



A Report on Strategic Issues Emanating from the Evaluation of Heads of Department



Published in the Republic of South Africa by:

THE PUBLIC SERVICE COMMISSION
Commission House
Cnr. Hamilton & Ziervogel Streets
Arcadia, 0083

Private Bag x121
Pretoria, 0001

Tel: (012) 352-1000
Fax: (012) 325-8382
Website: www.psc.gov.za

National Anti-Corruption Hotline Number for the Public Service:
0800 701 701 (Toll-Free)

Compiled by Branch: Monitoring and Evaluation

Distributed by Directorate: Communication and Information Services

Printed by: Shereno Printers

ISBN: 978-0-621-37932-7
RP: 133/2008



FOREWORD

The Public Service Commission (PSC) has, since 2000, been assisting Executing Authorities with the evaluation of the performance of their Heads of Department (HoDs). Most significantly, the PSC chairs the panels for the evaluations and serves as the secretariat for these. The panels comprise high level members drawn from Cabinet, Heads of Department and key government clients. Involvement in the evaluation processes has provided the PSC with an opportunity to have a strategic interface and interaction with both the Executive and Administrative Leadership of the Public Service. Given the calibre of the members of the panels, the interaction is often of such quality that the PSC gains useful insights into the dynamics of the Executive Interface and the complex demands of Public Service leadership at HoD level.



In addition to assessing the performance of individual HoDs, panel discussions often also raise broader, cross cutting issues which impact on Public Service Leadership. As the secretariat, the PSC is thus at an advantageous position to collate, analyse and report on these critical Public Service Leadership issues.

This is the first report in which the PSC analyses these cross cutting issues and tries to identify the common challenges faced by HoDs in fulfilling their mandates. I hope that the findings and recommendations contained in the report will stimulate further dialogue among stakeholders and inform decisions on how to further support and strengthen the effectiveness of the administrative leadership of the Public Service.

A handwritten signature in black ink that reads 'Sangweni'. The signature is stylized with large, flowing loops.

PROFESSOR SS SANGWENI
CHAIRPERSON: PUBLIC SERVICE COMMISSION

Contents

FOREWORD	ii
ACRONYMS	iv
EXECUTIVE SUMMARY	v
CHAPTER ONE: INTRODUCTION	1
• Background	2
• Purpose of the Report	3
• Mandate of the Public Service Commission	3
• Methodology and Scope of the Study	3
• Limitations of the Study	4
• Structure of the Report	4
CHAPTER TWO: ANALYSIS OF KEY LEADERSHIP ISSUES	5
• Introduction	6
• Retaining Expertise and Experience at Hod Level	6
• Strengthening Capacity in the Offices of HoDs	10
• Integrated Governance	12
• Strategic Human Resource Management	14
• Communication	16
• The System for Evaluating the Performance of HoDs	17
CHAPTER THREE: CONCLUSION	21



Acronyms

Acronym	Description
COO	Chief Operating Officer
CMCs	Core Management Criteria
DG	Director-General
DPSA	Department of Public Service and Administration
EA	Executive Authority
FOSAD	Forum of South African Directors-General
GCIS	Government Communication and Information System
HoD	Head of Department
HR	Human Resources
KRA	Key Result Area
PA	Performance Agreement
PFMA	Public Finance Management Act
PoA	Programme of Action
PSA	Public Service Act
PSC	Public Service Commission
PSR	Public Service Regulations
SADC	Southern African Development Community
SAMDI	South African Management Development Institute



Executive Summary

Introduction

The performance evaluations of Heads of Department (HoDs) provide useful insights into the workings of Public Administration. These evaluations not only reveal information on areas of progress and the challenges facing the Public Administration, but, they also provide information which, if used strategically can strengthen the effectiveness of Public Service Leadership.

The Public Service Commission (PSC) has been fortunate to be central to these evaluations as Chairpersons of the evaluation meetings. Chairing the evaluations places the PSC in a unique position to sit through a high level discussion that involves a high calibre of people such as members of Cabinet, HoDs, and key clients to or beneficiaries of government services. They possess in-depth knowledge and understanding of how government works.

The discussions at these evaluation meetings though focused on the performance of individual HoDs also include broader discussions, where cross-cutting Public Service Leadership issues are explored in-depth.

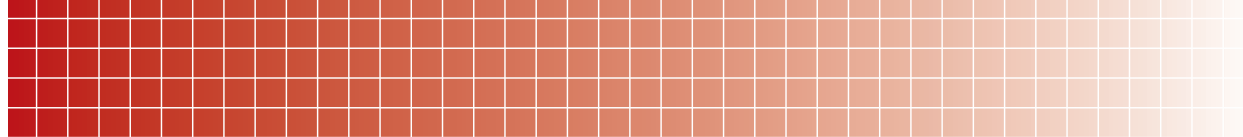
Purpose of the Report

The purpose of this report is to analyse cross cutting issues and inputs raised by the HoDs and EAs during the HoD evaluation discussions.

The main objective of the report is to draw the attention of the key stakeholders to these important issues to generate reflection on them.

Methodology and Scope of the Study

The report captures information discussed during the National and Provincial HoD evaluation meetings covering the 2004/05, 2005/06 and 2006/07 financial years.



In conducting the analysis, the following approach was adopted:

- The PSC reviewed its records on the deliberations of HoD evaluation panels for the 2004/05, 2005/06 and 2006/07 performance cycles.
- Important cross-cutting issues were identified.
- The issues identified were assessed and analysed according to themes, and
- The information that was collated forms the basis of this report.

Limitations of the Study

During the 2005/06 performance cycle, the HoD evaluation process in the Western Cape was conducted outside the National HoD evaluation framework. As a result, this report does not include issues raised during the evaluations of HoDs in the Western Cape. This report is, therefore, limited to information that was available to the PSC.

In the national and provincial departments many HoDs qualifying to be evaluated were not evaluated. Only 51% of the total qualifying HoDs were actually evaluated. The critical issues that might have been raised during the evaluation meetings that were not conducted could have contributed and enriched the discussion in this report.

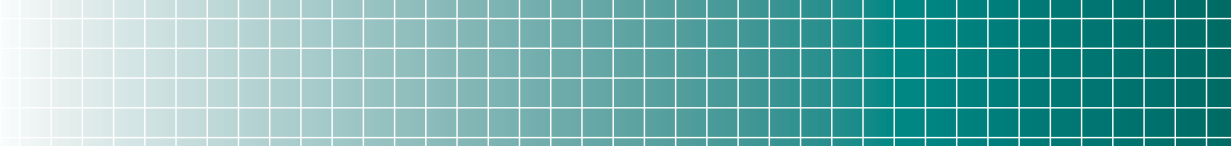
Strategic Issues Identified and Recommendations

This section looks at key strategic issues that were identified by the PSC during the deliberations of the HoD evaluation panels. These issues include mechanisms for retaining the expertise of HoDs, strengthening the capacity of offices of HoDs, promoting integrated governance and intergovernmental cooperation, and the need for effective strategic Human Resources.

Retaining the Expertise of HoDs

It is important for government departments to ensure that they not only recruit capable senior managers as HoDs, but that the expertise and experience of these HoDs is not prematurely lost to the Public Service. The 3-5 year contract employment system is seen as one of the push factors. Although the contracts may be renewable, the system can create uncertainties for HoDs, resulting in some of them starting to look for other employment opportunities before they have even settled into their positions. This leads to HoDs leaving their posts prematurely.





Certain strategic decisions must be made to mitigate against this risk. Key among these is the building of institutional memory, the creation of enabling conditions of service, and the effective management of the interface between the administrative and political leadership of the Public Service.

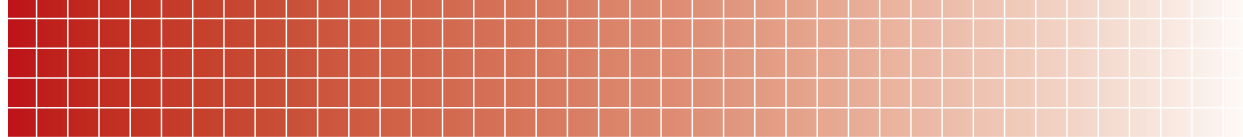
- Further research should be conducted to explore other options on how to address the turnover rate at the level of HoDs.
- There is a need for government to conduct a review to determine whether the 3-5 year contract employment system for HoDs is the most effective for the South African government at this stage.

The need to strengthen working relationships between HoDs and EAs remains a priority for the Public Service. The PSC has previously recommended that a roundtable discussion be held to discuss these relationships further and to explore ways of improving them. The roundtable discussion should be convened as a matter of urgency.

*Strengthening Capacity
in the Offices of HoDs*

There are enormous responsibilities bestowed on HoDs as administrative heads of government departments and Cluster coordinators when compared to the capacity provided for them to perform. In view of all these responsibilities, measures should be put in place to strengthen the capacity in the offices of HoDs to ensure that they can function effectively.

- There needs to be an assessment in the few Departments where the provision of appointing COOs has been implemented. This will assist in determining whether the administrative burden has been mitigated and whether HoDs have more time to focus on the key strategic interventions and coordination. This assessment should also explore other ways through which the capacity of the Offices of HoDs can be strengthened.



- The role of HoDs in the Presidency and Premiers' Offices should also be re-examined with a view to creating clarity on responsibilities and functions, and creating the necessary enabling legislative base for the incumbents to function effectively.

Promoting Integrated Governance as a Vehicle for Seamless Service Delivery

The Constitution requires all spheres of government to observe and adhere to the principles of co-operative governance and intergovernmental relations¹. However, achieving integrated governance remains a challenge for government and requires strengthening.

- The Policy Coordination and Advisory Services unit in the Presidency should fast-track its current initiatives to align planning processes between the different spheres of government to achieve better coordination of programmes.
- Under the leadership of the Governance and Administration cluster of FOSAD, government should ensure the implementation and monitoring of frameworks for intergovernmental cooperation (such as the Framework for Managing Joint Programmes).

Strategic Human Resource Management

Human Resources are the key pillar that supports the effective functioning of departments. However, departments continue to be plagued by skills shortages.

- Departments implement different innovative schemes in an attempt to address skills shortages. Best practices from these experiences should be documented as case studies for purposes of promoting collective learning within the Public Service.
- The DPSA should explore the possibility of introducing policy measures to manage the rapid mobility of staff within the Public Service. Experiences from other countries in this regard need closer examination to consider lessons that can be drawn for the South African Public Service.

¹ Republic of South Africa. The Constitution of the Republic of South Africa. Act 108 of 1996.





Communication

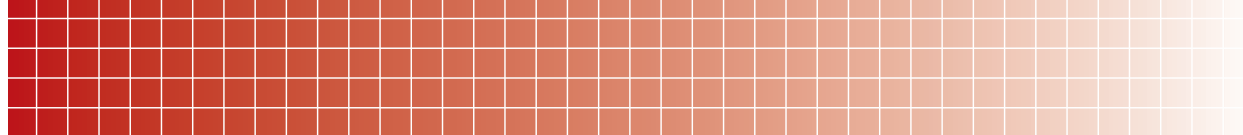
Effective communication is an essential pillar of participatory governance and accountable public administration. However, despite really good progress and improvements in the work of many departments that have been evaluated, the Public Service continues to have a poor public image.

- Under the leadership of HoDs, government departments need to develop and implement effective strategies for promoting communication and engagement with stakeholders.

The System for Evaluating the Performance of HoDs

The Framework for the Evaluation of HoDs and the PMDS for Senior Managers provide a systematic process for the scrutiny of and the provision of support to HoDs. However, some elements of the framework should be reviewed in order to optimise its effectiveness.

- The Minister for Public Service and Administration should put in place a framework which defines special circumstances under which pro-rata performance appraisals of HoDs (with concomitant rewards) can be done.
- The PSC must review the Framework for the Evaluation of HoDs to ensure better correlation between the performance of the individual HoD and the overall performance of the Department.
- The Department of Public Service and Administration should, as a matter of urgency, provide explanatory notes that clarify what the compulsory KRA of “Regional Integration” requires. Although these notes should particularly target provincial HoDs, their scope should be broad enough to serve as guidance for national HoDs as well.
- Cabinet should approve that mandatory block dates be set aside for the evaluation of the performance of HoDs. A similar system is being piloted by the Western Cape Provincial Administration with the assistance of the PSC, and it is envisaged that lessons from this process will provide instructive insights for possible replication nationally.



Conclusion

The issues raised in this Report have important implications for public administration generally, and performance improvement in particular:

The PSC hopes that this Report will serve as the basis for further discussions and action. Through its role as secretariat to and Chairpersons of evaluation panels of HoDs, the PSC will continue to identify strategic Public Service Leadership issues and bring these to the attention of key stakeholders for consideration.



Chapter One

Introduction



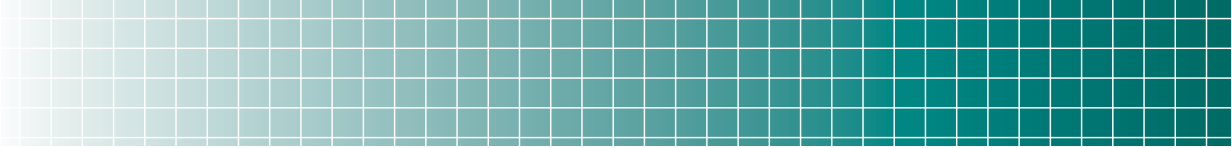
Background

The performance evaluations of Heads of Department (HoDs) provide useful insights into the workings of Public Administration. These evaluations not only identify areas of progress and the challenges facing Public Administration, but they also provide information which, if used strategically, can strengthen the effectiveness of Public Service Leadership.

The Public Service Commission (PSC) has been fortunate to be ideally placed in these evaluations as Chairpersons of the evaluation meetings which take place in terms of the structured framework for the evaluation of HoDs adopted by Cabinet in 2000. According to this framework the PSC assists Executive Authorities (EAs) in evaluating the performance of their HoDs by facilitating the evaluation process. The PSC publishes annual Guidelines which regulate the performance assessment process. The PSC also advises both the EAs and HoDs on performance agreements signed at the beginning of each financial year; chairs the evaluation panels and provides secretarial services to all evaluation meetings. This provides the PSC with an opportunity to have strategic sight and interaction with both the Executive and Administrative Leadership of the Public Service.

Chairing the evaluations places the PSC in a unique position to sit through high level discussions of the evaluation panels. The calibre of the panels is high as members are usually drawn from Cabinet, HoDs, and stakeholders who hold important perspectives on government performance. The panel members must have a good understanding of key government priorities and the service delivery challenges that government has to address, all of which form the basis of the HoDs' performance. The panel members must also bring with them varied and in-depth knowledge and experience on government policy, coordination across clusters and progress on the implementation of key service delivery programmes.

While the primary purpose of the evaluations is to advise EAs on the performance of their HoDs, broader discussions also ensue where cross-cutting Public Service Leadership issues are also discussed. These discussions have raised issues on, amongst others, challenges in stabilising the administrative leadership of the Public Service, the need to strengthen the offices of HoDs, and the effectiveness of measures for promoting integrated governance.



Given their cross-cutting nature, these issues are ordinarily not captured in the formal advice that the evaluation panels provide to the EAs. Against this background, the PSC saw the need to document these issues in order to elevate and introduce them to a wider audience of critical stakeholders in public administration, including Parliament, the Executive and senior Public Service managers.

It is hoped that the issues raised in this report will be taken on board as part of government's broader agenda of consolidating and deepening the transformation of the Public Service.

Purpose of the Report

The purpose of this report is to inform discussions and decisions on Public Service Leadership by presenting critical issues emanating from the evaluations of the performance of HoDs. The intention is also to draw the attention of key stakeholders such as Parliament and the Executive to these important issues to facilitate a process of reflecting on them.

Mandate of the Public Service Commission

In terms of Section 196 (4) (b) of the Constitution, read in conjunction with Section 9 and 10 of the Public Service Commission Act, the Commission is mandated to investigate, monitor and evaluate the organisation of administration and personnel practices in the Public Service.

In fulfilling the above mandate, the PSC also promotes compliance with Public Service prescripts and advises on good administrative practice, including effective performance management and development for senior managers.

By collating and analysing the strategic issues emanating from the evaluation of HoDs, the PSC is giving effect to its mandate in terms of monitoring personnel practices and advising on good practice.

Methodology And Scope of the Study

The report captures information drawn from discussions during the National and Provincial HoD evaluation meetings covering the 2004/05, 2005/06 and 2006/07 financial years.



In conducting the analysis, the following approach was adopted:

- The PSC reviewed its records on the deliberations of HoD evaluation panels for the 2004/05, 2005/06 and 2006/07 performance cycles.
- Important cross-cutting issues were identified.
- The issues identified were assessed and analysed according to certain organising themes, and
- The analysis was used to produce this report.

Limitations of the Study

During the 2005/06 performance cycle, the HoD evaluation process in the Western Cape was conducted outside the National HoD evaluation framework. As a result, this report does not include issues raised during the evaluations of HoDs in the Western Cape. This report is, therefore, limited to information that was available to the PSC.

In the national and provincial departments some HoDs qualifying to be evaluated were not evaluated. Only 51% of the total qualifying HoDs were actually evaluated. The critical issues that might have been raised during the evaluation meetings that were not conducted could have contributed to and enriched the discussion in this report.

Structure of the Report

The structure of the report is as follows:

Chapter Two provides an analysis of the strategic issues raised by HoD evaluation panels. These include the mechanisms to retain the expertise of experienced HoDs, the strengthening of capacity in the offices of HoDs and effective Human Resources Management practices.

Chapter Three provides concluding remarks and suggestions for consideration on taking forward the discussions.

Chapter Two

Analysis of Key Leadership Issues



Introduction

This chapter provides an in-depth analysis of the key Public Service Leadership issues arising from the HoD evaluation meetings. There are five key themes that are discussed. These are:

- mechanisms to retain the expertise and experience of HoDs within the Public Service;
- strengthening the offices of HoDs;
- promoting integrated governance;
- ensuring effective communication; and
- enhancing human resource management practices.

These themes are discussed in detail below.

Retaining the Expertise and Experience of HoDs within the Public Service

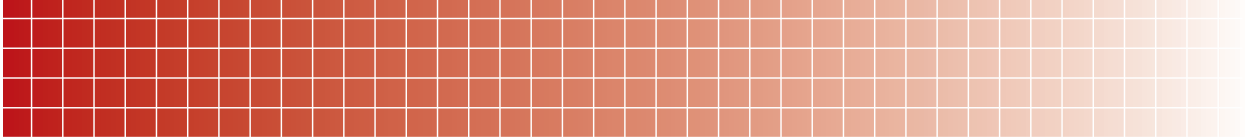
The administrative leadership of the Public Service is a critical cornerstone for stable and well run departments. Accordingly, it is important for government departments to ensure that they not only recruit capable senior managers as HoDs, but that the expertise and experience of these HoDs is not prematurely lost to the Public Service. In its draft report on the Turn-over Rate of HoDs², the PSC noted that in general, a contracting approach embodies risks for both the employer and employee. Whilst a fixed contract enables outside capacity to be deployed within the system, the levels of turnover tend to be very high. In addition, if contracts are terminated before the end of the period, the costs tend to be high.

Certain strategic decisions must be made to mitigate against this risk. Key among these is the building of institutional memory, the creation of enabling conditions of service, and the effective management of the interface between the administrative and political leadership of the Public Service.

Loss of Institutional Memory

During the evaluation meetings of HoDs, panel members observed that only a small percentage of the initial cohort of HoDs who joined the Public Service soon after democratisation in 1994 still remain in the Public Service. These HoDs were a critical part of the conceptual phase of the country's Public Service transformation process, and through this involvement they gained first hand experience on the challenges involved and the strategies implemented.

² Republic of South Africa. Public Service Commission. Report on the Turn-Over Rate of Heads of Department and its Implications for the Public Service. June 2008.



As these HoDs continue to exit from the employ of the Public Service, there is a risk that their accumulated expertise and experience may be completely lost to public administration. Although this is a natural process, it would be more beneficial, if arrangements could be made to ensure that their knowledge and experience can still be accessed even after the HoDs have left the Public Service. These arrangements could include secondments and executive mentorship schemes between new incumbents and former HoDs.

HoDs' Conditions of Employment

Sustaining the momentum of Public Service transformation requires a certain level of stability in the country's Public Service Leadership. A number of panel members expressed concern about the high turn-over rate of HoDs in the Public Service. They felt that one of the contributory factors in this regard could be the way conditions of service of HoDs are structured. More specifically, it was felt that contracting arrangements for HoDs based on the three to five year term system may be leading to high turn-over rates. This is especially so when consideration is given to the fact that decisions about the renewal of such contracts may not always be made timeously, thus raising the risk of leadership instability in departments.

The above observations corroborate findings by the PSC which show that the current contracting arrangements are indeed a contributing factor to the turn-over rate of HoDs³. The three to five year contract system needs to be carefully examined to establish whether it fulfils the needs of the country's Public Service.

The Interface between HoDs and the Executive

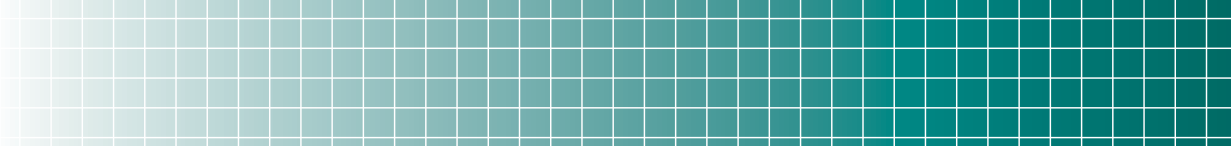
The terrain within which HoDs function is at the interface between the administrative and the political dimensions of the Public Service.⁴ Panel members observed that the nature of relationships at this interface is also a contributory factor towards the high turn-over rate of HoDs. A specific issue identified was the variation in role and authority exercised by HoDs relative to those of the Executive. The Public Service Act⁵ and Public Service Regulations⁶ accord certain critical functions

³ Republic of South Africa. Public Service Commission. Report on the Turn-Over Rate of Heads of Department and its Implications for the Public Service. June 2008.

⁴ Raadschelders, JCN and Rutgers, MR. "The Evolution of Civil Service Systems", in Becke, GM *et al* Civil Service Systems in Comparative Perspective. 1996.

⁵ Republic of South Africa. Department of Public Service and Administration. Public Service Act. 1994.

⁶ Republic of South Africa. Department of Public Service and Administration. Public Service Regulations. 2001



and powers to Executing Authorities who may then delegate these powers to HoDs in order for them to effectively manage their departments. This is compounded by a variation in responsibilities in terms of the PFMA. Some of the responsibilities actually are in conflict with the role and the authority granted by the two Acts. The extent to which these powers get delegated and the manner in which HoDs exercise these delegated powers has often led to tensions between HoDs and EAs. In some instances, HoDs feel that they have not been delegated sufficient powers to enable them to manage their departments effectively. Yet, in other instances, EAs feel that the main challenge is for HoDs to exercise good judgement on which areas they need to consult on even if the powers have been delegated to them.

As part of sharing experiences on dealing with the above challenges, one EA advised that the relationship with HoDs should have a number of cardinal features. One of these features is trust. In this regard, the EA should delegate powers based on his/her trust and confidence in the HoD. By taking this step, the EA would effectively be demonstrating that they have confidence in the HoD to act in a manner that shows loyalty to government's Programme of Action and the Constitution. In return, the HoD should appreciate the spirit in which the delegations were made and ensure that the trust and confidence demonstrated by the EA are not betrayed.

Furthermore, the EA and the HoD should appreciate that sometimes mistakes do happen. The relationship between them should be such that when such a mistake happens, the first reaction is that of dialogue and seeking to understand what happened instead of viewing the other party with suspicion.

Promoting sound relationships between HoDs and EAs clearly remains a priority for the Public Service. From the sentiments shared in evaluation panels, it is evident that there are concerns that if not properly managed, disagreements in this relationship will breed tensions which in some instances lead to the high turn-over rate of HoDs. Critically, over and above the soft issues relating to trust and loyalty, the fundamental challenges relating to such matters as the delegation of powers must be addressed. These aspects of the interface between HoDs and EAs create an enabling environment within which sound relationships can be built and maintained.

Recommendations

- The South African Public Service has to explore other options on how to address the perceived high turn-over rate of the HoDs. In the United Kingdom secondments between the public sector and the private sector are used in order to stabilise the Public Service during a change-over of government. This is a stabilising factor because once the change over has been concluded the seconded individuals go back to their private sector jobs. This is what is called the “revolving door” between the Public Service and the private sector, and it may also include institutions of higher learning.⁷ However, it would be necessary to take into account the challenges that may emerge in the long run in terms of potential conflicts of interest.
- Initially, there was merit in the decision by the South African Public Service in implementing the three (3) to five (5) year contract framework for HoDs. However, there is a need for government to conduct a review to determine whether this is the most effective system for the South African government at this stage. It should be noted that South Africa is still dealing with challenges of socio-economic development, many of which are a legacy of the country's apartheid past. The issue is whether these challenges can be addressed successfully within the current framework of contracting. The short term nature of the employment contracts may have its merits. For example, such contracts may encourage better focus on the implementation of projects and ensure quick turn around times that lead to project finalisation. However, the same benefits may not apply when dealing with long term transformation programmes that require a long term view. Thus the merits and demerits of this contracting framework need to be closely scrutinised in order to find a better framework, so that the best match for stabilising the Public Service and ensuring sustainable service delivery impact can be achieved.

⁷ Note: See for example, Tilley, V and van der Merwe, J. *Building “revolving door” relationships between the Public Service, universities and the private sector.* (Commissioned by the Department of Public Service and Administration). 2006.

- The need to strengthen working relationships between HoDs and EAs remains a priority for the Public Service. After thirteen years of democratic rule, there are experiences that EAs and HoDs have gained in this regard. These should be shared and assessed against good practices from other countries. The PSC has previously recommended that roundtable discussions be held to discuss these relationships further and to explore ways of improving them.⁸ The Minister for Public Service and Administration should convene these roundtable discussions as a matter of urgency.

Strengthening Capacity in the Offices of HoDs

There are enormous responsibilities bestowed on HoDs as administrative heads of government departments and Cluster coordinators, compared to the capacity provided for them to perform. Panel members noted that HoDs are the ones who carry the administrative responsibilities of their departments and provide support to their political principals. Others also serve as chairpersons of FOSAD Clusters. HoDs are further expected to conduct special duties for Cabinet and Parliament when requested. They also have to support regional integration initiatives of the New Partnership for Africa's Development (NEPAD). In view of all these responsibilities, measures should be put in place to strengthen the capacity in the offices of HoDs to ensure that they can function effectively.

The Provision of Support to EAs

HoDs are expected to provide EAs with support in such areas as developing and perusing cabinet memoranda, responding to Parliamentary questions, dealing with media queries, writing speeches and participating in international programmes, among others. In a number of panel discussions, EAs raised concerns about the quality of support they get from HoDs in this regard. For example, it was felt that the quality and timeliness of inputs provided to EAs needs improvement to allow for meaningful discussions within Cabinet. In addition, although some Cabinet Memoranda may not seem to affect a specific department directly, they nonetheless require attention to enable the EA to function effectively as part of a collective at Cabinet level.

⁸ Republic of South Africa. Public Service Commission. Report on Role Clarification and Relationships at the Executive Interface. 2007.



Chief Operating Officers in the Offices Of HoDs

In an effort to beef up capacity in the offices of HoDs, the Public Service made provision for departments to appoint Chief Operating Officers (COOs). This provision was made on the basis that COOs would alleviate the day to day administrative burden from the HoDs to allow them to operate at a more strategic level, focusing on, among others, policy coordination and integration work, support to the EA and effective positioning of their respective departments to fulfil their mandates. Whilst it is important that the HoDs should remain Accounting Officers for their departments as envisaged by legislation, COOs could take over the function of managing all operations in the department including finances. Panelists observed that some departments have made use of this provision and have appointed COOs while others have not. It is crucial to assess the impact of this provision in terms of beefing up capacity in the offices of HoDs.

HoDs in the Presidency and Premiers' Offices

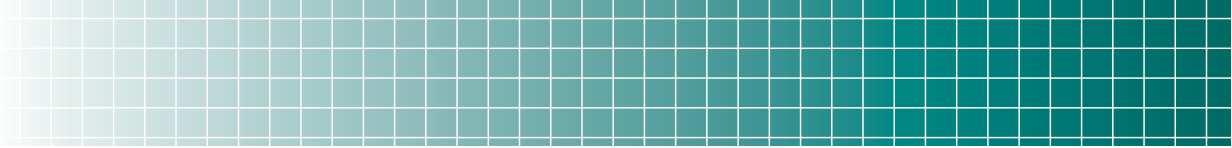
HoDs in the Presidency and Premiers' offices have the added responsibilities relating to among others, the provision of secretariat services to Cabinet and promoting intergovernmental coordination⁹. In practice, the roles of these HoDs tend to be broader. For example, an HoD in the Office of a Premier is expected to support the Premier in the executive management of the provincial government, a role that goes beyond the normal corporate functions of other HoDs.

Some evaluation panels raised concerns that these broad responsibilities of the HoDs are not adequately provided for in legislation. For example, these HoDs have introduced certain practices such as the chairing of cluster meetings and the coordinating of certain cross cutting reports. There is no clear legal authority for the HoDs to perform these roles and this gap creates space for inconsistencies in governance as different incumbents try out their own ways of giving effect to the Act.

Recommendations

- There needs to be an assessment in the few Departments where the provision of appointing COOs has been implemented. This will assist in determining whether the administrative burden has been alleviated and whether HoDs have more time to focus on the key strategic

⁹ Note: Section 7, subsection 3(c) of the Public Service Act defines the broad roles of Heads of Provincial Administration. These largely apply to the Head of Department in the Office of the Presidency as well.



interventions and coordination. The assessment should also explore other ways through which the capacity of the Offices of HoDs can be strengthened. The PSC can also initiate this assessment as part of its overall mandate.

- The role of HoDs in the Presidency and Premiers' Offices should also be re-examined with a view to creating clarity on responsibilities and functions, and crafting the necessary enabling legislative base for the incumbents to function effectively.

Promoting
Integrated
Governance as
a Vehicle for
Seamless Service
Delivery

The Constitution requires all spheres of government to observe and adhere to the principles of co-operative governance and intergovernmental relations¹⁰. These basic principles include providing coherent government for the Republic as a whole and cooperating with one another in mutual trust and good faith.¹¹ The principles effectively require government institutions to promote integration in policy development, implementation and all other critical activities they embark on as part of their mandates. Such integration should, among others, lead to seamless service delivery. However, achieving integrated governance remains a challenge for government and requires strengthening if its benefits are to be optimised.

Coordination
of Cluster
Programmes

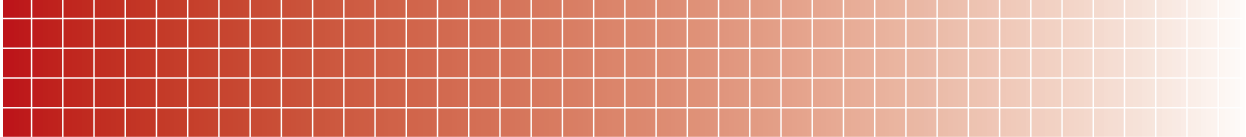
Government's programmes are organised into clusters such as Governance and Administration, Economic and Social Clusters¹². Through the cluster system, departments that are in the same sector or have functions that compliment each other are grouped together. To this end a common Programme of Action (PoA) is developed which is additional to the individual departmental plans, in order to ensure that alignment, cooperation and integration takes place.

Panel members indicated that the coordination of cluster programmes still poses a challenge to departments. Part of the problem is that there is a misalignment between the finalisation of departmental plans on the one hand and the programmes of action of clusters, on the other hand.

¹⁰ Republic of South Africa. *The Constitution of the Republic of South Africa. Act 108 of 1996.*

¹¹ Ibid.

¹² Republic of South Africa. *Department of Public Service and Administration. The Machinery of Government: Structures and Functions of Government. May 2003.*



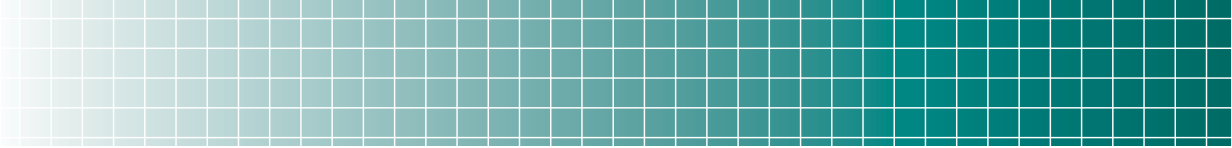
Departments are required to prepare Medium Term Strategic Plans and to submit these to National Treasury by August before the start of the year in which they will be implemented. Cluster PoAs are normally only confirmed the following March after the President's State of the Nation address, which is about six (6) months after the submission of the Strategic Plans to National Treasury. Thus, by this time many departments have already finalised their strategic plans, have allocated their budgets and are about to embark on implementation. HoDs also conclude their PAs individually with their relevant EAs without due consideration to cluster programmes and priorities in most instances. There is also an added dimension where the EA is replaced midstream and a new one introduces new expectations which may have not been in the signed PA or cluster programme. Greater alignment in the planning processes should be achieved to facilitate the effective implementation of cluster priorities.

*Inter-governmental
cooperation*

The implementation of government programmes often requires effective management of interdependencies that exist between the mandates of different departments. For example, land needs to be made available in order that housing projects can be implemented. The Departments of Housing and Land Affairs, therefore, need to strategically manage their operations to ensure that housing delivery is not hampered by delays within the Department of Land Affairs.

Challenges in managing interdependencies become even more pronounced in the management of joint programmes. These are “programmes that transcend the conventional organisational boundaries in planning, budgeting and implementation, resulting in a number of departments/agencies/ministries [being] responsible for one aspect of the programme although none is responsible for it in its entirety”¹³. The core of the challenge, as one panel member put it, is how to exercise such collective responsibility within the context of individual accountability

¹³ Republic of South Africa. Governance and Administration Cluster. Framework for Managing Joint Programmes. December 2005.



promoted by, among others, the Public Finance Management.¹⁴ The development of instruments such as the Framework for Managing Joint Programmes was intended to help address this challenge,¹⁵ but there does not seem to have been enough follow up on these mechanisms to ensure their institutionalisation.

Recommendations

- The Policy Coordination and Advisory Services unit in the Presidency should fast-track its current initiatives that seek to align planning processes between the different spheres of government to achieve better coordination of programmes.
- Under the leadership of the Governance and Administration cluster of FOSAD, government should facilitate the implementation and monitoring of frameworks for intergovernmental cooperation (such as the Framework for Managing Joint Programmes). It is through such implementation and monitoring that the effectiveness of these frameworks can be determined and improved upon.

Strategic Human Resource Management

Human Resources are the key pillars that support the effective functioning of departments. The panel members' views were that it is necessary to have a strategic approach to human resource management, to support departments in fulfilling their mandates. The effectiveness, with which such human resources are selected, developed, disciplined and managed in general impacts directly on departmental performance.

The PSC has previously observed that the strategic management of the human resource management value chain remains a challenge in the Public Service and that senior managers should ensure that they provide the required leadership in this regard.¹⁶ Considering that there is no short-cut to building a sound skills base that supports sustained performance, the Public Service must prioritise the area of human resource management.¹⁷

¹⁴ Republic of South Africa. National Treasury. *Public Finance Management Act*. 1999.

¹⁵ Republic of South Africa. Governance and Administration Cluster. *Framework for Managing Joint Programmes*. December 2005.

¹⁶ Republic of South Africa. Public Service Commission. *State of the Public Service Report*. 2007.

¹⁷ *Ibid.*



Attracting and Retaining Critical Skills

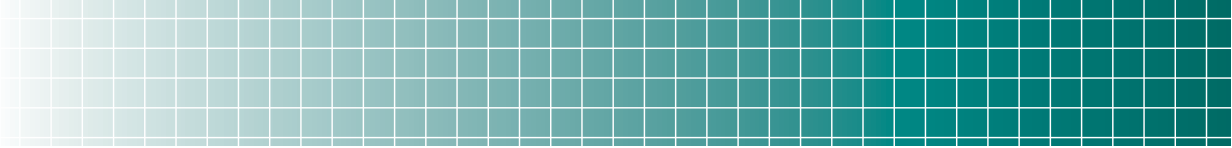
Skills shortages are a challenge that many departments continue to face. Panel members generally observed that increasingly the advertisement of posts does not seem to attract good candidates any longer. This may be attributed to the country's strong economic growth which has created more opportunities for skilled people. These people may thus prefer to exploit the alternative opportunities that exist (such as establishing their own businesses) as opposed to joining the Public Service.

There have been initiatives taken by some departments in trying to resolve the issue and ensure the availability of skills. For example, National Treasury indicated that they have put in place a joint initiative with the South African Institute of Chartered Accountants specifically for the training of accountants who can then join the Department. In a similar vein, the Department of Minerals and Energy has introduced a Mine Health Safety HR Development programme which targets university students to prepare them for a career in this field. Linked to this intervention, the Department has also introduced a Learner Inspector Programme which recruits engineering students and places them in mining companies as interns for a period of two years after which they can be considered for employment.

Whilst it was acknowledged that these measures may not necessarily ensure that the students they recruit are retained for as long as is necessary, it was encouraging to note that such initiatives were beginning to create a pool of the required skills.¹⁸

The challenge departments continue to face is that often after going through the effort of grooming new talent, the new incumbents are soon attracted by offers outside the Public Service and end up leaving. Indeed, there are many HoDs who felt that their departments had become targeted poaching grounds for the private sector, a situation they were feeling helpless about because of their inability to match some of the salary packages outside the Public Service. HoDs have mentioned the failure to retain skills in government as the major reason government departments outsource projects instead of implementing with their staff. The Public Service still has to strengthen its outsourcing as well as project and programme management capabilities in order to become successful when carrying out its functions using consultants.

¹⁸ Note: See, for example, Republic of South Africa. National Treasury. Annual Report. 2004/5.



Rapid Mobility of Staff within the Public Service

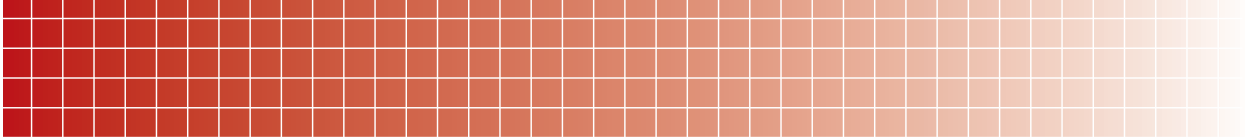
Panel members also raised concerns about the apparent fast mobility of staff within the Public Service. For example, within a period of five years an employee may be promoted about three times from one department to another. An individual could spend a year as an Assistant Director; another year as a Deputy Director and be a Director in the third year. This also has implications for building the capacity of such officials. More specifically, these officials may not be afforded the necessary time to deepen and broaden their skills within each of the posts they occupy. A much more serious implication of this practice is the potential shallowing of the Public Service.

Recommendations

- Departments implement different innovative schemes in an attempt to address skills shortages. These departments should document these experiences as case studies for purposes of promoting collective learning within the Public Service.
- The DPSA should consider the concerns raised about the rapid mobility of staff and explore the possibility of policy measures in this regard. The PSC has had opportunities to interact with its counterparts in other African countries. From these engagements it appeared that rapid mobility was curbed through a regulated process which requires an individual to serve a certain number of years in a position and level before they undergo mandatory screening to the next level. Individuals have to pass the relevant examinations that determine whether they can progress to the next level. These experiences need closer examination to consider lessons that can be drawn for the South African Public Service.

Communication

Effective communication is an essential pillar of participatory governance and accountable public administration. Panel members indicated that in their assessment despite really good progress and improvements in the work of many departments that have been evaluated, the Public Service continues to have a poor public image. This is largely attributable to the inability of departments to ensure clear and consistent communication with their stakeholders. HoDs have a particularly important role to play in this regard to lead the development and implementation of solid communication and public participation strategies.



In a number of instances, when evaluation panels probed the nature and extent of communication processes undertaken by departments, responses provided focused largely on internal communication. Activities in this regard would cover communicating messages to drive departmental change management and promoting information sharing through internal newsletters and staff meetings. While these are undoubtedly important processes that should be continued and encouraged, they need to be supplemented with proactive and targeted engagement activities with external stakeholders.

Recommendation

Under the leadership of HoDs, government departments need to develop and implement effective strategies for promoting communication and engagement with stakeholders.

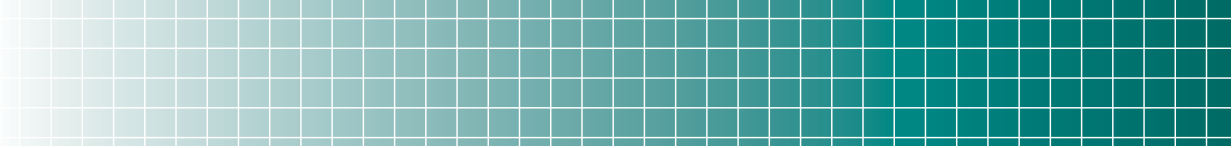
**The System for
Evaluating the
Performance of
HoDs**

The Framework for the Evaluation of HoDs and the PMDS for Senior Managers provide a systematic process for the scrutiny of and the provision of support to HoDs. Panel members felt that some elements of this whole system should be reviewed in order to optimise its effectiveness.

*HoDs who have not
Completed a Full
Financial Year*

In terms of the PMDS for senior managers, a formal annual performance appraisal of an HoD should cover a complete financial year¹⁹. In practice, this means that such a performance appraisal can only happen if the HoD has been in service for a full financial year. Although the PMDS does not prohibit these appraisals for an HoD who has not completed a full financial year in their post (hereinafter referred to as pro-rata performance appraisals), such an HoD will not qualify for performance rewards, regardless of the outcome of the performance appraisal. Under the circumstances, pro-rata performance appraisals would, therefore, be done primarily for feedback purposes. In the PSC's experience, pro-rata appraisals that are purely for feedback purpose rarely happen, and where these are conducted they ordinarily do not involve the constitution of advisory evaluation panels as is the case with annual HoD appraisals facilitated by the PSC.

¹⁹ Republic of South Africa. Department of Public Service and Administration. Senior Management Service Handbook. 2001.



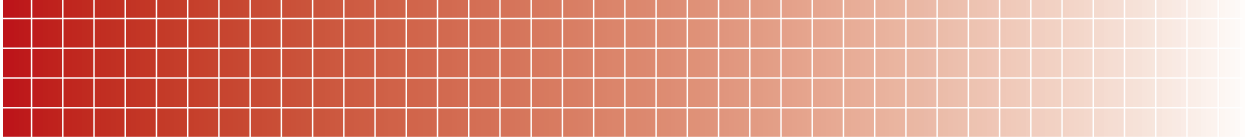
HoD Evaluation panels expressed certain concerns about this practice. Through this, certain HoDs may only go through a formal appraisal after being in their post for 23 months (the first 11 months representing an incomplete financial year following their appointment, and the second period of 12 months representing the first full financial year after their appointment.) Given the nature of the employment conditions of HoDs, a period of 23 months practically means that the employment contract is almost half way towards expiry. Thus, the implication of this practice is that certain HoDs may only go through a formal appraisal in the last year of their performance contract. At that stage, it would be too late to reap the full benefits of the PMDS, considering that performance appraisal is a systematic basis for feedback, development, rewards and corrective action.

*Potential
Disjuncture
between Individual
and Organisational
Performance*

The basis for the evaluation of the performance of HoDs is primarily the PAs that they enter into with their EAs. Concerns have been raised that poorly formulated PAs may result in appraisal outcomes that are unfairly biased towards or against the HoD. More specifically, these appraisal outcomes may not show adequate correlation between the performance of the HoD as an individual and the overall performance of the Department they are responsible. Panel members felt that generally, it would be expected that an HoD whose performance is assessed as outstanding should be heading a very well performing department as well. However, the current performance evaluation system does not provide a basis to correlate individual and organisational performance assessment.

*Clarity on Regional
Integration as a
Compulsory KRA*

In terms of the PMDS for Senior Managers, all HoDs are required to include “Regional Integration” as a compulsory Key Result Area. In terms of this KRA, in the fulfilment of their duties HoDs should ensure that in their respective departments programmes of the New Partnership for Africa’s Development (NEPAD) are in place, implemented and mainstreamed in the work of clusters.



Panel members felt that based on an assessment of most of the evaluation documents provided, many provincial HoDs lack clarity on how to give effect to this compulsory KRA. Some documents would merely include the KRA but without reflecting any activities and achievements. Others would reflect some activities and achievements, although it would not be clear whether these indeed address the intended objectives of the KRA. Even more, other documents would explicitly pronounce that the KRA is not applicable to the department in question. Panel members felt strongly that unless further clarity and guidance is provided on this KRA, its relevance to and impact on the performance management and development of HoDs would be compromised.

*Difficulties
Regarding the
Availability of Panel
Members*

The Guidelines for the Evaluation of the Performance of HoDs stipulate that EAs must appoint panels to assist them with the evaluation of their HoDs. The composition of the panel is left to the discretion of each EA, although the Guidelines further advise that each panel should, in addition to a PSC Commissioner as a Chair, include an EA from the same Cabinet Cluster, a peer of the HoD and one or two other people representing key stakeholders of the department.

However, concerns have been raised about the difficulties EAs face in constituting panels and ensuring that the members are available for scheduled meetings. Given the seniority of panel members in their respective portfolios of work, their schedules are often busy, thus leading to scheduled evaluation meetings being postponed or cancelled as a result of some panel members pulling out. Panel members have thus impressed upon the PSC the need to re-look at the system with a view to ensuring that the constitution of panels is streamlined to support improved implementation.



Recommendations

- The Minister for Public Service and Administration should put in place a framework which defines special circumstances under which pro-rata performance appraisals of HoDs (with concomitant rewards) can be done. The PSC believes that in practice there may not be any material differences between the performance of an HoD who has been in their post for 11 months compared to 12 months. Considering that some of the HoDs who would have formally been in their posts for 11 months may actually even have served in an acting capacity in those posts for several months before their appointment, it becomes even important to ensure that consideration is given to their special circumstances to recognise and incentivise good performance.
- The PSC must review the Framework for the Evaluation of HoDs in order to strengthen the assessment system and improve correlation between the performance of the individual HoD and the overall performance of the Department.
- The Department of Public Service and Administration should, as a matter of urgency, provide explanatory notes that clarify what the compulsory KRA of “Regional Integration” requires. Although these notes should particularly target provincial HoDs, their scope should be broad enough to serve as guidance for national HoDs as well.
- Cabinet should approve that block dates be set aside for the evaluation of the performance of HoDs. For purposes of this process, HoDs will be grouped together (possibly using the cluster system of government). Each group would then have one evaluation panel which must sit during particular pre-diarised dates to generate advice on the performance of each HoD. A similar system is being piloted by the Western Cape Provincial Administration with the assistance of the PSC, and it is envisaged that lessons from this process will provide instructive insights for possible replication nationally.

Chapter Three

Conclusion



Conclusion

It is important to confirm through the HoD evaluation process whether the goals that government has set for itself are being met. As has been stated in the introduction of this report, the discussions at the evaluation meetings are focused on the performance and the extent to which individual HoDs have delivered on their departmental objectives and governmental priorities. However, there are many factors that impact on the performance of HoDs, and this report has attempted to draw attention to some of them.

There is merit in revisiting the current status quo with regards to policies and practices to assess whether all these are achieving the intended purposes and outcomes or whether there is room for improvement. This report has provided pointers regarding some of the specific areas to focus on, such as:

- Retaining the expertise and experience of HoDs within the Public Service;
- Strengthening capacity in the Offices of HoDs;
- Promoting integrated governance as a vehicle for seamless service delivery; and
- Enhancing the current system for the evaluation of the performance of HoDs.

It is envisaged, that such a revisiting of the status quo will greatly stabilise administrative leadership and strengthen the Public Service as a whole. Ultimately, it is through capable and stable teams of Public Service Leadership that government's noble objective of creating a better life for all can be achieved. It is this leadership that is supposed to steer and inspire the Public Service towards an ethical, accountable institution which, in the true spirit of Batho Pele, does indeed put people first.

The PSC hopes that this report and its recommendations will be a basis for further discussions and will inform the initiatives towards the improvement of the overall functioning of the Public Leadership Administration. Through its role as Chairpersons of evaluation panels of HoDs, the PSC will continue to identify strategic Public Service Leadership issues and bring these to the attention of key stakeholders for consideration.