

A REPORT ON THE STATE OF THE PUBLIC SERVICE

November 2001

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1. EXECUTIVE SUMMARY

The Public Service Commission

The Public Service Commission (PSC) is a constitutionally mandated, national body responsible for the important task of investigating, monitoring and evaluating the organisation, administration and personnel practices of the public service, and advising national and provincial organs of the state accordingly.

Structure of the PSC

It comprises 14 Commissioners. Five of these Commissioners, including the Chairman, are based in Pretoria and there is one commissioner resident in each of the provinces. The Office of the PSC (OPSC), headed by a Director General, supports the Commission.

Understanding the public service in its historical context

The South African public service was originally structured around the needs of a deeply racist and undemocratic state. The apartheid state created opportunities for corruption and mismanagement in a highly fragmented and repressive system.

Transformation of the public service a national priority

Following South Africa's transition to democracy, transforming the public service became a national priority. This has been a gradual and slow process that has only been partially successful.

Capacity, human resource and culture problems remain

A complex task, public sector transformation has been hampered by a lack of capacity, especially at the lower levels. However, powers have in many instances been devolved to lower levels without ensuring institutional readiness. Human resources are still not optimally used, while certain basic administrative systems are often still not in place. The dominant organisational culture is still not reflective of the country's intended new values and principles. Of particular concern is the role and performance of provincial administrations.

The state of the public service

The PSC uses the values proposed in the Constitution as the yardstick by which to measure public service performance.

Professional ethics

Combating corruption remains a major challenge currently addressed by a number of different agencies. The need for a more systematic and partnership based approach is an urgent priority.

Effective service delivery

Public resources are still not used optimally. Improved communication and coordination between different levels of government is an important component in addressing these problems.

A development-oriented public service

There is still no national consensus on what it means to have a development orientation and inconsistencies in national development policies exacerbate this problem. Monitoring and evaluation remains a weak area in this regard while there is a

	need to take greater account of regional dynamics in development policy and implementation.
An impartial and fair public service, free from bias	Despite significant improvements in this area, patterns of inequality remain and previously disadvantaged areas remain relatively under-served.
A participatory, responsive and accountable public service	Less use is being made of participatory techniques than immediately after the political transition, reflecting an increased desire to increase delivery. A national standard on what constitutes an acceptable level of consultation still needs to be determined.
A transparent public service	Creating a transparent public service is a slow and painstaking process that can easily be subverted to support the settling of petty scores. Building mechanisms and procedures in this area is an ongoing challenge.
Maximising human potential	Despite the creation of an excellent policy framework, much still has to be done in this area. Promotions policies and ensuring the use of performance management systems are of concern in this regard. Intense labour relations have characterised the system.
A representative public service	While the public service has become more diverse and representative in recent years, there are still certain areas in which gains have been reversed and previously disadvantaged people continue to be marginalized. Also, the inclusion of people with less experience has impacted on the quality of service delivery in some instances.
Key challenges and opportunities	The PSC argues that the major challenges facing the public sector relate to combating corruption and mal-administration; improving service delivery and developing human resources.
Monitoring and evaluation a key management tool	Accurate and reliable information is essential in order to make a contribution to debates on the public service. The PSC promotes the use of improved monitoring and evaluation strategies and is undertaking a number of projects in this area in the immediate future.

2. PREFACE: ABOUT THE PUBLIC SERVICE COMMISSION

2.1 Purpose and overview of this report

This report is a companion publication to the PSC Annual Report

The Public Service Commission (PSC) has the important task of monitoring and evaluating the public service. As a publicly financed institution, it is required to release an Annual Report that describes its activities, results and finances for the preceding year.

This paper has been prepared as a companion to the release of the PSC's Annual Report and in keeping with its obligation to advise important stakeholders of the state of the public service. It is intended as a discussion document to inform readers of the work of the PSC and to promote discussion and analysis of the issues it raises.

An overview of this document

The report starts by looking at each of the Key Results Areas addressed by the Commission and provides a brief update on activities undertaken over the reporting period.

The report then looks at the state of the public service from an analytical perspective. It provides a brief discussion of the context and history of the South African public service.

The Constitution of the Republic of South Africa prescribes that public services be managed in accordance with a range of important democratic values and principles. This report considers each of these Constitutional values in turn.

The report concludes by identifying the major areas of concern that need to be addressed and introduces the PSC's proposed monitoring and evaluation framework.

2.2 The role and structure of the Public Service Commission

The PSC monitors the public service

The Public Service Commission (PSC) is a constitutionally mandated, national body responsible for the important task of:

- Promoting the democratic values and principles enshrined in the Constitution of the Republic of South Africa,
- Investigating, monitoring and evaluating the organisation, administration and personnel practices of the public service, and advising national and provincial organs of the state accordingly,
- Providing directions to ensure that personnel procedures comply with constitutional values and principles,
- Proposing measures to ensure effective and efficient performance within the public service,
- Investigating employee grievances, and
- Reporting on its activities and performance.

It comprises 14 Commissioners

The PSC comprises 14 Commissioners.

Five of these Commissioners are based in Pretoria and there is one commissioner resident in each of the provinces.

The Commission is supported by the Office of the PSC (OPSC), and is headed by a Director General.

It has offices in Pretoria and the provincial capitals

The PSC has its headquarters in Pretoria with a regional office in each of the provincial capitals.

2.3 The PSC's strategic approach

It was formed in 1999

The PSC was re-structured into its current form in January 1999. This involved the rationalisation of a number of provincial structures and their integration into a single national entity.

Provincial offices provide a link into provincial administrations

The PSC is charged with monitoring the performance of the public service in national and provincial administrations. It is not responsible for monitoring the performance of local authorities. In order to provide insight into the status of the work of provincial government, each province has a resident Commissioner who is supported by a small office in each case.

These regional offices work closely with provincial administrations and, in most cases, have forged close relations with the Premiers and their offices.

Building on a solid foundation towards proactive monitoring and evaluation

In its early stages of operation the new PSC was mainly centred on responding to requests for its services.

This provided an initial conceptual and operating framework but a more systematic approach to gathering information and analysis on public sector performance is needed.

The PSC has initiated a process to design and implement a transversal, integrated monitoring and evaluation system to pull various information sets together and facilitate easier analysis.

2.4 The PSC's key performance areas

The PSC is structured around 6 Key Results Areas

The PSC addresses the following results areas, each of which is structured as a Chief Directorate:

1. Professional Ethics and Risk Management
2. Management and Service Delivery Improvement
3. Senior Management and Conditions of Service
4. Human Resource Development and Management
5. Labour Relations Monitoring
6. Anti-corruption investigations.

A seventh Chief Directorate (Corporate Services and Provincial Liaison) provides support and other services to the operational divisions.

2.5 Professional ethics and risk management

Activities over the reporting period

Over the 2000/2001 financial year the professional ethics and risk management component initiated the creation of a risk management framework with a supporting toolkit for use by Public Service entities. Research into national integrity structures was also undertaken, while extensive work was done on defining and supporting a national anti-corruption forum with a clearly defined program.

2.6 Anti-corruption investigations

Activities over the reporting period

Projects in this new unit established during the 2000/1 financial year are structured on a case-by-case basis in response to information received and requests made by stakeholders. Results include the successful completion of an investigation into the Northern Province Department of Education. Current investigations focus on systemic weaknesses and are carried out in partnership with other anti-corruption agencies.

2.7 Management and service delivery improvement

Activities over the reporting period

Over the 2000/2001 reporting period a number of large and small research programs were undertaken. These included short, targeted investigations into specific allegations of wrongdoing and larger projects evaluating issues such as the implementation of service delivery programs (Batho Pele Audit) and the use of procurement and other management systems in the public service.

2.8 Labour relations monitoring

Activities over the reporting period

Over the reporting period this Chief Directorate considered 51 grievances submitted to it by various parties, while a further 125 grievances submitted to the Commission were found to fall outside its jurisdiction. A revised policy for dealing with grievances was approved and promoted. This will ensure compliance to fair labour practice. Guidelines for considering appeals against charges of misconduct were developed. These aim to minimise disputes over dismissals. Detailed research was conducted into suspensions and the supporting policies and procedures. During this period the Commission also started monitoring the implementation of its recommendations.

2.9 Human resource management and development

Activities over the reporting period

Human resource management issues and related transformation matters are a major concern in the public service. The Commission has provided support to Departments in these areas. During the 2000/2001 financial year the component undertook a number of research projects that related to investigating individual allegations and claims, as well as broader research into the state of representivity in the public service. The verification of qualifications in Mpumalanga province led to a broader project to verify the qualifications of all senior public servants nationally.

2.10 Senior management and conditions of service

Activities over the reporting period

Over the reporting period this component oversaw the design and dissemination of a framework for undertaking evaluations of Heads of national Department and in most provincial departments. The Commission also undertook research into career management in the public service. The Commission made detailed proposals on the development of career management programmes by departments and has proposed a career management instrument. Specific issues in the Department of Correctional Services were investigated in several separate projects, while a large project into the management of performance agreements was started.

2.11 Monitoring and evaluation

The PSC needs reliable accurate research results

The PSC's key responsibilities relate to monitoring and evaluation of the public service. Suggestions for improvement need to be based on the findings from reliable and accurate research.

Piloting a public service monitoring system

A scoping exercise initiated last year has led to the development of a strategic framework and approach to monitoring and evaluating the public service. An initial pilot is planned for the Northern Cape. The system aims to provide information to all units in the OPSC.

2.12 Institution building

The PSC needs to grow and become knowledge based

The PSC is aware of the need to grow as an organisation and is in the process of implementing a number of projects to build its own capacity. These relate to training, systems development and other components.

Other institution building initiatives

This includes the efforts made by the Commission to:

- strengthen communication with stakeholders,
- build the advocacy role of commissioners and
- increasing internal capacity for policy and analysis.

The consolidation of corporate policies, the establishment of a performance management system and project management training for staff are some the initiatives under way.

3. Understanding the South African public service in its historical context

3.1 The legacy of apartheid

The apartheid state assumed a brutal and authoritarian form

When assessing the performance of the South African public service it is important to consider its nature and history. Structured around the need of the apartheid state to control and dominate, it assumed a brutal and authoritarian form.

The state that emerged under the apartheid regime was profoundly undemocratic and explicitly organised around the imperatives of a type of capitalism in which racism provided an important justification for many kinds of brutality.

It created many opportunities for corruption

Instead of providing services to all its citizens, it considered the black majority as a source of cheap labour and created systems and procedures that were inhumane and exploitative. It provided poor services to the majority, and these were delivered partially, unfairly, inequitably and with bias.

Sprawling and illogical, the apartheid state created opportunities for corruption and mismanagement at every level. This included the stripping of public

resources by low-level officials as well as a structural social engineering that promoted the emergence of a society based on nepotism and exclusivity.

Homeland administrations presented special problems

What is now a single national public service was at the time of democratisation eleven separate and distinct systems, based on race and ethnicity.

Each of these was organised around its own priorities and took on distinctive and idiosyncratic characteristics.

Provinces which today have one or more former homeland in their jurisdiction have had to confront trying issues of integration and accommodation and, as a result, often still experience some of the most serious problems in the public service¹. For example, the complex issues of 'rightsizing' the public service still remains unresolved.

3.2 Transformation of the public service a major challenge

Transformation of the state has only been partly achieved

Transforming a scattered and disparate public service based on racist values and organised around self-interest has been a profound challenge since the democratisation process started in the early 1990s and became formalised after the first democratic election in 1994.

Important milestones in the transformation process have included the following:

- The rationalisation of the public service initiated in 1994.
- The early policy formulation phase characterised by the production and dissemination of Green and White Papers formed the basis for legislation and regulations.
- The undertaking of Provincial Audits and the work of the Presidential Review Commission, which reported in 1997.
- The formulation of new public service regulations in 1999. These intended to empower managers and to create a logical and fair framework based on the principles and values of the new Constitution.
- Actions by the state to create a policy and

¹ See PSC Reports investigating issues such as land and fleet administration in the Eastern Cape and investigations into corruption and maladministration in the Northern Province and Mpumalanga.

operational framework for combating public sector corruption.

- Increased broad representativeness in the public service.

Devolution of authority to departments despite recognition of a lack of capacity

It should be noted that characteristic of this process was a common strategic error: despite having clearly identified a lack of capacity to manage and implement socially oriented programmes², particularly from coordinating central departments to executing departments, responsibility for such programmes has been devolved and decentralised.

In some instances this has taken place without any attempts to build capacity and develop the underlying systems and procedures. In certain instances this has led to dysfunctional departments³ struggling with responsibilities they cannot fulfil at the same time as being unable to develop themselves in technical and managerial terms.

While it is acknowledged that decentralisation is generally held to be best practice and to promote good governance, application in the South African context has not been unproblematic or always entirely appropriate.

Human resources are not optimally utilised in the public service

The Department of Public Service and Administration has played a leading role in the transformation process and continues to provide a reforming and modernising influence in the public service.

Its own attempts to rationalise the public service have showed clearly that in simple numerical terms the public service is not overstaffed, but that human and other resources are not efficiently and effectively deployed⁴.

Furthermore, many long-standing systems and procedures serve to undermine efforts to promote efficiency and effectiveness.

There is a tendency to Despite these reforms, the South African public service

² See Provincial Audits (DPSA 1996).

³ See Reports on the Department of Agriculture, Land and Environment, and Education and Culture in the Northern Province and the Report on the Management of the Department of Health in the North West Province.

⁴ See *State of the Public Service Report* (DPSA 2000)

ignore basic administration such as keeping proper updated records

has been reluctant to address basic, administrative issues.

These include the failure of many administrations to:

- Maintain sound filing and administration systems,
- Ensure compliance with procedures in financial and human resource matters, and
- Ensure that staff are gainfully employed for the whole working day.

Modern information technology is underutilised, and systems are incompatible. Departments focus on new management concepts such as business process reengineering, without having the basics in place.

Powers and responsibilities of different tiers of government need to be constantly reviewed

The transformation of local government and the creation of mega cities provides an imperative for a re-evaluation of the powers and responsibilities allocated to various tiers of government. With the experience of the last seven years, it is important to re-evaluate which tier is best placed to exercise particular powers and to deliver specific services.

Organisational culture remains a problem

The process of transforming the public service has not yet successfully addressed issues of organisational culture and behaviour.

At most levels, there are still individuals involved in the public service who have proved themselves to be incompatible with the values and principles of the new dispensation. At a macro level certain strategic components also find it difficult to mobilise around the new values and principles and this shows itself in problems with resource flows and decision-making.

While this may not have manifested itself in the active sabotage of processes, there has nevertheless been a distinct lack of participation and support for change and development by pockets of officials in the public service.

The role of the Auditor-General is critical in ensuring flexible but accountable management practices

A sentiment shared by many public service managers is that corporate service components tend to be the last to transform in departments. It is often alleged that corporate services personnel tend to see rules as disablers rather than as enablers. The role of the Auditor General becomes critical in this regard: the Auditor General can, in the manner in which audits are approached, either reinforce a rule-bound approach to

public administration or promote a service-delivery orientation.

4. THE STATE OF THE PUBLIC SERVICE

4.1 Constitutional values and principles guiding the operations of the South African public service

Constitutional principles are the yardstick for measuring public service performance

The South African Constitution calls for the public service to operate according to a number of important democratic values and principles.

This is based on international good practice

This approach to assessing public sector performance is based on lessons learnt from a range of other countries, particularly the Australian example, and sees a move away from purely technical and quantitative measures of performance.

This assessment is based on findings of the PSC, the work done by other institutions and by observation. Certain stakeholders may dispute some of these observations. Nevertheless, the Commission believes that it is in the nature of such institutions to add value to the development of public administration by reporting on its experience, even when this is not based exclusively on empirical findings. Public Service Commissioners are experienced individuals appointed by the President to contribute towards and add value to the debate on South African public administration.

The remainder of this document assesses the degree to which the public service operates in terms of these principles and suggests some of the challenges to be confronted in the future.

The report will dwell on areas that require improvement or pose challenges to government, rather than on the successes of government, which have been documented in numerous reports by both central and line function departments.

A shared understanding of what these values mean in practice needs to be

In reality there is still room for forging a common understanding of what these principles mean in practical terms.

constantly promoted In the Commission's work on developing a monitoring and evaluation system a problem has been building consensus around the indicators of performance against the values. There is more consensus around certain values than others and further work will have to be undertaken in this area.

4.2 A high standard of professional ethics. Section 195 (1) (a)

Public service ethics in the workplace The need to ensure that a high standard of professional ethics is promoted in the workplace is highlighted in the Constitution. This represents an important drive to create a non-sectarian approach to public service based on professionalism.

There have been many efforts to address corruption Efforts have been made to address public sector corruption. These include the following:

- The formulation and popularisation of a Code of Conduct for public servants
- The creation of a Senior Management Service to promote optimal use of senior management
- The initiation of a range of internal departmental anti-corruption units.
- The creation of an Asset Register to monitor acquisitions by public sector managers and
- The launch of a National Anti-Corruption Forum

Limited success in many cases While these efforts are important and positive, claims of a poor success rate and long turn around times are hard to discount.

Experience has shown that the internal processes and projects instituted by public service organisations and agencies vulnerable to corruption are generally weak and ineffective and that a greater momentum is often needed⁵.

A greater focus on prevention is needed It is important to develop a more sophisticated approach to understanding the economic, social and political context in which corruption takes place, so that more effective interventions can be undertaken.

There should also be a recognition that a distinction needs to be drawn between combating and preventing corruption, and that each of these strategies needs

⁵ See the PSC report "A review of South Africa's national anti-corruption agencies" (September 2001)

dedicated, consistent activities. A more proactive and educative thrust is definitely needed in this area of work, and more needs to be done to understand how the problem can be addressed at a social, political and economic level.

Current issues include the need to increase the use of security vetting and screening and addressing the multiplicity of organisations involved in addressing the problem. Greater coordination and cooperation amongst agencies is the major challenge. Further work is needed on the accountability of internal, departmental anti-corruption units.

Building partnerships and coalitions while acknowledging government responsibility

It must also be noted that addressing public sector corruption is the responsibility of the state itself. While it must draw on its social partners, including civil society, business and others, in the final analysis government will be judged by the success of its own efforts to address the problem. The establishment of various anti-corruption bodies, indicates the willingness of government to deal decisively with the corruption problem.

Difficulties in measuring success

One of the many problems in the fight against corruption relates to the need to develop useful measures for assessing performance in this area. A widespread tendency exists to sensationalise elements of the problem, which usually obscures the real issues.

International practice promotes the use of perception-based indices, but the usefulness of these systems in developing economies is not undisputed. Perception indices are seen as biased and do not penalise international corporations and their home countries for their own involvement in corrupt practices.

4.3 Promotion of effective, economic and efficient use of resources. Section 195 (1) (b)

Need to make optimal use of resources

Despite the advances made in certain areas of service delivery, public resources are still not being used optimally: systems are poorly integrated and do not articulate leading to diminished impact and a waste of resources in many instances.

Clear need for improved coordination

A key issue in this regard is the failure of different levels of government to coordinate planning and

and communication delivery.

This leads in many instances to isolated and ineffective initiatives despite the provision of resources and various kinds of state-funded support.

Administration and finance systems need development

Of particular concern is the continued weakness of administration and financial systems.

Procurement is a particularly vulnerable area, and in many instances, it has been found that there is continued excessive expenditure that results in inappropriate equipment being provided to staff who are unable to operate it, while there is no training strategy in place⁶.

Further, the state tendering system is an area of great strategic importance, which requires ongoing review.

New PSR and the PFMA implementation has exposed areas of weakness

The problems experienced in the implementation of the New Public Service Regulations and Public Finance Management Act have shown up many fundamental weaknesses in state administration systems⁷.

Departmental capacity constraints make it very difficult to meet reporting deadlines, while computer and other systems are often not properly set up to provide the necessary support. In addition, training on the compilation of financial reports according to the necessary PFMA formats was provided very late in many instances, making it hard for Departments to meet the required standards of performance in this area.

Once again, despite an awareness of the weakness and fragility of public service capacity, the new legislative frameworks have been rolled-out, with limited support and training thereby exposing managers to complex demands, which will be difficult to meet.

Donor resources could be better utilised

The PSC has also become concerned that in a similar fashion, donor resources, often essential to national

⁶ Examples of this are shown in a number of reports such as the PSC Batho Pele Report; its management audits of the Departments of Correctional Services and Home Affairs along with documents released by the DPSA IPSP process.

⁷ The Department of Public Works for example had its 1999/2000 financial statements qualified by the Auditor General as a result of poor financial administration.

development, are not optimally used. In some instances donor resources are easier to access than fiscal resources and are consequently used for all sorts of activities that should be publicly funded.

Furthermore, donor's reporting requirements often consume excessive institutional energy and distract from departmental core business.

One of the implications of this situation is that procurement systems are in need of improvement, which decentralisation of the Tender Boards may in some ways address. However more needs to be done in this area.

Weak management of donor resources means that they are vulnerable to being captured and used to support interests that are personal or political, rather than being clearly accepted as being in the public interest.

Providers of donor resources do so in order to promote their own objectives. Congruence between donor objectives and those of the public service cannot be assumed to exist.

Use of consultants a concern

The public service has come to make extensive use of consultants in a range of different capacities, sometimes providing specialist services but sometimes rather providing core competencies⁸. A great deal of concern has been raised, highlighting the need for consultants to be properly managed.

Particular areas of concern include the nature of the duties undertaken by consultants, the management of consultants and their remuneration levels. The PSC is of the view that the use of any consultant needs to be justifiable and open to intense scrutiny. This is particularly true when specialist, high cost professional services are utilised or when former state employees are involved.

4.4 Public administration must be development oriented. Section 195 (1) (c)

⁸ For example recent DPSA research that shows that over R1,5 billion has been spent on consultants over the 2000/2001 financial year, often for the provision of core services by former state employees. See also the Parliamentary guide to managing consultants.

Lack of consensus on what constitutes a development orientation

This report has noted that many of the constitutional values that should be promoted by the public service still need to be given real meaning and the implications of their adoption rigorously debated.

This is particularly true of the call for the public service to be developmental.

Historically the service was not developmental, neither internally nor externally. While the PSC is of the view that the public service has come to be more development oriented than before, it also argues strongly that this issue needs to be more carefully considered by each component of the public service.

Weakness in monitoring and evaluation

One of the issues of concern to the PSC is the fact that many development programmes are not properly monitored and evaluated. This is consistent with a general weakness in terms of monitoring and evaluation in the public service.

There is a particular need to develop strong monitoring and evaluation mechanisms at the centre of government, especially within the Presidency.

Poorly institutionalised systems and procedures often lead to personalised and idiosyncratic development interventions vulnerable to corruption. The outcomes of interventions are rarely properly assessed and the absence of careful reflection and consideration has become characteristic of the public service.

Budgeting for development has improved but could do so further

The PSC welcomes the National Treasury's work in constituting Medium Term Expenditure Committees that involve a range of different stakeholders.

This development should create an opportunity for development issues to be taken into account in the long term. More should perhaps be done to include partners from outside the public service, particularly from NGOs and other concerned bodies.

A more regional orientation in development planning is a positive development

The development of a more regional perspective will allow more realism and allow potential problems and opportunities to be identified and accommodated in meaningful ways.

4.5 A public service that is impartial, fair and operates without bias. Section (1) (d)

Addressing the legacy of racism makes equity and impartiality a priority

Ensuring that public services are provided in a way that is impartial, fair and without bias is an important challenge, particularly if the apartheid legacy is to be addressed effectively.

This is particularly true in a country like South Africa, characterised by diversity and a rich ethnic and cultural mix, where claims of favouritism can easily be made.

It should also be noted that there may be instances of tension between this value and the need to be poor-friendly and development oriented. It also highlights the need for ongoing debate and discussion on South Africa's Constitutional values.

Despite improvements previous patterns of inequality in service provision remain

It is important to acknowledge that there has been significant progress in transforming the public service to serve previously disadvantaged communities and groups. However, despite the difficulties in attempting to assess fairness and impartiality in service provision, the PSC is of the view that many of the previous patterns of inequality remain, and that previously disadvantaged areas continue to be under-served.

In many instances the scale of the challenge has proved immense, and inherited imbalances have not been successfully addressed.

As the middle class expands, there is a risk of them opting for private services, leading to a decline in the quality of public services

There is an increased tendency by middle class people to make use of private services, particularly in the health and education sectors.

One of the implications of this situation is the need to develop a consumer orientation that protects public service clients and creates mechanisms and procedures for addressing problems and shortcomings.

4.6 A participatory, responsive and accountable public service. Section 195 (1) (e)

Less use is being made of participatory techniques

Early in South Africa's transition many efforts were made to engage with the real needs of ordinary South Africans, often through processes that seemed to

consume inordinate amounts of time and energy.

In more recent years though, it is the view of the PSC that these processes have become more expert driven and based increasingly upon technocratic interventions. There appears to be less citizen participation compared with the initial phase of the transformation process, contrary to the Batho Pele principles. This is explained by the fact that public managers are facing increasing demands as a result of the transformation process and pressures for service delivery.

A national approach to participation and inclusivity is still emerging

The PSC is of the view that the challenge is to institutionalise popular participation into standard public service practice. Practical strategies and methods need to be developed in this regard.

Recent legislation demands greater accountability but the real effect is not yet being felt

The Public Finance Management Act and amendments to the Public Service Act demand increased accountability from public service entities. Due to limited implementation and professional capacity the real impact of this increased demand is still not clear.

Critical aspects of the public management policy framework need urgent review

One of the criticisms of these new pieces of legislation is that they have to some degree diffused management responsibilities. The Public Service Regulations give powers to politicians to manage career incidents (human resource management) of public servants, whilst the PFMA assigns responsibility for financial management to heads of department. This creates some uncertainty around management accountability.

The relationship between political and administrative heads is unique, and involves the translation of political objectives into the delivery of services. The challenge in this relationship, is the capacity of ministries to monitor the implementation of policy objectives rather than the management of career incidents.

4.7 A transparent public service. Section 195 (1) (g)

The management of public access to government information remains a challenge

Various legislative measures to enhance transparency in the workings of government have improved public understanding and scrutiny of the way in which government work is conducted, particularly in relation to the utilisation of public resources. However, there are questions around the readiness of the bureaucracy to respond to enquiries and requirements arising out of the implementation of the legislation.

Whilst these measures may improve the way the public accesses government information, the readiness of the public and media to use this information responsibly remains a challenge. This is further complicated by an already porous administration, in which leakage of sensitive official documents is a common problem.

Whistle-blowing to be encouraged and whistle-blowers to act responsibly

One of the efforts to promote transparency has been the introduction of a system to encourage whistle-blowing by public servants, through the Protected Disclosures Act. In promoting whistle-blowing, there is also a need to advocate responsible action by potential whistle-blowers, otherwise there is a risk that the legislation will lead some individuals to settle petty scores with colleagues or their managers.

4.8 Good human resource management and career development practices. Section 195 (1) (h)

Good policies but serious implementation problems

At a policy and theoretical level it must be acknowledged that much has been done to create a sound framework. However, implementation remains a challenge.

There are inconsistencies between policy and implementation. Interventions to address problems are often neither integrated nor supported within departments.

One reason for this is inadequate policy formulation and analysis, which does not take the strategic and capacity implications of implementation into account.

Another problem is that managers do not secure

sufficient buy-in from ordinary public servants, thus making policy implementation difficult.

Moreover, there are too many policy shifts, which tend to overwhelm managers. Constant changes and improvements have created a high degree of uncertainty that has had a negative effect on the public service overall. 'Transformation fatigue' has become characteristic of the service as a whole, and has made many important role-players immune to well intentioned efforts to promote change.

Promotions policies need to be improved

Rank and leg promotions were supposed to have been based partially on performance. However, in practice, these promotions were often based on seniority and length of service, and as a result became increasingly hard to justify.

The system created large backlogs and affected mobility of skills through the system. In many ways this approach to promotions encouraged mediocrity and low levels of performance.

While agreement has been reached on the need to implement a new salary progression system, important details still have to be worked out, and further work in this area has become a public service priority.

Performance linked pay still a controversial issue

The use of reward systems can reflect an organisational commitment to performance management and transparency. However, the introduction of performance related pay remains debatable. Poorly managed assessments demotivate staff and promote mediocrity.

In the experience of the PSC most grievances relate to performance assessments⁹ and should these assessments be too closely linked to remuneration, further conflict in these areas can be expected. It should also be noted that the linking of performance to cost of living increments is a particularly sensitive area.

This has proved to be true in international experience and caution is advised in this area in the future.

Performance management systems still not widely used

Many departments have not developed new performance management systems as required by the new regulations.

⁹ Just over 50% of grievances received by the PSC relate to assessment issues.

As a result one of the key tools for use in improving human resource performance is not being properly utilised.

The same can be said of performance agreements, which in many instances are not referred back to as they are too elaborate and hard to monitor¹⁰. There is a clear need for these systems to be clarified and simplified for use as management tools in the long term.

HR development strategies not coordinated

A range of dynamic mechanisms has been put in place to promote human resource development, in particular the Skills Development Act, and the Employment Equity Act.

However, many HRD initiatives are poorly coordinated and no visible and coherent fast-tracking systems have been put in place. Training has not been focused on functional skills and in many instances has become a self-serving activity¹¹.

Need to consider long-term role of state training institutions

The long-term role of the South African Management Development Institute (SAMDI) needs to be consolidated. One of the key considerations in this regard is the growth of private sector training service providers.

Another issue to be considered is the increased need for flexibility and discretion, in a context where public service institutions are no longer operating according to standard, generic procedures and systems but have become more diverse and dynamic.

Also, as part of the drive to make the public service more representative, innovative strategies such as coaching and mentoring are increasingly needed.

Intense engagements and processes around labour relations

The transition to democracy has impacted positively on labour relations between the state as employer and public sector unions. Nevertheless in recent years there has been some intensity in the relationship. Overall, though the era has been characterised by positive and constructive developments, including the

¹⁰ PSC research on the use of performance agreements shows that more and better use could be made of these management tools.

¹¹ See for example the Scarce Skills Report prepared by the DPSA and the Career Pathing report prepared by the PSC that both call for proper monitoring of training and a move to more practical training approaches.

establishment of bargaining arrangements that have ensured freedom of association, while eradicating inequalities in conditions of service between racial and gender groups. However, managing conflict in the bargaining process needs increased attention. Unions should also recognise the significant role workers can play in improving service delivery.

4.9 Public administration must be broadly representative of the South African people. Section 195 (1) (i)

Overall improvements with some areas of concern

Research released by the PSC shows the public service has become more diverse in terms of race, but there is a need to create more employment opportunities for women and disabled people¹².

Disaggregation of national data reveals disparities between provinces in the implementation of affirmative action.

A more comprehensive approach to improving representativeness needs urgent attention

There is a need to broaden the evaluation of affirmative action beyond the achievement of purely numerical targets. Whilst this is an important indicator, it has not shown usefulness in terms of long-term sustainability. Therefore a more comprehensive approach to improving and evaluating representativeness needs to be considered. This may involve indicators such as labour market supply of skills from designated groups, as well as service delivery improvements that can be linked directly to a diverse (in terms of experience) work-force.

5. KEY CHALLENGES AND OPPORTUNITIES

5.1 Combating corruption and mal-administration

Corruption is being dealt with, but there are overlaps in the mandates of anti-corruption agencies

Within existing resource constraints, various anti-corruption bodies are performing satisfactorily.

While some of these bodies have specific mandates, there are also overlaps in mandates between several of them.

¹² *State of Representativeness in the Public Service*, (PSC) 2000.

Mandates and resources need rationalisation

Rationalisation initiatives must focus on mandates to minimise duplication, which leads to forum shopping amongst complainants.

Rationalisation must also involve a redeployment of resources, to ensure that existing scarce resources are optimally utilised.

Management information systems must be standardised

Existing management information systems are not standardised. This makes it difficult to measure performance across agencies, as they utilise different units of analysis to describe and document cases.

Corruption indicators must not be solely based on perceptions

Performance indicators need to be standardised in order to develop a coherent national picture of successes and failures in combating corruption. The indicators of corruption are in need of review, but this is a global problem.

International organizations like Transparency International rank countries levels of corruption on the basis of perceptions. Transparency South Africa supports government's critique of perceptions-based indicators in the international arena.

Coordination of anti-corruption initiatives needs strengthening

Coordination can be improved in a number of areas. Firstly, amongst the criminal justice combating agencies through the implementation of Ministerial protocols.

Secondly, there is a need for greater alignment between prevention and combating initiatives. The formation of the National Anti-corruption Forum (NACF), comprising representatives from government, civil society and business, will help, but is not the only solution.

Thirdly, there is need for common guidelines and coordinated strategies amongst internal departmental anti-corruption units that have been established.

Accountability of departmental anti-corruption units needs to be reviewed

If they are to be made more effective the accountability of departmental anti-corruption units is an area of concern. These units are often managed by Directors who may in certain instances be required to investigate their seniors.

Consideration must be given to these units being made accountable to an external agency or oversight body.

5.2 Service delivery improvement

A fresh approach to service delivery improvement is needed

Efforts to improve service delivery are taking long to deliver results and the impact this is having on efforts to alleviate poverty is becoming increasingly clear.

It seems that a fresh approach to the issue is needed – this needs to include practical and easily applicable strategies that draw on ordinary people's own ingenuity and entrepreneurialism.

Poverty is the national priority - service delivery strategies must address this

Poverty and its attendant problems continues to be the major challenge in this area, and ensuring that poor people receive a basic threshold of services remains a challenge to government, especially at the local level.

The impact of HIV/AIDS needs to be factored into all service delivery planning

The impact of AIDS and HIV needs to be considered from a strategic perspective.

Of particular concern is the expectation that huge numbers of AIDS orphans will require services during the coming years.

5.3 Human Resource development

A national human resource development strategy has been developed

South Africa's single most important asset is its people: diverse and rich in skills and experience, South Africans meet all the requirements to perform at levels of excellence comparable to any internationally. Important work was done in the public service over the previous year in defining a strategic framework for human resource development.

Success in Implementation is essential

The Human Resource Development national framework will have to be implemented and performance will determine the level of national readiness in future.

Once again, the importance of involving other partners needs to be emphasised: this process cannot be left to the two lead departments to implement on their own.

Labour relations and improving conditions of service is also a

Developing improved labour relations and conditions of service is an equally important area, and should continue to receive ongoing attention.

priority

Building a national strategy and approach in this area is a priority and will contribute to greater workplace harmony in the future.

5.4 Developing a useful framework for monitoring and evaluation

PSC aims to develop a monitoring and evaluation capacity

A key priority for the PSC is the development of a monitoring and evaluation capacity and the promotion of monitoring and evaluation techniques.

This arises from the institution's need to determine the effectiveness of programmes and policies in the public service, in order to fulfil its mandate.

Projects and partnerships are planned

The PSC has designed and implemented a system, and intends undertaking further pilot projects during the coming period. In developing its own monitoring and evaluation capacity, the PSC hopes to develop partnerships with many public service organisations, particularly around information and data collection and management in order to minimise duplication.

6. CONCLUSION

Much progress has been achieved in public sector transformation

Much progress has made in public sector transformation. Important achievements include the creation of new policy frameworks and the design of modern public management systems like the PFMA, and the Senior Management Service (SMS).

However, moving from design into implementing transformation remains the major challenge for the future and will require senior managers to perform to their performance targets.

Developing a South African public service culture

Many of the problems in the public service relate to organisational culture.

Addressing these problems will require the development of a new workplace culture that overcomes the inherited racist and authoritarian model.

Developing such a workplace culture that meets the standards described in the Constitutional values will require that we look beyond our borders to seek

models of excellence and good practice. Initiatives with fellow SADC members in this regard are valuable learning experiences.

**Completing the drive to
implement policy**

If implementation is the major challenge then the focus needs to shift to addressing how individual workers are utilised. The public service systems for making these assessments need to be properly used on a daily basis.

This includes the basic activity of setting manageable , achievable targets, and using monitoring and evaluation systems to assess progress. A strong degree of institutional certainty will help this process. Any further major public service reforms should be carefully considered first.