change process.

Nor is it intended to rake over the past, invoke guilt or re-open old wounds. Instead it is designed to provide a clear and objective picture of the key problem areas that must be tackled if the transformation process is to succeed.

#### 3.1.1 Challenges from the Past

The public service inherited by the new Government in many ways promoted and defended the social and economic system of apartheid. As such, it was characterised by a number of problematic policies and practices which, if left unchanged, could seriously compromise the ability of the new Government to achieve its major goals of reconstruction and development, nation building and

national reconciliation, and community empowerment and democratic participation. To a large number of South Africans these problematic areas include:

- (a) Lack of Representativeness of all the peoples of South Africa in terms of race, gender and disability.
- (b) Lack of Popular Legitimacy because public officials were seen by the majority of South Africa's communities as the agents of the apartheid state.
- (c) Lack of Service Delivery. The system of service provision that developed under Apartheid was discriminatory and exclusionary, particularly towards black South Africans (the term black is used in this document to refer to members of the African, Indian and Coloured communities). It was concerned more with the application of rules and procedures than with the development of a culture and ethos of service.
- (d) Centralised Control and Top-Down Management. Because the public service was strongly oriented towards control of the majority population, it became of necessity highly authoritarian, centralised and rule-bound in its operation. It was characterised in particular by the development of a vertical, top-down management structure. Democratic practices were discouraged, both internally and in interaction with the public. There was little or no incentive for creativity and responsiveness to the needs of citizens and clients.
- (e) Lack of Accountability and Transparency. Accountability within the service was limited to bureaucratic accountability. Employees were held accountable for adherence to rules and procedures rather than for efficiency and productivity. Wider accountability of the service to the public was even less in evidence.
- (f) Absence of Effective Management Information. No fully deployed management information systems were installed to promote information sharing and efficient monitoring and revision of public sector programmes. One important consequence of this is that there are few reliable statistics on the staffing and composition of the public service today.
- (g) Low Productivity. The total number of public servants in South Africa, at about one per 30 inhabitants, is extremely high in relation other countries at a comparable stage in their economic development. Productivity is relatively low, however, particularly if judged in terms of the ability to deliver services that meet the needs of the people. Low productivity results in part from the shortage of appropriate education and training opportunities for the majority of staff. But it also results from the fact that a disproportionate number of staff were involved in essentially duplicative administrative functions, whereas serious understaffing frequently occurred at the level of essential service provision, in areas such as health and education, particularly for black communities.
- (h) Poorly Paid and Demotivated Staff. Whereas pay levels for managers (predominantly white), remain relatively high, those for the lower echelons (predominantly black) are still disproportionately low. Black women were particularly exploited at this level. Benefits likewise have been biased historically along race and gender lines, particularly with respect to housing and pension entitlements. Linked to this, there was a lack of adequately defined career paths and an under-provision of related training opportunities, especially for disadvantaged groups. These factors have had a demotivating effect on many staff and have

contributed to low morale and productivity.

- (i) **Conflicting Labour Relations.** For much of the apartheid era, labour relations were either prohibited or closely regulated according to race. The result for many public servants, particularly black employees, was that they were denied the opportunity to improve their conditions of service through collective bargaining. Relations between the state and its employees became strongly adversarial under such conditions, with disputes frequently mediated by force rather than negotiation.
- (j) **Professional Ethos and Work Ethic.** Many of the problems outlined above have served to inhibit the development of a professional work ethic and commitment amongst public servants. Some public servants showed impressive dedication and capacity under the most unfavourable conditions. In many parts of the service, however, inefficiency, mismanagement and corruption were widespread.

### 3.1.2 Current Challenges and Constraints

Many of the above problems did not automatically disappear when the GNU came into power in May 1994. They still remain and will have to be overcome if the public service is to fulfill its new role effectively. Strategies for dealing with such problems will also need to take into account a number of important challenges and constraints that have arisen more recently. These include:

- (a) **Fear of Change.** Change is very often a complex and controversial process, almost invariably accompanied by anxiety and resistance in some quarters. Many public servants are clearly worried about their future in the service, especially in the light of the planned rationalisation and affirmative action programmes. This situation is having a serious and negative impact on morale in the service, and is being compounded by the delays in formalising new staffing structures in many departments and provincial administrations.
- (b) **Resistance to Change.** In a number of more extreme cases, resistance is motivated by ideological opposition to the change process itself, rather than fear about its consequences. There is evidence that in some cases this is leading to deliberate efforts to sabotage the process.
- (c) **The Danger of a Brain Drain.** Amongst those public servants fearful about change, there will be some who are fully committed to the need for change (though still anxious about its consequences), and who possess the marketable skills and professional ethos required by the new public service. If their fears and anxieties are not adequately addressed, there is an obvious risk of a brain drain. This would compound the severe shortage of skills already experienced by the service.
- (d) **Popular Impatience at the Pace of Change.** The transition to democratic governance in South Africa unleashed a rapid rise in popular expectations about the ability of the GNU to deliver its promises of social and economic development, particularly those contained in the RDP. There is a growing public perception that the public service is taking too long to turn itself into an efficient and responsive delivery arm of government. This is leading to impatience and in some quarters to scepticism.
- (e) **Lack of Clear and Well-Communicated Vision of Change.** To date, insufficient attention has been placed on communicating a clear and succinct vision of the new public service, as well as an explanation of the purpose and nature of the transformation process, both within and outside the public service. This has served to exacerbate internal

anxieties and external impatience.

- (f) Lack of Clearly Defined Roles and Responsibilities. The lack of a clear vision for change has been compounded to date by the relative absence of clearly defined roles and responsibilities for the key agencies charged with driving the transformation process, at both the national and provincial levels. In attempting to rectify this situation, it will be important, however, to ensure that roles and responsibilities are not defined too rigidly, as they were in the past. There must be scope for flexibility and innovation.
- (g) Lack of Co-ordination. For the transformation process to succeed, the work of the main reform agencies and role-players will need to be effectively coordinated. This will require the development of appropriate coordinating structures, as well as a culture of collaboration within the public service. Although some progress has been made in this regard, for example through the work of the Intergovernmental Forum, there is clearly much more that needs to be done.
- (h) Persistence of a Rule-Bound Culture and the Role of the PSC. For the public service to carry out its new role effectively, there is increasing agreement that there will need to be greater devolution of management and decision-making throughout the service (within clearly defined lines of accountability), to ensure innovation, creativity and responsiveness to the needs of clients. At the moment, however, many committed and potentially innovative managers feel that they are hamstrung by a plethora of rules, regulations and legislation, and in particular by the way in which these are perceived to be controlled and operated by the Public Service Commission.
- (i) Lack of Skills and Capacity. The discriminatory effects of the apartheid education system, coupled to the relative lack of opportunities for in-service education and training for disadvantaged groups within the public service, has led to a serious problem of capacity. This must be addressed if the public service is to become more genuinely representative, whilst at the same time becoming more efficient and effective.
- (j) Financial Constraints. The GNU inherited a situation in which the greater part of the national consumption budget was devoted to the salaries, wages and benefits of public servants, and only 9 percent to project-based development expenditure. The Government is committed to reducing public expenditure as a proportion of gross domestic product (GDP) and, in particular, to reducing the wage bill as a proportion of total public service consumption expenditure. Given the current pressure for wage increases, particularly by low-paid workers, and the fact that approximately 70 percent of the total wage bill is devoted to the priority areas of Education, Health and Safety and Security, this is not likely to be an easy task. What can be said with confidence, however, is that there will be few additional resources available to meet extra costs involved in the transformation process. The change process must be particularly mindful, therefore, of the need for financial restraint.

### 3.2 OPPORTUNITIES, ACHIEVEMENTS AND STRENGTHS

Although it is clearly imperative that the transformation process takes into account the challenges and constraints outlined above, it is also important that it recognises and takes advantage of more positive opportunities, strengths and achievements. These include:

- (a) Broad Commitment to the Vision and Goals of Transformation. At the many workshops and Parliamentary hearings that have taken place in recent months to discuss the first draft of this White Paper, a clear commitment was demonstrated by all stakeholders on the need for transformation and for the broad vision and goals for the new public service set out in the draft document. This stakeholder commitment included that of Directors-General, Service Commissioners, public service unions and staff associations, representatives from provincial legislatures, and civil society and business organisations. While the stakeholders have different viewpoints on the ways in which the transformation can best be taken forward, the development of a common commitment and sense of purpose around the vision and broad policy goals is a very positive sign for the future.
- (b) Agreement on the Principle of Co-determination. Since the elections, the GNU has abided by the principle of co-determination, whereby matters relating to the rationalisation of the public service, as well as the process of administrative transformation more generally, will be decided upon in consultation with interested parties and specifically with the employee organisations admitted to the Central Chamber of the Public Service Bargaining Council. Given the vital importance of gaining widespread support for the transformation process from public service unions and staff, the agreement on co-determination has been a necessary and positive step in the transformation process.
- (c) Relative Labour Stability. Since the GNU came to power there have been a number of disputes and strikes by public sector workers. Given the poor pay and conditions for many lower-paid workers, this is not altogether surprising. However, there has not been the kind of labour instability that was predicted in some quarters before the 1994 elections. Management and unions are working together on ways of improving the collective bargaining system, a process that should be assisted by the new Labour Relations Act.
- (d) Rationalisation on Course. With the installation of the new government, a concerted programme of administrative rationalisation has been embarked upon with the aim of establishing a unified national public service that will efficiently and effectively deliver services and focus on integrated development. Thirty-three (33) National Departments have been established, together with nine (9) Provincial Administrations with their own Provincial Service Commissions. Powers have been granted to the provinces in accordance with the provisions of Schedule 6 of the Constitution. Provincial Governments are making progress, albeit with some difficulties, towards the integration of the administrations of the former "TBVC states" and "self-governing territories." Positive achievements have therefore been made, and the process is still on schedule to meet government's target date for completion.
- (e) Increasing Representativeness. In order to facilitate the GNU's commitment to promoting representativeness within the public service, 11,000 posts have been advertised. Over a million applications were received, and this has contributed to delays in filling the posts. The restructuring of the senior management echelon in the public service, which is now nearing completion, has witnessed the appointment of more black people and women than ever before, although the senior ranks of the service still continue to be disproportionately occupied by white males.
- (f) The Creation of a New Department within the Ministry of the Public

Service and Administration. This new Department, known as the Office of the Minister for the Public Service and Administration (OMPSA), has recently been created in terms of the Public Service Act, 1994, to provide infrastructural support for the Minister and to play a crucial role in helping to drive and co-ordinate the transformation process. The work of OMPSA will revolve in particular around the functional areas of public service policy and reform, and labour relations policy and central negotiations.

- (g) International Support. Significant international support, both moral and material, has been pledged for the processes of reconciliation, reconstruction and development in general, and for the process of administrative transformation in particular. In addition to direct financial aid, a number of valuable partnership schemes are being actively explored and developed.
- (h) Loyalty and Dedication of Staff. Although inefficiency and low productivity are still present within the public service, many staff have continued to work with loyalty and dedication. This fact must be acknowledged, valued and built upon in the transformation process.
- (i) The White Paper on the Transformation of the Public Service. The consultative Draft White Paper, issued by the Minister for the Public Service and Administration in May 1995, has contributed to the change process by stimulating a wide-ranging and, at times, vociferous debate about the nature and purpose of the public service and the transformation process. Insights and recommendations from these debates have been taken into account in the redrafting of the final document. The final White Paper, itself, should play an important part in shaping the broad direction of the transformation process over the next two to three years.
- (j) Support from the Portfolio Committee on the Public Service and Administration. The Portfolio Committee has played a key role in facilitating the consultative process around the draft White Paper, and has resolved to play an important and continuing role in providing parliamentary support for and oversight of the transformation process.

#### CHAPTER 4

##### THE INTERNATIONAL CONTEXT

Given the unique problems of South Africa's apartheid past, and the equally distinctive way in which these were resolved in the transition to majority rule, it is tempting to take a particularistic and inward looking approach to the question of administrative transformation. Whilst South Africa must clearly find its own solutions to its own specific problems, it is nevertheless important to ensure that the process is informed by lessons from other countries, in Africa and further afield.

In recent years many countries in both the developed and developing worlds have embarked on a thorough re-evaluation of the role of the state and the public service in their societies. This has been in response to a number of factors, including:

- \* The growing impact of global markets, competition and financial mobility;
- \* The increasing trend towards economic liberalisation and political democratisation;
- \* The increasing international spread of communications and information

technology;

- \* The worsening economic crisis in the developing world, and the impact of IMF/World Bank structural adjustment programmes.

In the process a number of themes have begun to emerge, some of which have relevance for the current situation in South Africa. These include:

- (a) A move away from centralised and corporate planning approaches towards more pragmatic approaches based, in particular, upon the principles of sound management, enterprise and a clear sense of mission.
- (b) A redefinition of the role of the state, from that of acting as the principal agent of social and economic development, to that of guiding and facilitating development in ways which ensure effective integration with the world economy.
- (c) Trimming state expenditure and the size of the public service as functions and services are sub-contracted out on a competitive basis to private sector and non-governmental agencies, either on a fully privatised or partnership basis.
- (d) A redefinition of the political-administrative relationship, designed to ensure greater accountability (through the introduction of, for example, clearer lines of responsibility, and performance targets, measures and monitoring), whilst at the same time promoting greater devolution of managerial autonomy and resource control (including the introduction of flexible staffing and recruitment practices), aimed at increasing innovation, creativity and responsiveness to client needs.
- (e) An increasing emphasis on quality, efficiency and cost-effectiveness.
- (f) A change in organisational culture, designed to develop a more effective customer orientation and a stronger service ethos.
- (g) An increasing emphasis on human resource development and management designed to promote participative management and innovation, to build capacity, and to reward individual and team performance (through the introduction of appraisal and incentive systems).
- (h) A move to improve financial planning and control systems, including reforming budgeting systems, with a view to making them more performance and output related.
- (i) A greater reliance on information technology and computerised management information systems.

#### PUBLIC SERVICE COMMISSION

There is equally a growing trend internationally to review the role of administrative/management bodies of the public service such as the Public Service Commission. This process of review has taken many forms. In the context of Zimbabwe and Namibia, the role of the Public Service Commission has been significantly reduced, while the United Kingdom is seeking to strengthen its Civil Service Commission. All these developments point to the need for constant review and improvement of public service management taking into account the peculiarities of differing countries.

In the light of the above, the GNU will ensure that it keeps abreast of current and future developments at the regional and international levels, through bilateral exchanges and through active participation in workshops and

conferences.

In June 1995 the Government hosted and co-sponsored (with the Commonwealth Association for Public Administration and Management) a Regional Conference on Encouraging Diversity within a Unified Public Service. Some of the insights from this conference have been incorporated in this document. The White Paper has also taken into account the recommendations on human resource development of the Twelfth Meeting of Experts of the United Nations Programme on Public Administration and Finance (August 1995). The Government will also ensure that the ongoing transformation process takes into account the discussions and recommendations of the UN Plenary Session on Public Management scheduled to take place later this year.

Although the GNU expects to gain valuable insights from studying and observing the successes and limitations of comparative models of administration reform, caution and critical analysis will be exercised in considering the applicability and possible incorporation of such models into the change process in South Africa. This will certainly be the case with the move towards cost reduction and the privatisation and contracting-out of state services. The Government is well-aware that in some countries this has had adverse effects, in terms of declining service standards, worsening conditions of employment for staff, rising unemployment and the increasing marginalisation of disadvantaged groups, women and children in particular.

The move towards a leaner and more cost-effective public service in South Africa will therefore be based, as Chapter 8 will demonstrate in more detail, not on privatisation but on the creation of effective partnerships between government, labour, business and civil society, and the building of high levels of community involvement in the local delivery of services.

## CHAPTER 5

### TRANSFORMATION PRIORITIES AND PROCESSES

#### 5.1 PRIORITIES

In moving towards its vision of a public service which is representative, transparent, efficient, effective, accountable and responsive to the needs of all, the GNU has identified the following priority areas for the transformation process:

- (a) Rationalisation and restructuring to ensure a unified, integrated and leaner service.
- (b) Institution building and management to promote greater accountability and organisational and managerial effectiveness.
- (c) Representativeness and affirmative action.
- (d) Transforming service delivery to meet basic need
- (e) The democratisation of the state.
- (f) Human resource development.
- (g) Employment conditions and labour relations.
- (h) The promotion of a professional service ethos.

Specific objectives, guidelines, performance measures and policy instruments to address these priority areas are detailed in Part 2 of the White Paper.



## 5.2 PROCESSES

In developing and implementing effective policies and strategies for public service transformation, a number of key and related processes will be involved. These will include:

- \* Strategic Review
- \* Policy formulation and performance measures
- \* Strategic planning and implementation
- \* Monitoring, evaluation and performance measurement
- \* Co-ordination
- \* Communication, consultation and participation
- \* Research

In accordance with the principles of the Interim Constitution these processes will be transparent, participative and inclusive. They will also be carried out flexibly in ways which ensure accountability and the adherence to national guidelines, norms and standards, whilst at the same time encouraging innovation and creativity at the level of individual departments and provinces.

The nature and purpose of these processes are outlined briefly below. The organisations and agencies responsible for carrying them out will be dealt with in Chapter 6, as well as in subsequent parts of this document.

### 5.2.1 Strategic Review

The development of policies and plans for public service transformation will need be based on a comprehensive review and audit of the structures, functions, composition and financing of public service departments and statutory bodies (including the national and provincial Service Commissions), at both national and provincial levels.

### 5.2.2 Policy Formulation and Performance Measures

In the light of such reviews, the priority goals for the transformation process will be broken down into broad and realistic policy objectives and targets, as well as the time-frames for their achievement. Performance indicators or measures will be designed and used to obtain an accurate assessment of the progress that is being made towards the achievement of these objectives and targets, and to highlight those areas where improvement or corrective action is required.

### 5.2.3 Strategic Planning and Implementation

Broad policy objectives and targets will be implemented within government departments at both the national and provincial levels through:

- \* The setting of appropriate, specific and measurable objectives;
- \* The design and implementation of detailed strategies and action plans for their achievement;
- \* The mobilisation of the necessary resources and their effective utilisation;

- \* The identification of problems and constraints, and strategies for overcoming them;
- \* The introduction of effective systems for internal monitoring and review.

#### 5.2.4 Monitoring, Evaluation and Performance Measurement

The establishment of appropriate internal and external mechanisms for monitoring and evaluation will be central to the process of administrative transformation. The development of effective internal mechanisms within government departments, such as performance auditing and appraisal, will be an integral part of the process. To ensure accountability and the success of the broad process of public service transformation, these internal mechanisms will also need to be accompanied by the independent external monitoring and evaluation of departmental transformation programmes.

#### 5.2.5 Co-ordination

Co-ordination of the work of the key transformation agencies (as defined later) and government departments at the national and provincial levels, will be vital, especially if the transformation process is to contribute towards the kind of integrated approach to reconstruction and development envisaged in the RDP White Paper.

#### 5.2.6 Communication, Consultation and Participation

To achieve its goals, the transformation process must secure the active involvement, support and commitment of the vast majority of public servants. Given the Government's commitment to improving service delivery through successful partnerships with the business community, NGOs and other stakeholders in civil society, particularly in relation to the RDP, it is also clearly essential that the public service transformation process is based upon broader public involvement and support.

In striving to achieve the necessary levels of support and commitment for the transformation process, inside and outside the public service, attention will be focused on:

- \* The development of an effective and coordinated communications strategy. This will aim to present a clear, consistent and succinct picture of the vision and goals of the new public service. It will further provide accurate and positive updates on the progress of the transformation process. Another priority of the strategy will be to correct misconceptions, and to dispel the anxieties, fears, and scepticism that have been expressed in some quarters, both within and outside the service, about the intent and purpose of the transformation process.
- \* The establishment of effective mechanisms for consultation and involvement. These mechanisms should be designed in particular to provide opportunities for public service staff and unions, as well civil society stakeholders, to play a meaningful part in shaping, implementing and monitoring the on-going transformation process.

#### 5.2.7 Research

The process of transformation in each of the priority areas identified above can usefully be supported by high-quality research of both a quantitative and qualitative nature. Areas for research include:

- \* The impact of transformation policies and programmes.

- \* The effectiveness of the instruments and mechanisms established for the purposes of policy formulation, implementation and evaluation.
- \* Comparative studies of the administrative reform process in other countries.

Research activities will need to be well-planned and coordinated to ensure that they are relevant and applicable, and should also involve a wide range of practitioners, especially from the NGO sector and tertiary institutions (including Historically Disadvantaged Institutions).

## CHAPTER 6

### POLICY INSTRUMENTS

Policy instruments are the institutional mechanisms that will be responsible for driving and implementing the transformation process. They fall into two broad categories:

- \* Transformation structures and agencies, both existing and newly created.
- \* Enabling legislation.

#### 6.1 EXISTING STRUCTURES AND AGENCIES

A wide variety of existing structures and agencies, both political and administrative, will be involved in the transformation processes outlined in Chapter 5. These will include:

- \* The Cabinet;
- \* The Parliamentary Portfolio Committee on the Public Service and Administration and Public Accounts Committees;
- \* Provincial Legislatures and Executive Councils;
- \* The Ministry and Office for the Minister for the Public Service and Administration;
- \* The Public Service Commission and Provincial Service Commissions;
- \* The political and administrative heads of departments at national and provincial levels;
- \* The Inter-governmental Forum;
- \* The Ministry of Finance and Department of State Expenditure;
- \* The Office of the Public Protector;
- \* The Office of the Auditor General.
- \* Other Statutory Bodies such as the Gender and Human Rights Commissions.
- \* The South African Management and Development Institute (SAMDI)

Measures will be taken to strengthen the capacity of these agencies, to ensure the effective co-ordination of their work, and to clarify and, if necessary, restructure their relationships. These measures will be accompanied by enabling legislation where appropriate. At the same time the work of these

agencies will reflect the fact that the dynamics of the transformation process will involve differences as well as similarities between individual government departments, and between the national and provincial tiers of government.

All of the above agencies will have important roles to play in the transformation process, in one or more of the priority areas for transformation outlined in Chapter 5. Details will be provided in Part Two of this document. At the more general level, however, it is anticipated that the key role-players will be the Ministry and Department for the Public Service, the Service Commissions, Directors-General, Statutory Agencies, and the Public Service and Administration Portfolio Committee.

#### 6.1.1 The Ministry and Department for the Public Service and Administration

The principal responsibility for overseeing, driving and coordinating the transformation process will rest with the Minister for the Public Service and Administration, on behalf of Cabinet and Parliament. Until recently, the Ministry represented the Public Service Commission (PSC) in Parliament and Cabinet, but had no departmental infrastructure of its own. A department for the Ministry has now been created, in terms of the 1994 Public Service Act, as an entity separate from the Office of the PSC. It is anticipated that the new department (known as the Office of the Minister for the Public Service and Administration or OMPSA), will contribute significantly to the transformation process by facilitating a more effective role for both the PSC and the Ministry.

For the time being, OMPSA will concentrate in particular on two main functional areas: public service policy and reform, and labour relations policy and central negotiations. It has been made clear, however, that its first major area of responsibility will be that of serving the Ministry in all aspects of its role in facilitating the transformation of the public service into one that will efficiently and effectively serve the new democratic order.

In discharging this role, OMPSA will have the following key responsibilities:

- \* Translating the broad policy framework contained in this White Paper into achievable policy objectives, performance measures, targets and time-frames;
- \* Ensuring that this process is based on effective consultation and liaison with the Service Commissions, Directors-General, public service unions and other key agencies and stakeholders, within and outside the public service, at both national and, provincial levels;
- \* Ensuring that the transformation process is effectively co-ordinated at both national and provincial levels;
- \* Developing an effective communications strategy and structures to ensure that the White Paper, the broader transformation process, and national standards, performance measures and targets are well-publicised within and outside the public service;
- \* Developing a financial resource strategy to support the transformation process, taking into account the specific needs of individual departments and provinces;
- \* Establishing an effective research strategy and structures to support the transformation process.
- \* Building its own capacity in terms of human and financial resources.

With the adoption of the new Constitution in 1996, and with changing and

evolving circumstances within the public service, OMPSA's role will need to be regularly review and may be expanded.

#### 6.1.2 The Service Commissions

Chapter 13 of the Interim Constitution (Sections 209, 210 and 211) makes provision for an independent and impartial Public Service Commission (PSC) composed of three to five Commissioners appointed by the President. The PSC is mandated under the Constitution to make recommendations, give directions and conduct enquiries regarding the organisation, administration, conditions of service, personnel administration, efficiency and effectiveness, and comportment of the public service. The PSC also has a key role to play in capacity building and human resource development, particularly through its responsibility for the South African Management and Development Institute.

Subject to national norms and standards, the Interim Constitution (Section 213) also makes provision for the establishment of Provincial Service Commissions to carry out similar functions with respect to provincial administrations (with the exception of remuneration levels and conditions of employment which remain a function of the national PSC unless otherwise delegated). Such commissions have been established in all nine provinces, to function as decentralised role-players attuned to the needs of their particular communities.

Relations between the national and provincial service commissions will be structured along the following lines:

- \* remuneration levels and conditions of employment will be set at the national level;
- \* national policies and targets will only be introduced after appropriate consultation with the provinces;
- \* the national PSC and OMPSA will take responsibility for ensuring that revenue sharing between provinces takes due account of the personnel needs of individual provinces.

A Forum of Service Commissioners has been established to exchange ideas, to discuss matters of common concern, and to ensure that work of the PSC and the Provincial Service Commission is effectively coordinated. This consists of the PSC and the Provincial Commissions of all nine provinces.

The functions and operation of the Service Commissions have been the cause of some concern, most notably in relation to the fact that the independence of the PSC is potentially threatened by a conflict of interests between its role as an independent monitor and arbiter of the activities, ethos and comportment of the public service and its role as a direct implementer of civil service policies. Concerns have also been expressed about the undue length of time and red tape frequently involved in obtaining Service Commission decisions and recommendations.

For these reasons, a comprehensive review of the Service Commissions will be undertaken as part of the work of the envisaged Presidential Review Commission. The future structure and operation of the Commissions is also under current consideration by the Constitutional Assembly.

In the interim, it is anticipated that the Service Commissions and the PSC especially will address some of the above concerns, particularly by expediting the decision-making process, reducing unnecessary red-tape, and delegating powers where possible to departments and provinces. In the process, it is also anticipated that the PSC and the Provincial Service Commissions will continue to play a number of pivotal roles in the transformation process, in consultation

and partnership with other key agencies and stakeholders. These include:

- \* Ensuring that the policies and objectives of the transformation process are effectively implemented within national and provincial departments, particularly through the efficient and timely introduction of appropriate directives, regulations and recommendations;
- \* Using their responsibilities and powers with respect to staff development and training to ensure the development of the necessary human resource capacity for the implementation of specific programmes of transformation, both nationally and provincially;
- \* Using these responsibilities and powers to accelerate the processes of representativeness and affirmative action;
- \* Monitoring and evaluating the impact of transformation policies and programmes both nationally and provincially.

### 6.1.3 Directors-General

As the heads and accounting officers of either national departments or provincial administrations (in the case of provincial DGs), Directors-General will have a vital leadership role to play in translating the broad policy objectives, performance measures, targets and time-frames set by the Government (and OMPSA in particular) into meaningful and achievable strategies for departmental transformation at the national and provincial levels.

At the national level, Directors-General will be specifically charged with the responsibility for:

- \* Carrying out organisational reviews and audits;
- \* Designing and implementing strategic plans for transformation (including objectives, targets, performance indicators and timeframes, as well as detailed action plans for their implementation);
- \* Designing and implementing plans and programmes of affirmative action designed to promote representativeness;
- \* Establishing effective mechanisms for the co-ordination of transformation policies and programmes;
- \* Establishing effective mechanisms for internal monitoring and evaluation, as well as for feedback into the on-going planning and review process;
- \* Ensuring effective opportunities for meaningful participation by staff and unions in the transformation process, particularly through the establishment of transformation units (see below), as well as for consultation and liaison with: other reform agencies and stakeholders;
- \* Designing and implementing effective human resource development strategies, including training and career development opportunities, to ensure the necessary human capacity for implementing specific programmes of transformation;
- \* Promoting effective financial management and budgetary control, including the re-prioritising and re-allocation of budgets, where appropriate, to ensure adequate financial resources for the transformation process;
- \* Promoting inter-departmental collaboration.

At the provincial level, the situation is different and more complex. The

Provincial Directors-General are responsible for the administration of the province rather than for individual departments, a responsibility they share with the Provincial Premiers, MECs and Provincial Service Commissions. The main role of the Provincial Directors-General in the transformation process will therefore be to ensure that the detailed responsibilities outlined above are carried out effectively by the Deputy Directors-General in charge of the various provincial departments. This will involve close and harmonious co-operation with the other key role-players in the province, particularly with the MECs to whom the Deputy Directors-General are accountable. In terms of the responsibility for ensuring effective financial management and budgetary control, accounting officers for provinces, will have to play a more direct role within all provincial departments.

The relationship between the Directors-General and the national and provincial Service Commissions will be reviewed and clarified to ensure that DGs have the necessary flexibility and autonomy to carry out these tasks effectively. To ensure accountability, the contracts of DGs will be tied to the delivery of specific performance measures.

In discharging their responsibilities, it will be important for all Directors-General, at both the national and provincial levels, to collaborate and co-ordinate their work. It is therefore planned that a Forum will be established and will meet regularly for this purpose, consisting of all DGs as well as representatives from OMPSA and the Service Commissions.

#### 6.1.4 Statutory Agencies

In addition to the Service Commissions, other statutory agencies that will have important roles to play in the transformation process include:

- \* The Auditor-General;
- \* The Public Protector;
- \* The Finance and Fiscal Commission;
- \* The Gender Commission;
- \* The Human Rights Commission.

The Offices of the Auditor-General and the Public Protector will have an important role to play in monitoring the public service and ensuring accountability. The Office of the Auditor-General will carry out annual financial audits of all departments and provinces, as well as performance audits of a sample of departmental programmes. These performance audits will be widened to include an investigation of the levels of consumer satisfaction. The Interim Constitution empowers the Public Protector to investigate all possible abuses of power by government. The Office of the Public Protector will be open to receive complaints from the public on service provision and programme execution, and will initiate its own investigations where serious allegations of improper conduct are made. The Gender and Human Rights Commissions will also play an important role in helping to ensure that the transformation process is appropriately informed by human rights issues, and particularly those pertaining to women.

The Financial and Fiscal Commission will play an important role in ensuring that the transformation process is based upon equitable resource allocation between departments and provinces. The FFC will need to liaise closely with the Service Commissions in this regard.

To ensure effectiveness, the work of statutory agencies such as these will

itself need to be reviewed and appropriate changes made if necessary.

#### 6.1.5 Public Service and Administration Portfolio Committee

Although the work of the portfolio committees in general and the Public Service Portfolio Committee in particular lies outside the executive branch of government, it is still necessary to take it into account in a White Paper of this kind. The Portfolio Committee will play an important role in the transformation process, particularly by creating a forum through which Parliamentary scrutiny and oversight of the process can be exercised, and through which political debate and consensus-building can take place. The Committee will seek to fulfill these roles by:

- \* Ensuring that the policy proposals and guidelines in the White Paper are representative of the views of a wide range of stakeholders, within and outside the public service;
- \* Requesting, receiving and evaluating progress reports on the transformation process from the Minister of the Public Service, OMPSA, the Service Commissions, Directors-General and other organisations and agencies, with a view to playing a pro-active "watchdog." role;
- \* Generating research and analysis to inform the on-going transformation process;
- \* Developing and steering the process of legislative change necessary to give full effect to the White Paper and the broader transformation process.

The Committee has already gone a long way towards fulfilling the first of these tasks, by organising a series of hearings on the Draft White Paper at which comments and proposals were solicited and received from a broad range of stakeholders.

The Senate Committee on the Public Service will play a similar role, especially in relation to the transformation process in the provinces. A number of Provincial Legislatures have also established their own standing committees on the public service. These seek to replicate the role of the Portfolio Committee at the provincial level.

## 6.2 NEW STRUCTURES AND AGENCIES

Although the above agencies will have a key role in driving the transformation of the public service, the government believes that their work will be more effective if it is supported by a number of new and additional structures.

These new structures will be created specifically to add impetus to the transformation process and to ensure in particular that it is founded upon effective participation and consultation with public service staff and unions, and civil society stakeholders.

The new and proposed structures include a Presidential Commission, a Public Sector Transformation Forum, Departmental Transformation Units and Co-ordinating Committees, and ad hoc structures that may be set up from time to time to deal with specific aspects of the transformation processes. Most of these structures will have a relatively short life-span, in line with the timescale for the transformation process. After careful appraisal of their work, however, some may be restructured to contribute towards the on-going process of public service change and reform.

### 6.2.1 Presidential Review Commission



As a matter of urgency, a Presidential Review Commission will be established to carry out:

- \* a comprehensive review of the structure and functions of the public service and its statutory bodies including the Public Service Commission, focusing in particular on the division of roles and tasks between central and provincial authorities.
- \* an internal audit and review of each ministry, department, office and agency concerning its objectives, structure, function, staffing, and financing.
- \* a review and revision of the system, routines and procedures of planning, budgeting and financial execution (to be undertaken in partnership with the Ministry of Finance), with a view to increasing public sector accountability.

The work of the Presidential Review Commission will be followed by the introduction of appropriate reforms and, where necessary, by the redeployment of staff.

The Commission will be composed of domestic and international contributors knowledgeable in public service issues. It will work closely with government departments and other statutory bodies involved in the transformation process. The composition and terms of reference for the Commission will be prepared within one month of the publication of this White Paper. The Commission will be set up immediately thereafter and it is anticipated that its work will be completed within twelve months.

#### 6.2.2 Public Sector Transformation Forum

It is proposed that a Public Sector Transformation Forum (PSTF) will be established as an effective consultative policy instrument. Although precise details concerning composition and function will emerge through a process of consultation between all significant role players, it is broadly envisaged that the membership of the PSTF will include national and provincial public service managers, public servants and public service unions, and representatives from OMPSA and the national and provincial Service Commissions. Consideration will be given to providing business organisations, NGOs and other civil society stakeholders with structured opportunities for making representations at the Forum.

Along with the key existing agencies outlined above, the Forum is expected to play a pivotal consultative and advisory role in monitoring key issues relating to government policy on the public service generally and the transformation process in particular, especially in relation to:

- \* rationalisation processes and mechanisms;
- \* representativeness and affirmative action policies;
- \* programmes of staff development and training;
- \* employment conditions and grading systems;
- \* participatory and open management;
- \* policy on service provision, including the client-provider relationship.

Recommendations of the Forum will be fed into the on-going transformation and

other processes. By involving public service staff and unions in the formulation and monitoring of transformation policies that have a direct bearing on their own work situation, the Forum should play a major role in helping to allay fears about the process and in the generation of broader internal and external support for it. It is important to stress, however, that the PSTF will not encroach upon or try to replace the role of the Public Service Bargaining Council or the envisaged Public Service Co-ordinating Bargaining Council or its sectoral chambers in the collective bargaining process.

#### 6.2.3 Transformation Units and Co-ordinating Committees

In order to give full effect to consultative processes of transformation, it is proposed that Transformation Units should be established in each department, at both national and provincial levels. The membership of these units will be drawn from the management and staff of the departments themselves. The transformation units will be mandated to ensure that rationalisation, restructuring, representativeness, accountability, transparency, and cost efficiency are actively pursued. Decisions and recommendations will form an important and integral part of departmental strategic planning and review processes.

At the national level, the work of the units will be coordinated by a Transformation Coordination Committee, convened by OMPSA and composed of representatives from the Transformation Units, the Department and the PSC. At the provincial level, responsibility for convening the Coordination Committees will be assumed by the Premier's Office. Representation will be from the Transformation Units, the Premier's Office, the Office of the Provincial Director-General and the Provincial Service Commission. The Co-ordinating Committees will help facilitate the exchange of ideas and the adoption of common strategies and approaches, allowing for adaptation to suit individual departmental and provincial circumstances. They will also help to inform the broader change process at national and provincial levels.

#### 6.2.4 Ad Hoc Structures

Temporary ad hoc structures may be established from time to time to support the transformation process. Consideration is being given, for example, to the organisation of a National Consultative Conference to publicise and communicate the contents of the White Paper and to ensure that the subsequent transformation process is based upon effective forms of consultation and involvement.

### 6.3 LEGISLATION

In accordance with the Interim Constitution [Section 212(1)], the transformation of the public service will need to be supported by appropriate enabling legislation, particularly to ensure that OMPSA, Directors-General and other key role players have the necessary scope and legislative backing to carry out their functions effectively. To give full effect to the policies and proposals in this White Paper there will be a need in particular to amend existing legislation (notably the Public Service Act of 1994) and to introduce new legislation (particularly in the areas of affirmative action and freedom of information). The Public Service Labour Relations Act (Procl. 105/1994) will be replaced by the new Labour Relations Act covering both private and public sector workers (with the exception of the Defence Force and Intelligence Services). Attention will also need to be paid to ensuring that the text of the new Constitution is informed by the developments that have taken place in the function, form and objectives of the public service since 1993.

Responsibility for the drafting of new or amended legislation pertaining to the public service will rest primarily with the Office of the Minister for the Public Service and Administration, in consultation with public service unions

and employee organisations as well as the Public Service Portfolio Committee.

Specific proposals for legislative change, relating to the eight key areas prioritised for the transformation process, will be provided, where appropriate, in Part 2 of this document.

## CHAPTER 7

### FINANCIAL IMPLICATIONS

The transformation of the public service and the implementation of the policies elaborated in this White Paper will incur inevitable financial costs. Two main questions therefore arise. What are the costs? And who pays?

#### 7.1 COSTING THE TRANSFORMATION PROCESS

In the absence of a number of key studies on the financial implications of implementing a comprehensive programme of affirmative action or of establishing comprehensive training programmes, it is not possible to quantify the costs of administrative transformation in any precise way at this stage.

However, at the general level examples of some of the costs likely to be incurred during the process of transformation are as follows:

- \* the establishment of OMPSA will incur additional costs, particularly in terms of staffing, although it is anticipated that some of these will be met from the relocation and redeployment of staff, especially from the Office of the Public Service Commission;
- \* the setting up of transformation teams in ministries departments, and provinces will incur some costs, although it is intended that most units will be staffed through the redeployment of existing personnel;
- \* the redeployment of public officials will require support to cover the costs of relocation and investment in new infrastructure and equipment-
- \* the programmes of rationalisation and affirmative action will require funding for early retirement and retrenchment packages, for the redeployment and relocation of staff, for training, and for new salaries and benefits;
- \* the equalisation of wages throughout the service will require major financing; this will be increased if uniform wages and conditions are to be established at all administrative levels;
- \* the upgrading of training institutions will require investment in terms of infrastructure, personnel, and equipment. Conducting training programmes, likewise, will incur both direct and indirect costs;
- \* the installation of new information systems will require investment in equipment and in the training of users, as well as running and maintenance costs.

The first priority task in resourcing the transformation process will therefore be the detailed costing of specific transformation policies and programmes in the eight priority areas listed in Section 5.1 above. This will be undertaken by individual departments as part of the strategic planning and implementation process, in association with public service unions, the Department of State Expenditure, OMPSA, and the Service Commissions.

#### 7.2 RESOURCING THE TRANSFORMATION PROCESS

Once the costs of transformation programmes have been calculated, there will be three main ways in which they can be resourced:

- \* Additional claims against national and provincial budgets.
- \* Raising of additional funds from external sources.
- \* Absorption of costs by departments through re-prioritising budgets and efficiency savings.

In resourcing the transformation process, it will also be important to ensure an equitable allocation of resources between departments, provinces and between national and provincial levels of government.

#### 7.2.1 Additional Claims against National and Provincial Budgets

The GNU is committed to ensuring that non-interest current expenditure does not increase in real terms, with the aim of reducing the fiscal deficit and releasing public sector resources to fund redistribution and economic growth. Under such conditions there will be little scope for funding extra costs associated with transformation process by increased allocations from national or provincial budgets.

Given the priority attached by Government to the transformation of the public service, however, consultation on this issue will take place with the Minister of Finance.

#### 7.2.2 External Sources of Funding

For the two to three year period of the transformation process, the Government is confident that additional funds will be raised, from both the private sector and international donors, to support a number of the planned transformation programmes, particularly in relation to human resources development and training, and affirmative action. A number of key programmes are already being supported in this way. However, in developing programmes with external assistance, departments should pay particular attention to the question of longer-term sustainability, given that external funding cannot be depended upon in the long term.

#### 7.2.3 Absorption of Costs

Given the need for fiscal restraint in national and provincial budgets, and the limited though useful assistance that can be expected from external donors, it is inevitable that the majority of the costs of transformation will have to be absorbed within existing departmental budgets, particularly through the re-prioritising of expenditure and the achievement of efficiency savings. Specific details on how such costs might be absorbed will be provided in Chapter 8 of this document, in relation to the issue of restructuring and rationalisation.

It is anticipated that the redirection of departmental expenditure to new priorities, itself a key to achieving the aims of the RDP White Paper, will be facilitated by the introduction from the 1996/97 financial year onwards of multi-year budgeting. As part of the move away from the incremental budgeting of the past, departments will be required to establish clear outputs and priorities, particularly in line with the RDP, and to redirect expenditure to meeting them. Departments will be encouraged to establish key performance indicators, clear monitoring procedures and business plans. Staffing plans will also be required as part of the reprioritisation process. The introduction of these processes and procedures should also enable departments to identify and

prioritise the costs of transformation programmes more clearly.

Current published budgets provide inadequate management information on wage and salary costs. To assist the processes of efficiency savings and the reprioritisation of budgets, it is proposed that this situation will be rectified through the provision of accurate and disaggregated figures for each department and province:

- \* That distinguish management costs from other personnel costs;
- \* That distinguish administrative personnel costs from other personnel costs;
- \* That therefore provide a basis for comparing services and efficiency by department and province.

#### 7.2.4 Ensuring Equitable Resource Allocation

For the transformation process to succeed, it is clearly important that all departments at both national and provincial levels have adequate and equitable financial capacity. The move towards this new budgeting system will help to facilitate this process. Over-resourced departments will no longer be able to rely upon an incremental increase as in the past. All departments will be required to set priorities in relation to Government policy (including the policy on transformation) and will be resourced on this basis. Closer co-operation will also be built up between the Financial and Fiscal Commission and the Service Commissions to achieve a coherent strategy for fiscal relations which enhances the transformation process at provincial levels.

As part of this process, the national and provincial Service Commissions will be required to communicate clearly to the FFC the personnel implications of different options of revenue sharing. At the same time, the FFC will be required to communicate to the Service Commissions, OMPSA and the Public Sector Transformation Forum proposals for the overall fiscal strategy and for revenue sharing, so that they can analyse the implications for public service restructuring.

## PART 2

### Creating a Strategic Framework for Change

#### CHAPTER 8

##### RESTRUCTURING AND RATIONALISING THE PUBLIC SERVICE

The GNU has embarked upon a concerted and comprehensive programme of administrative restructuring and rationalisation with the objectives of:

- (a) creating a unified and integrated service.
- (b) Restructuring the senior management, echelon.
- (c) Creating a leaner and more cost-effective service.

The first two objectives are relatively short-term, designed primarily to create an effective basis for further administrative restructuring and transformation. The third objective is longer-term, designed to improve efficiency and effectiveness, and to unlock resources for productive investment and RDP-related project expenditure.

#### 8.1 CREATING A UNIFIED AND INTEGRATED SERVICE

In creating a transformed public service capable of fulfilling the vision and mission set out in Chapter 2 of this document, it was first necessary to create a unified and integrated service, to be deployed at both national and provincial levels, from the eleven former administrations in the RSA, the "TBVC states" and the "self-governing territories." Given the vital importance of this task as a necessary precondition for further change, and given the anxieties and uncertainties that would inevitably be entailed in the process, it was decided that the process should be completed in as short a time as would be practicable. The deadline of 30 April 1995 was initially set, but due to the magnitude and complicated nature of the process this was subsequently extended to 31 October 1995.

The creation of a unified service has involved three related processes, all undertaken with the agreement of the employee organisations represented on the Central Chamber of the Bargaining Council:

- (a) The transfer of the functions and organisational components of the eleven former administrations to the new national departments and provincial administrations, along with the assignment of powers to administer existing laws.
- (b) The rationalisation of conditions of service in order to create uniformity.
- (c) The staffing of the new rationalised structures.

With the exception of the complex task of assigning administrative laws to provinces, where more work still needs to be done, the first two processes are almost completed, albeit not without difficulties. The staffing of the rationalised structures is proving more time-consuming, which is not altogether surprising given the magnitude and complexity of the task. It has also given rise to uncertainty amongst staff, as well as a measure of disruption to their work, which has affected productivity. Nevertheless, it is still anticipated that this process will be completed in most if not all national departments and provincial administrations by the 31 October deadline.

#### 8.1.1 Principles Governing the Rationalisation Process

It is important to note that the approach followed in the staffing of the rationalised structures was developed in co-operation with the unions and with due regard to the interests of both employees and the State as employer. In this regard, the Government requires that all actions taken by departments/administrations with respect to the deployment of staff in the new structures must adhere to the following principles:

- \* Actions must promote efficiency, effectiveness and an unhindered continuation of services;
- \* Actions must be fair, transparent and in accordance with applicable employment and labour legislation;
- \* Actions should create the least possible disruption for staff, departments or administrations, and should pay due regard to the personal circumstances and preferences of staff;
- \* Actions must be affordable, attainable and practical with due regard to local conditions.

#### 8.1.2 National Norms and Standards for the Rationalisation Process

In adherence to these principles and after consultation with the unions, the following measures were introduced, to be followed as a national norm and standard in the staffing of the new rationalised structures:

- \* The introduction of early retirement opportunities for certain categories of staff;
- \* The carrying out of a comprehensive review of personnel needs within departments or administrations, as well as an audit of the skills and competencies of serving officials;
- \* The absorption of serving officials, wherever possible, when the work content of a post has not changed significantly;
- \* The appointment of persons from outside the public service in order to promote greater representivity, after all available internal human resources have been considered and with due regard to the objective of a leaner public service;
- \* The establishment of a "grace" period of six months for serving officials who cannot be absorbed, to enable them to apply for posts elsewhere in the service, after which they may be subject to discharge.
- \* The right of appeal for those adversely affected by the rationalisation process.

## 8.2 RESTRUCTURING THE SENIOR MANAGEMENT ECHELON

The restructuring of the senior management echelon within the public service, at both national and provincial levels, was also accorded high priority by the GNU as a necessary precondition for taking the broader transformation process forward. By August 1995 all provincial administrations and approximately 60 per cent of national departments had completed the restructuring process. It is anticipated that the remaining national departments will be able to do so by the 31 October 1995 deadline. Except in the case of the national departments of Defence, Intelligence, Safety and Security, and the Secret Service, who are carrying out their own restructuring, the Service Commissions have played a major role in the restructuring process.

Filling the posts in the new management structures is again proving a time-consuming process, but it is expected that most departments and administrations will be close to completing the task by the October deadline. In the case of heads of departments and provincial administrations, the national norms and standards outlined above were adjusted, with the consent of the unions, to allow for the external advertisement of all posts, all of which are on a five-year contract basis.

This was in recognition of the fact that the incumbents of such posts would have to play a major role in giving direction to the new national departments and administrations under changed circumstances. Furthermore, a number of senior officials in the former administrations also had to be afforded the opportunity to compete for such posts.

## 8.3 CREATING A LEANER AND MORE COST-EFFECTIVE SERVICE

The GNU's commitment to fiscal restraint has been stressed on a number of occasions in this' document. The Government intends within the next four years to reduce the wage bill as a proportion of public service consumption expenditure. It is unlikely that a reduction of this magnitude can be achieved without a significant reduction in the overall size of the public service.

The rationale for reducing the wage bill and creating a leaner public service is not merely to save money, but rather to release resources for productive investment in RDP-related initiatives.

As such the Government firmly believes that a leaner public service is perfectly consistent with improved levels of service provision.

At the same time, however, the GNU recognises that its options in this regard are not unlimited and that ill-conceived strategies could easily prove counterproductive. For example, an attempt to reduce the wage bill by real pay erosion (preferred in a number of countries to large scale retrenchment of staff), would most likely provoke widespread resistance and would run counter to the Government's commitment to increasing the minimum wage and eliminating gender-based disparities in pay and benefits. It could also have an adverse affect on morale and productivity and undermine the public service's ability to recruit and retain skilled personnel in key performance areas. Likewise, strategies to reduce the wage bill and curb employment growth must also take into account the fact that approximately 70 percent of the wage bill is currently devoted to the three areas of education, health, and safety and security, all of which are key priorities in the reconstruction and development process.

With this in mind, it will be important to ensure that strategies for creating a leaner public service are:

- \* Well-conceived, well-researched, and well-planned;
- \* Located within a development rather than merely a budget-driven paradigm, to ensure commitment and support from unions and other stakeholders;
- \* Developed in close co-operation with staff and unions;
- \* Communicated effectively at all levels;
- \* Designed and monitored effectively to ensure that the process of increasing cost-effectiveness does not impact negatively on staff morale, productivity, representivity and the meeting of basic needs through improved service delivery.

Given that some of the strategies will inevitably entail further rationalisation and restructuring, it will also be important to address the fears and anxieties of staff, particularly by adhering to the principles and norms and standards outlined in Sections 8.1.1 and 8.1.2 above.

The GNU will seek to achieve its objectives of a reduced wage bill and a leaner, but more effective, public service through the following strategies:

- (a) "Rightsizing" the Public Service. This will be a key strategy designed to achieve the optimal allocation of human and other resources throughout the service as a whole. A comprehensive review of personnel requirements and staffing structures in all departments and administrations will be carried out with a view to realigning them more closely towards the delivery of services to clients and to meeting the outputs required by the RDP. This will be complemented by the introduction of this new budgeting system and the reprioritisation of departmental expenditure outlined in Section 7.2.3 above. Based on the review, new staffing levels, structures and job descriptions will be introduced. This may result in "downsizing" in some departments or sections, and "upsizing" in others, within the overall parameters of a leaner service over time. Staff displaced in the process will, where possible, be offered redeployment and retraining opportunities, as well



as retrenchment and early retirement packages where appropriate.

- (b) Efficiency Savings and Increased Productivity. Steps will be taken to improve productivity and eliminate waste through, for example, the introduction of improved work practices, the removal of unnecessary tiers of reporting, the removal of duplication, the greater use of modern technology, and the reduction in the fee margins charged by outside consultants and outside service providers. It is proposed that the target rate for growth in productivity and efficiency savings be set at between 3 and 4 percent per annum, to release resources for new priorities. Processes to improve productivity and efficiency savings will only be seized upon enthusiastically by staff, however, if appropriate incentives exist. This implies decentralising decision making and responsibility, while at the same time increasing accountability for performance against specified objectives. As part of this, a performance appraisal process will be need to be introduced in terms of newly defined job descriptions.
- (c) Adjusting Remuneration Structures. Savings can also be realised from the rationalisation of existing allowance systems, a reduction in the gaps between salary notches, the introduction of performance related promotion criteria instead of the present seniority and educational qualifications based promotion and merit systems, and the introduction of a new budget approach based on correct occupational classes and salary scales.
- (d) Retrenchment, Early Retirement and Attrition. A well-considered policy with respect to retrenchment, early retirement and the filling of vacancies created through natural attrition can certainly play a part in reducing the size of the public service. However, current retrenchment and early retirement packages are very costly and have cash flow implications for government pension funds. They will therefore need to be reviewed. Care must also be taken to ensure that such severance schemes do not lead to the excessive loss of key personnel. The use of attrition also needs to be handled with caution. Because attrition rates are not likely to uniform across functions and occupational classes, key performance areas of the public service may be adversely affected by an indiscriminate freezing of posts.
- (e) Redeployment and Retraining. To ensure that redundancy and retrenchment is handled in a fair and sensitive way, thereby winning union co-operation and support, policies will be developed to facilitate the redeployment of staff, both interdepartmentally and intergovernmentally (providing such staff wish to be redeployed and are adjudged to possess the appropriate skills and commitment for continued employment within the service). Assistance will also be provided to enable staff facing retrenchment to find alternative employment, including self-employment, outside the public service. Such policies will be accompanied by the carrying out of a comprehensive skills audit across the public service and the development of a skills database, to expedite the matching of skills with redeployment opportunities. They will also be tied to the development of appropriate forms of career counselling and retraining opportunities.

#### 8.4 CONTRACTING-OUT OF SERVICES THROUGH PARTNERSHIPS

Based on a detailed and critical comparative study of different models, the Government will consider the viability of contracting-out state services on a competitive basis to private sector and non-governmental organisations, especially on a partnership basis. Although designed in part to realise savings, care will also be exercised to ensure that service standards are

maintained and improved. Consideration will also be given to the establishment of a fund and retraining scheme to assist public sector workers displaced in the process to establish their own companies or organisation which can tender for the delivery of services, for example.

Overall responsibility for prioritising, guiding, driving, and coordinating the above strategies will rest with OMPSA, particularly through the commissioning of research and viability studies, the development of pilot projects, and the laying down of specific objectives, priorities, guidelines, performance targets and time-frames. In this regard, OMPSA will work in close collaboration with the Public Sector Transformation Forum, as well with the central and provincial Bargaining Chambers and the Service Commissions (particularly in relation to the implications of the proposed strategies for terms and conditions of staff). Inter-ministerial collaboration will be facilitated through the Mandates Committee, consisting of the Minister for the Public Service and Administration, the Minister of Finance and other related ministries.

Responsibility for implementing and coordinating strategies at the departmental level will rest with the Directors-General, working closely with the proposed Transformation Units. Effective and consultative forms of monitoring and evaluation will be developed to ensure that the strategies meet their desired objectives and do not impact negatively on service delivery. The proposed public sector transformation forum and transformation teams will play a particularly important role in this respect.

Enabling legislation will be required to assist the process, particularly in terms of changes to the Public Service Act of 1994 and the Staff Code, as well as changes, for example, in tendering requirements and regulations.

The strategies outlined above are designed to reduce consumption expenditure, particularly in relation to the wage bill. However, there will be some additional costs, especially in the short-term, in relation to such things as the increasing use of modern technology, the development of training and retraining opportunities for staff, and retrenchment and early retirement packages.

## CHAPTER 9

### INSTITUTION BUILDING AND MANAGEMENT

For the public service to fulfill its new vision and mission effectively, it will be necessary to ensure that the creation of a rationalised and leaner service is complemented by changes in management philosophy and practice, as well as in organisational structure and culture, designed to enhance the performance, responsiveness and accountability of State institutions, thereby enabling them to build for themselves a reputation for excellence among the clients and communities they serve.

In improving the output-related performance, accountability and responsiveness of the public service, important structural and cultural changes will need to be made in the organisation and management of State institutions, with the objectives of:

- \* Empowering, challenging and motivating managers at all levels to be leaders, visionaries, initiators and effective communicators and decision-makers capable of responding pro-actively to the challenges of the change process, rather than acting as the administrators of fixed rules and procedures.
- \* Empowering, challenging and motivating individual public servants to work productively and with initiative and commitment towards the achievement of the goals of the public service, as well as towards the satisfaction of

their own personal and career-related goals.

In designing and implementing strategies to meet these objectives, as well as the objectives of the broader transformation process, the GNU will ensure that a broad human centred approach is adopted. There is a tendency for transformation strategies to focus on the more visible aspects of change (such as structures, organisations and systems), whilst the equally important though less visible aspects (relating for example to employee morale, motivation, fears, aspirations and values) are relatively neglected. Historically human resource issues in the South African public service have been regarded as administrative or technical matters rather than the strategic management concerns that can, if properly managed, make a major contribution to the achievement of socioeconomic goals.

With this in mind, the Government proposes to introduce the following strategies:

- (a) Devolution and Decentralisation of Managerial Responsibility and Accountability. At the moment many managers in the public service feel that their powers to lead and direct the change process in a creative and visionary way are constrained by the rule-bound and procedure-laden culture inherited from the past. In order to overcome this situation, it is proposed to move increasingly towards a system under which managerial responsibility will be devolved and decentralised, while at the same time accountability for performance against specified objectives will be increased. As part of this process, it is proposed that the contracts of Directors-General be tied to the achievement of specific performance objectives and targets. At the same time, DGs will be given the necessary flexibility, autonomy and resource control, particularly in relation to the recruitment of staff, to take the necessary actions to ensure that such objectives and targets are met. In order to ensure that effective, timeous and responsible decision-making takes place at all levels within the public service, a similar process of devolution and decentralisation will also take place to individual cost centres within departments, again tied to the achievement of specific performance objectives.
- (b) The Introduction of New and more Participative Organisational Structures. The move towards the devolution and decentralisation of managerial responsibility will be complemented by the creation of more open, flexible and participative management structures at all levels throughout the public service. Although clear lines of responsibility and accountability will still be required, these structures will concentrate less on the application of rules and more on the creative use of consultation and team work. To reduce the annoying and wasteful delays which resulted from the old system of referring even the smallest decision to a higher authority, all staff in the new organisation will be encouraged to take decisions and solve problems within their own area of competence.
- (c) The Development of New Organisational Cultures. These structural changes will need to be accompanied by a major shift in organisational culture, from a rule culture to one which is focused more on the achievement of tasks and the meeting of needs. Such a pronounced change in culture may not be universally welcomed, however, by management or staff. Training will therefore be required to explain the benefits of the new approach, to assuage misgivings, and to equip staff at all levels 'with the appropriate skills in team building and problem solving.
- (d) Human Resource Development. At the heart of the performance of the public service lie issues concerning the efficiency, competence,

motivation and morale of the workforce. The effective mobilisation, development and utilisation of human resources will therefore be critical for the success of institution building and management programmes, as well as for the success of the transformation process more generally. The issue of human resource development will be taken up in more detail in Chapter 13 of this document.

- (e) Total Quality Management. Public service organisations will increasingly be guided by the principles of total quality management (TQM). TQM is an output-orientated approach which seeks to improve the capacity of organisations to meet the needs of clients by continually reorienting organisational structure, behaviour and culture to this purpose. Clients may be external service users, or they may be other public service agencies and departments. TQM techniques will therefore be studied, adopted where appropriate, and adapted to suit the specific circumstances of the South African public service.
- (f) Learning Organisations. To meet their vision and mission, and to respond effectively to the many challenges with which they are faced, public service institutions must increasingly become "learning" organisations. This means more than continually investing in the knowledge, skills and competencies of all their staff, though this is important. It means essentially that organisations and their staff must fully exploit the opportunities for growth, development and change in the fullest sense of the word, particularly by constantly re-appraising existing work practices and behaviour, and the values and assumptions that underpin them; by building upon those that are useful and discarding those that are not; by being prepared to experiment with new ideas and practices; and by learning from mistakes rather than attempting to conceal them.
- (g) Managing Change and Diversity. The managers of tomorrow will need to be skilled in handling the complex processes of change taking place around them, and will require continuous refreshing and updating in such management skills. One of the dimensions of change, arising from the successful implementation of affirmative action programmes, concerns the question of diversity. Public service institutions will increasingly become rainbow work-places, representative of the cultures and peoples of South Africa. Such diversity could and should become a major source of strength for the service. But in the short term, at least, it is also likely to pose problems. Conflicts may arise over the infusion of new ideas and new ways of thinking, and due to misunderstandings of a cultural nature between people at work. The increasing diversity of the public service will therefore need to be managed effectively, to maximise the benefits and minimise the problems. Training in the management of diversity will be especially important.
- (h) Management Information Systems. If the process of administrative transformation is to lead to much more effective and accountable systems of policy-making, implementation and evaluation, accurate and accessible information will be needed. This will require the redesign and upgrading of existing information systems, particularly computerised systems, to increase the accessibility and accuracy of information, as well as to improve communication between and within departments, and between different agencies and levels of government. Improved financial information systems will also be required, to facilitate effective programme budgeting, tighter financial accountability, and rapid auditing.

The move to a more devolved and decentralised system of management within the public service has obvious implications for the current relations between

Directors-General and the national and provincial Service Commissions. It is anticipated that these relations will be reviewed and resolved more clearly by the Presidential Commission that is to be established shortly (see 6.2.1 above). In the meantime, the devolution process could be carried forward in a controlled and accountable way through the delegation of more powers to DGs by the Service Commissions, as allowed for in the Interim Constitution.

The primary responsibility for the strategies outlined above will rest with Directors-General, in close co-operation with the transformation units and under overall guidelines and performance criteria laid down by OMPSA. Visible progress on all strategies will be expected within a period of two years.

Monitoring and evaluation will be carried out principally by the transformation forum and teams, as well as by the Service Commissions. Inter-departmental co-ordination to ensure an integrated approach will be facilitated by OMPSA. Legislative changes to the Public Service Act of 1994, the Staff Code and the Public Service Commission Act of 1994 will need to be considered, particularly with a view to removing unnecessary red-tape.

Additional costs incurred by the above strategies will relate primarily to the need for staff development and training, as well as the introduction of more effective management information systems. To ensure an integrated and cost-effective approach to the development of MIS systems, OMPSA will liaise closely with departments and provinces, and in particular with the RDP Office, the Central Statistical Services and the Department of Finance.

#### LEGISLATION

In order to realise the goals and objectives outlined above, there is a need to review and change the current legislation regulating the public service. The Public Service Commission Act (1994), Public Service Act (1994) and its regulations including the Staff Codes will have to be revised to grant the necessary autonomy and flexibility to heads of departments in ensuring good management of their departments.

### CHAPTER 10

#### REPRESENTATIVENESS AND AFFIRMATIVE ACTION

##### 10.1 THE NEED FOR REPRESENTATIVENESS

Representativeness is one of the main foundations of a non-racist, non-sexist and democratic society, and as such is one of key principles of the new Government. The Interim Constitution stresses the need for a "public service broadly representative of the South African community" (Section 212 (2)(b) and Principle XXX of Schedule 4).

Achieving representativeness is therefore a necessary precondition for legitimising the public service and driving it towards equitable service delivery.

Black people (the term black is used in this document to refer to members of the African, Indian and Coloured communities) were excluded from all positions of influence in the state and civil society. Although a small elite benefited from the Bantustan dispensation, the majority of senior posts in government are still held by whites. Women were similarly disadvantaged, particularly those from black communities. Persons with disabilities, irrespective of race or gender, can seldom be found in any positions of influence within the State or civil society. As a result, there has been an enormous waste in human potential.

With the new dispensation in South Africa, this situation cannot be allowed to

continue. To meet the new and challenging tasks with which it is faced, and in particular to improve the quality and equity of service delivery, it is absolutely imperative that the public service draws upon the skills and talents of all South Africans, and derives the benefits of the broader perspectives that a more representative service will bring.

## 10.2 MAKING THE SERVICE MORE REPRESENTATIVE

In countries that have tried to increase representativeness through strategies that have fallen short of affirmative action, three main steps have typically been taken:

- \* the introduction of laws outlawing discrimination on the basis of such factors as race, gender, and disability;
- \* the introduction of reforms in the procedures for the recruitment, selection and promotion of staff to promote greater equal opportunity;
- \* the promotion of attitudinal changes throughout the organisation, especially at management level, to ensure the necessary commitment for the success of such changes.

In South Africa, all three steps are being pursued, though not unproblematically. Whilst the Interim Constitution specifically prohibits discrimination in employment in any form, for example, there is evidence that subtle forms of discrimination still exist. The health requirements laid down by the 1994 Public Service Act and the Staff Code for appointment to the public service, for example, are potentially discriminating against people with disabilities, and require review. At the same, whilst the criteria and procedures for recruitment, selection and promotion are being improved, they are still based on a rather narrowly defined, culturally determined and exclusive view of qualifications, experience and achievement, rather than on a broader and more inclusive view of relevant competencies.

## 10.3 THE NEED FOR AFFIRMATIVE ACTION

The steps outlined above, therefore, are unlikely by themselves to lead to major changes in the representativeness of the public service, particularly at the managerial levels, especially in the short term. A more proactive approach is therefore vital, and this will predominantly take the form of affirmative action.

Affirmative action can be defined as laws, programmes or activities designed to redress past imbalances and to ameliorate the conditions of individuals and groups who have been disadvantaged on the grounds of race, colour, gender or disability.

As can be seen from the above definition, affirmative or corrective action clearly has a much broader societal role than achieving greater representativeness in employment.

With this in mind, it is the intention of the GNU that the development and implementation of affirmative action programmes will allow special measures to be taken to ensure that people from disadvantaged groups inside and outside the public service will be identified and appointed through proper procedures within all departments and at all levels of the public service, with the aim of achieving representativeness and improved service delivery.

## 10.4 THE DISTINCTIVE NEEDS OF DIFFERENT TARGET GROUPS

The main target groups for affirmative action programmes will be black people,

women and people with disabilities. In developing appropriate affirmative action programmes, it will be important to take into account the specific and distinct needs of these three groups. The factors that continue to discriminate against these groups are not uniform. The effects of patriarchal values and other forms of gender bias and discrimination, for example, is clearly something that does not disadvantage black males. And the many factors that discriminate against the employment of people with disabilities, including for example the inaccessibility of many public buildings and the lack of effective support and enabling mechanisms, do not disadvantage able-bodied black people and women.

Effective programmes for affirmative action will need to be based, therefore, on a detailed analysis of the specific disadvantages faced by these three groups, as well as equally specific and distinct strategies for overcoming them.

Similarly, affirmative action programmes will need to take into account differential levels of skill, qualifications and experience of potential affirmative action appointees. Formally skilled and experienced persons from disadvantaged groups would not be in need of additional training before being fast-tracked into positions within the middle and especially senior management echelons, apart from normal familiarisation and induction procedures. Those with potential but less skills, qualifications and experience would need to be exposed to accelerated and intensive training aimed at upward mobility and fast-tracking. So far most affirmative action appointments have been in the first of these two categories. More needs to be done to expand the number of appointments in the second.

#### 10.5 CHALLENGES AND CONSTRAINTS

In South Africa, as in many other countries, the introduction of affirmative action programmes will undoubtedly be confronted by a number of potential problems and dangers. These include:

- \* The danger of "tokenism" and the criticism that affirmative action is merely a numbers game;
- \* The danger of reverse discrimination and the possible alienation of non-target groups within the public service;
- \* The danger of prioritising affirmative action at the expense of other transformation goals, especially efficiency and effectiveness;
- \* Possible tension and conflict between affirmative action and other constitutionally or legally guaranteed employment conditions, rights and principles such as equity and non-discrimination (including the principles, norms and standards outlined in Sections 8.1.1 and 8.1.2 above).

Some of the fears and doubts expressed about affirmative action programmes are undoubtedly based on misconceptions about their nature and purpose. It is nevertheless important to take account of these potential problems and dangers in devising and implementing affirmative action strategies for the public service, particularly by ensuring:

- (a) That they are devised and planned in a feasible, sensitive yet unapologetic way, a broader approach to human resource development and capacity building;
- (b) That they are not just seen as a hiring policy or numbers game but as an holistic approach that empowers people hitherto marginalised and enables them to succeed;

- (c) That they are based not only on the eradication of racism, sexism and other forms of discrimination, but also on the development of a uniquely South African corporate culture, therefore entrenching a culture of inclusivity;
- (d) That they are devised and introduced in ways which complement rather than conflict with other transformation goals and programmes;
- (e) That the nature and purpose of such strategies is communicated effectively at all levels. Dedicated and committed members of non-target groups within the public service should be given reassurance with regard to their job status.

#### 10.6 TARGETS AND TIME-FRAMES

In establishing the kinds of targets and time-frames for affirmative action called for in the RDP White Paper (November 1994), it will be important to ensure:

- \* That they are realistic and achievable;
- \* That they are based on accurate information (disaggregated according to race, gender and disability) about the current levels of representivity in all departments at national and provincial level, and across all occupational groups.
- \* That they reflect, with respect to provincial departments, the particular demography of individual provinces.

Given the current paucity of accurate and disaggregated information, it would be inappropriate in a document of this kind to try and identify specific departmental targets and time-frames. At the more general level, however, the Government remains committed to the objective of a broadly representative service by the end of the current-decade, as recommended in the RDP White Paper (November 1994), as well as to substantial progress in the short term. The recommendation in the RDP White Paper, that recruitment and training should reflect South African society in terms of race and gender within two years of the implementation of affirmative action programmes, is still a realistic objective. Although women constitute 56% of the South African population and persons with disability constitute 10% nationally. Government is proposing the following:

Within four years all departmental establishments must endeavour to be at least 50 percent black at management level. During the same period at least 30 per cent of new recruits to the middle and senior management echelons should be women. Within ten years, people with disabilities should comprise 2 per cent of public service personnel.

At the departmental level, and again in line with the RDP White paper, all ministries will be required to define their affirmative action targets and present annual progress reports that will be subject to parliamentary scrutiny.

#### 10.7 GUIDELINES FOR DEPARTMENTAL AFFIRMATIVE ACTION PROGRAMMES

Each department at the national and provincial level will be required to draw up detailed affirmative action plans, designed to meet the specific needs of black people, women, and people with disabilities. Such plans will need to be consistent with Interim Constitution and the recommendations in the RDP White Paper (November 1994), and in line with the policy on affirmative action already adopted by the central chamber of the Public Service Bargaining Council. They will also need to be in line with additional policy objectives and performance



measures prepared by OMPSA in consultation with the unions and stakeholder groups involved in the fields of gender equality and disability rights. In line with the proposals relating to managerial responsibility and autonomy outlined in Chapter 9 above, the performance measures assigned to Directors-General, to which they will be contractually bound, will include specific measures relating to affirmative action.

Departmental plans will need to include, amongst other things:

- \* an audit of the composition of departmental personnel according to race, gender and disability, at different levels and across occupational classes;
- \* goals, objectives and measurable targets and outcomes for the affirmative action process;
- \* strategies and time-frames for their achievement;
- \* methods for the annual monitoring and evaluation of progress, including the production and use of accurate management statistics;
- \* the people and units designated as responsible within departments (including transformation units) for ensuring the effective implementation of affirmative action programmes;
- \* training programmes to promote affirmative action;
- \* The introduction of new recruitment and promotion procedures based on non-discriminatory criteria of competency and performance rather than on formal qualifications and traditionally valued forms of experience;
- \* awareness raising and training strategies designed to promote a positive view of affirmative action and to discourage tokenism and the stereotyping of beneficiaries.

#### 10.8 MONITORING AND EVALUATION

All departments will be required to prepare detailed plans for the internal monitoring and evaluation of their affirmative action programmes. In addition, departments will be required to present an annual progress report for scrutiny by Parliament and the Cabinet so that special measures can be taken where departments have failed to make visible progress towards their affirmative action targets. Similar processes will be followed at the provincial level.

In accordance with section 209 of the Constitution, the Service Commissions also have a major role to play in monitoring progress towards greater representativeness in the public service. In the development and implementation of affirmative action programmes, plans and measures, the Commissions will be guided by government policy as enunciated in this White Paper.

Given the vital importance of representativeness and affirmative action, it is important to ensure that the unions, relevant stakeholder groups (such as the National Coordinating Committee on Disability), and other interested parties (such as the Gender Commission) are actively involved in the monitoring process.

#### 10.9 LEGISLATION

It is envisaged that programmes of affirmative action will be strengthened by enabling legislation designed to ensure the active and correct implementation of such programmes. Such legislation will need to be introduced into Parliament as soon as possible, and it will have to be carefully dovetailed with the Labour

Relations Act. According to the agreed principle of co-determination, proposed legislative changes in this regard will need to be discussed with the employee organisations admitted to the Central Chamber of the Bargaining Council.

## CHAPTER 11

### TRANSFORMING SERVICE DELIVERY

#### 11.1 MEETING BASIC NEEDS THROUGH IMPROVED SERVICE DELIVERY

A guiding principle of the public service in South Africa will be that of service to the people; this is essential if the public service is to fulfil its role in the implementation of the RDP.

The RDP White Paper (November 1994) identifies the meeting of the basic needs of all citizens through more effective service delivery as one of the five key programmes of the RDP. The basic needs of people extend from job creation, land and agrarian reform to housing, water and sanitation, energy supplies, transport, nutrition, education, health care, the environment, social welfare and security.

Whilst the need to meet basic needs through improved service delivery can be justified on social and moral grounds alone, especially in the light of the country's past history, there are additional imperatives. These relate in particular to the ways in which service delivery can help to provide the necessary infrastructural support to open up previously suppressed economic and human potential in both urban and rural areas, leading in turn to community empowerment and an increased output in all sectors of the economy.

#### 11.2 SERVICE DELIVERY AND SOCIAL EQUITY

Given the urgent need to redress past imbalances in service provision and to promote social equity, the GNU feels that it will be important to base its service delivery priorities on affirmative or corrective action principles in the short to medium term. Accordingly, service delivery will focus on meeting the basic needs of the 40 per cent or more South African citizens living below the poverty line in urban and rural areas, as well as other groups (including people with disabilities) who have been previously disadvantaged in terms of service delivery. At the same time, however, an effort will be made to ensure continuity of services at all levels of society.

#### 11.3 GOVERNMENT-COMMUNITY PARTNERSHIPS

While the public service will be of central importance to the delivery of the RDP, it will not be the only player. The responsibility will be shared with the private sector (and in particular with the developing black business sector), community organisations, trade unions and other key stake holders and the public at large. Service delivery will therefore be founded on the creation of government-community partnerships for effective use of public funds and community resources.

This policy is premised in part on a realistic appraisal of the Government's financial situation. Without the active support of community groups and the private sector, the Government will not have the necessary resources to implement the RDP effectively. At the same time, the policy is based on a more fundamental conviction that the public should be active participants in the development process rather than passive recipients of government programmes.

Communities should be afforded the opportunity to participate in the decision making process on issues affecting their welfare and, where feasible, they should be encouraged to contribute to the delivery of services through community

based initiatives. The government recognises the important role which the private sector, nongovernmental organisations and community based organisations will need to play in the meeting of basic needs, as well as the valuable contribution that the expertise and resources of such organisations can make in the RDP process more generally. This is especially so in areas where the capacity of the public service is limited. In such situations, consideration will be given to the sub-contracting of service delivery.

The setting up of effective partnership structures to deliver the RDP inevitably takes some time. In the process many NGOs and CBOs are being forced to close down due to changes in the funding priorities of their former donors, many of whom have indicated that they would now prefer to channel their assistance through the Government. The GNU recognises that this is a problem and intends to take interim steps to alleviate it, particularly by working closely with NGOs, CBOs and donors to ensure continuity of funding in the short-term, especially for those NGOs and CBOs that have an established track record in meeting basic needs through quality service delivery.

#### 11.4 BUDGETARY AND ORGANISATIONAL IMPLICATIONS

The pre-eminence attached by the Government to improved and transformed service delivery will give additional impetus to the proposed changes in the budgetary process and organisational structures set out in this document. The move to a new budgeting system, will clearly be imperative if departments and provincial administrations are to become focused on outputs rather than inputs, and to realign their resource allocations with RDP priorities. At the same time, the need to focus on the meeting of basic needs will also compel departments and administrations to fundamentally review their organisational structures, cultures, staffing requirements and job descriptions, amongst other things.

#### 11.5 INTERGOVERNMENTAL COORDINATION AND COLLABORATION

Service delivery will take place predominantly within provinces and within the new local government areas in particular. Reflecting the GNU's commitment to bringing government closer to the people, the RDP White Paper stresses that in many ways local government will be the key to the effective provision of services. To ensure consistency in the quality of services provided at these levels, there will be a need for effective co-ordination, collaboration and joint planning between national departments, between such departments and their provincial counterparts, and between national and provincial departments and the new local government structures. Chapter Two of the RDP White Paper details the kinds of coordinating structures that will be used in this process. OMPSA will also play a key role in this process by liaising with the RDP national and provincial offices and by recommending corrective action if the coordination structures and processes are falling short of expectations.

#### 11.6 STRATEGIES

Central to the improvement of service delivery will be the improvement of productivity within the public service. Strategies will therefore be developed by departments and provincial administrations, designed to promote continuous improvement in the quantity, quality and equity of service provision.

Amongst other things, departmental service delivery strategies will need to identify:

- \* A mission statement for service delivery, together with service guarantees.
- \* The services to be provided, to which groups, and at which service charges; in line with RDP priorities, the principle of affordability, and

the principle of redirecting resources to areas and groups previously under-resourced;

- \* Service standards, defined outputs and targets, and performance indicators, benchmarked against comparable international standards;
- \* Monitoring and evaluation mechanisms and structures, designed to measure progress and introduce corrective action, where appropriate;
- \* Plans for staffing, human resource development and organisational capacity building, tailored to service delivery needs;
- \* The redirection of human and other resources from administrative tasks to service provision, particularly for disadvantaged groups and areas;
- \* Financial plans that link budgets directly to service needs and personnel plans;
- \* Potential partnerships with the private sector NGOs and community organisations to provide more effective forms of service delivery;
- \* The development particularly through training, of a culture of customer care and of approaches to service delivery that are sensitive to issues of race, gender and disability;
- \* Plans for the introduction of continuous quality improvement techniques, in line with a total quality management approach.

In order to ensure that service delivery is constantly improved, national and provincial departments oriented to the delivery of services will be required to outline their specific short, medium and long term goals for service provision. They will also be required to provide annual and five yearly targets for the delivery of specific services, and will be required to report to parliament on their achievements. To that extent, the public service in South Africa will be guided by and will aim to meet accepted international norms for the delivery of services and the provision of basic needs.

#### 11.7 SERVICES TO OTHER DEPARTMENTS AND AGENCIES

The proposals and strategies outlined above for improving and transforming service delivery refer primarily to those departments and agencies involved in the provision of services directly to the public. It is important to stress, however, that departments and statutory agencies who deliver services to other departments, rather than directly to the public, should also be required to review and transform their service delivery functions, operations and standards. Many of the strategies outlined in 11.6 above will be appropriate to this process.

#### 11.8 CONSULTATION AND COMMUNICATION

Responsibility for developing and implementing effective service delivery strategies will rest primarily with departments and provincial administrations, under policy guidelines and criteria laid down in particular by OMPSA, as well as in line with the priorities in the RDP White Paper. Departmental heads will need to ensure, however, that the formulation, implementation and monitoring of service delivery plans is carried out in close consultation with unions and staff, and especially with service users. The proposed transformation forums and units will play a key role in facilitating such consultation.

Given the culture of non-payment that developed in the apartheid era, it will be particularly important for public service departments and local government

structures to communicate (through all appropriate official languages) their plans for service delivery, especially in relation to the service standards and guarantees that can be expected, and the complaints procedures that can be followed. This will be indispensable in mobilising local community support and developing a new culture of payment for services rendered in the spirit of Masakhane.

#### 11.9 LEGISLATION

Existing legislation pertaining in particular to tendering and subcontracting will need to be reviewed, especially where this restricts and inhibits the development of effective partnerships with black business, NGOs and CBOs.

### CHAPTER 12

#### ENHANCING ACCOUNTABILITY

The RDP calls for democratisation, which goes beyond the right to vote, in both the public and private sectors. This will require a comprehensive approach to the development of a democratic and accountable public service. At one level, a democratic approach will facilitate internal accountability and democracy within the operations of the service. At another level it will ensure that its relationships with the public are also transparent, consultative, participative and democratic.

#### 12.1 INTERNAL DEMOCRACY

Steps will be taken to ensure that each department and provincial administration has built-in mechanisms for regulating internal accountability. These mechanisms should promote a participatory approach to decision making on the part of both workers and management. Details of such mechanisms, including the proposed establishment of a Public Sector Transformation Forum and departmental transformation units, have already been provided in earlier parts of this document. An important element in this process, will be the provision of the necessary information to staff and unions, including budgetary information. Such information should be provided in clear and accessible language, and not in confusing and technical jargon. Steps will also be taken in particular to ensure that the Public Service Commission and Provincial Service Commissions are subject to more effective internal and external scrutiny.

#### 12.2 EXTERNAL ACCOUNTABILITY

If the public service is to fulfill its essential mission of serving the public and meeting their needs, it is imperative that the public plays a key role in influencing and evaluating policy. The promotion of a democratic and developmental approach in the delivery of public services will help to ensure that community self-reliance is advanced and dependency on the state is reduced.

The White Paper has specified some of the steps that will be taken to improve Parliamentary scrutiny of the public service, especially through the work of the Portfolio Committees, and the Public Service Portfolio Committee in particular. These Committees clearly have a vital role to play, both by investigating and by facilitating consultative processes. To play this role fully, however, the Committees will need additional funding, particularly for policy analysis and development, as well as for discussions and hearings. Accountability will also be enhanced through the work of the Auditor-General and the Public Protector, as already indicated in Section 6.1.4 of this document.

At the more direct level, departments will be required to collaborate with relevant institutions within civil society, through bodies such as civics, residents and rate payers associations, other NGOs and private sector

organisations. A set of criteria and working guidelines for such consultation and collaboration will be developed by OMPSA.

In line with the spirit of the White Paper, consultation and accountability should not be used to compromise efficiency and effectiveness.

In order to promote democratic accountability and transparency, it will be necessary to ensure that all members of the public have easy access to information, irrespective of their levels of literacy. Such information, including government regulations and circulars, will therefore need to be couched in clear and simple language, and provided in translated form in the official languages appropriate to the particular locality. It will also be necessary to inform all citizens of the role of the Public Protector in making enquiries and filing complaints.

It will be essential for government departments and agencies to quantify the costs of communication and consultation, and to budget for them. If such costs are not budgeted for and approved as legitimate expenditure, communication and consultation may be by-passed on the basis of a lack of funds.

### 12.3 MONITORING AND EVALUATION OF PROGRESS

To ensure that departments and provincial administrations set up effective internal and external mechanisms and structures to promote accountability, transparency, consultation and democratic participation, appropriate performance measures and targets will be set for Directors-General, for which they will be held accountable, both by their political heads (Ministers or Provincial Premiers) and by Parliament and provincial legislatures. The proposed Public Sector Transformation Forum will also play an important role in monitoring and evaluating progress towards a more accountable and democratic public service.

### 12.4 LEGISLATION ON FREEDOM OF INFORMATION

Existing administrative law will need to be revised substantially to accommodate forthcoming legislation on the freedom of information, since this will serve as a guide to the administration of official files and records. This legislation should stress the accountability which public officials have towards the legislative assembly and the general public. It should also specify the procedures and structures to be followed in cases of administrative misconduct. Account will also need to be taken of the need to restrict access to some kinds of information where, for example, national security is threatened or where individual rights to privacy and confidentiality are likely to be constrained.

The Ministry will have to identify all the relevant Ministries and departments who are critical to the process of ensuring the attainment of the freedom of information within government.

## CHAPTER 13

### HUMAN RESOURCE DEVELOPMENT AND TRAINING

#### 13.1 HUMAN RESOURCE DEVELOPMENT AND CAPACITY BUILDING

The development of South Africa's human resources is one of the five key programmes of the RDP. This is because the development of the country's human resources is central to the realisation of all the RDP's strategic objectives. Responsibility for developing the creative energies and talents of South Africa's diverse communities does not lie exclusively with the state. For this reason the government foresees that a variety of social forces and institutions will become its active partners in building capacity for good governance. These will include community organisations, private sector agencies and institutions

of tertiary education.

The government, nevertheless, sees itself as playing a direct and active role in building public sector capacity. As noted earlier in this document, the effective mobilisation, development and utilisation of human resource capacity within the public service will be critical for the success of institution building and management programmes, as well as for the success of the transformation process more generally. Accordingly, a coherent strategic framework for human resource development will need to be developed at both the national and provincial levels. Such a framework will have as its purpose the development of an optimal fit between the needs of the employee, the job, the organisation and the environment, so that employees reach their desired level of satisfaction and performance, and the organisation meets its goals.

A strategic framework for effective human resource development will entail a number of related elements, including staff training. These will include:

- (a) The elevation of the role and status of human resource development within the overall framework of government policy;
- (b) The development of effective and lifelong career development paths for all categories of public servants-
- (c) The improvement in employment conditions;
- (d) The introduction of effective appraisal systems, and the use of incentives to reward individual and team performance;
- (e) The basing of promotion and career advancement on performance rather than on seniority or qualifications.

Most of these factors are covered in other chapters in Part 2 of this document. The focus here is on training, one key element of an effective human resource development strategy that has so far received only cursory attention.

### 13.2 PUBLIC SERVICE TRAINING AND EDUCATION

Training and education will assist the government to develop the professional capacities of public servants and to promote institutional change. Training can contribute to the strategic goals of the state in a number of important:

First, training can help to equip all public servants, whether workers or managers, with the necessary knowledge, skills and competencies to carry out their jobs effectively in pursuit of the new vision and mission for the public service. Such skills and competencies will not only be occupational, technical and professional in nature. They must also relate to problem solving, innovation and leadership, to enable public servants at all levels to take advantage of the new opportunities for open and participative management, team building and decision-making.

Second, training will form an integral part of the process of increasing the representativeness of the public service.

Third, training can enable public servants to acquire a new development oriented professionalism; this will entail the development of a new work ethic, knowledge and skills with which to implement the RDP. Training can also enable officials to reorient many of the values and practices which they acquired under the previous dispensation.

Fourth, training, if properly conceived and structured, can be a powerful instrument for anticipating as well as facilitating the introduction of

institutional changes within the public service. Training should thus become a key component of the institution-building process; for this reason it cannot be developed in isolation and must be integrated within the overall strategic plans of public sector organisations.

Fifth, appropriate training can assist public servants in developing a better understanding of the needs of the communities which they are serving, as well as a capacity to respond to these needs.

Accordingly, training should be used to rapidly develop a new civic consciousness amongst public servants, and to develop new knowledge and skills which can be applied in creating a community-centred public sector.

To have optimal impact, training programmes must be directly and systematically linked to the wider processes of social and institutional reconstruction and development in civil society and within the state itself. For this reason:

- \* training should be needs-based and strategic, as opposed to formalistic and static;
- \* training inputs must be directly and dynamically, linked to the institution-building and institution-transforming programmes of public sector organisations;
- \* training must be linked to the policy-making process, as this defines both its context and strategic purpose;
- \* training must be viewed as an interactive process, involving trainers and learners, as well as practitioners from outside the public service;
- \* training will need in particular to be positively related to policies on recruitment, promotion, career progression and remuneration in the public service;
- \* the position, role and value of trainers as human resource development specialists will need to be significantly redefined and enhanced.

Training will have to emphasise national and departmental programmes. These programmes are mainly dependent on Directors-General, however, for training to be effective, consideration should be given to external providers

### 13.3 TARGETED TRAINING AND DEVELOPMENT

As a basic principle, the government has adopted the view that all public servants, from the most senior to the most junior, require ongoing training as an integral part of their professional life.

The training of senior and middle management must be linked to the processes and policy-making challenges defined by the RDP and this current White paper. The training of workers must be linked to the new emphasis on customer care and service delivery, the development of career paths and the reorganisation of grading systems within the public service. Among lower-level workers, this will necessitate the rewriting of job descriptions to meet the new skills and knowledge requirements of the RDP. To this end, particular attention will be paid to competency based training as a means of improving the relevance of training to specific work situations.

Training programmes will need to be flexible in order to maximise the access of workers to in-service training; this will include access to adult basic education. Such in-service training will need to be linked to the National Qualifications Framework and Industry Training Boards. The training and career



development of public officials will also need to be conducted in close cooperation with public sector trade unions, as well as the proposed transformation forum and units.

A number of immediate training targets may be identified. These include:

- \* the induction and orientation of new lateral entrants to the public service;
- \* the retraining and reorientation of long-serving officials, particularly at senior management levels;
- \* the development of programmes in such crucial areas as policy management, strategic planning, change management, project management, leadership, organisational development, and the management of change and diversity; these will be targeted at senior and middle managers in particular;
- \* the targeting of training for the management and delivery of services in key departments and programmes linked to the RDP, especially in education, health, police and social services;
- \* the widespread development of ABET and competency based training for workers;
- \* training and retraining for those displaced by the restructuring process, to enable them to take advantage of redeployment opportunities;
- \* the provision of accelerated and intensive skills training programmes for affirmative action beneficiaries;
- \* the provision of training in gender and race awareness, public service ethics, constitutional law, and human rights;
- \* the training and retraining of trainers.

#### 13.4 CHANGING THE VALUE AND STATUS OF TRAINING

For training to become a genuinely interactive process, there will need to be a move away from the undue emphasis on the role of 'experts' in the learning process. Whilst an important role remains for professional trainers, there is a strong need to combine didactic and participatory methods of teaching and learning. This would imply the need to create a learner-centred training environment, which recognises and builds upon the experiences of the trainees.

#### 13.5 SAMDI AND PROVINCIAL TRAINING BODIES

The Public Service Commission (PSC at a national level, and the Provincial Service Commissions at provincial level, are responsible for ensuring that a proper policy on training is followed. The South African Management and Development Institute (SAMDI), which falls under the aegis of the PSC, is the single most important statutory body with respect to the provision of in-service training. Since the end of 1994, the composition and role of SAMDI has been under review by the PSC, and an extensive process of restructuring is currently underway.

SAMDI will make a substantial input in the provision of both line function and management training at all levels of the public service, both in central and provincial departments. This role will need to be complemented by inputs from provincial training bodies. It will also require greater flexibility in the current arrangement, so as to allow provincial training bodies the opportunity to make a more substantive contribution to the provision of management training.

SAMDI will thus need to jointly plan and coordinate the provision of training with all provincial training bodies.

### 13.6 THE NEED FOR EXTERNAL TRAINING PROVISION

The government is well aware that the need for training currently outstrips the existing capacity to deliver, both at national and provincial levels. As a general principle, therefore, the Government is open to the ongoing involvement of training organisations outside of the public service in support of its programme of human resource development and capacity building.

Under the previous dispensation, public sector training was largely conducted by the Public Service Training Institute (now SAMDI) and departments.

Supplementary training in management was offered by mainly white universities while a number of technikons provided additional technical training. As the role of the SAMDI is transformed, it is clear that its relationship with external training agencies will need to change.

#### 13.6.1 The Role of Tertiary Institutions

The Government is particularly committed to promoting greater involvement by historically-disadvantaged tertiary institutions in its efforts to restructure the public sector. Their participation is essential, for both ethical and practical reasons. Given sufficient scope to develop, furthermore, their contribution could make a decisive impact in terms of the institutional, social and cultural transformation of the public service. Consideration of the role of such institutions will need to be taken by the Commission on Tertiary Education and, where necessary, provision will need to be made in the national education budget.

The desire to rapidly develop the capacity of historically-disadvantaged institutions should, however, not be seen as excluding the involvement of all of South Africa's many tertiary institutions. Their inclusion should not only increase the overall capacity to build good governance, but should also provide important resources for democratic change.

While tertiary institutions may make important contributions in all spheres of education and training, it is certain that they will play a pivotal role in the provision of more long-term, formative training and learning programmes. Such programmes will provide more solid, all-round skills than is normally possible or feasible within short-term training programmes.

#### 13.6.2 The Role of NGO's

Community-based and non-government organisations possess a rich tapestry of knowledge, expertise and experience which should be directly and continuously used as a resource base for the public service. From these agencies public servants will be able to learn about the increasingly diverse and complex needs of local communities. They may also gain knowledge about negotiation and consultative skills, participatory learning and teaching, as well as human rights and civic consciousness training.

#### 13.6.3 External Links

Apart from national institutions, government will also from time to time, and according to need, seek to encourage cooperation and exchange between training and development agencies inside South Africa and those outside the country. Ideally, this should take the form of institutional partnerships with a strong emphasis on local capacity building.

### 13.7 THE NEED FOR A NATIONAL TRAINING STRATEGY

For training to become an effective tool of organisational and strategic development in the public service, there will need to be a comprehensive review of the nature and quality of existing training provision, and of the relationship between in-service training bodies, the Service Commissions and external training providers.

Based on this review, a coherent national training strategy will be developed. This will set broad objectives, priorities, performance targets, timescales and monitoring mechanisms, and will define the responsibilities of the various agencies involved. Within the broad parameters and norms and standards laid down by this strategy, departments and provincial administrations will develop their own training strategies, in close collaboration with the Service Commissions, SAMDI and provincial training bodies. These will identify more detailed targets and timeframes, quantified in detail in terms of costs and numbers. The design and implementation of national, departmental and provincial training strategies will be closely linked to the development of a skills database.

Consideration will be given by the Government to the establishment of an Advisory Council to oversee the review of public service training provision and to assist in the development of a national training strategy. In addition to representatives from OMPSA, the Service Commissions, SAMDI and provincial training bodies, this council would also contain representatives from the unions, civil society organisations, tertiary institutions and other relevant stakeholders.

## CHAPTER 14

### EMPLOYMENT CONDITIONS AND LABOUR RELATIONS

#### 14.1 IMPROVING PAY AND EMPLOYMENT CONDITIONS

The Government recognises that a necessary precondition for the development of an efficient, productive, honest and well-motivated public service, committed to a professional service ethos and work ethic, will be the introduction of more equitable pay and employment conditions for public servants.

In the past the public service has been characterised by:

- \* Unusually high pay differentials between the highest and lowest ranks (the ratio in South Africa is 25:1 compared to ratios of between 8:1 and 13:1 in countries at a similar level of socioeconomic development);
- \* Similar inequalities in benefits between the highest and lowest paid workers;
- \* Extremely low pay for the lowest ranks and particularly for black people, especially black women;
- \* Discrimination against women in terms of pay and benefits (particularly in relation to housing allowances and pensions);
- \* Discrimination against disabled people in terms of recruitment (health requirements), benefits, and the lack of appropriate access and support services;
- \* The lack of effective career paths and training opportunities for disadvantaged groups.

All these factors have had an adverse effect on productivity, morale and service

provision. In order to redress this situation, the GNU proposed to introduce a number of related measures, including:

- (a) The Introduction of an Adequate Minimum Wage: The Government is committed to a phased increase in the minimum wage for public servants from R900 to R1500 a month over a three-year period commencing in 1994.
- (b) The Introduction of Equal Pay and Benefits for Work of Equal Value: This will entail not only equality in starting pay for work of equal value, but also the elimination of differentials that have arisen from earlier disparities in base pay. The equalisation of benefits between women and men must also be addressed. Consideration will be given to the transfer of benefits to equivalent cash payments, which will be easier to equalise.
- (c) The Reduction of Differentials in Pay and Benefits: In line with international norms, the GNU will expect to see a reduction from the current ratio of 25:1 to a ratio of 12:1 or lower by 1999. To ensure fiscal sustainability, this will be achieved by significant raises at the bottom, from the current low base; and restraint at the top. Pay increases will be linked to training and productivity.
- (d) The Development of Appropriate Career Paths for All Public Servants: These will be linked to the provision of widespread training opportunities for all public servants, and especially those previously disadvantaged, as well as to the introduction of new and improved criteria for hiring, grading, promotion and training, based on objective and non-discriminatory notions of competency and performance rather than on seniority and qualifications.
- (e) The Reduction of the Number of Grades in the Public Service: The number of grades in the public service will be reduced, supporting an approach towards competency-based evaluation and performance appraisal, and multi-skilling.
- (f) Improving Conditions for Women: Conditions for women will be improved by the repeal of previously discriminatory practices, relating in particular to housing and pension entitlements, as well as by reforms in the tax system, maternity leave, child care provision and flexible working hours.
- (g) Improving Conditions for People with Disabilities: Conditions for disabled people will be improved by the repeal of previously discriminatory practices, relating in particular to health, pension fund and medical aid requirements, as well as by improvements in access and support services.

Proposals to give effect to these measures will be prepared by OMPSA, following a detailed process of research, consultation (with management, unions and other key stakeholders), and negotiations in the restructured Bargaining Councils. These will take the form of minimum national norms and standards, which individual departments and provinces will be permitted to raise but not to lower. Progress towards the achievement of such norms and standards will be monitored by the Service Commissions and the transformation forums and units.

Enabling legislation to support this process will be required, particularly in terms of amendments to the 1994 Public Service Act and Staff Code. Such legislative changes will need to be dovetailed with the new Labour Relations Act and proposed legislation on affirmative action.

Enabling legislation will be prepared in consultation with the unions and

employee organisations, the Parliamentary Public Service and other relevant Portfolio Committees, and civil society bodies (particularly in the areas of gender and disability).

#### 14.2 PUBLIC SERVICE PENSION FUNDS

The operation of public service pension funds have been marked by recent controversy and clearly require rationalisation. Some of the funds are seriously underfunded. This is of particular concern to the national government, provincial governments and the fund members.

One possible route for rationalisation is a single national fund with national government having responsibility for pension payment. An alternative route would be to allow some measure of provincial control of pension funds within a set of national norms and standards. At the same time consideration will need to be given to the question of which kind of pension scheme to adopt: a pay-as-you-go or fully-funded system. In considering such options, the GNU will ensure that the final decision is based on a fiscally and financially responsible philosophy, and is arrived at through a process of consultation that involves the full participation of unions and members of the pension funds.

The Ministry of Finance has advised that current draft legislation envisages that the rationalised fund(s) will be administered by a Board of Trustees. The Board will include representatives of employees and the state as employer. Consultation on the draft Bill will take place with representatives of all major stakeholders.

#### 14.3 PROMOTING EFFECTIVE LABOUR RELATIONS

The Government recognises that the relations between the public service as employer and public service employees will be characterised by divergent views and interests. If these are not managed and negotiated effectively, the levels of labour conflict may grow out of all proportion to the nature of the issues in dispute with serious and disruptive effects for service users.

For this reason the Government plans to work with employee organisations to move towards a model for collective bargaining based on effective negotiating structures and practices. If and when negotiations break down, the Government will respect the constitutional right of workers to strike in pursuance of their social and economic interests (except in the case of workers in essential services), particular where strikes are used as a deadlock breaking mechanism.

Government will, at the same time, expect unions and associations to exercise this right responsibly, as a last rather than first resort, thus minimising the disruption of public services.

##### 14.3.1 The Labour Relations Act

An important step towards improving collective bargaining will be the repeal of the Public Service Labour Relations Act of 1994 (PSLRA), and its replacement with a single Labour Relations Act (LRA) covering both private and public sector workers (except for those employed in the Defence Force, the National Intelligence Agency and the Secret Service), which will possibly come into effect in May 1996. It is anticipated that this new legislation will substantially revise and improve strike procedures and dispute resolution. It also proposes a number of important changes in the structures and procedures for collective bargaining within the public service.

With respect to the public service the main provisions of the LRA include:

- (a) The Establishment of a Public Service Co-ordinating Bargaining Council:

Once established, this new body will deal with all matters relating to pay and employment conditions that are uniform across sectors. As soon as possible after the commencement of the LRA, employee and employer representatives in the Education Labour Relations Council, the National Negotiating Forum (representing the Police Service) and the central chamber of the Public Service Bargaining Council will meet to agree on the details of the constitution and composition of the new Council.

- (b) The Establishment of Sectoral Bargaining Councils: In addition to the existing sectoral bargaining councils for education and the police service, the LRA makes provision for the creation of new sectoral councils to deal with matters pertaining to specific sectors. A sector for these purposes may be a government department, a province or a profession. Sectoral bargaining councils will normally be formed by agreement between the Government and trade unions and staff associations. Provision also exists in the Act for the President to designate a sectoral council after consulting the Public Service Co-ordinating Bargaining Council on the advice of the Cabinet. The competence of individual sectoral councils will be determined by the competence of the particular employer (be this a Minister or a Provincial Premier).
- (c) Essential Services: The designation of those parts of the public service deemed to be essential services will be the responsibility of the essential services committee to be established in consultation with the Minister for the Public Service and Administration. The establishment of the committee will be determined after consultation with NEDLAC, Given that members of essential services will not have the same rights to strike as other public service workers, special consideration and arbitration procedures will need to be put into place.
- (d) Workplace Forums: A separate schedule in the LRA may be added by the Minister for the Public Service and Administration, after consulting the Public Service Co-ordinating Bargaining Council, to determine the ways in which workplace forums could be set up in the public service. It is anticipated that such forums will play an important role in improving efficiency and effectiveness by providing workers with a say in the day-to-day matters which affect them. It is also anticipated that such forums will work closely with the proposed transformation units during the transformation phase.

The LRA will play an important role in promoting more effective labour relations within the public service, particularly by speeding up decisions and avoiding the backlogs and delays experienced in the existing central chamber. Negotiations in the sectoral councils will also benefit by being better informed by the particular departmental, professional or provincial situation, as well as by the on-going process of consultation that the workplace forums will provide.

In addition, the LRA should assist the institution building and transformation process more generally, particularly by providing the necessary flexibility (within national norms and standards) to facilitate the devolution of greater managerial responsibility and accountability, and the development of more open, flexible and participative management structures.

#### 14.3.2 Additional Measures

Although the LRA will provide a useful general framework for promoting more effective labour relations, a number of additional and more specific measures will be introduced to carry the process forward at all levels within the public service. These will include:

- (a) A comprehensive review of dispute resolution procedures within the public service, with a view in particular to the introduction of effective independent mediation; such a review to be carried out by OMPSA and the Public Service Commission, in consultation with employee organisations.
- (b) A similar review of the criteria for membership of the new Coordinating and Sectoral Bargaining Councils, again by OMPSA and the Public Service Commission in consultation with employee organisations.
- (c) The introduction of training for negotiators, designed to improve conflict resolution and negotiating skills.
- (d) The provision of better access to information for employee organisations as a precondition for effective and meaningful negotiations.
- (e) The development of more effective links between the budgeting and collective bargaining processes, to ensure that negotiations are based on a realistic understanding of the financial implications.

## CHAPTER 15

### THE PROMOTION OF A PROFESSIONAL SERVICE ETHOS

The Government recognises that a highly motivated civil service with a strong morale and sense of mission is essential to the process of reconstruction and development.

The introduction of improved pay and conditions, effective career paths for all public servants, greater opportunities for staff development and training, and more participatory forms of management (all of which have been covered in earlier parts of this document) should help to promote a more professional ethos amongst staff at all levels; and by so doing to contribute towards greater honesty, integrity and efficiency in the public service as a whole.

Other steps will also be considered to facilitate this process. These include the introduction of a code of conduct for public servants and measures to eliminate corruption.

#### 15.1 CODE OF CONDUCT

In keeping with the proposal of the RDP White Paper (November 1944), a draft code of conduct has now been developed and published. This code aims to incorporate the principles of the new South African public service. To that extent, it aims to instil in public servants an ethos of professionalism (in the most positive sense of the word) as well as a commitment to the concept of serving the people. The code is intended not merely as a set of standing rules for behaviour, but rather as a guide to public servants to use their creativity and discretion to promote national priorities. The annual evaluation of personnel will take into account compliance with the code.

To be effective the code must derive from a process of consultation with public servants themselves, as well as with other major stakeholders. For this reason comments and suggestions on the code are currently being solicited by OMPSA and the Public Service Commission from staff and unions, as well as from a wide range of civil society organisations.

#### 15.2 THE ELIMINATION OF CORRUPTION

The elimination of corruption within the public sector is an issue of considerable concern to the Government. In view of this, a systematic programme

will be introduced to prevent corruption and to punish offenders. Consideration is being given to the establishment of an Anti-Corruption Arm (ACA) which will be mandated to detect and expose corruption within the public sector. The ACA will be linked to the work of the Public Service Commission, the Public Protector and the police, while its activities will be jointly overseen by OMPSA and the Office of the Public Protector.

## PART 3

### Conclusions

#### CHAPTER 16

##### CARRYING THE TRANSFORMATION PROCESS FORWARD

This first White Paper on the Transformation of the Public Service has attempted to set out a clear vision and mission for the new public service in South Africa, aligned in particular with the aims of the RDP process. It has also attempted to outline the main steps that will need to be taken to transform and reorient the service towards this vision and mission over the next two to three years.

In particular it has focused on the establishment of key priority areas, processes and goals for the transformation process; the main policy instruments to effect change; the roles and relationships of key transformation structures and agencies at the national and provincial levels; and the vital importance of building effective government-community partnerships as a precondition for effective change.

This White Paper is, however, only the first of a number of policy documents, including possible future white papers, that will be needed to guide and inform the on-going process of administration transformation and reform. It is also essentially a statement of intent. Much work will need to be done in translating the broad policy framework, contained in the document, into specific, achievable and effective strategies for change, and in ensuring in particular that such strategies are effectively implemented and monitored. As Chapter 3 demonstrates, many challenges and constraints will have to be overcome in the process. This will require a sustained and intensive campaign which brings together central, provincial and local tiers of government, trade unions, NGOs, business and other community organisations. Many different elements will be involved in this campaign, but three will be of particular importance:

- (a) Building consensus and commitment through effective communication and consultation.
- (b) Achieving innovation, creativity and flexibility through decentralisation within national norms and standards.
- (c) Ensuring the necessary political will, leadership and decisiveness to drive the process forward as rapidly as possible within the predicted time-scale of two to three years.

#### 16.1 BUILDING CONSENSUS AND COMMITMENT

The Government is convinced that the transformation process will only succeed in meeting its goals if it is founded upon the active involvement, support and commitment of the vast majority of public servants, as well as upon broader public involvement and support. This is why the White Paper has been at pains to stress the importance of developing effective mechanisms for communication, as well as establishing meaningful consultative and participative structures through which public service staff, unions and civil society stakeholders can



play an important part in the policy formulation, implementation and evaluation processes. It will clearly be vital to appraise the effectiveness of these structures and mechanisms on an on-going basis, and to adjust and strengthen them if needs be. The proposed Public Sector Transformation Forum will have a particularly important role to play in this regard. So too will OMPSA and the Parliamentary Portfolio Committee on the Public Service.

Whilst it is the responsibility of government to set up appropriate consultative structures and to evaluate them on a regular basis, it is similarly the responsibility of staff, unions and civil society organisations to make the fullest use of them in a positive, creative, co-operative and constructive way.

## 16.2 DECENTRALISATION WITHIN NATIONAL NORMS AND STANDARDS

Another key precondition for the success of the transformation process will be the devolution and decentralisation of authority to departments and provinces. This is to enable them to act creatively and flexibly in translating the broad goals of transformation and national policy guidelines into specific strategies that are capable of responding effectively local needs and circumstances. This is in line with the RDP priority of bringing governance closer to the people.

At the same, the devolution of decision-making power will be accompanied by increased accountability, both internally and externally. One of the many ways in which this will be achieved is by the tying of the contracts of departmental and provincial Directors-General to the achievement of specific performance measures and targets, in relation to such issues as service delivery and representativeness.

In line with the Interim Constitution, decentralisation and devolution will have to ensure conformance to national norms and standards. This will place a premium on effective coordination and monitoring. OMPSA, the Service Commissions, and the national and provincial Transformation Co-ordinating Committees will have a particularly important role to play in this regard.

## 16.3 POLITICAL WILL AND DECISIVENESS

Given the importance of the public service as one of the key delivery arms of the RDP, and given the increasing signs of popular impatience with the pace of socioeconomic change in the country, it is clearly imperative that the transformation process moves as rapidly as possible towards its vision and goals. It is particularly important that the process moves rapidly enough to allow for significant changes in the deployment of staff and the reprioritisation of departmental expenditure before the 1996 budget. People clearly want consultation and transparency, but they also want results.

This will require the exercise of political will and leadership to ensure that the change process is driven forward in a decisive as well as consultative way. In particular it will require that firm action is taken to ensure that the opportunities for consultation and participation in the transformation process are used in a responsible, co-operative and expeditious way, and not as delaying tactics by those who have a vested interest in opposing or resisting change.

### WHITE PAPER ON THE TRANSFORMATION OF THE PUBLIC SERVICE

#### SUMMARY

15 November 1995

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#### ABBREVIATIONS

ABET	Adult Basic Education and Training
ACA	Anti-Corruption Arm
CBO	Community Based Organisation
DG	Director-General
FFC	Financial and Fiscal Commission
GNU	Government of National Unity
ILO	International Labour Office

LRA	Labour Relations Act
MIS	Management Information Systems
NEDLAC	National Economic Development and Labour Council
NGO	Non-Governmental Organisation
OMPASA	Office of the Minister for the Public Service and Administration
PSA	Public Service Act 1994
PSC	Public Service Commission
PSCA	Public Service Commission Act 1984
PSLRA	Public Service Labour Relations Act 1994
PSTF	Public Sector Transformation Forum
RDP	Reconstruction and Development Programme
SAMDI	South African Management and Development Institute
TBVC	Transkei, Bophuthatswana, Venda & Ciskei
TQM	Total Quality Management

## PART I

### Setting the Scene for Transformation

#### CHAPTER 1

##### INTRODUCTION

###### 1.1 WHY A SUMMARY DOCUMENT?

Since the publication of the draft White Paper on the Transformation of the Public Service in June 1995, an extensive process of discussion and debate has taken place both within and without the public service. In taking into account the many valuable comments and suggestions made by a wide range of stakeholder groups, the final version of the White Paper has increased significantly in length. Although this full version will be made widely available, it is anticipated that it will be used in the main by national and provincial governments, public service unions and those civil society organisations with a particular interest in public service transformation. In keeping with the Government's commitment to transparency and the development of open and participatory governance, it has been decided that a shorter summary version should be published for mass circulation.

###### 1.2 THE NEED FOR ADMINISTRATIVE TRANSFORMATION

In moving ahead with the processes of reconciliation, reconstruction and development, the South African public service will have a major role to play as the executive arm of government. To fulfil this role effectively, the service will need to be transformed into a coherent, representative, competent and democratic instrument for implementing government policies and meeting the needs of all South Africans.

The Government's commitment to this process is demonstrated by the fact that it has identified institutional transformation and reform as one of the key medium and long-term programmes to drive the implementation of the RDP.

### 1.3 TRANSFORMATION AND REFORM

The Government regards transformation as a dramatic, focused and relatively short-term process, lasting no more than two to three years, designed to fundamentally reshape the public service for its appointed role in the new dispensation in South Africa. Transformation can be distinguished from the broader, longer-term and on-going process of administrative reform which will be required to ensure that the South African public service keeps in step with the changing needs and requirements of the domestic and international environments.

Whereas the goals of transformation are to be achieved within an anticipated timescale of two to three years, the process of administrative reform will be ongoing.

The White paper will contribute to the longer-term reform process, through the elaboration of a vision and policy guidelines, but the document is designed primarily to facilitate the more immediate and shorter-term process of administrative transformation.

### 1.4 PURPOSE AND SCOPE OF THE WHITE PAPER

The principle aim of the White Paper is to establish a policy framework to guide the introduction and implementation of new policies and legislation aimed at transforming the South African public service.

In recognition of the diversity of the public service, the White Paper does not attempt to elaborate detailed strategies for the implementation of the policies outlined. As with all policy documents of this kind, it is a statement of intent. The development of specific implementation strategies will be the responsibility of individual departments and provincial governments.

In scope, the White Paper covers those parts of the public sector, both national and provincial, which are regulated by the Public Service Act (Procl 103/94). These include administrative agencies, service delivery agencies, and statutory agencies. At the same time, the broader thrust of the White Paper aims to be relevant to the remaining areas of the public sector (local government and the parastatals), that are not covered by the Public Service Act.

### 1.5 A CONSULTATIVE CHANGE PROCESS

The White Paper has benefitted from an extensive process of discussion and debate both within and outside the public service. It is intended that further public input will be solicited both before legislation is presented to Parliament, as well as afterwards, to ensure that the transformation process keeps pace with the changes taking place in the country.

### 1.6 STRUCTURE OF THIS SUMMARY WHITE PAPER

This summary follows the same structure as the full version of the White Paper.

Part 1 sets the scene for the transformation process by outlining:

- \* A new vision and mission for the South African public service.
- \* The main challenges and opportunities presented by the transformation process.

- \* Comparative insights and lessons from abroad.
- \* Priority areas and processes for transformation.
- \* The policy instruments necessary to effect change.
- \* The principal financial implications of the transformation process.

Part 2 outlines a strategic framework for change, by specifying policy objectives, guidelines and instruments to carry the transformation process forward in the following priority areas:

- \* Rationalisation and restructuring the public service.
- \* Institution building and management.
- \* Representativeness and affirmative action.
- \* Transforming service delivery.
- \* Democratising the state.
- \* Human resource development and training.
- \* Employment conditions and labour relations.
- \* The promotion of a professional service ethos.

Part 3 of the White Paper draws a number of conclusions with regard to carrying the transformation process forward.

## CHAPTER 2

### VISION AND MISSION FOR THE NEW PUBLIC SERVICE

#### 2.1 VISION

In transforming and reforming the public service, it is vital that the process is guided by a clear, comprehensive and commonly accepted vision of the fundamental principles that should shape the new public service. To this end, the Government has adopted the following vision:

The Government of National Unity is committed to continually improving the lives of the people of South Africa by a transformed public service which is representative, coherent, transparent, efficient, effective, accountable and responsive to the needs of all.

#### 2.2 MISSION

In pursuit of this vision, the GNU sees its mission as:

The creation of a people centred and people driven public service which is characterised by equity, quality, timeousness and a strong code of ethics.

#### 2.3 THE STATE AND CIVIL SOCIETY

The above vision and mission for the new public service are based on a fundamental redefinition of the role of the State and its relationship to civil society in the new democratic order in South Africa. In this respect, the new vision envisages a partnership between the state and civil society rather than the essentially antagonistic relations that prevailed under the previous

political order.

The GNU is firmly committed to transforming the State from an instrument of discrimination, control and domination to an enabling agency which serves and empowers all the people of the country in a fully accountable and transparent way.

The GNU is aware that this process can only succeed if it is carried out in partnership with the organisations of civil society. Structured opportunities must therefore be provided to involve civil society in the formulation, implementation and monitoring of government policies and programmes at all levels, national, provincial and local. This includes policies on transformation.

## CHAPTER 3

### CHALLENGES AND OPPORTUNITIES

If the public service is to be transformed to fulfil the above vision and play a key role in the social and economic transformation of the country, a number of important challenges and constraints will have to be addressed and overcome. Some of these emanate from the legacy of the apartheid past, others from the current situation.

It is equally important to recognise that there are positive strengths and achievements in the public service that can be built upon in the transformation process. Strategies for change that are too preoccupied with resolving past and present problems tend to be reactive in nature, concentrating in particular on problem solving and crisis management. What is needed in South Africa is a more proactive, coherent and visionary approach which recognises and addresses problems, but also exploits opportunities and builds upon strengths.

#### 3.1 CHALLENGES AND CONSTRAINTS

##### 3.1.1 Challenges from the Past

The public service inherited by the new GNU was characterised in the main by:

- \* Lack of representativeness in terms of race, gender and disability;
- \* Lack of popular legitimacy;
- \* Poor and discriminatory service delivery, especially for the black majority (the word black is used in this document to refer to members of the African, Indian and Coloured communities);
- \* Centralised control and top-down, management;
- \* Lack of public accountability and transparency;
- \* Absence of effective management information systems, essential for success planning;
- \* Low productivity and wasteful duplication of activities;
- \* Low pay and morale, especially amongst the lowest and predominantly, black echelons;
- \* Conflicting labour relations;
- \* Poor professional service ethos and work ethic.

### 3.1.2 Current Challenges and Constraints

Challenges and constraints that have arisen more recently include:

- \* Fear and anxiety about change, leading to low morale and the danger of a brain drain;
- \* Resistance to change;
- \* Popular impatience at the pace of change;
- \* Lack of clear and well-communicated vision of change, which has exacerbated internal anxieties and external impatience;
- \* Lack of clearly defined roles, responsibilities and co-ordination among the key agencies charged with driving the change process, at both the national and provincial levels;
- \* Persistence of a Rule-Bound Culture. Many public service managers feel that their ability to effect change is hamstrung by a plethora of rules and regulations, and in particular by the way in which these are controlled and operated by the Public Service Commission.
- \* Shortage of Skills and Capacity;
- \* Financial Constraints. Given the Government's commitment to fiscal restraint, there are likely to be few additional resources available to meet extra costs involved in the transformation process.

### 3.2 OPPORTUNITIES, ACHIEVEMENTS AND STRENGTHS

Although it is clearly imperative that the transformation process takes into account the challenges and constraints outlined above, it is also important that it recognises and takes advantage of more positive opportunities, strengths and achievements. These include:

- (a) Broad commitment to the vision and goals of transformation, demonstrated by all stakeholders who participated in the discussions on the draft White paper.
- (b) Agreement on the principle of co-determination between the GNU and public service employee organisations on matters relating to the rationalisation of the public service, as well as the process of administrative transformation more generally.
- (c) Relative labour stability-
- (d) Rationalisation of the II former administrations into a unified and integrated public service is on course.
- (e) Increasing representativeness, especially through the creation of 11,000 additional posts.
- (f) The creation of a new Department within the Ministry of the Public Service and Administration, which should play a leading role in the transformation process.
- (g) Widespread international support.
- (h) Loyalty and dedication of many staff throughout the service, which



should be valued, appreciated and built upon.

- (i) The White Paper itself, which should play an important part in shaping the broad direction of the transformation process over the next two to three years.

## CHAPTER 4

### THE INTERNATIONAL CONTEXT

Whilst South Africa must clearly find its own solutions to its own specific problems, it is nevertheless important to ensure that the process is informed by lessons from other countries, in Africa and further afield. In recent years many countries in both the developed and developing worlds have embarked on a thorough re-evaluation of the role of the state and the public service in their societies. This has been in response to a number of factors, including the growing impact of global competition, the increasing trend towards economic liberalisation and political democratisation, the increasing international spread of communications and information technology, and the worsening economic crisis in the developing world and the impact of IMF/World Bank structural adjustment programmes. In the process a number of themes have begun to emerge. These include:

- \* An increasing emphasis on quality, efficiency and cost-effectiveness;
- \* The contracting out of state services on a competitive basis to private sector and non-governmental agencies, either on a fully privatised or partnership basis;
- \* Greater devolution of managerial autonomy, aimed at increasing innovation, creativity and responsiveness to client needs;
- \* A change in organisational culture, designed to develop a more effective customer orientation and a stronger service ethos;
- \* An increasing emphasis on human resource development designed to promote participative management and innovation, to build capacity, and to reward individual and team performance through the introduction of appraisal and incentive systems;
- \* The introduction of improved financial planning and control systems, with a view to making them more performance and output related;
- \* A greater reliance on information technology and computerised management information systems.

Although the GNU expects to gain valuable insights from studying and observing the successes and limitations of comparative models of administration reform, caution and critical analysis will be exercised in considering the applicability and possible incorporation of such models into the change process in South Africa. This will certainly be the case with the move towards cost reduction and the privatisation and contracting-out of state services. The Government is well-aware that in some countries this has had adverse effects, in terms of declining service standards, worsening conditions of employment for staff, rising unemployment and the increasing marginalisation of disadvantaged groups, women and children in particular.

The move towards a leaner and more cost-effective public service in South Africa will therefore be based, as Chapter 8 will demonstrate in more detail, not on privatisation but on the creation of effective partnerships between government, labour, business and civil society, and the building of high levels of community

involvement in the local delivery of services.

## CHAPTER 5

### TRANSFORMATION PRIORITIES AND PROCESSES

#### 5.1 PRIORITIES

In moving towards its vision for the new public service, the GNU has identified the following priority areas for the transformation process:

- (a) Rationalisation and restructuring to ensure a unified, integrated and leaner public service.
- (b) Institution building and management to promote greater accountability and organisational and managerial effectiveness.
- (c) Representativeness and affirmative action.
- (d) Transforming service delivery to meet basic needs and redress past imbalances.
- (e) The democratisation of the state.
- (f) Human resource development.
- (g) Improving employment conditions and labour relations.
- (h) The promotion of a professional service ethos.

Specific objectives, guidelines, performance measures and policy instruments to address these priority areas are detailed in Part 2 of the White Paper and summarised in this present document.

#### 5.2 PROCESSES

In developing and implementing effective policies and strategies for public service transformation, a number of key and related processes will be involved. These will include:

- \* Strategic review and audit of the structures, functions and operation of the public service;
- \* Policy formulation and the development of performance measures, targets and time-frames for their achievement;
- \* Strategic planning and implementation;
- \* Monitoring, evaluation and performance measurement;
- \* Co-ordination between departments and between national and provincial tiers of government;
- \* The development of an effective communication strategy;
- \* Consultation and participation by all relevant stakeholders;
- \* Policy research on all priority areas of the transformation process.

In accordance with the principles of the Interim Constitution these processes will be transparent, participative and inclusive. They will also be carried out

flexibly in ways which ensure accountability and the adherence to national guidelines, norms and standards, whilst at the same time encouraging innovation and creativity at the level of individual departments and provinces.

## CHAPTER 6

### POLICY INSTRUMENTS

Policy instruments are the institutional mechanisms that will be responsible for driving and implementing the transformation process. They fall into two broad categories: (i) transformation structures and agencies, both existing and newly created; and (ii) enabling legislation.

#### 6.1 EXISTING STRUCTURES AND AGENCIES

A wide variety of existing structures and agencies, both political and administrative, will be involved in the various transformation processes outlined above. Key responsibility for driving the process will rest, however, with the following:

- (a) The Ministry and Department for the Public Service and Administration: The principal responsibility for overseeing, driving and coordinating the transformation process will rest with the Minister for the Public Service and Administration, on behalf of Cabinet and Parliament. A new department for the Minister has recently been created (known as OMPSA). It is anticipated that OMPSA will play a pivotal role in translating the broad policy framework contained in this White Paper into achievable policy objectives, performance measures, targets and time-frames, as well as ensuring that the transformation process is based on effective communication, co-ordination, consultation and policy research and analysis.
- (b) The Service Commissions: The Public Service Commission (PSC) and Provincial Service Commissions are assigned broad responsibilities and powers by the Interim Constitution over personnel issues. Although the role of the commissions is currently under review by the Constitutional Assembly, it is anticipated in the meantime that they will continue to play an important role in ensuring that transformation policies and programmes are effectively implemented and monitored, particularly in relation to affirmative action and human resource development and training.
- (c) Directors-General: Directors-General will have a vital leadership role to play in translating the broad policy objectives, performance measures, targets and time-frames set by the Government (and OMPSA in particular) into meaningful and achievable strategies for departmental transformation at the national and provincial levels, as well as ensuring that such strategies are based on effective consultation with staff and unions.
- (d) Public Service and Administration Portfolio Committee: The Portfolio Committee will play an important role in the transformation process, particularly by creating a forum through which Parliamentary scrutiny and oversight of the process can be exercised, and through which political debate and consensus-building can take place.

#### 6.2 NEW STRUCTURES AND AGENCIES

It is proposed that a number of new structures and mechanisms will be created specifically for the transformation period. These will be designed to add impetus to the transformation process and to ensure in particular that it is

founded upon effective participation and consultation with public service staff and unions, and civil society stakeholders. These new structures and agencies will include:

- (a) Presidential Review Commission: This will be established immediately to conduct a comprehensive review of the structures, functions and financing of the public service. The Commission's report and recommendations will be expected within one year.
- (b) Public Sector Transformation Forum: It is proposed that such a forum be established to play a pivotal consultative and advisory role in monitoring key issues relating to transformation, particularly in relation to restructuring and rationalisation, affirmative action, employment conditions, and human resource development and training. Membership will be drawn from management, staff and unions. Consideration will also be given to allowing structured representations from civil society organisations. The forum will not encroach upon the collective bargaining functions of the Bargaining Councils in the Public Service.
- (c) Transformation Units and Co-ordinating Committees: In order to give full effect to consultative processes of transformation, it is proposed that Transformation Units should be established in each department, at both national and provincial levels. The membership of these units will be drawn from the management and staff of the departments themselves. The transformation units will be mandated to ensure that rationalisation, restructuring, representativeness, accountability, transparency, and cost efficiency are actively pursued. The work of the units will be coordinated by Committees established at national and provincial levels.

### 6.3 STRENGTHENING AND RESTRUCTURING THE REFORM AGENCIES

Measures will be taken to strengthen the capacity of these agencies, to ensure the effective coordination of their work, and to clarify and, if necessary, restructure their respective roles and relationships. This will be the case in particular with regard to the PSC, the functions and operations of which have been the cause of some concern, most notably in relation to the fact that the independence of the PSC is potentially threatened by a conflict of interests between its role as an independent monitor and its role as a direct implementer of civil service policies.

Concerns have also been expressed about the undue length of time and red tape frequently involved in obtaining Service Commission decisions and recommendations. For these reasons, a comprehensive review of the Service Commissions will be undertaken as part of the work of the envisaged Presidential Review Commission. The future structure and operation of the Commissions is also under current consideration by the Constitutional Assembly.

### 6.4 NATIONAL-PROVINCIAL RELATIONS

The work of these various reform agencies will reflect the fact that the dynamics of the transformation process will involve differences as well as similarities between individual government departments, and between the national and provincial tiers of government.

### 6.5 LEGISLATION

To give full effect to the policies and proposals in this White Paper there will be a need in particular to amend existing legislation (notably the Public Service Act of 1994) and to introduce new legislation (particularly in the areas

of affirmative action and freedom of information).

Attention will also need to be paid to ensuring that the text of the new Constitution is informed by the developments that have taken place in the function, form and objectives of the public service since 1993.

## CHAPTER 7

### FINANCIAL IMPLICATIONS

The transformation of the public service and the implementation of the policies elaborated in this White Paper will incur inevitable financial costs. Two main questions therefore arise. What are the costs? And who pays?

#### 7.1 COSTING THE TRANSFORMATION PROCESS

Although a detailed costing of the transformation has not yet taken place, additional costs are likely to be incurred as a result, for example, of:

- \* the establishment of OMPSA;
- \* the setting up of transformation teams in ministries, departments, and provinces;
- \* the redeployment of public officials;
- \* the programmes of rationalisation and affirmative action will require funding for early retirement and retrenchment packages, for the redeployment and relocation of staff, for training, and for new salaries and benefits;
- \* the proposed improvement in pay and employment condition;
- \* the upgrading of training institutions;
- \* the installation of new information systems.

The first priority task in resourcing the transformation process will therefore be the detailed costing of specific transformation policies and programmes in the eight priority areas listed in Section 5.1 above. This will be undertaken by individual departments, in association with public service unions, the Department of State Expenditure, OMPSA, and the Service Commissions.

#### 7.2 RESOURCING THE TRANSFORMATION PROCESS

Once the costs of transformation programmes have been calculated, there will be three main ways in which they can be resourced:

- (a) Additional claims against national and provincial budgets.
- (b) Raising of additional funds from external donors and the private sector.
- (c) Absorption of costs by departments.

Whilst all three of these sources of funding will be explored, it is likely that the majority of the costs of transformation will have to be absorbed within existing departmental budgets, particularly through the re-prioritising of expenditure and the achievement of efficiency savings. Specific details will be provided in Chapter 8 of this document.

It is anticipated that the redirection of departmental expenditure to new

priorities, itself a key to achieving the aims of the RDP White Paper, will be facilitated by the introduction from the 1996/97 financial year onwards of new multi-year budgets. As part of the move away from the incremental budgeting of the past, departments will be required to establish clear outputs and priorities, particularly in line with the RDP, and to redirect expenditure to meeting them.

### 7.3 ENSURING EQUITABLE RESOURCE ALLOCATION

For the transformation process to succeed, it is clearly important that all departments at both national and provincial levels have adequate and equitable financial capacity. The move towards a new budgeting system will help to facilitate this process. Over-resourced departments will no longer be able to rely upon an incremental increase as in the past. All departments will be required to set priorities in relation to Government policy (including the policy on transformation) and will be resourced on this basis. Closer co-operation will also be built up between the Financial and Fiscal Commission and the Service Commissions to achieve a coherent strategy for fiscal relations which enhances the transformation process at provincial levels.

## PART 2

### Creating a Strategic Framework for Change

#### CHAPTER 8

##### RESTRUCTURING AND RATIONALISING THE PUBLIC SERVICE

The GNU has embarked upon a concerted and comprehensive programme of administrative restructuring and rationalisation with the objectives of:

- (a) Creating a unified and integrated service.
- (b) Creating a leaner and more cost-effective service.

#### 8.1 CREATING A UNIFIED AND INTEGRATED SERVICE

In creating a transformed public service capable of fulfilling the vision and mission set out in this document, it was first necessary to create a unified and integrated service, to be deployed at both national and provincial levels, from the eleven former administrations in the RSA, the "TBVC states" and the "self-governing territories." Thirty-three (33) National Departments have been now established, together with nine (9) Provincial Administrations with their own Provincial Service Commissions. Powers have been granted to the provinces in accordance with the provisions of Schedule 6 of the Constitution. Provincial Governments are making progress, albeit with some difficulties, towards the integration of the administrations of the former "TBVC states" and "self-governing territories." An agreement has been reached with the unions on the rationalisation of conditions of service. And progress is being made towards the staffing of the new structures, particularly at the senior management level.

Positive achievements have therefore been made, and this first stage of the restructuring and rationalisation process is still on schedule to meet government's target date of 31 October 1995.

#### 8.2 CREATING A LEANER AND MORE COST-EFFECTIVE SERVICE

With the first stage of the rationalisation process nearing completion, attention is shifting to the longer-term question of creating a leaner and more cost-effective service.

The Government intends within the next four years to reduce the wage bill as a proportion of public service consumption expenditure. It is unlikely that a reduction of this magnitude can be achieved without a significant reduction in the overall size of the public service.

The rationale for reducing the wage bill and creating a leaner public service is not merely to save money, but rather to improve efficiency and effectiveness and to release resources for productive investment in RDP-related initiatives. As such the Government firmly believes that a leaner public service is perfectly consistent with improved levels of service provision.

The GNU will seek to achieve its objectives of a reduced wage bill and a leaner, but more effective, public service through the following strategies:

- (a) "Rightsizing" the Public Service. This will be a key strategy designed to achieve the optimal allocation of human and other resources throughout the service as a whole. A comprehensive review of personnel requirements and staffing structures in all departments and administrations will be carried out with a view to realigning them more closely towards the delivery of services to clients and to meeting the outputs required by the RDP.
- (b) Efficiency Savings and Increased Productivity. Steps will be taken to improve productivity and eliminate waste through, for example, the introduction of improved work practices, the removal of unnecessary tiers of reporting, the removal of duplication, the greater use of modern technology, and the reduction in the fee margins charged by outside consultants and outside service providers. It is proposed that the target rate for growth in productivity and efficiency savings be set at between 3 and 4 percent per annum, to release resources for new priorities.
- (c) Adjusting Remuneration Structures. Savings can also be realised from the rationalisation of existing allowance systems, a reduction in the gaps between salary notches, the introduction of performance related promotion criteria instead of the present seniority and educational qualifications based promotion and merit systems, and the introduction of a new budgeting approach based on correct occupational classes and salary scales.
- (d) Retrenchment, Early Retirement and Attrition. A well-considered policy with respect to retrenchment, early retirement and the filling of vacancies created through natural attrition will also play a part in reducing the size of the public service. To ensure that redundancy and retrenchment is handled in a fair and sensitive way, policies will be developed to facilitate the redeployment and retraining of staff.
- (e) Contracting-Out of Services through Partnerships: The Government will consider the viability of contracting-out state services on a competitive basis to private sector and nongovernmental organisations, especially on a partnership basis. Although designed in part to realise savings, care will also be exercised to ensure that service standards are improved.

### 8.3 GUIDELINES AND PRINCIPLES FOR THE RATIONALISATION PROCESS

In the fight of the understandable fears and anxieties that have been generated by the restructuring and rationalisation process, the Government has agreed, in consultation with employee organisations, that the process will be governed by the following principles and guidelines:

- \* Actions must promote efficiency, effectiveness and an unhindered continuation of services;
- \* Actions must be fair, transparent and in accordance with applicable employment and labour legislation.
- \* Actions should create the least possible disruption for staff, departments or administrations, and should pay due regard to the personal circumstances and preferences of staff;
- \* Actions must be affordable, attainable and practical with due regard to local conditions.

## CHAPTER 9

### INSTITUTION BUILDING AND MANAGEMENT

For the public service to fulfil its new vision and mission effectively, it will be necessary to ensure that the creation of a rationalised and leaner service is complemented by changes in management philosophy and practice, as well as in organisational structure and culture, designed to enhance the performance, responsiveness and accountability of State institutions, thereby enabling them to build for themselves a reputation for excellence among the clients and communities they serve.

In improving the output-related performance, accountability and responsiveness of the public service, the following strategies will be followed:

- (a) Devolution and Decentralisation of Managerial Responsibility and Accountability. At the moment many managers in the public service feel that their powers to lead and direct the change process in a creative and visionary way are constrained by the rule-bound culture inherited from the past. In order to overcome this situation, it is proposed to move towards a system under which managerial responsibility will be devolved and decentralised, while at the same time accountability for performance against specified objectives will be increased. As part of this process, it is proposed that the contracts of Directors-General be tied to the achievement of specific performance objectives and targets. In order to ensure that effective, timeous and responsible decision-making takes place at all levels within the public service, a similar process of devolution and decentralisation will also take place to cost centres within departments, again tied to the achievement of specific performance objectives.
- (b) The Introduction of New and more Participative Organisational Structures. The move towards the devolution and decentralisation of managerial responsibility will be complemented by the creation of more open, flexible and participative management structures at all levels throughout the public service. Although clear lines of responsibility and accountability will still be required, these structures will concentrate less on the application of rules and more on the creative use of consultation and team work. To reduce the annoying and wasteful delays which resulted from the old system of referring even the smallest decision to a higher authority, all staff in the new organisation will be encouraged to take decisions and solve problems within their own area of competence.
- (c) The Development of New Organisational Cultures. These structural changes will need to be accompanied by a major shift in organisational culture, from a rule culture to one which is focused more on the



achievement of tasks and the meeting of needs. Such a pronounced change in culture may not be universally welcomed, however, by management or staff. Training will therefore be required to explain the benefits of the new approach, to assuage misgivings, and to equip staff at all levels with the appropriate skills in team building and problem solving.

- (d) Human Resource Development. At the heart of the performance of the public service lie issues concerning the efficiency, competence, motivation and morale of the workforce. The effective mobilisation, development and utilisation of human resources will therefore be critical for the success of institution building and management programmes, as well as for the success of the transformation process more generally. The issue of human resource development will be taken up in more detail in Chapter 13 of this document.
- (e) Total Quality Management. Public service organisations will increasingly be guided by the principles of total quality management (TQM). TQM is an output-orientated approach which seeks to improve the capacity of organisations to meet the needs of clients by continually reorienting organisational structure, behaviour and culture to this purpose. Clients may be members of the public or they may be other public service sections and departments.
- (f) Managing Change and Diversity. The managers of tomorrow will need to be skilled in handling the complex processes of change taking place around them, and will require continuous refreshing and updating in such management skills. One of the dimensions of change, arising from the successful implementation of affirmative action programmes, concerns the question of diversity. Public service institutions will increasingly become rainbow work-places, representative of the cultures and peoples of South Africa. The increasing diversity of the public service will therefore need to be managed effectively, to maximise the benefits and minimise the problems. Training in the management of diversity will be especially important.
- (g) Management Information Systems. If the process of administrative transformation is to lead to more effective and accountable systems of policy-making, implementation and evaluation, accurate and accessible information will be needed. This will require the redesign and upgrading of existing information systems, particularly computerised systems, to increase the accessibility and accuracy of information, as well as to improve communication between and within departments, and between different agencies and levels of government. Improved financial information systems will also be required, to facilitate effective programme budgeting, tighter financial accountability, and rapid auditing.

The move to a more devolved and decentralised system of management within the public service has obvious implications for the current relations between Directors-General and the national and provincial Service Commissions. It is anticipated that these relations will be reviewed and resolved more clearly by the Presidential Commission that is to be established shortly (see 6.2.1 above). In the meantime, the devolution process could be carried forward in a controlled and accountable way through the delegation of more powers to DGs by the Service Commissions, as allowed for in the Interim Constitution.

## CHAPTER 10

### REPRESENTATIVENESS AND AFFIRMATIVE ACTION

#### 10.1 THE NEED FOR REPRESENTATIVENESS

Black people (the term black is used in this document to refer to members of the African, Indian and Coloured communities) were excluded from all positions of influence in the state and civil society. Women were similarly disadvantaged, particularly those from black communities. Persons with disabilities, irrespective of race or gender, can seldom be found in any positions of influence within the State or civil society. As a result, there has been an enormous waste in human potential.

With the new dispensation in South Africa this situation cannot be allowed to continue. To meet the new and challenging tasks with which it is faced, and in particular to improve the quality and equity of service delivery, it is absolutely imperative that the public service draws upon the skills and talents of all South Africans, and derives the benefits of the broader perspectives that a more representative service will bring.

#### 10.2 THE NEED FOR AFFIRMATIVE ACTION

Given the priority assigned by the government to increasing representativeness, a proactive approach will clearly be vital, and this will predominantly take the form of affirmative or corrective action.

Affirmative action can be defined as laws, programmes or activities designed to redress past imbalances and to ameliorate the conditions of individuals and groups who have been disadvantaged on the grounds of race, colour, gender or disability.

It is the intention of the GNU that the development and implementation of affirmative action programmes will allow special measures to be taken to ensure that people from disadvantaged groups inside and outside the public service will be identified and appointed through proper procedures within all departments and at all levels of the public service, with the aim of achieving representativeness and improved service delivery.

#### 10.3 THE DISTINCTIVE NEEDS OF DIFFERENT TARGET GROUPS

The main target groups for affirmative action programmes will be black people, women and people with disabilities. In developing appropriate affirmative action programmes, it will be important to ensure that they are based on a detailed analysis of the specific disadvantages faced by these three groups, as well as equally specific and distinct strategies for overcoming them.

Similarly, affirmative action programmes will need to take into account differential levels of skill, qualifications and experience of potential affirmative action appointees.

#### 10.4 OVERCOMING RESISTANCE AND CONSTRAINTS

In South Africa, as in many other countries, the introduction of affirmative action programmes will undoubtedly be confronted by a number of potential problems and dangers. These include the dangers of "tokenism," reverse discrimination, and the possible alienation of non-target groups within the public service, as well as the danger of prioritising affirmative action at the expense of other transformation goals, especially efficiency and effectiveness.

Whilst some of the fears and doubts expressed about affirmative action programmes are undoubtedly based on misconceptions about their nature and purpose, it will nevertheless be important to take account of these potential problems and dangers in devising and implementing affirmative action strategies for the public service, particularly by ensuring:

- \* that they devised and planned in a feasible, sensitive yet unapologetic way, as part of a broader approach to human resources development and capacity building;
- \* that they are not just seen as a hiring policy or numbers game but as an holistic approach that empowers people hitherto marginalised and enables them to succeed;
- \* that they are devised and introduced in ways which complement rather than conflict with other transformation goals and programmes;
- \* that the nature and purpose of such strategies is communicated effectively at all levels.

Dedicated and committed members of non-target groups within the public service should also be given reassurance with regard to their job status.

#### 10.5 TARGETS AND TIME-FRAMES

Given the current paucity of accurate and disaggregated information, it would be inappropriate in a document of this kind to try and identify specific departmental targets and time-frames. At the more general level, however, the Government remains committed to the objective of a broadly representative service by the end of the current decade, as recommended in the RDP White Paper (November 1994), as well as to substantial progress in the short term. The recommendation in the RDP White Paper, that recruitment and training should reflect South African society in terms of race and gender within two years of the implementation of affirmative action programmes, is still a realistic objective.

Within four years all departmental establishments must endeavour to be at least 50 percent black management level. During the same period at least 30 per cent of new recruits to the middle and senior management echelons should be women. Within ten years, people with disabilities should comprise 2 per cent of public service personnel.

#### 10.6 GUIDELINES FOR DEPARTMENTAL AFFIRMATIVE ACTION PROGRAMMES

Each department at the national and provincial level will be required to draw up detailed affirmative action plans, designed to meet the specific needs of black people, women, and people with disabilities. Such plans will need to be consistent with Interim Constitution and the recommendations in the RDP White Paper (November 1994), and in line with the policy on

affirmative action already adopted by the central chamber of the Public Service Bargaining Council.

Departmental affirmative action plans will need to include, amongst other things:

- \* an audit of the composition of departmental personnel according to race, gender and disability, at different levels and across occupational classes;
- \* goals, objectives and measurable targets and outcomes for the affirmative action process;
- \* strategies and time-frames for their achievement;
- \* methods for the annual monitoring and evaluation of progress, including the production and use of accurate management information statistics;

- \* the people and units designated as responsible within departments (including transformation units) for ensuring the effective implementation of affirmative action programmes;
- \* training programmes to promote affirmative action;
- \* The introduction of new recruitment and promotion procedures based on non-discriminatory criteria of competency and performance rather than on formal qualifications and traditionally valued forms of experience;
- \* awareness raising and training strategies designed to promote a positive view of affirmative action and to discourage tokenism and the stereotyping of beneficiaries.

#### 10.7 MONITORING AND EVALUATION

All departments will be required to prepare detailed plans for the internal monitoring and evaluation of their affirmative action programmes. In addition, departments will be required to present an annual progress report for scrutiny by Parliament and the Cabinet so that special measures can be taken where departments have failed to make visible progress towards their affirmative action targets. Similar processes will be followed at the provincial level.

#### 10.8 LEGISLATION

It is envisaged that programmes of affirmative action will be strengthened by enabling legislation designed to ensure the active and correct implementation of such programmes. Such legislation will need to be introduced into Parliament as soon as possible, and it will have to be carefully dovetailed with the Labour Relations Act. According to the agreed principle of co-determination, proposed legislative changes in this regard will need to be discussed with the employee organisations admitted to the Central Chamber of the Bargaining Council.

### CHAPTER 11

#### TRANSFORMING SERVICE DELIVERY

##### 11.1 SERVICE DELIVERY AND SOCIAL EQUITY

Given the urgent need to redress past imbalances in service provision and to promote social equity, the GNU feels that it will also be important to base its service delivery priorities on affirmative or corrective action principles in the short to medium term. Accordingly, service delivery will focus on meeting the basic needs of the 40 per cent or more South African citizens living below the poverty line in urban and rural areas, as well as other groups (including people with disabilities) who have been previously disadvantaged in terms of service delivery. At the same time, however, an effort will be made to ensure continuity of services at all levels of society.

##### 11.2 GOVERNMENT-COMMUNITY PARTNERSHIPS

Service delivery will be founded on the creation of government-community partnerships for effective use of public funds and community resources. This policy is premised in part on a realistic appraisal of the Government's financial situation. Without the active support of community groups and the private sector, the Government will not have the necessary resources to implement the RDP effectively. At the same time, the policy is based on a more fundamental conviction that the public should be active participants in the development process rather than passive recipients of government programmes.

### 11.3 BUDGETARY AND ORGANISATIONAL IMPLICATIONS

The pre-eminence attached by the Government to improved and transformed service delivery will give additional impetus to the proposed changes in the budgetary process and organisational structures set out in this document. The move to a new budgeting system, for example, will clearly be imperative if departments and provincial administrations are to become focused on outputs rather than inputs, and to realign their resource allocations with RDP priorities. At the same time, the need to focus on the meeting of basic needs will also compel departments and administrations to fundamentally review, amongst other things, their organisational structures, cultures, staffing requirements and job descriptions.

### 11.4 STRATEGIES

Departments and provincial administrations will need to develop strategies to promote continuous improvement in the quantity, quality and equity of service provision. Amongst other things, such strategies will need to identify:

- \* A mission statement for service delivery, together with service guarantees;
- \* The services to be provided, to which groups, and at which service charges; in line with RDP priorities, the principle of affordability, and the principle of redirecting resources to areas and groups previously under-resourced;
- \* Service standards, defined outputs and targets, and performance indicators; benchmarked against comparable international standards;
- \* Monitoring and evaluation mechanisms and structures, designed: to measure progress and introduce corrective action, where appropriate;
- \* Plans for staffing, human resource development and organisational capacity building, tailored to service delivery needs;
- \* The redirection of human and other resources from administrative tasks: to service provision, particularly for disadvantaged groups and areas;
- \* Financial plans that link budgets directly to service needs and personnel plans;
- \* Potential partnerships with the private sector, NGOs or community organisations will provide more effective forms of service delivery;
- \* The development, particularly through training, of a culture of customer care and of approaches to service, delivery that are sensitive to issues of race, gender and disability;

In order to ensure that service delivery is constantly improved, national and provincial departments oriented to the delivery of services will be required to outline their specific short, medium and long term goals for service provision. They will also be required to provide annual and five yearly targets for the delivery of specific services, and will be required to report to parliament on their achievements.

### 11.5 SERVICES TO OTHER DEPARTMENTS AND AGENCIES

The proposals and strategies outlined above for improving and transforming service delivery refer primarily to those departments and agencies involved in the provision of services directly to the public. It is important to stress,

however, that departments and statutory agencies who deliver services to other departments, rather than directly to the public, should also be required to review and transform their service delivery functions, operations and standards. Many of the strategies outlined in 11.4 above will be appropriate to this process.

#### 11.6 CONSULTATION AND COMMUNICATION

To ensure consistency in the quality of services provided at these levels, there will be an need for effective co-ordination, collaboration and joint planning between national departments, between such departments and their provincial counterparts, and between national and provincial departments and the new local government structures.

Responsibility for developing and implementing effective service delivery strategies will rest primarily with departments and provincial administrations, under policy guidelines and criteria laid down in particular by OMPSA, as well as in line with the priorities in the RDP White Paper.

Departmental heads will need to ensure, however, that the formulation, implementation and monitoring of service delivery plans is carried out in close consultation with unions and staff, and especially with service users. The proposed transformation forums and units will play a key role in facilitating such consultation.

Given the culture of nonpayment that developed in the apartheid era, it will be particularly important for public service departments and local government structures to communicate (through all appropriate official languages) their plans for service delivery, especially in relation to the service standards and guarantees that can be expected, and the complaints procedures that can be followed. This will be indispensable in mobilising local community support and developing a new culture of payment for services rendered in the spirit of Masakhane.

## CHAPTER 12

### ENHANCING ACCOUNTABILITY

The RDP calls for democratisation, which goes beyond the right to vote, in both the public and private sectors. This will require a comprehensive approach to the development of a democratic and accountable public service. At one level, a democratic approach will facilitate internal, accountability and democracy within the operations of the service. At another level it will ensure that its relationships with the public are also transparent, consultative participative and democratic.

#### 12.1 INTERNAL DEMOCRACY

Steps will be taken to ensure that each department and provincial administration has built-in mechanisms for regulating internal accountability. These mechanisms should promote a participatory approach to decision making on the part of both workers and management. Details of such mechanisms, including the proposed establishment of a Public Sector Transformation Forum and departmental transformation units, have already been provided in earlier parts of this document. An important element in this process, will be the provision of the necessary information to staff and unions, including budgetary information. Such information should be provided in clear and accessible language, and not in confusing and technical jargon. Steps will be also be taken in particular to ensure that the Public Service Commission and Provincial Service Commissions are subject to more effective internal and external scrutiny.

## 12.2 EXTERNAL ACCOUNTABILITY

If the public service is to fulfil its essential mission of serving the public and meeting their needs, it is imperative that the public has an important role to play in influencing and evaluating policy, both indirectly, through elected parliamentary representatives and statutory agencies, as well as directly. Steps to improve public accountability will include:

- (a) Strengthening the role and capacity of parliamentary portfolio committees, and the Portfolio Committee on the Public Service and Administration in particular.
- (b) Extending the work of the Auditor-General to include performance as well as financial audits.
- (c) Publicising the work of the Office of the Public Protector in receiving and investigating complaints, and strengthening the capacity of the Office to deal effectively with them.
- (d) Establishing structures and mechanisms to facilitate regular contact and communication between government departments and service users.
- (e) Ensuring that all members of the public have easy access to information, irrespective of their levels of literacy.
- (f) The introduction of legislation on the freedom of information.

## CHAPTER 13

### HUMAN RESOURCE DEVELOPMENT AND TRAINING

#### 13.1 HUMAN RESOURCE DEVELOPMENT AND CAPACITY BUILDING

The effective mobilisation, development and utilisation of human resource capacity within the public service will be critical for the success of institution building and management programmes, as well as for the success of the transformation process more generally. Accordingly, a coherent strategic framework for human resource development will need to be developed at both the national and provincial levels. Such a framework will have as its purpose the development of an optimal fit between the needs of the employee, the job, the organisation and the environment, so that employees reach their desired level of satisfaction and performance, and the organisation meets its goals.

A strategic framework for effective human resource development will entail a number of related elements, including staff training. These will include the development of effective and lifelong career development paths for all categories of public servants; the improvement in employment conditions; the introduction of effective appraisal systems, and the use of incentives to reward individual and team performance; the basing of promotion and career advancement on performance rather than on seniority or qualifications. Most of these factors are covered in other Chapters in Part Two of this document. The focus in this Chapter is on training.

#### 13.2 THE NEED FOR PUBLIC SERVICE TRAINING AND EDUCATION

Training and education will assist the government to develop the professional capacities of public servants and to promote institutional change. Training can contribute to the strategic goals of the state in a number of important ways:

- \* By equipping all public servants, whether workers or managers, with the necessary knowledge, skills and competencies to carry out their jobs

effectively;

- \* By forming an integral part of the process of increasing the representativeness of the public service;
- \* By enabling public servants to acquire a commitment to the goals of transformation, a new development oriented professionalism, and a customer care orientation.

To have optimal impact, training programmes must be:

- \* Linked directly to the policy-making, transformation and institution building processes;
- \* Based on an assessment of individual and institutional needs;
- \* Related directly to policies on recruitment, promotion, career progression and remuneration in the public service;
- \* Founded upon an enhanced role and status for training and trainers.

### 13.3 TARGETED TRAINING AND DEVELOPMENT

As a basic principle, the government has adopted the view that all public servants, from the most senior to the most junior, require ongoing training as an integral part of their professional life.

A number of immediate training targets may be identified. These include:

- \* the induction and orientation of new lateral entrants to the public service;
- \* the retraining and reorientation of long-serving officials;
- \* the development of programmes in such crucial areas as policy management, strategic planning, change management project management, leadership, organisational development, and the management of change and diversity; these will be targeted at senior and middle managers in particular;
- \* the targeting of training for the management and delivery of services in key departments and programmes linked to the RDP;
- \* the widespread development of ABET and competency based training for workers, linked to the national qualifications framework;
- \* training and retraining for those displaced by the restructuring process, to enable them to take advantage of redeployment opportunities;
- \* the provision of accelerated and intensive skills training programmes for affirmative action beneficiaries;
- \* the provision of training in gender and race awareness, public service ethics, constitutional law, and human rights;
- \* the training and retraining of trainers;

### 13.4 PUBLIC SERVICE TRAINING PROVIDERS

The Public Service Commission (PSC) at a national level, and the Provincial Service Commissions at provincial level, are responsible for ensuring that a proper policy on training is followed. The South African Management and



Development Institute (SAMDI), which falls under the aegis of the PSC, is the single most important statutory body with respect to the provision of in-service training. Since the end of 1994, the composition and role of SAMDI has been under review by the PSC, and an extensive process of restructuring is currently underway.

The activities of SAMDI will need to be complemented by inputs from provincial training bodies in ways which permit greater flexibility than under the previous arrangement. Given that the current demand for training significantly outstrips the existing capacity of SAMDI and provincial training bodies, the Government will also encourage and facilitate the increased involvement of tertiary institutions (particularly those that have been historically disadvantaged), NGOs and the private sector.

### 13.5 THE NEED FOR A NATIONAL TRAINING STRATEGY

For training to become an effective tool of organisational and strategic development in the public service, there will need to be a comprehensive review of the nature and quality of existing training provision, and of the relationship between in-service training bodies, the Service Commissions and external training providers. Based on this review, a coherent national training strategy will be developed, linking to the National Qualifications Framework and Industry Training Boards, to ensure that public service training is effectively planned, implemented and monitored at the national and provincial levels. This will set broad objectives, priorities, performance targets, timescales and monitoring mechanisms, and will define the responsibilities of the various agencies involved. SAMDI provincial training bodies, the Service Commissions, unions and all other relevant stakeholders will be involved in this process.

## CHAPTER 14

### EMPLOYMENT CONDITIONS AND LABOUR RELATIONS

#### 14.1 IMPROVING PAY AND EMPLOYMENT CONDITIONS

The Government recognises that a necessary precondition for the development of an efficient, productive, honest and well-motivated public service, committed to a professional service ethos and work ethic, will be the introduction of more equitable and non-discriminatory pay and employment conditions for public servants..

Steps that will be taken to achieve this will include:

- (a) The Introduction of an Adequate Minimum Wage: The Government is committed to a phased increase in the minimum wage for public servants from R900 to R1500 a month over a three-year period commencing in 1994.
- (b) The Introduction of Equal Pay and Benefits for Work of Equal Value: This will entail not only equality in starting pay for work of equal value, but also the elimination of differentials that have arisen from earlier disparities in base pay.
- (c) The Reduction of Differentials in Pay and Benefits: To be achieved by significant raises at the bottom, from the current low base; and restraint at the top.
- (d) The Development of Appropriate Career Paths for All Public Servants: These will be linked to the provision of widespread training opportunities for all public servants, and especially those previously disadvantaged, as well as to the introduction of new and improved criteria for hiring, grading, promotion and training which are based on

objective and non-discriminatory notions of competency and performance rather than on seniority and qualifications.

- (e) The Reduction of the Number of Grades in the Public Service: The number of grades in the public service will be reduced, supporting an approach towards competency-based evaluation and performance appraisal, and multi-skilling.
- (f) Improving Conditions for Women: Conditions for women will be improved by the repeal of previously discriminatory practices, relating in particular to housing and pension entitlements, as well as by reforms in the tax system, maternity leave, child care provision and flexible working hours.
- (g) Improving Conditions for People with Disabilities: Conditions for disabled people will be improved by the repeal of previously discriminatory practices, relating in particular to health, pension fund and medical aid requirements, as well as by improvements in access and support services.

## 14.2 PROMOTING EFFECTIVE LABOUR RELATIONS

The Government recognises that the relations between the public service as employer and public service employees will be characterised by divergent views and interests. If these are not managed and negotiated effectively, the levels of labour conflict may grow out of all proportion to the nature of the issues in dispute with serious and disruptive effects for service users.

For this reason the Government plans to work with employee organisations to move towards a model for collective bargaining based on effective negotiating structures and practices. If and when negotiations break down, the Government will respect the constitutional right of workers to strike in pursuance of their social and economic interests (except in the case of workers in essential services), particular where strikes are used as a deadlock breaking mechanism. Government will, at the same time, expect unions and associations to exercise this right responsibly, as a last rather than first resort, thus minimising the disruption of public services.

### 14.2.1 The Labour Relations Act

An important step towards improving collective bargaining will be the repeal of the Public Service Labour Relations Act of 1994 (PSLRA), and its replacement with a single Labour Relations Act (LRA) covering both private and public sector workers (except for those employed in the Defence Force, the National Intelligence Agency and the Secret Service), which will possibly come into effect in May 1996. Amongst other things the Act provides for the establishment of new Public Sector Coordinating Bargaining Council, the establishment of sectoral bargaining councils (for government departments, provinces or professions), and the introduction of workplace forums.

The LRA should play an important role in promoting more effective labour relations within the public service, particularly by improving strike procedures and dispute resolution, as well as speeding up decisions and avoiding the backlogs and delays experienced in the existing central bargaining council. Negotiations in the sectoral councils will also benefit by being better informed by the particular departmental, professional or provincial situation, as well as by the on-going process of consultation that the workplace forums will provide.

### 14.2.2 Additional Measures

Although the LRA will provide a useful general framework for promoting more

effective labour relations, a number of additional and more specific measures will be introduced to carry the process forward at all levels within the public service. These will include:

- (a) A comprehensive review of dispute resolution procedure within the public service, with a view in particular to the introduction of effective independent mediation; such a review to be carried out in consultation with employee organisations.
- (b) The introduction of training for negotiators, designed to improve conflict resolution and negotiating skills.
- (c) The provision of better access to information (particularly for employee organisations) as a precondition for effective and meaningful negotiations.
- (d) The development of more effective links between the budgeting and collective bargaining processes, to ensure that negotiations are based on a realistic understanding of the financial implications.

## CHAPTER 15

### THE PROMOTION OF A PROFESSIONAL SERVICE ETHOS

The Government recognises that a highly motivated civil service with a strong morale and sense of mission is essential to the process of reconstruction and development.

The introduction of improved pay and conditions, effective career paths for all public servants, greater opportunities for staff development and training, and more participatory forms of management (all of which have been covered in earlier parts of this document) should help to promote a more professional ethos amongst staff at all levels; and by so doing to contribute towards greater honesty, integrity and efficiency in the public service as a whole. Other steps will also be considered to facilitate this process. These include the introduction of a code of conduct for public servants and measures to eliminate corruption.

#### 15.1 CODE OF CONDUCT

In keeping with the proposal of the RDP White Paper (November 1944), a draft code of conduct has now been developed and published. This code aims to incorporate the principles of the new South African public service. To that extent, it aims to instil in public servants an ethos of professionalism (in the most positive sense of the word) as well as a commitment to the concept of serving the people. The code is intended not merely as a set of standing rules for behaviour, but rather as a guide to public servants to use their creativity and discretion to promote national priorities. The annual evaluation of personnel will take into account compliance with the code.

#### 15.2 THE ELIMINATION OF CORRUPTION

The elimination of corruption within the public sector is an issue of considerable concern to the Government. In view of this, a systematic programme will be introduced to prevent corruption and to punish offenders. Consideration is being given to the establishment of an Anti-Corruption Arm (ACA) which will be mandated to detect and expose corruption within the public sector. The ACA will be linked to the work of the Public Service Commission, the Public Protector and the police, while its activities will be jointly overseen by OMPSA and the Office of the Public Protector.

## PART 3

### Conclusions

#### CHAPTER 16

##### CARRYING THE TRANSFORMATION PROCESS FORWARD

The White Paper on the Transformation of the Public Service attempts to set out a clear vision and mission for the new public service in South Africa, aligned in particular with the aims of the RDP process. It also attempts to outline the main steps that will need to be taken to transform and reorient the service towards this vision and mission over the next two to three years.

The White Paper is, however, only the first of a number of policy documents, including possible future white papers, that will be needed to guide and inform the on-going process of administration transformation and reform. It is also essentially a statement of intent. Much work will need to be done in translating the broad policy framework, contained in the document, into specific, achievable and effective strategies for change, and in ensuring in particular that such strategies are effectively implemented and monitored. As Chapter 3 demonstrates, many challenges and constraints will have to be overcome in the process. This will require a sustained and intensive campaign which brings together central, provincial and local tiers of government, trade unions, NGOs, business and other community organisations. Many different elements will be involved in this campaign, but three will be of particular importance:

- (a) Building consensus, commitment and support for the change process through effective communication, consultation, and partnerships with staff, unions and civil society.
- (b) Achieving innovation, creativity and flexibility through decentralisation within national norms and standards.
- (c) Ensuring the necessary political will, leadership and decisiveness to drive the process forward as rapidly as possible within the predicted time-scale of two to three years.