**PUBLIC SERVICE REFORMS TOWARDS PROFESSIONALISATION: A PUBLIC SERVICE COMMISSION PERSPECTIVE**

FEBRUARY 2024

Vision

An impartial and innovative champion
of public administration excellence
in South Africa.

Mission

To actively promote and institutionalise
the constitutional values and principles
as well as practices governing public
administration to drive service excellence
and innovation in pursuit of a capable,
ethical and developmental state.

FOREWORD

The socio-economic development of South Africa is dependent on the capacity and capability of the State to produce and provide services within the Constitutional mandate. Should the machinery of government fall short on its promise to the people of South Africa and not adequately deliver on its mandate, it undermines the heart of democracy.

The Public Service, together with other organs of the state, is responsible for the execution of programmes through the Executive and appointed public administrators who are expected to fulfil their responsibilities in line with structured rules, norms and standards whilst upholding the Constitutional Values and Principles as set out in Section 195 of the Constitution of the Republic of South Africa. It is for this reason that the South African Public Service, from the inception of democracy, has introduced a multitude of reforms to build an effective, efficient and capable government. As in the case of many developing countries, South Africa relies on the capability of its employees and the effectiveness of government systems to deliver on policy positions and programmes aimed to improve the quality of the lives of its people.

Ensuring an efficient and effective public administration in the Public Service is a fundamental aspect of the Public Service Commission's mandate. Section 196(4)(c) of the Constitution, 1996, empowers the PSC to propose measures to ensure effective and efficient performance within the Public Service.

Guided by its mandate and concerns that some reforms in the Public Service have not been effective and some may have contributed to the poor state of capacity and service delivery, the Public Service Commission deemed it opportune to conduct this study. The study reflects on several pre and post 1994 reforms and also considers the defining features of the current personnel administration reform initiatives within the context of the professionalisation framework. As such, the report deals with a range of issues, including the political-administrative interface, delegation arrangements, human resource administration, size of the public service, management and development practices.

Critical lessons are distilled from previous reforms and recommendations are made to strengthen proposed legislatives reforms within the context of the decentralised human resource function and the objectives of the professionalisation framework because reforms remain a critical step towards building a capable and developmental state.

Since progress and success rest on its ability to learn, reflect, implement and grow, the PSC hopes this report will contribute towards constructive discussions, honest reflections and renewed commitment to the realisation of a capable public service.

MR VGM MAVUSO
PUBLIC SERVICE COMMISSION

ACKNOWLEDGEMENTS

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LIST OF ACRONYMS

Abbreviation	Full Name
ASGISA	Accelerated and Shared Growth Initiative for South Africa
APP	Annual Performance Plan
Constitution	Constitution of the Republic of South Africa,1996
CCMA	Commission for Conciliation, Mediation and Arbitration
CIP	Compulsory Induction Programme
COSATU	Congress of South African Trade Unions
CORE	Codes of Remuneration
DCOG	Department of Cooperative Governance
DDM	District Development Model
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DRDLR	Department of Rural Development and Land Reform
DSD	Department of Social Development
DG	Director-General
DDG	Deputy-Director General
EA	Executive Authority
EE	Employment Equity
ELRC	Education Labour Relations Council
FET	Further Education and Training
FETI	Further Education and Training Institutions
FOSAD	Forum of South African Directors-General
GEAR	Growth Employment and Redistribution
GPSSBC	General Public Service Sector Bargaining Council
GTAC	Government Technical Advisory Centre
HETI	Higher Education and Training Institute
HOD	Head of Department
HOPS	Head of Public Service
HR	Human Resources
HRD	Human Resource Development
HSRC	Human Science Research Council
IDP	Integrated Development Plan
ICT	Information Communication Technology
IGR	Inter-Governmental Relations
ILO	International Labour Organisation
IRASA	Industrial Relations Association of South Africa
KRA	Key Result Area
LCC	Land Claims Court
LDMSF	Leadership development Management Strategic Framework
LRA	Labour Relations Act, 1995
LTA	Labour Tenants Act, 1996

MBA	Master of Business Administration
MEC	Member of Executive Council
MINMEC	Minister and Member of the Executive Council Committee
MMS	Middle Management Service
MPAT	Management Performance Assessment Tool
MPSA	Minister for Public Service and Administration
MTSF	Medium Term Strategic Framework
NACH	National Anti-Corruption Hotline
NDP	National Development Plan
NEHAWU	National Education, Health and Allied Workers Union
NGP	The New Growth Path
NMOG	National Macro Organisation of Government
NPAI	New Public Administration Initiative
NPC	National Planning Commission
NPM	New Public Management
NSDS	National Skills Development Strategy
NSG	National School of Government
NQF	National Qualifications Framework
OECD	Organisation for Economic Cooperation and Development
OPM	Organisational Performance Management
OSD	Occupational Specific Dispensation
PDA	Protected Disclosures Act, 2000
PAIA	Promotion of Access to Information Act 2 of 2000
PAJA	Promotion of Administrative Justice Act 3 of 2000
PAMA	Public Administration Management Act, 2014
PAS	Personnel Administration Standard
PER	Personnel Expenditure Review
PERSAL	Personnel and Salary System
PFMA	Public Finance Management Act 1 of 1999
PHSDSBC	Public Health and Social Development Sectoral Bargaining Council
POPCRU	The Police, Prisons and Civil Rights Union
PMDS	Performance Management and Development System
PRC	Presidential Review Commission
PSA	Public Servants Association
PSC	Public Service Commission
PSCBC	Public Service Coordination Bargaining Council
PSR	Public Service Regulations, 2016
RDP	The Reconstruction and Development
RWOPS	Remuneration Work Outside the Public Service
SADTU	South African Democratic Teachers Union
SASSA	South African Social Security Agency
SDA	Skills Development Act, 1998
SDLA	Skills Development Levies Act, 1999
SETAs	Sector Education and Training Authorities
SHERQ	Safety Health Environment Risk and Quality

SMS	Senior Management Service
SOE	State Owned Entity
SSA	State Security Agency
SSP	Sector Skills Plan
TPM	Traditional Public Administration
TQM	Total Quality Management
TVET	Technical and Vocational Education and Training
WPHRM	White Paper on Human Resource Management
WPTPS	White Paper on the Transformation of the Public Service
WPTPSD	White Paper on Transforming Public Service Delivery

GLOSSARY

Public administration: Section 197(1) of the Constitutions says "Within public administration there is a public service…" Public administration is therefore the broader concept. The principles governing public administration applies to—

a) administration in every sphere of government;
b) organs of state; and
c) public enterprises.

Organs of state are defined in section 239 of the Constitution.

Public Service. For this we rely on the definition in the Public Administration Management Act, 2014, which reads as follows:

> **''public service''** means all—
> *(a)* national departments;
> *(b)* national government components listed in Part A of Schedule 3 to the Public Service Act;
> *(c)* provincial departments which means—
> (i) the Office of a Premier listed in Schedule 1 to the Public Service Act; and
> (ii) provincial departments listed in Schedule 2 to the Public Service Act; and
> *(d)* provincial government components listed in Part B of Schedule 3 to the Public Service Act, and their employees;

The recommendations in this report apply to the public service except the recommendations on Agency and Values-driven public administration.

EXECUTIVE SUMMARY

In terms of section 196(4)(a) of the Constitution, 1996, the Public Service Commission (PSC) must promote the values and principles listed in section 195. Such is done by investigating and evaluating personnel and public administration practices. Such practices in the Public Service are defined by a body of regulations, directives, policies and guidelines. The PSC, however, cannot assume that administrative practices as currently defined comply with the Constitutional values and principles. The PSC therefore investigated on the contribution of previous and current reforms in institutionalising the values and principles, as a basis to influence future human resource management reforms that are necessary to professionalise the Public Service.

This was undertaken by reviewing administrative reforms in the Public Service over the past 30 years, mainly in the area of human resource management practices. The review drew insights from various sources, including white papers, commission reports, scholarly articles, evaluations of the state of the public service, as well as comments from public administration experts and practitioners.

Diagnosis of the state of the public service

The perspectives and recommendations of the PSC are informed by the following diagnosis.

1. An ambivalence about skills

There is a lack of professional and technical skills in the Public Service. Most departments struggle to build a complement of leading experts/specialised skills in their functional areas who can plan and implement government programmes and administrative changes that will drive development. Departments have skills for routine operations but major leaps in efficiency or effectiveness, development outcomes or change in policy direction require deep skills to develop critical policy instruments and implementation plans. The depth of skills of key personnel should at least be at the level of a nationally recognised expert in the functional area.

Efforts to address these weaknesses through Workplace Skills Plans have not been successful because these focussed on generic skills and short courses. In addition, skills plans were not based on competency frameworks that cover all the critical skills needed for an occupation.

2. Appointments were many times based on political considerations other than skills

This was caused by a combination of factors:

- Challenges related to the power to appoint and institutional arrangements for appointments.
- Weaknesses in how entry, promotion and continuing professional development requirements are specified. There is a lack of occupational specifications from which advertised requirements for posts can be derived.
- The composition and competences of selection committees.
- The separation of power to recommend and power to appoint.

3. HR regulations, directives, policies and frameworks proved

not to be a powerful lever for change

Well thought HR frameworks and guidelines were developed to assist departments within a decentralised HR environment, but they led to management by template. Templates enable compliance but do not guarantee substance or meaning. Therefore, the problem is not lack of frameworks and templates but lack of analytical skills and creative solutions.

4. The Public Service is increasingly rules, rather than values driven

"The public service has lost the ability to be innovative, creative or take risks due to fear of overstepping procurement, human resources, and monitoring and evaluation regulations which have become more rigid and less adaptable in the aftermath of state capture." [Reflections of Former Directors-General.] While traditional public administration exercised control through rules, the New Public Management exercises control through performance measurement and rules. There is a danger that rules may displace values because compliance becomes the standard of performance. Values are important for effective governing and rules create certainty and standardisation but can hamper innovation and responsiveness. So, striking a balance between the two is required. The correct balance will depend on the context: conditions of service (such as remuneration) need to be tightly regulated but community development projects that require responsiveness to local needs, less so.

5. Managers lack agency

Lack of agency is caused by a real or perceived lack of formal delegated authority, or procedures and requirements that are too onerous despite delegations, or

the need to wait for guidance from head offices and/or national policy departments. Even in the highest decision-making bodies managers feel constrained by various procedures.

Agency depends on a complex set of related factors such as extent of delegation, control over allocated budgets, accountability arrangements, lack of consequences and the way reporting and reflection on performance is managed – 80% of reporting is devoted to reporting against the "Annual Performance Plan" and only 20% to a discussion about effectiveness and impact. The NDP recommended the need to "strengthen delegation, accountability and oversight."

Supported and recommended reforms

Based on the above summative diagnosis, the PSC supports and recommends a set of 10 reforms:

1. Top level appointments

The PSC supports the amendments introduced through the Public Service Amendment Bill, 2023, that draw a clear distinction between the powers of a minister to give political direction and the powers of the Head of Department (HOD) to administer the department. In addition, the PSC provides details to strengthen the arrangements, including the role of the PSC, the role of the Head of the Public Service, composition of selection committees for HOD appointments and streamlined role of Executive Authorities and involvement of Cabinet.

2. HR Planning

The key object of an HR Plan is to project demand for and supply of skilled staff and to come up with creative strategies to fill

demand-supply gaps. Frameworks and prescriptive guidelines and templates did not result in meaningful plans.

Therefore, the following is recommended:

- Create analytical capacity in departments. (It is doubtful whether such analytical capacity exists in current HR Units.) This is not only needed in the HR component, but strong analytical capacity should cover, amongst others, HR planning, policy analysis, expenditure review, monitoring and evaluation, process design, strategic planning, organisation structuring and systems development).

  There is therefore a need to discontinue the requirement in the Ministerial Directive that Executive Authorities' shall follow the prescribed template. Regulation 26 of the Public Service Regulations already lays down the principle and this is as far as prescription should go.

3. Human Resource Development

The Department of Public Service Administration's (DPSA) Human Resource Development Framework was an important intervention when it was introduced, but it takes planning for departments and planning by template to the extreme. There is also a dual system of regulation of skills development, through both the Skills Development Act and the Public Service Act. But, there is no need for a Workplace Skills Plan as well as a HR Development Plan.

Therefore, the following recommendations are proposed:

- Discontinue the DPSA HRD Strategic Framework in its entirety. Consider a comprehensive revival strategy for Human Resource Management and

Development in consultation with the relevant Sectoral Education and Training Authorities.
- Specify minimum qualifications and further training and development requirements by occupation.

4. Performance Management and Development System

The Performance Management and Development System (PMDS) does not improve individual and organisational performance. It is a source of conflict between employees and supervisors, and is beset by fundamental problems. There is confusion about performance management and individual performance appraisal using a scoring matrix, and the credibility of the system is low – it is viewed as biased and unfair by staff. The PMDS cannot be refined – it needs to be fundamentally reviewed.

The PSC therefore recommends that individual staff assessment using rating scales or scoring systems be removed. A number of characteristics of a new system are suggested.

5. Professionalisation and the career system

Professionalisation firstly implies an embedded value system that governs the ethos of public service. Secondly, it implies a stringent set of requirements for entry into and promotion in the occupation.

An occupational specification (specification of the entry, promotion, technical competency and continuing professional development requirements of an occupation) comes before the advertised requirements for a specific post. Because advertised requirements are set without reference to an occupational specification, these requirements are not tight enough

and lead to poor appointments. This is so because the Codes of Remuneration (CORE) fell into disuse. This was partly ameliorated by the introduction of the Occupational Specific Dispensations (OSD) and the Directive on Compulsory Capacity Development, Mandatory Training Days and Minimum Entry Requirements for the SMS.

It is therefore recommended that an occupational classification system be developed for all occupations in the public service. A framework for such occupational specification is proposed.

A career system also implies entry into the Public Service mostly at the entry level and preferential promotion of career public servants who have satisfied prescribed requirements. The system is as inclusive as possible at the entry level and partly closed in other levels in order to promote structured career development. Further training and development takes place after entry and throughout the career of an employee. Therefore, measures must be introduced to return to a career system.

6. The Senior Management Service

Senior Management Services (SMS) posts are sought after and the initial aim of creating a corps of professional senior managers has been achieved. However, after 22 years of the dispensation, some aspects need to be reviewed, including—

- Removal from bargaining in the Public Service Coordination Bargaining Council.
- The validity of the competency framework for selection and prediction of SMS performance.

Since a prospective manager must be immersed in the policy area of the department, each department must introduce technical leadership competency frameworks for management in different functional areas, e.g. hospital manager, mine health and safety manager or energy planning manager. Department should also determine to what extent this should substitute for compulsory generic management training.

7. Agency

To improve agency would require a relook at the management structure of authority, responsibility and accountability, which means that to achieve an objective, a manager must have control over the essential means to achieve it.

To address, this, the PSC recommends a review of the management structure in three service delivery areas. Lessons from this process will provide guidance on how to upscale such an approach. An analytical matrix is provided to assist in such a review.

8. A values-, rather than a rules-driven public service

The PSC recommends that existing rules should be reviewed, starting with procurement, HR and programme design. A guideline against which the rules could be evaluated is provided. These include—

- Where appropriate, move towards norms rather than standards.
- Reduce rules where possible and formulate rules that will make it possible to consider principles and values when applying the rule.
- Rules should allow deviation on the basis of the principles of administrative law. Administrative law says decisions should be rational. The Promotion of Administrative Justice Act of 2000 allows that in taking a decision, the following can be taken into account:

i. the objects of the empowering provision;

ii. the nature and purpose of, and the need to take, the administrative action;

iii. the likely effect of the administrative action;

iv. the urgency of taking the administrative action or the urgency of the matter; and

v. the need to promote an efficient administration and good governance.

- The approach to auditing should be adjusted to take these principles and values into account.

9. Macro-organisation

Strong institutions are at the heart of a developmental state and sound macro-organisation is the starting point of institution building. However, frequent reconfigurations may set back institution building for many years because of the disruption and discontinuity that accompany it.

To avoid discretionary and poorly motivated macro reorganisation, the PSC recommends that the powers of the President or Premiers in this regard should only be exercised in/ after consultation with an independent expert body.

10. Outstanding legislative issues

No regulations or norms and standards have been issued under the Public Administration Management Act of 2014 and the PSC recommends that these be issued as soon as possible. Norms, and only where appropriate standards, have the potential to set a new tone for the public service.

CHAPTER 1: INTRODUCTION AND PURPOSE OF STUDY

1.1 Background

Public administration reforms are influenced by a variety of considerations and in the case of South Africa, the transition from apartheid to a democratic dispensation necessitated a complete overhaul of the state bureaucracy. It is common knowledge that the pre-1994 Public Service was designed to support the broad political, social and economic ideology of apartheid and the material needs and interests of the minority. As such, the apartheid bureaucracy was structured along a divisive and closed model of public administration, which was characterised by racial and ethnic segregation, a lack of representativeness, fragmentation, autocratic management practices, lack of accountability and transparency, and a highly regulated, rationalised and hierarchically ordered bureaucratic culture.

During the apartheid era, the Public Service regarded itself as functioning in accordance with the values of political impartiality and administrative competence, making clear its embeddedness within classical public administration. There are also views, as expressed by Cameron, that in spite of its divisive, oppressive and autocratic nature, the erstwhile Public Service fostered high levels of professionalism.[1] The state exercised firm authoritarian control in a deliberately divided society thus resulting in a political–administrative relationship that was characterised by strong political control over senior bureaucrats.

As a highly centralized bureaucracy, the Commission for Administration (the forerunner to the Public Service Commission) was the central personnel body for the Public Service. Although it was originally established as an apolitical body in 1912 and along the lines of the British Civil Service Commission, the hegemony of Afrikaner nationalism after 1948 changed the Commission for Administration from its intended objective to it becoming a powerful facilitator of the apartheid ideology.[2] It had extensive powers covering the approval of senior appointments, the setting of wages and salaries, discipline, pensions, leave, promotions, and evaluating staff qualifications and post requirements.[3]

Nonetheless, the perspectives, successes and failures of the Commission for Administration and its successor, the Public Service Commission (PSC), are worth deliberating on within the context of public administration reforms and professionalization of the Public Service.

The changes in the structure of government and the Public Service in particular following the shift away from centralisation are worth mentioning. The creation of the Department of Public Service and Administration and its role to develop policies and processes that focus on improving how Human Resource functions are managed, was a reform to centralise the policy

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[1] Cameron, R. (2008). History of Public Administration in South Africa: The State of the Academic Field *Administratio Publica, 2008, Vol. 15, No. 2.*

[2] Public Service Commission. (2008). Forging a Formidable Legacy to Anchor Our Democracy: The Public Service Commission (1999 -2007). (www.psc.gov.za)

[3] Naidoo, V. (2015). Changing Conceptions of 'Public Management' and Public Sector Reform in South Africa.

function to an extent without taking away the powers of the executive authority but rather provide structure and uniformity across the Public Service.

As the public administration bureaucracy under apartheid was associated with racial domination and racial capitalism, the discussions and debates around public sector reform during the transition period centred not only on creating an efficient, capable, effective and equitable Public Service but also the ideological tenets of transformation. The pursuit of efficiency, equity and transformation was not always complementary and this tension created contradictions in policy and praxis, resulting in an amorphous mix of traditional bureaucratic control and selective New Public Management practices.

Naidoo (2015) argues that the urgency for transformation of the public sector coupled with its late entrance into the global discourse on 'public management' resulted in an almost uncritical acquiescence of a mixture of approaches.[4] It is therefore difficult to pin down the theoretical strands to South Africa's post-apartheid public administration paradigm, with many public sector analysts arguing that South Africa either lacks a coherent model of public sector reform and public management or that its public sector reform initiatives represent a state of ambivalence.[5] For example, in a keynote address at the 2003 ten year celebration of the Wits Graduate School of Public and Development Management, the then Minister for the Public Service and Administration, Geraldine Fraser-Moleketi, criticised the NPM approach and suggested that its neo-liberal conception is a negation of the developmental approach espoused by South Africa.[6] According to Naidoo, this unresolved tension has created the "*incongruency between the politics and policy of progressive public management reform advocacy and its practice in South Africa*".[7]

1.2   Origins of the Study

As is evident from the contextual background, there is justifiable concern that some reforms in the Public Service contributed to poor state capacity and service delivery, with highly centralised policy functions, devolved executive decision-making to cabinet ministers and line-function heads of department and the perceived lack of accountability of senior public servants and executive authorities.

Given such concerns, the PSC took the opportunity to look into the defining features of the current organisational and personnel public administration reform initiatives and professionalisation in the Public Service, such as, the political-administrative interface, Human Resource administration, management and development practices in the context of the decentralised HR function, and the delegations' framework. It is imperative to understand and reflect on where the Public Service came from during the apartheid period, during and after the transition to democracy and how it will be moulded based on the prospective reforms.

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[4]   *Ibid*
[5]   See Chipkin, I. and Lipietz, B. (2012). Transforming South Africa's racial bureaucracy. New Public Management and Public Sector Reform in Contemporary South Africa; See Cameron, R. (2010). Redefining Political Administrative Relationships in South Africa.
[6]   In Cameron, R. (2008). History of Public Administration in South Africa. In *Administration Publica, 2008, Vol. 15, No. 2.*
[7]   Naidoo, V. (2015). Changing Conceptions of 'Public Management' and Public Sector Reform in South Africa.

Reflection is a fundamental aspect of the PSC's mandate to ensure an efficient and effective public administration in the Public Service. Section 196(4)(c) of the Constitution, 1996, empowers the PSC to propose measures to ensure effective and efficient performance within the Public Service and section 196(4)(f) provides that the PSC can investigate and evaluate the application of personnel and public administration practices and report to the legislature.

The study explores whether the public administration reforms and existing models of governance are consistent with the demands of an efficient and effective public administration in a developmental state. In the context of a mixture of public administration reforms in South Africa, the following questions are worth exploring:

(a) What are the past and current features of public administration reforms and Public Service 'professionalisation' in South Africa?

(b) How will the successful implementation of the National Development Plan, Vision 2030 and the National Framework towards the Professionalisation of the Public Sector (Professionalisation Framework) influence future public administration reforms in South Africa?

1.3 The current reform moment

It is just over ten years since the publication of the National Development Plan and the country is still talking about the same reforms mooted at that time. However, the 2022 Professionalisation Framework adopted by Cabinet gave new impetus to reform. The mistrust and discontent following state capture and the reports of the equally named Judicial Commission of Inquiry (Zondo Commission) gave further impetus. Strains are visible everywhere in the state system. High levels of political instability, especially at local government level, make the counterweight of an effective and stable administration even more important. This environment engenders calls for quick fixes, namely institute consequences for non-performance, root out incompetence and deal harshly with irregular expenditure. However, the highly complex and non-formulaic nature of public administration makes it not amenable to quick fixes. There are too many moving parts, and one should be careful about how reforms will affect the tenor and values of administration. It is therefore opportune to take stock of how public administration works in South Africa and hopefully this report will provide valuable insights.

1.4   Scope of the study

The scope of the study was restricted to mainly HR prescripts and practices. Even the HR practices selected had to be limited to a few to keep the prescripts and scope of the project manageable. This means that key public administration practices that have a huge effect on performance, like macro level Government planning, budgeting, financial management, procurement and service delivery processes, had to be left out. The study did however go wider to also cover key aspects that determine the paradigm of administration, like values and agency. We believe however that the Public Service is about people and if the people issues and processes lead to maximisation of human potential in line with section 195(1)(h) of the Constitution, then service delivery will also follow. Consequently, the recommendations made in the report cover mostly personnel or HR policies, processes and systems and it is recognised that changing these does not automatically change behaviour – see paragraph 1.8

below. The scope of this report is therefore not to arrive at a comprehensive public administration change programme.

1.5 Objectives of the Study

The objectives of this study are to—

a) reflect on the pre- and post-1994 public administration paradigm/ideology, practices and reforms;
b) assess the influence of the National Development Plan, Vision 2030, the National Framework towards the Professionalisation of the Public Sector, and other evaluations/ comments on the state of the Public Service on future public administration reforms in South Africa; and
c) develop a PSC perspective on specific administrative reforms or required reforms, especially in the area of Human Resource Management.

1.6 Methodology

The methodology used in implementing the study is as follows:

a. Comprehensive desktop analysis of public administration reform initiatives locally and internationally through problematising the theoretical strands of public administration, public management, public governance and the developmental state.
b. Analysis of various government documents, including discussion documents, white papers, legislation and various commission reports.
c. Internal focus group discussions within the PSC, and engagements with former PSC officials/Commissioners and the Association of Former Directors-General, to unpack past and the current policy discourse and architecture of the Public Service with the lived and experiential reality.
d. Engage with key stakeholders such as the Department of Public Service and Administration (DPSA), National School of Government (NSG), The Presidency, universities and representatives of national and provincial departments.

1.7 Limitations of the study

The main limitation of the study is that emphasis is placed on selected HR practices and the sample of focus groups participants was limited to selected individuals. We have nevertheless taken care to include persons who have immersed themselves in public administration and public service issues, both from a practice and academic perspective. Additional inputs were solicited through a consultative Conference.

1.8 Theory of change

Many of the recommendations in this report are related to changes in HR policies, frameworks, guidelines, templates and rules. Yet, frameworks, templates and rules do not change behaviour, and in the end, this is the outcome one wants to achieve. Whilst rules are important, we do think, however, that the system of rules governing administration has a huge impact on behaviour as people tend to suspend judgement when they can conveniently follow rules especially because the rules audited and breaching them leads to audit findings. So, it

is useful to look at a model of the determinants of behaviour in an administrative setting that integrate rules, values and skills/competencies – **Figure 1**[8] below.

Rules driven management space

- The system of rules governing administration
- Agreement on goals and means to achieve it
- The control environment
- Risk to take decisions
- Influence of labour unions
- Management style
- Exercising discipline
- Room for reflection within hierarchies
- Room for professional conversation based on evidence – need for external facilitation
- Institutionalisation of these elements
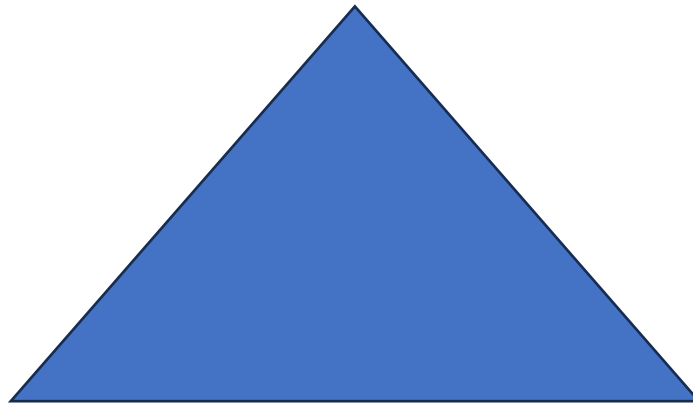
Values

- Ubuntu
- Respect
- Fairness
- Human Dignity
- Equality
- Rule of Law
- Social Justice and Equity
- Impartiality

Skills/ competencies

- Leadership
- Occupational Technical skills
- Analytical
- Innovation
- Problem-solving
- Coordination and boundary spanning

Figure 1: Integrated model of determinants of behaviour in an administrative setting

All these factors in the end influence administrative outcomes. It is therefore recognised that many enabling conditions will have to be in place for the recommendations in this report to

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8   Credit to Prof Anne McLennan, participant in the focus group discussion, August 2023.

have an impact. A programme of administrative reform will however always be a limited project, the strategy will be to choose a few elements that will have a big impact.

1.9   Structure of the report

The reforms analysed in this study can be categorised into distinctive waves/phases as shown in **Table 1**:

Table 1: Phases/waves of public administration reform in a non-sequential manner in South Africa from 1994 to 2023

Phases/Waves	Nature of Reforms
Pre 94	
1900-1990s	Classical bureaucratic lines
	Appointments Commission
	Segregated administrations
	Organisation and Work Study
	Organisational Rationalisation Programme
	Personnel Administration Standards (PAS)
First Wave	
1994-1996	Organisational Rationalisation and Integration
1994 -2000	Introduction of basic legislation and regulations
1995 – 1997	Presidential Review Commission and initial reform White Papers
Second Wave	
2001	Introduction of Monitoring and Evaluation
2005-2009	Major reform of Human Resource Management Frameworks
	Programme Budgeting and Medium-Term Budgeting
	Increased application of Agencification
	Efforts to counter silo mentality of departments/ Coordination mechanisms
2007	The Developmental State (Intensifying the debate)
2011	The National Skills Development Strategy III
Third Wave	
2013	Publication of the National Development Plan
2013, 2014 and 2017	Delegations Principles, Directives and Guidelines
2014	The Public Administration Management Act (PAMA), 2014 Single Public Administration initiative
2020	Revised planning framework
2022	Professionalisation Framework
2022	Judicial Commission of Inquiry into State Capture (Zondo Commission)
2023	The Public Service Amendment Bill The Public Administration Management Amendment Bill, 2023

1.10 Conclusion

Given the broadness of public administration and targeted focus of the study, the approach is to consider where the Public Service came from historically, where it is right now and ultimately where it hopes to be in the future based on the ongoing and expected reforms. The idea is to assess the available information and track it to ascertain how policy, paradigms and reforms played a role in shaping the Public Service and the impact this has had on building a capable state.

CHAPTER 2. PUBLIC ADMINISTRATION PARADIGMS

2.1   Introduction

Public administration reform is influenced by a variety of considerations and in the case of South Africa the transition from apartheid to a democratic dispensation necessitated a complete overhaul of the state bureaucracy. From Weberian Public Administration to Active Citizenship, the paradigms[9] add to an understanding of what brought the Public Service to where it is. It is vital to attempt to get a sense of how the paradigms have influenced and impacted policy positions and the Public Service's ability to deliver.

The paradigms are mainly documented by academia, and it can be argued that one of the weaknesses of public administration reform in South Africa stems from limited interaction and mutual influence between academics and practitioners.

Below follows a summary of the complex development of the field of public administration that have had an influence on administration in South Africa's Public Service.

2.2   Classical paradigm

Some key features of the classical model are:

- Rule of law: Emphasis was placed on the impartial application of the law, due process and compliance.
- The classical model emphasised a separation of politics and administration – i.e. the politics-administration dichotomy as espoused by Woodrow Wilson.[10] Administration was supposed to be neutral and invisible.
- A public service based on merit was introduced. Public servants adhered to values of professionalism, anonymity and political neutrality.
- Public Service organisations were structured as Weberian bureaucracies, with a hierarchical structure, and were governed through objective rules. Accountability was to elected executive officials.
- To ensure consistent application of rules minimum discretion was allowed.
- Efficiency was emphasised and achieved through scientific management. This emphasised process design so that the process can be executed as efficiently as possible, measurement and process controls. This enabled efficient mass production of standardised services within a stable and predictable environment.

The apartheid Public Service regarded itself as functioning in accordance with the values of political impartiality and administrative competence, making clear its embeddedness in

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[9]   In his book, The Structure of Scientific Revolutions (first published in 1962), Kuhn defines a scientific paradigm as: "universally recognized scientific achievements that, for a time, provide model problems and solutions for a community of practitioners, i.e., what is to be observed and scrutinized." A paradigm shift is "a fundamental change in the basic concepts and experimental practices of a scientific discipline." The key phrase in the definition is "model problems and solutions".

[10]   Wilson, W. (1887). The study of administration. *Political Science Quarterly, Vol 2, No. 2.*

classical public administration. There are also views, as expressed by Cameron[11] that it fostered high levels of professionalism. However, the apartheid bureaucracy was structured along a divisive and closed model that was characterised by racial and ethnic segregation, a lack of representivity, fragmentation, autocratic management practices, and a highly regulated and hierarchically ordered bureaucratic culture. Needless to say, some of these features endured throughout the years, in spite of "efforts" to change.

2.3   The New Public Management Paradigm

The key shifts from the tenets of the classical paradigm as elucidated by Hughes[12], can be summarised as follows:

- Introduction of strategic planning – the direction is no longer just given by politicians, but managers participate actively in this process.
- Introduction of management principles and not simply administration. Administration was seen as simply implementing what others have decided, that is following instructions, whilst management was seen as achieving results and taking responsibility. Managers were given more autonomy over staffing and resources.
- A much greater emphasis on measuring results by focussing on outputs and outcomes and performance indicators for these.
- Improved financial management, by replacing line-item budgets with performance and programme budgets.
- More flexibility in staffing arrangements was introduced.
- New organisational arrangements gained popularity, especially agencification. The new arrangements involved separating policy from implementation or regulation from applying that regulation in an independent and a-political manner. The idea is to isolate an activity, give it clear, measurable objectives and a clear frame of management autonomy, and then allow professional managers to manage.
- Public services were opened up to competition from the private sector by testing whether the same service cannot be provided cheaper by the private sector. It also meant giving the public a choice of service providers by removing the monopoly of public service bureaucracies in certain services.
- Contracts were introduced everywhere, from outsourcing, to contracts between policy departments and agency to performance contracts for managers.
- A distinction was made between the purchaser and provider of services. If government is the purchaser of a service, it does not necessarily have to deliver the service through its own bureaucracy.
- No dogmatic distinction between politics and administration was made, managers were also seen to be directly accountable to the public.

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[11] Cameron, R. (2008). History of Public Administration in South Africa. In *Administration Publica, 2008, Vol. 15, No. 2.*
[12] Hughes OE. (2003). Public Management and Administration, an Introduction. Third Edition. Palgrave.

- All government functions were subjected to review of the role government plays in the function and what part could be left to the private sector. The worth or value for money of everything that government does had to be justified.

The New Public Management (NPM) paradigm became rooted in the transformation discourse of the new South Africa state[13] through adopting the managerialist approach that advocates for a decentralized management approach with substantial delegation of power. During 1991, new debates in line with the NPM paradigm were initiated in South Africa. These debates are contained in the Mount Grace Papers: The New Public Administration Initiative (NPAI) and the Mount Grace Consultation. "The NPAI was an attempt to develop, in a practical and feasible manner, the capacity of institutions to train a future Public Service and also influence the formation of a responsive Public Service by contributing to the public debate and processes that could have an influence on the new South Africa."[14]

2.4   Modern trends

According to Bourgon[15], modern trends in public administration include the following tenets:

- A blurring of the boundaries between public policy results and broader civic results (e.g. development of the country) to which not just government contributes but all sectors of society.
- Similarly, a blurring of the boundaries between what is done through government authority and its related bureaucracies and what is delivered through societal institutions (using the social capital and the collective power of society).
- Related to the above two points is the idea of the embeddedness of government in society – that is, the ability of government to harness all sectors of society behind a broader social and economic development project. This opens up many more strategies for achieving policy and broader civic objectives than simply implementing policies through traditional public administration bureaucracies.
- This blurring of boundaries emphasises collaboration across bureaucratic boundaries and even beyond bureaucracies, collaboration and partnering with many sectors in society.

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[13] Schwella, E. (1990). The theoretical debate in South African public administration. *Administratio Publica, Vol. 2 No.2, 101-115.* Schwella, E. (1999). The paradigmatic debate in South African Public Administration: A continuing struggle. In JS Wessels and JC Pauw (Eds). *Reflective public administration: views from the South (p 333-355).* Cape Town: Oxford University Press.Muthien, Y. (2000). Public Service Reform in SA: Key Challenges of Execution. *Strategic Review of South Africa, Vol. 36 No.2;* Chipkin, I. & Lipietz, B. (2012). Transforming South Africa's racial bureaucracy. New Public Management and Public Sector Reform in Contemporary South Africa, *PARI Long Essay, No. 1.*

[14] Mc Lennan, A. and FitzGerald, P. (2000). The Mount Grace Papers: The new public administration initiative and the Mount Grace Consultation. Johannesburg: Public and Policy Management Programme.

[15] Bourgon, Jocelyne. (2011). *A New Synthesis of Public Administration: Serving in the 21st Century, Vol.154 (Queen's Policy Studies Series).* Ingram Distribution. Kindle Edition.

The case for *New Public Governance, as opposed to NPM,* as suggested by Stephen Osborne[16], is centred around the citizen and purports to prioritise the shared interests of the people. It advocates for empowered participation, collaboration amongst stakeholders, new tools for engagement and multiple forms of accountability. The difference between the New Public Management and other earlier approaches was the drive for co-production of policies with citizens.

Denhardt and Denhardt[17] argued that the primary role of the public servant was to help citizens to meet mutual interests rather than to try to control and steer society. This approach is centred around seven principles that are aimed at seeing the citizen as citizen and not customer, advocate to serve not steer, promote strategic thinking within the auspices of democratic values and the value of the people and citizenship.

As the public administration bureaucracy under apartheid was associated with racial domination and racial capitalism, the discussions and debates around public sector reform during the transition period centred not only on creating an efficient, capable, effective and equitable Public Service but also the ideological tenets of bureaucratic transformation. The pursuit of efficiency, equity and transformation was not always complementary, and this tension created contradictions in policy and praxis resulting in an amorphous mix of traditional management control and selective NPM practices. Much of the early thinking about reform in the Public Service in South Africa was influenced by the work of the World Bank and what was occurring at the time in many Organisation for Economic Cooperation and Development (OECD) countries. Naidoo[18] argues that the urgency for the transformation of the public sector coupled with its late entrance into the evolution of the global discourse on 'public management' resulted in an almost uncritical acquiescence to a mixture of approaches. It is therefore difficult to pin down the theoretical strands of South Africa's post-apartheid public administration paradigm, with many public sector analysts arguing that South Africa either lacks a coherent model of public sector reform and public management or that its public sector reform initiatives represent a state of ambivalence.[19]

The lukewarm adoption of NPM resulted in contradictory and incoherent practices and also attracted criticisms from some commentators. A powerful challenge to the New Public Management orthodoxy came from Jeremy Cronin.[20] Cronin says that the new ANC government came up with impressive social policies but was "largely missing from the programme was any thoughtfulness about a future civil service." Consequently, reliance was placed on the New Public Management without much thought and consideration of whether it

[16] Osborne, S. (2006). The new public governance? *Public Management Review,* 8(3(, 377-387.

[17] Denhardt, RB and Denhardt, JV. (2000). The New Public Service: Serving Rather Than Steering. *Public Administration Review, 60(6), 549-559.*

[18] Naidoo, V. (2015). Changing Conceptions of 'Public Management' and Public Sector Reform in South Africa.

[19] Chipkin, I. and Lipietz, B. *Op cit.*
Cameron, R. (2009). "New Public Management reforms in the South African public service: 1999-2009." Journal of Public Administration 44(4.1): 910-942.

[20] Cronin, Jeremy. (2021). Why the South African State is Incapacitated. *Eyewitness News. 25 August 2021.*

is appropriate for our circumstances. Cronin challenges the New Public Management on three fundamental grounds:

1. Accountability cannot simply be obtained through performance measurement because many public services, especially policy development, can't be standardised into uniform outputs. He is therefore quite sceptical about concepts like "outputs", "Key Performance Indicators", "Annual Performance Plans" and "performance related pay". In the public service these can easily be gamed. Output targets are likely to distort the complexity of much of public service. Development projects, for example, need to respond to the specific circumstances of specific communities and one can't simply deliver a standardised development intervention to them. This requires an expert Community Development professional who can engage with a community and come up with an appropriate project. The outputs of the Public Service Commission are another good example: One can't simply count the number of outputs (reports) because it is the thoroughness of the analysis and the workability and appropriateness of the recommendations that count. In the same manner, school teachers, social workers and police officers need to be expert enough to respond to specific circumstances and not just deliver a standardised product.

   Cronin suggests that more relevant public interest criteria are things like professional peer group reputation and public respect. This is very relevant for our discussion about the Performance Management and Development System in section 5.3.4 of this report. Cronin concludes that public servants are "frequently demoralised (by) compliance with delivery outputs determined elsewhere and irrelevant to the complexity of the situation at hand."

2. For the same reasons many services cannot simply be outsourced because it can't be specified well enough to be bought in the market on a competitive basis. Recent (2021) procurement reform largely misses this point. Further, if public servants become arms-length contract managers, power shifts to the contractor because they will know more about the service they are contracting for. This is further elaborated by PARI in a document "The Contract State"[21] . "The supposed steering state can easily be steered by the rowers, a case of a much more powerful and informed tail wagging the dog." (Cronin, 2021)

3. For the same reason citizens are not simply clients receiving standardised services because the majority of South Africans have no market choice in functions like education, health and policing. Citizens therefore need to be engaged through public participation so that the Public Service can respond to widely differing unique circumstances at the community level. Standardisation reduces the scope for engagement and responsiveness. Many top-down government programmes where details of programme design are worked out in national departments and performance indicators set in order to control conditional grants, fall into this trap.

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[21] PARI. (2014). *The Contract State; Outsourcing and decentralisation in contemporary South Africa.*

Cronin is therefore sceptical about common beliefs like "we have good policies but poor implementation" or "if it can't be measured it can't be managed". He argues that "In a cruel twist, an underlying cause of state incapacitation is once more promoted as a solution.[22]"

After three decades of reforms, how can the South African public administration now be characterised? Sithole[23] (former commissioner of the Public Service Commission) characterised the current South African public administration culture as "institutional classism". People, who are members of the bureaucracy or interact in various roles with the bureaucracy like NGOs, consultants and lawyers, are prejudiced against those who are outsiders to the bureaucracy. We changed the old racial prejudice into institutional classism. The institutional class knows what is best for people. The institutional class is pre-occupied with democracy, rule of law and the Constitution whilst the people say: 'We can't eat the Constitution', 'What is in it for me?' There is prejudice on the side of the institutional class and a general disdain on the part of the citizen with the state of the Public Service. The institutional class loves ideological fashion. Examples of this is scepticism about the place of communal land in the domain of land ownership, the stigmatisation of vaccination hesitancy, or the deinstitutionalisation of chronic psychiatric patients.

Sithole argues that we, as members of the bureaucracy, are all liable. We removed the social value of care from the administration and made it impersonal, generic and aloof from the citizen. The problem is therefore the mode of administration. According to Sithole[24], the approach to administration is characterised by the following:

- Individuals being reduced to numbers and a package of service being delivered through processes defined by regulation. Regulation here includes a set of programmes, "Key Performance Areas" and "Key Performance Indicators", the exact specification of services and rules like who qualify for the service and what forms and information the beneficiary must submit when she applies for the service. Plans and activities are reduced to numbers. Regulation is the nub of the problem. The whole programme is reduced to a set of specifications and regulations.
- Programmes being designed devoid of context.
- Programmes that omit care. The citizen becomes faceless. The rules pursue empirical objectivity but are devoid of ubuntu.
- Departments plan independently from each other.
- Focus on alignment of lower-level plans with higher-level plans (like the National Development Plan) has been set as a priority.
- The response to needs of citizens are packaged through a ready-made programme and policy. Budget priorities may be adjusted only when the new planning cycle starts. Programmes not having the built-in flexibility to respond to people who took own initiative.

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[22] Cronin, Jeremy. (2021). Why the South African State is Incapacitated. *Eyewitness News. 25 August 2021.*

[23] Sithole, MP. (2021). The Bind of Classism. Talk delivered on the blog *"Are we Transforming?",* hosted by Thembekile Phylicia Makhubele, August 2021.

[24] *Ibid.*

- The programme specifications and rules not allowing any discretion. The system is so heavily audited that it is purged from all discretion. The implementers of programmes must act without any recognition of agency on behalf of the citizen.
- Clean audits being obtained by concentrating on the audit criteria and making sure the performance indicators, which are also audited, are not too onerous and that the audit evidence can readily be produced. Auditors enjoy a high amount of authority.
- The system being run on the basis of mistrust: head offices do not trust district offices; national departments do not trust provincial departments and all sorts of controls and conditions are built in to regulate execution at lower levels.

Examples of this mode of administration are land reform projects requiring a group of beneficiaries and a business plan; defining the problem of slow payment of the R350 Temporary Relief of Distress Grant as unclean data, instead of speeding up the resolution of specific applications; councillors delivering community halls instead of addressing gender-based violence; addressing gender-based violence by inviting a feminist with no knowledge of specific communities to speak generally about women's rights; and councillors attending workshops to emphasise the washing of hands.[25]

At the same time civil society is asleep. They have also become married to the log frame and the tick box approach because to qualify for funding they must satisfy all the requirements of the bureaucracy. All that civil society does is talking to government, nominally representing the concerns of citizens, but nobody is organising on the ground.[26]

Research gives preference to data-analytics, which generate bar charts of who the target groups of programmes should be, above qualitative research that gives insights into the how's and why's.[27]

In contrast with the rules-driven approach outlined above, programmes should be more people-centred, and should focus on everything that happens in a geographic space and prioritisation and problem-solving in that space. Problems in a space should be tackled and not left until they are solved. This would require investing more trust in public servants, belief in the agency of public servants, and creative approaches to accountability.[28]

The history of South Africa's public administration reforms over the past two decades suggests there is an inherent danger of glossing over the cracks without assessing the true extent of the fissure. The fracture in this instance is the historical uncertainty of South Africa's public administration and public management reform initiatives, which are a confusing mix of Weberian bureaucracy, scientific management and features of the neo-liberal orthodoxy of New Public Management. To put it simplistically, managers are told to lead (NPM) but without being granted adequate delegated powers and agency to manage (scientific management).

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[25] *Ibid.*
[26] *Ibid.*
[27] *Ibid.*
[28] *Ibid.*

In Cameron's publication on the NPM reforms in South Africa, it was established that despite a framework sanctioning decentralisation of authority for human resource matters to public managers, only limited delegation from executive authorities to managers had actually taken place. Cameron previously described the sabotage of the NPM principles as "let the politicians manage".[29]

Similarly, Naidoo (2015), argues that the much-contested Performance Management Development System – a typical feature of NPM - displays multiple management philosophies.[30] He argues that some of the core management competencies such as programme and project management are more task oriented and therefore are more acutely associated with traditional administration. He further argues that the fusion or inclusion of a 'personal development plan' as part of the performance management process, together with performance-related rewards alone suggests the "marrying of NPM's focus on performance with traditional public administration's expectation of capacity."[31]

2.5   Conclusion

Public administration in South Africa has been influenced by a mixture of various elements from the different paradigms without subscribing to a single paradigm. There is nothing wrong with a pragmatic approach that integrates elements that work in specific contexts from different paradigms. However, the uncritical transition from one paradigm to the next often results in incoherent and a-contextual application of reforms. The case for reform should be convincingly argued and its applicability in different contexts. One should not accept at face value many management beliefs that are sometimes derived from some of the paradigms or sometimes widely believed in the popular press or in Public Service parlance. Many times, such management beliefs are management myths, that are based on a shallow understanding of the principles that underpin various paradigms and their relevance to different contexts. South Africa, given its unique political-administrative context, did not adopt a single paradigm but creatively borrowed what was deemed appropriate at the time for progress.

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[29] Cameron, R. (2009). "New Public Management reforms in the South African public service: 1999-2009." *Journal of Public Administration 44 (4.1): 910-942.*

[30] Naidoo, V. (2015). Changing Conceptions of 'Public Management' and Public Sector Reform in South Africa.

[31] *Ibid.*

CHAPTER 3. REFORM THRUSTS PRE-1994

3.1 Introduction

Pre-1994 the South African public service was run on classical bureaucratic lines. The state exercised firm authoritarian control in a deliberately divided society and as a result the political-administrative relationship was characterized by strong political control over senior bureaucrats. As a highly centralized bureaucracy, the Commission for Administration (the forerunner to the Public Service Commission) was the central personnel body for the Public Service. Although it was originally established as an apolitical body in 1912 and along the lines of the British Civil Service Commission, the hegemony of Afrikaner nationalism after 1948 changed the Commission for Administration from its intended objective to it becoming a powerful facilitator of the apartheid ideology[32].[33] The Commission had extensive powers covering the approval of senior appointments, the setting of wages and salaries, disciplinary procedures, pensions, leave, promotions, and evaluating staff qualifications and post requirements.[34] Some of the characteristics of administration during the period are discussed below, though some of these were standard practice and were not necessarily viewed as reform initiatives.

3.2 Appointments Commission

The Public Service Commission (PSC) was an appointments Commission, which means that the power of appointment was situated in an independent body and not the political executive. This followed the British model of civil service to create an apolitical professional public service. The PSC also had power over employment rules, conditions of service and organisation and establishment. To recognise these broader functions the name was later changed to the Commission for Administration. Not all appointments in the Public Service were done by the PSC – the larger portion was delegated to departments. The PSC only retained senior management appointments and promotions where it played a direct role through its recommendation for appointment. This was a hard recommendation that a minister had to follow or otherwise report to Parliament the reasons for not following the recommendation of the PSC.

While the PSC was based on the British model, this formal model was attenuated somewhat by the reality of Afrikaner nationalism: Afrikaner loyalties definitely played a role in appointments. As is the case in the current system, one does not know how appointments are politically and administratively influenced behind the scenes.

3.3 Organisation and Work Study

Efficiency (rather than effectiveness) was pursued through the application of organisation and work study. Work study applies process design principles to achieve the maximum output with the least expenditure of resources. Post establishments are determined by measurement

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[32] Public Service Commission. (2008). Forging a Formidable Legacy to Anchor Our Democracy: The Public Service Commission, 1999- 2007 (www.psc.gov.za)

[33] Naidoo, V. (2015). Changing Conceptions of 'Public Management' and Public Sector Reform in South Africa.

[34] Public Service Act, (pre 1994).

of the volume of work and middle and senior management posts by evaluation of the level of responsibility and factors like span of control. Work study is still used extensively in the private sector, though it may be called process engineering, or re-engineering.

The PSC exercised central control over establishments: recommendations of the PSC were required before a post could be created; the larger portion of posts were later delegated to departments with the PSC only retaining control over senior management posts.

Organisational design was done through functional analysis, or the logical grouping of functions into organisational units, in such a manner that the functions of higher-level units become the purposes of lower-level units so that there is a logical link between purposes and functions until the ultimate purpose of the department is provided for. The main functions of the department become the branches and the main functions of the branches become the chief-directorates and so on. This results in a logical horizontal division of functions, broadly between staff and line functions. This was done either in a top-down manner – to provide for all the functions necessary to achieve the purpose of the department or implement a mandate or execute government policy – or in a bottom-up manner by listing all the functions executed by the department and grouping them logically in organisational units. The mandates of departments were derived from law and government policy, not strategic plans.

One can argue that organisation and work study achieved some level of efficiency though there are many other factors that determine organisational performance and organisation structure is not necessarily one of the main factors.

In today's Public Service various frameworks have been published by the DPSA to give guidance on organisational structuring, process design and operations management, including—

- the Batho Pele policy;
- a Guide on Organisational Design[35];
- an Operations Management Framework[36];
- an Organisational Functionality Assessment Tool[37] (functionality in the sense of whether the organisation works or performs);
- a Productivity Measurement methodology[38]; and
- generic functional configurations, e.g. for corporate services in departments.

The existence of these guides, frameworks and tools have not necessarily improved effectiveness and efficiency. The problem is therefore not a lack of guidelines but rather a lack of analytical capacity in departments. Organisational Development Units/Organisation and Work-study Units in departments have been reduced to the function of maintaining a department's post establishment and administering the job evaluation system. This last function has also been reduced because Occupational Specific Dispensations (OSDs) no longer require job evaluation and posts in corporate services and other generic jobs are graded using benchmarks provided by the DPSA.

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[35] DPSA. (undated) Guide and toolkit on organizational Design (www.gov.za)
[36] DPSA. (2016). Operations Management Framework. (www.dpsa.gov.za)
[37] DPSA. (2022). Organisational Functionality Assessment Tool (www.dpsa.gov.za)
[38] DPSA. (2017). Productivity management framework (www.dpsa.gov.za)

Analytical capacity is not only needed for organisation structuring and process design but also for policy analysis, planning, monitoring and evaluation, Human Resource Planning, ICT systems development and performance and expenditure review. The PSC therefore makes a recommendation for the creation of such analytical capacity in departments under the heading of HR Planning – section 8.2 of this report.

3.4   Organisational Rationalisation Programme

In the early 1980's the PSC launched an organisational rationalisation programme[39] as a major reform effort. The purpose was to reduce the number of departments in order to improve coordination, so that functions that require close coordination are placed under the control of one department. This relies heavily on direct hierarchical control as a coordination mechanism. The purpose was also to achieve a logical macro-organisation[40], that is, a logical horizontal division of functions between public service departments and public entities (and even the private sector).

The word "rationalisation" may be confusing here given the fragmented nature of the apartheid constitutional setup. Rationalisation simply meant having good reasons for suggested organisational configurations. The rationalisation programme was restricted to the set of central government departments. It worked within the then constitutional setup and did not aim to rationalise the irrational apartheid structures. The programme resulted in a reduction of government departments at national level. The then Department of Cooperation and Development (Departement van Samewerking en Ontwikkeling) would have advised the independent states and self-governing territories.

3.5   Personnel administration system

Managing people in the South African Public Service has traditionally been seen as an administrative task undertaken by a specialist group of personnel functionaries through applying centrally devised regulations and prescripts.

The personnel management system was a career system, which means that entry into the Public Service was mostly through entry ranks and people were then promoted through the ranks to higher posts. The statement is many times made that promotion was based on seniority. This is only partly true. The PSC maintained so-called preferential lists (voorkeur lyste) for the administrative division of the Public Service. Based on officers' performance assessments, they were categorised as "preferentially promotable", "promotable out of turn" and "promotable when your turn comes"[41]. Seniority played a major role only in the last category. Performance assessments had to be motivated by "incidents"[42] – instances of actual

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[39] Public Service Commission. (1980). *White Paper on the Rationalisation of the Public Service and Related Institutions.* (www.psc.gov.za)

[40] Loxton, A. (1993). A Criteriological Approach to the Functional Structure of Central Government Administration in South Africa. Submitted in fulfilment of the requirements of the Degree of Doctor Administrationis, University of Pretoria.
Also Loxton, A. (1994). A Criteriological Approach to the Functional Structure of Central Government Administration. *SAIPA*, 29(2).

[41] Guided by Public Service Staff Code (reviewed annually)

[42] Cameron. (2022). *Public sector reform in South Africa 1994 – 2021. Public Policy and Governance series.* United Kingdom, Emerald Publishing.

tasks done or behaviours that demonstrated performance against a list of competencies or work areas. In this regard, today's PMDS is no different. It is now called "motivation" or "evidence. The previous performance appraisal system was utilised to create a pool of persons who would be considered for promotion whereas currently the practice is open competition which is not dependant on the outcome of the performance assessment.

3.6   Occupational differentiation

A major reform drive in the PAS was the programme of occupational differentiation, implemented in the early 1980's. The whole Public Service was classified into occupations, largely replacing the old classification into the clerical, administrative, professional, technical, General A and General B divisions of the public service. A "Personnel Administration Standard (PAS)[43]" was developed for each occupation. The PAS contained the appointment requirements, rank structure, promotion requirements, training and development requirements and the salary scales and other conditions of service applicable to that occupation. It also contained references to the general measures applicable to the occupation. Differentiation in salaries were based on labour market comparisons with similar occupations in the private and broader public sector. In theory, any of the personnel administration measures, not only salaries, could be differentiated to fit the needs and work conditions of the specific occupation.

3.7   Conclusion

To evaluate the success of these measures after so many years will require a research project on its own. It can, however, be stated, without much fear of contestation, that the administrative system was characterised by a high degree of rationality in the classical bureaucratic sense. This meant that a law was passed from which a mandate of a department was derived, suitable organisation structures were created, regulations were promulgated containing the detailed rules according to which the policy would be implemented, work procedures were carefully mapped and documented, the volume of work was measured and a post establishment created, an itemised budget (later objective budgets) was voted by Parliament, and personnel and financial administration was conducted according to laws and rules that generally applied across the public service.

A summative characterisation of this period is perhaps rationality—trying to design administration as an efficient machine. This included logical functional organisation, logical occupational classification, process design through work study, and thick staff codes. Expertise in personnel administration was measured by how well you know the staff code. Quite a bit of this traditional bureaucracy, with considerable justification, remains in the current administrative arrangements.

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[43] In reference to the PAS, refer to the Personnel Practitioners Guide to the CORE and the occupational classification system, (undated). DPSA (www.dpsa.gov.za)

CHAPTER 4. FIRST WAVE OF REFORMS: 1994-2000

4.1 Introduction

The purpose of this Chapter and the next two chapters is to give a comprehensive overview of the major public administration reforms undertaken over roughly a thirty-year period since 1994. The purpose is to distil the considerations that motivated the reforms and to make an informed judgement on the success of the reforms based on available evaluations and academic publications as well as government reports. In many instances reforms have been propagated but not purposefully implemented and in many cases evaluations of success have not been undertaken. In other cases, the evaluations were compliance orientated, which assume that compliance with a rule will lead to better administration and such evaluation do not question the appropriateness of the rule itself, which is often the focus of reforms. ("Rule" is here used as a collective name for all the design features of administration, including, law, regulation, policy, structure, procedure, systems, guidelines and templates.)

Some areas are singled out for further analysis and the development of a PSC perspective. The choice was informed by a need to limit the scope of the study by choosing a few areas that can have a big impact on the nature and direction of public administration reform. It is acknowledged that reform areas, not covered, warrant reports on their own, which are available in some cases, and the PSC cannot develop a perspective on all these areas within the scope of a single report.

The three waves of reforms are not discrete periods containing the initiation and conclusion of reforms because many reforms were initiated in an early period but further developed in later periods. Also, some themes recur period after period. Some reforms disappear from attention while others are more enduring and more vigorously pursued. Allocation to a period is more an indication that a recognisable staging post was reached or that a major report was published.

4.2 1994 – 1996: Organisational Rationalisation

The allocation of functions to spheres of government is determined by the Constitution, and many institutions are created by the Constitution itself and by legislation. The mechanisms for assignment of powers and devolution of functions are also provided by the applicable constitution. Therefore, any macro-reorganisation will work within a given constitutional configuration. It is for this reason that the apartheid institutional setup made provision for a national administration with its departments and public entities, four provincial administrations, three own affairs administrations for Whites, Coloureds and Indians and a number of independent states and self-governing homelands on ethnic lines. All these administrations had to be unbundled and re-arranged to be in line the new constitutional setup that provided for a national administration and nine provincial administrations.

This involved a process of –
- Building the functional models (the PSC called it "blueprints"') that showed the allocation of functions to departments in the national sphere, the devolution of

functions to the provincial and local spheres and the accompanying departmentalisation in the provincial sphere.

- Formally transferring functions from previous administrations/departments to new administrations/ departments. This was done by using powers of the then Commission for Administration to transfer functions.

- Formally assigning the administration of laws to the new authorities (ministers and members of the executive councils). This was done using the powers of the President to assign the administration of laws through proclamation.

- Transferring personnel, budgets and assets to the new administrations and departments on the principle of personnel, budgets and assets follow function.

- Rationalising terms and conditions of service between the "Republic of South Africa" public service and the public services of the independent states of Transkei, Bophuthatswana, Venda and Ciskei (TBVC) and the six "homelands". This did not only entail the rationalisation of salaries and benefits but also the amalgamation of pension funds and medical schemes.

This was a huge task that was largely successful, without underestimating the growth pains and disruption that accompany such a huge organisational rationalisation process.[44] Since this major macro rearrangement, driven by the constitutional requirements, there have been many establishments and disestablishments of departments, splitting and merging of departments and functional and name changes – nine (9) in the time of President Mandela, six (6) in the time of President Mbeki and twenty (20) in the time of President Zuma.[45] These were mostly driven by the need to compose ministerial portfolios and to enhance the effectiveness of the Public Service. Some of these macro-organisations/configuration[46] were major whilst others were insignificant.

Most public administration problems, like building the capacity and capability of the state, will not be solved by macro-organisation or reorganisation. It can solve problems like functional overlaps between departments and spheres of government, turf wars, illogical functional groupings, proliferation of State-Owned Enterprises, public entities and agencies, configurations that no longer respond to the programme of government, poor coordination and lack of purposeful leadership.

The creation of many agencies and contracting out of services may have led to a "hollowing out of the state"[47] because the splitting of policy and implementation and the contracting out of functions led to depleted capacity and capabilities in some central departments. This is not,

[44] Public Service Commission. Report on the Rationalisation of Public Administration in the Republic of South Africa 1994 to 1996. (1997) (Robson report). Also Robson IH. (2006). The assignment of responsibilities for the performance of public functions to levels or spheres of government in South Africa. Submitted in accordance with the requirements for the degree of Doctor of Literature and Philosophy in the subject Public Administration. University of South Africa.

[45] DPSA. (2019). Machinery of Government: Towards Public Administration Reforms: Presentation to FOSAD MANCO. 4 March 2019. Unpublished.

[46] Macro-organisation/configuration is defined as the allocation of functions vertically between spheres of government and horizontally between departments and agencies linked to departments. It also includes departmentalisation in each sphere.

[47] Rhodes, R. A. W. (2017). The Hollowing Out of the State. Chapter 8 of Network Governance and the Differentiated Polity: Selected Essays, Volume I. Oxford University Press.

however, just a result of macro reorganisation but how the mandate of institutions is defined in legislation and policy.

Macro organisation aims at a rational grouping of functions and better coordination arrangements by placing functions that require close coordination in the same department or in the same cluster.

It is true that strong institutions are at the heart of the developmental state and sound macro-organisation is the starting point of institution building. However, frequent reconfiguration may set back institution building for many years because of the disruption and discontinuity that accompany it. Therefore, all macro reconfigurations must be informed by a business case that sets out the outcome of a diagnostic analysis, a review of government's strategic objectives and priorities in a functional area, the strengths and weaknesses of alternative configurations, the service delivery model for a function given resource constraints, as well as the envisaged impact of the reconfiguration.[48] This is not an overnight job and it is better if the composition of ministerial portfolios do not disturb existing macro-organisational arrangements at departmental level simply based on the exigencies of composing a cabinet.

The Constitution of South Africa[49] and the Public Service Act, 1994 as amended, provide various powers for macro-organisation. The Constitution provides a tightly defined framework for assignment of functions to the three spheres of government and further provides for a number of powers and functions, and selected institutions, by name.

Departments are created by the President in terms of the Public Service Act (PSA) [section 7(5)]; or by the Premiers with regard to provincial departments [PSA, section 3A(a)(i)]; on the advice of the Minister for the Public Service and Administration [PSA, section 3(1) and (4)].

Agencies and state-owned entities that are linked to departments are created by legislation and such agencies are regulated in terms of various prescripts including the Companies Act and other relevant legislation.

The Constitution further provides for the following mechanisms:

- ***Coordination of functions of State Departments and administration***: Section 85 (2) of the Constitution. The President is the Executive Authority of the Republic and exercises his authority together with the members of his Cabinet to develop and implement national policy.
- ***Assignment:*** *Sections 91(2), 92(1) and 132(2):* The President (or Premier) assigns powers and functions to ministers. The legislation itself may assign the powers and functions to ministers or entities. The legislation may assign a function either to a minister or to some other state agency. For example, the regulation and enforcement of regulation are many times split between a public service department and a regulatory agency.
- ***Transfer of functions***: *Section 97 and 137:* The President (or Premier) may transfer functions between ministers by proclamation.
- ***Assignment of functions to provincial Executive Councils or Municipal***

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[48] PSC. (2019). Submission to the President on the reconfiguration of government.
[49] The Constitution of the Republic of South Africa, 1996.

Councils: Sections 99, 126 and 156(4): A power or function exercised in terms of an Act of Parliament may be assigned to Provincial Executive Councils or Municipal Councils by proclamation by the President or Premier.

- Sections 125(3) and 156(4) contain the principle of ***subsidiarity and asymmetry***. Subsidiarity means that the function should be assigned to the sphere of government nearest to the citizen where it can still be effectively executed. Asymmetry means that all authorities need not be treated the same with regard to the assignment of functions, but that their capacity to execute the functions should be taken into account.
- ***Agency and delegation***: Section 238 provides that an executive organ of state in any sphere of government may—
  - ➢ delegate any power or function that is to be exercised or performed in terms of legislation to any other executive organ of state;
  - ➢ exercise any power or perform any function for any other executive organ of state on an agency or delegation basis.

In light of the above, to avoid discretionary and unjustified macro reorganisation of government, the PSC recommends that the powers of the President or Premiers in this regard should only be exercised in/after consultation with an independent expert body.

4.3   1994 – 2000: The Constitution and the introduction of basic legislation

The Constitution of South Africa[50], as the supreme law of the country, established the Public Service and laid down the foundation for public administration. Section 195 of the Constitution, perhaps unique in the world, underscored the importance of values and principles governing public administration.   Section 195 should be read in conjunction with section one of the Constitution, which provides for the founding values of human dignity, equality, human rights and freedom, non-racialism, non -sexism and supremacy of the law. The importance of these values and principles cannot be underestimated. They are rich in content and are a sound foundation for evaluating any administrative process and any administrative reform. They are direction setting for public administration in South Africa.

The principles and associated values set a high aspirational standard for public administration in South Africa. Currently there is no evaluation instrument that measures the actual attainment of these principles – the available instruments evaluate the measures that have been put in place to attain compliance with the principles, e.g. the Promotion of Access to Information Act to attain transparency. The outcomes framework and the associated performance indicators measure effectiveness and efficiency to some degree, without delving deeper into the underpinning values and the other principles.

In the context of administrative reform, it cannot be assumed that measures, even if they purport to promote some principle or value, actually do so, because the nature or mode of administration can militate against the very values and principles, as has been pointed out by some commentators referred to in the previous chapters. A change in tenor or mode is difficult to bring about, just as the White Paper on the Transformation of the Public Service, which idealistically introduced some of the ideas of the New Public Management, did not bring about

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[50]   The Constitution of the Republic of South Africa, 1996.

effective implementation of the New Public Management in South Africa. The key instrument used by the central policy departments, namely rules-driven, in practice embedded a rule- instead of a values-driven administration. This is further explored in Chapter 5.

4.3.1 A new Public Service Act, promulgated in 1994

The main change brought about by the Public Service Act, 1994 is that it removed the powers of the Public Service Commission to make recommendations on the appointment and all the subsequent career incidents of public servants and assigned these powers to executive authorities (ministers and MECs). Appointments consequently political appointments. This was done to give the new government the opportunity to transform the public service and bring in senior officers more attuned to the programme of the new government and would be better able to introduce and implement a new political programme.

The PSC also had powers on the macro-organization of the public service, conditions of service and human resource management policies. These powers were assigned to the Minister for Public Service and Administration. Powers for the internal organization of departments, which included the creation and grading of posts within broad frameworks [including the Public Service Regulations of 1999 and the Codes of Remuneration (COREs)] were assigned to executive authorities (ministers and MECs).

This resulted in the creation of the Department of Public Service and Administration (DPSA) and its role to develop policies and processes that focus on improving how HR functions are managed. This centralized the policy function, as was the case in the pre-1994 dispensation, without taking away the powers of the executive authority but rather provided structure and uniformity across the Public Service.

The assignment of powers for internal organisation, appointment and career incidents of public servants to ministers and the policy function to the Minister for the Public Service and Administration, was called "decentralisation"; in the language of the NPM it approximated "management autonomy".

Some of the effects of this decentralisation/ management autonomy were the following:

- The powers were given to ministers. This gave ministers direct political control over the administration, which is partly to blame for tensions at the political-administrative interface, as this differed from the scheme of the Public Finance Management Act, which gave powers over financial administration to accounting officers (HoDs). The movement now, in the Public Service Amendment Bill, 2023, is to assign these administrative powers to HoDs one can argue, this takes the process of management autonomy further. In this report, the case is also made for management agency (section 6.7).

- The DPSA felt that departments were not able to determine their own policies within broad frameworks and to meaningfully apply such policies, and began to develop detailed frameworks, some prescribed centrally, and some issued as guidelines. Some of the effects of centrally prescribed rules are discussed in section 6.14 of this report.

- A significant change was abolishing the Personnel Administration Standards (PASs) for each occupation and replacing them with the COREs and a centrally prescribed job evaluation system (Equate, later called Evaluate). This fundamental shift allowed departments to grade jobs without any central control. This was later partially changed with the introduction of benchmark job descriptions and grading for transverse occupations and the Occupational Specific Dispensations, but the damage had already been done. The decentralised job grading across most of the occupations led to significant "grade drift" (where the grade of jobs was constantly pushed upwards) with its immense impact on the Public Service wage bill. For example, grade one (the lowest grade) has basically been abolished in most departments. Entry levels in many departments are now salary levels 4 or 5 (for example security guards are graded on level 5 as opposed to the initial salary level). The system also resulted in a huge growth in the number of middle management service (MMS) and senior management service (SMS) posts. This shift also diluted the career system. discussed in section 6.12 of this report.

4.3.2 A new Public Finance Management Act, 1999

The Public Finance Management Act places the responsibility for all financial matters in the hands of the Head of Department (HoD), as the Accounting Officer. The duties of the accounting officer are outlined in sections 38 to 43 of the Public Finance Management Act (PFMA) and the Treasury Regulations. The HoD is responsible for the efficient, effective, economical and transparent use of financial resources, including the setting up of appropriate systems of procurement, financial management, risk management and internal control. The Act provides for personal liability for HoDs in certain circumstances. The Act and corresponding regulations also provide details on reporting and accountability requirements from the HOD to the Executive Authority and the relevant Treasury.

With regard to the powers of the accounting officer, the PFMA differs from the Public Service Act, which assigned powers over personnel to the political executive authority. This created an in-built tension in the political-administrative interface.

Both these pieces of legislation envisaged that the law and regulations would lay down broad frameworks within which departments could develop their own policies and would allow for management autonomy, following the New Public Management's dictum of "Letting the managers manage." In practice departments were unable to develop context specific policies and relied heavily on rules, guidelines, instructions, directives and templates issued by the central departments, namely the National Treasury and the DPSA, and later the Department of Planning, Monitoring and Evaluation (DPME) with regard to planning frameworks and Monitoring and Evaluation (M&E). So, the ideal of management autonomy was only partially achieved.

> "For the first ten years of its existence, The PFMA wasn't a problem. But over the next ten years, the way it was implemented differed from the original spirit of the law, especially as it related to government procurement, and the auditors became far more technical in implementing it too. The result was that while the PFMA remained in place, a litany of new Treasury Regulations (often issued as "instructions") were bolted on, making it unwieldy."
>
> *Ismail Momoniat, Deputy Director-General: National Treasury*

4.3.3 Skills Development Act, 1998

In 1997 the government established several Sectoral Education and Training Authorities (SETAs), which were funded through the levy-grant system[51]. The SETAs were expected to facilitate the delivery of sector-specific skills interventions that would help achieve the goals of the National Skills Development Strategy and develop the skills needed by employers. The establishment of SETAs was followed by the Skills Development Act (SDA) of 1998, which was enacted by Parliament to provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African work force. Implementation of the SDA was further strengthened through the Skills Development Levies Act (SDLA) which provide for the ring-fencing of 1% of the wage bill for skills development

The SDA also applies to the Public Service, and thus created a dual skills system, because the Minister for the Public Service and Administration could also issue skills development policies under the Public Service Act.

The New Growth Path (NGP) that was introduce during the 4th Administration 2009 – 2014 required a radical review of the training system to address shortfalls in artisanal and technical skills. Consequently, the National Skills Development Strategy III was published in 2011. The strategy proposed, amongst others, the improvement of Sector Education and Training Authority (SETA) performance by strengthening governance, accountability and administrative systems. SETAs were tasked to prioritise identifying and funding the main sector skills needs based on the NGP. The Minister of Higher Education said at the time –

> "On 1 April 2011, the Sector Education and Training Authorities (SETAs) will enter a new phase. During this new phase we will make some fundamental changes to the leadership, governance and strategy of the SETAs in order to meet the objectives of NSDS III and improve their functioning and performance. We also intend to set up a comprehensive performance monitoring, evaluation and support system for all our education, training and skills development institutions, with a particular focus on the SETAs and public FET colleges."[52]

The immediate goal was also to expand enrolment at Further Education and Training (FET) colleges, targeting a million students in FET colleges by 2014 and to increase the graduation rates significantly. It was further proposed that all public servants should also receive information and communications technology skills training. The use of information and communication technology is also advocated for in the Public Administration Management Act, 2014.

4.3.4 Promotion of Administrative Justice Act, 2000, Promotion of Access to Information Act, 2000 and the influence of the courts on administration

The influence of the courts to prompt departments to review administrative policies and procedures cannot be overestimated.

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[51] The Presidency. (2012). National Development Plan of South Africa.
[52] Department of Higher Education and Training. (2011). National Skills Development Strategy III.

The Promotion of Administrative Justice Act (PAJA) guarantees procedurally fair administrative action by giving people the right to request reasons for administrative actions and decisions and to have such actions reviewed in court. It is pioneering legislation that intends changing the way government interacts with the people it serves. The PAJA seeks to protect the public from unlawful, unreasonable and procedurally unfair administrative decisions. The Promotion of Access to Information Act (PAIA) gives people access to the information they need to exercise their rights and also provides for public participation in policy making.

Where the courts have found against departments it has in many cases led to the review of administrative procedures and contributed significantly to administrative reform.

However, a study conducted by the PSC on compliance with PAJA revealed a worrying situation in terms of how the PAJA and PAIA are implemented, coupled with an ambiguous understanding and awareness of these laws in most prominent institutions that were researched[53].

A major study by the Human Sciences Research Council[54] focussed on the impact of court decisions on the transformation of society, because it is the public service that must implement court decisions on the policy, legislation, budgets and institutional practices of the public service. The study focussed on the human rights-especially socio-economic rights—provisions in Chapter 2 of the Constitution that provide for the progressive realisation of human rights. For instance, regarding housing, section 26(2) of the Constitution says that "The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right." Sections 27(2) and 29(1)(b) contain similar provisions with respect to health care and education

The study found that the courts recognised that they are not well-placed to make policy, or even prescribe to government how it should make its policy choices. Judges acknowledged that they do not have the skills to determine state budgets, and so on. However, the courts do have the power to judge the *reasonableness* of government policy and the validity of legislation. The courts also became more interventionist by supervising government departments to implement and deliver on court orders.

A supreme example of this is the case of *Mwelase and others v the Director-General of the Department of Rural Development and Land Reform*[55]. This case concerned the failure by the Department of Rural Development and Land Reform to process land tenant applications submitted in terms of the Land Reform (Labour Tenants) Act, No 3 of 1996 (LTA). Thousands of labour tenants lodged applications under the LTA with the Department before the cut-off date of 31 March 2001. However, the Department failed to process these applications. Because of that failure, the Land Claims Court (LCC) ordered the appointment of a Special Master for Labour Tenants to assist the Department in its implementation of the LTA. The

[53] PSC. 2007. Compliance with the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)
[54] Human Sciences Research Council, Department of Justice and Constitutional Development. 2015. Assessment of the Impact of Decisions of the Constitutional Court and Supreme Court of Appeal on the Transformation of Society: Final Report
[55] Constitutional Court. 2019. Mwelase and others v the Director-General of the Department of Rural Development and Land Reform and another.

Supreme Court of Appeal found that the Land Claims Court overreached its hand by interfering in the administration. However, the Constitutional Court found that the doctrine of separation of powers does not imply a rigid or static conception of strictly demarcated functional roles. The three branches share a commitment to the Constitution's vision of justice, dignity and equality. They are not at odds about fulfilling the aspirations of the Constitution. Rather, all three branches are engaged in a shared enterprise of fulfilling practical constitutional promises to the country's most vulnerable. The Court held that it is a crisis in governmental delivery, and not any judicial wish to explore the limits of separation of powers, that demands effective judicial remedies. When egregious infringements have occurred, the courts have had little choice in their duty to provide effective relief. This case demonstrated the need for judicial intervention where the most vulnerable and marginalised have suffered from the insufficiency of governmental delivery.

Although prioritisation and allocation of funds are squarely in the domain of the political executive and the administration, in the case of *National Association of Welfare Organisations and Non-Governmental Organisations and others v Member of the Executive Council for Social Development in the Free State and Head of the Department of Social Development in the Free State*[56] the court was asked to consider whether a policy allocating funding to welfare organisations meet constitutional and legal requirements, and whether it was fair. The court ordered the department to review its policy. However, the court decided that the department lacked the capacity and that it will supervise the process. "The court put its hand on the matter and controls it.[57]" (Par 3 of the 2013 judgement.) The department submitted several revisions and only after the third revision was the court prepared to declare that the policy complied with constitutional and legal requirements.

These examples demonstrate that the courts played a huge role in administrative reform and based on the ongoing administrative matters before the courts, there is no doubt that they will continue to do so.

4.3.5   Labour Relations Act, 1995

Collective bargaining was only introduced in the Public Service when the Public Service Labour Relations Act was promulgated in 1993. The history of labour relations before 1979 is one of job reservation for whites and segregation on apartheid lines.

"The 1970s saw mounting pressure on the government from various sources, such as the slow-down of economic growth, the 1974 imposition of international trade sanctions, and the defining 1976 Soweto uprising of black youth.[58] Hence, there was an increasing realization that job-reservation, trade union rights, and collective bargaining systems, which favoured white workers, were generating significant social and economic instability in the South African

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[56]   National Association of Welfare Organisations and Non-Governmental Organisations and others v Member of the Executive Council for Social Development, Free State and Head of the Department of Social Development, Free State and another. Free State High Court. Case No.: 1719/2010. Several judgements in 2010, 2011, 2013 and 2014.

[57]   *Ibid.*

[58]   Bhorat, Haroon., Naidoo, Karmen and Yu, Derek. 2014. *Trade Unions in an Emerging Economy*: *The Case of South Africa.* Development Policy Research Unit (DPRU) Working Paper 201402.

economy at the time."[59] These challenges led to the appointment of the Wiehahn Commission of Inquiry into Labour Legislation in 1977. There is consensus among many commentators and writers that the Wiehahn Commission's report signalled the turning point for integrated labour relations and labour law in South Africa.[60]

According to de Clercq[61], initially government did not accept all the Wiehahn proposals, especially the recommendations that all Africans should be made eligible for trade union rights and multiracial unions should be allowed to operate. However, this changed and as such, the recommendations of the Wiehahn Commission served as the basis to amend the Labour Relations Act of 1956 in 1979 and several times between 1980 and 1991 through recognising non-racial unions on condition that they registered with the Minister of Manpower, widening the definition of an employee to include African workers, eradicating job reservations and advocating for the establishment of an Industrial Court and aligning labour laws and practices with international conventions and codes (Budeli, 2009:69-72; Bhorat *et al*, 2014:4; Gentle *et al*, 2018:18). [62]

However, employees in the public sector, domestic servants and farm labourers were excluded from the scope of the amended Labour Relations Act. According to Budeli[63], "public service employees were covered by the *Public Service Act 111 of 1984.* S 351 of this Act provided for staff associations whose membership was restricted to employees in the public sector only. These "*associations had limited rights to negotiate with the state on terms and conditions of employment in the public sector.*" This meant that the Public Service Commission (PSC)/Commission of Administration (CoA) continued to determine and regulate the remuneration and working conditions of public servants. This practice was not unique to South Africa, as explained by the *University of Chicago's* Law Review Editors (1971)[64] and Nolan (1978)[65].

Between 1989 and 1993, this was challenged by what Maree (2013[66]), the then interim President of IRASA (Industrial Relations Association of SA), referred to as the biggest strike

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[59] Van der Berg, S., Bhorat, H. (1999-08). *The Present as a Legacy of the Past: The Labour Market, Inequality and Poverty in South Africa*. Development and Poverty Research Unit Working Paper Development Policy Research Unit Working Paper 99/029. University of Cape Town.

[60] de Clercq, Francine. (1979). Apartheid and the Organised Labour Movement. Review of African Political Economy, No. 14 (Jan. - Apr.), pp. 69-77; Budeli, Mpfariseni. 2009. Workers' right to freedom of association and trade unionism in South Africa: An historical perspective, Fundamina, (15-2); Bhorat et al, 2014, *op cit;* Bhoola, U. 2002. National Labour Law Profile: South Africa, https://www.ilo.org/ifpdial/information-resources/national-labour-law-profiles/WCMS_158919/lang--en/index.htm

[61] De Clercq, *op cit.*

[62] Budeli, 2009, *op cit;* Bhorat et al, (2014), *op cit;* Gentle, Leonard., Luli Callinicos, Martin Jansen, Noor Nieftagodien and Richard Jordi. (2018). A history of trade unionism in South Africa, Workers' World Media Productions.

[63] Budeli, 2009, *op cit.*

[64] Law Review Editors. (1971). The Civil Service-Collective Bargaining Conflict in the Public Sector: Attempts at Reconciliation. *The University of Chicago Law Review*, Vol. 38:826-849.

[65] Nolan, Dennis R. (1978). Public Sector Collective Bargaining: Defining the Federal Role, 63 Cornell L. Rev. 419-462, http://scholarship.law.cornell.edu/clr/vol63/iss3/3

[66] Maree, J. (2013). "*Why has the public service in South Africa experienced such devastating strikes and what can be done about it?* 3rd Biennial Labour Relations Conference, 22-24 October 2013, Irene, Gauteng.

wave in the history of public service in South Africa by three militant trade unions (NEHAWU, SADTU, and POPCRU). The strikes resulted in the recognition to trade union organisation in the public service and the extension of core labour rights for the first time to public servants through adopting the Public Service Labour Relations Act (PSRLA) of 1993, the Education Labour Relations Act (ELRA) of 1993 and the promulgation of the South African Police Labour Relations Regulations in terms of the Police Act.[67] Prior to 1993, public service employees had no collective bargaining rights.

These developments resulted in the establishment the Public Service Bargaining Council (PSBC), Education Labour Relations Council (ELRC), the National Negotiating Forum and Provincial Negotiating Forums[68], but the bargaining forums could only make recommendations (Clarke, 2007:28).[69]

The demise of apartheid and the multiparty negotiations resulted in the adoption of the Interim Constitution, Act 200 of 1993, and democratic elections in 1994. Specifically, the interim and final Constitution of the Republic of South African, 1996, provided for, amongst others, the right to freedom of association and the right to labour relations. Section 23 of the Constitution spells out the rights of workers, employers and unions to fair labour practices; form and join a trade union and participate in the union's activities; to strike; form and join an employers' organization and participate in the activities of the organization; and engage in collective bargaining. The provisions of the Constitution necessitated drastic changes to the amended Labour Relations Act of 1956. Consequently, a Ministerial Legal Task Team was appointed in 1994 to draft new labour legislation.[70] This culminated in the Labour Relations Act (LRA) 66 of 1995, which came into effect on 11 November 1996.

One of the fundamental reforms brought about by the LRA of 1995 is the statutory recognition to trade unions organising in the public sector, thereby according the same labour relations rights to employees in public service.[71] While section 27 of the LRA broadly provides for the establishment of bargaining councils between registered unions and employers for a sector or area, section 35 *prescribes* that "there will be a bargaining council for the public service, as a whole, to be known as the Public Service Coordinating Bargaining Council (PSCBC)".

According to Clarke[72], the establishment of the PSCBC through the LRA "*created the opportunity for the historical adversities between an employer and trade unions to be converted into social dialogue interactions, which are commonly believed to be a better approach in resolving their differences.*"

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[67] Clarke, Arthur Russel. (2007). Public Service Labour Relations: Centralised Collective Bargaining and Social Dialogue in the Public Service of South Africa (1997 TO 2007), A thesis submitted in partial fulfilment of the requirements for the degree of Masters: Administration in the School of Government of the University of the Western Cape.
Maree, 2013, *op cit.*

[68] De Bruin, Frikkie. (2022). History of the PSCBC. Presentation to the PSCBC 25th Anniversary Workshop, https://pscbc.co.za/index.php/other/25th-anniversary-workshops.

[69] Clarke. (2007), *op cit.*

[70] Bhoola. (2002), *op cit.*

[71] Clarke. (2007), *op cit.;* Maree. (2013), *op cit.;* Kumalo V., Skosana, D., and Governder, L. (2014). A History of the South African Democratic Teachers' Union (SADTU), SADTU.

[72] Clarke. (2007), *op cit*, iv.

According to de Bruin[73], between 1998 and 2021, parties to the PSCBC concluded approximately 130 resolutions. A ground-breaking resolution of 2022, Resolution 1 of 2022, confirms the commitments of the parties "to develop and/or strengthen collective bargaining in order to underline the importance of the characteristics of a developmental state"[74] Resolution 1 of 2022 provides for, amongst others, (1) the review of collective barraging structures in the public service in collaboration with the International Labour Organisation (ILO) with due consideration to the public sector in general, audit compliance with collective agreements from 2010 onwards, including those signed at sectoral level, and agree on the way forward; (2) a spending review of at least three agencies vis-à-vis departments and large scale outsourcing arrangements, including public-private partnerships; (3) enhancement and effective utilisation of the 4th industrial revolution; (4) supporting women, youth and people with disabilities in the workplace; and (5) professionalization of the public service through implementation of the public service charter.

In view of the post-1994 labour relations reforms and concluded resolutions, the following questions may be asked:

- o   Why did the Public Service experience 'strikes' after the promulgation of the 1995 LRA, especially in 1997, 1999, 2004, 2007, 2010, and 2022. (Clarke, 2007:01; Marxist Workers Party, 2007[75]; Maree, 2013; Smit, 2022[76])?

- o   What were the intended and unintended consequences of these strikes, especially on the functionality of government and the wellbeing of the public?

- o   What prevented government as the employer and its employees, as represented by various trade unions, from dealing with differences over wage increases, medical aid benefits, housing allowance, scarce skills allowances, and other benefits in line with the provisions of the 1995 LRA and the PSCBC Constitution?

- o   Is Public Service collective bargaining contributing to the overall objects of the LRA, that is, labour peace, economic and social justice, and the democratisation of the workplace – if not, what is the alternative?

- o   Did the reforms professionalise the Public Service?

- o   Did the reforms contribute towards the advancement of the founding values of the Constitution and the fundamental rights and freedom of the citizens?

Cognisant of South Africa's political and labour relations history, a plausible broad response to these questions is that the purpose (or reason for the existence) of unions is different from the purpose of government as an employer (Law Review Editors, 1971) and public service collective bargaining is partially contributing to the objects of the LRA. It would be naïve for anyone to carelessly conclude that public service collective bargaining is not contributing to

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73   De Bruin, Frikkie. (2022). History of the PSCBC. Presentation to the PSCBC 25th Anniversary Workshop, https://pscbc.co.za/index.php/other/25th-anniversary-workshops

74   PSCBC Resolution 1 of 2022, par 1.3. https://pscbc.co.za/index.php/other/25th-anniversary-workshops

75   Marxist Workers Party. (2007). 28 Days that Shook South Africa. https://marxistworkersparty.org.za/?page_id=2934

76   Smit, Sarah. (2022). Public Sector strike: Government's 'power play' and why we should worry, *Mail & Guardian*, 10 November, (mg.co.za).

the objects of the LRA just because public sector strikes are widespread and most often than not, bargaining processes are characterised by a win-or-lose approach/expectation due to multiple factors, including information asymmetry, power play, lack of trust and bad-faith bargaining, instead of a win-win approach. Although the report does not address these, it is essential to deliberate on these questions because "the public has every right to demand convincing evidence that public sector collective bargaining contributes to the common good"[77] (Nolan,1978:460).

4.4   1995 – 1997: Presidential Review Commission and initial reform White Papers

4.4.1   Presidential Review Commission, 1997-1998

The Presidential Review Commission (PRC) of 1997 was established to look into the state of Public Service and administration, which included, amongst others, a review of human resource practices in the Public Service.[78]

The final report that was submitted to President Mandela in 1998 laid the conceptual framework for further reform in the public sector. In the report's discussion of the Public Service, emphasis was placed on the importance of professional leadership, which it connected to the Office of the Presidency, and it recommended that it should be the 'core of the system of governance.[79]

The PRC proposed the designation of a Head of the Public Service and further recommended that the Department of Public Service and Administration should be reconstituted as an Office of Public Management to be located in the Office of the President.

Although the PRC stated that there is a need for clear definition and delineation of roles between elected office bearers and appointed officials, it was mindful that 'there was a threat, real or perceived, of disloyalty by supporters of the old apartheid order that hindered a smooth political–administrative interface.' It therefore argued that there was a need for 'political appointments' in the Public Service to ameliorate this situation. However, it suggested that this should be an *interim measure* and not a permanent feature of the Public Service and it further implored that skills and competences should be the guiding norm in the future.

In respect of human resources, the PRC stressed the urgent need to develop human resource capacity and it recommended the development of a strategic framework for human resources with a focus on, *inter alia*:

- The elevation of the role and status of human resource development within the overall framework of government policy.
- The development of effective and lifelong career development paths for all categories of public servants.
- The introduction of effective performance management and appraisal systems, and the use of incentives to reward individual and team performance.

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[77] Nolan, Dennis R. (1978). Public Sector Collective Bargaining: Defining the Federal Role, 63 Cornell L. Rev. 419-462, http://scholarship.law.cornell.edu/clr/vol63/iss3/3.

[78] Republic of South Africa. The Presidency. (1998). *Presidential Review Report.*

[79] Republic of South Africa. The Presidency. (1998). *Presidential Review Report.* Chapter 2.

- The basing of promotion and career advancement on performance rather than on seniority or qualifications.
- The introduction of effective systems of staff development and training for all public servants, within the context of a national training strategy.

There is no doubt that the PRC believed that an effective and efficient public administration is dependent on strong coordination driven by the centre of government; effective policy formulation, execution and mechanisms to monitor implementation and impact; skills development and performance management; a professional cadre of leadership within the Public Service and stability at the political-administrative interface.

Although there were definite improvements to the Public Service during the first decade of democracy, the implementation of the administrative reforms did not reach the anticipated lofty heights. Deficiencies started to emerge in the capacity, capability and the ethos of the Public Service in the provision of services.

It is a pity that many of these same recommendations had to be repeated by the National Development Plan Vision 2030, many years later in 2012.

4.4.2   White Paper on the Transformation of the Public Service, 1995

Many of the ideas of the New Public Management were introduced into the Public Service through the 1995 White Paper. In the chapter on Institution Building and Management the following strategies were proposed:

(a) *"Devolution and Decentralisation of Managerial Responsibility and Accountability*. At the moment many managers in the Public Service feel that their powers to lead and direct the change process in a creative and visionary way are constrained by the rule-bound and procedure-laden culture inherited from the past. In order to overcome this situation, it is proposed to move increasingly towards a system under which managerial responsibility will be devolved and decentralised, while at the same time accountability for performance against specified objectives will be increased."

(b) *"The Introduction of New and more Participative Organisational Structures*. these structures will concentrate less on the application of rules and more on the creative use of consultation and teamwork. To reduce the annoying and wasteful delays which resulted from the old system of referring even the smallest decision to a higher authority, all staff in the new organisation will be encouraged to take decisions and solve problems within their own area of competence."

(c) *"The Development of New Organisational Cultures*. These structural changes will need to be accompanied by a major shift in organisational culture, from a rule culture to one which is focused more on the achievement of tasks and the meeting of needs."

(d) *"Total Quality Management*. Public Service organisations will increasingly be guided by the principles of total quality management (TQM). TQM is an output orientated approach which seeks to improve the capacity of organisations to meet the needs of clients by continually reorienting organisational structure, behaviour and culture to this purpose. … TQM techniques will therefore be studied, adopted where

appropriate, and adapted to suit the specific circumstances of the South African public service."

(e) **"Learning Organisations**. … Public Service institutions must increasingly become "learning" organisations. … It means essentially that organisations and their staff must fully exploit the opportunities for growth, development and change in the fullest sense of the word, particularly by constantly re-appraising existing work practices and behaviour, and the values and assumptions that underpin them; by building upon those that are useful and discarding those that are not; by being prepared to experiment with new ideas and practices; and by learning from mistakes rather than attempting to conceal them."

(f) **"Managing Change and Diversity**. The managers of tomorrow will need to be skilled in handling the complex processes of change taking place around them and will require continuous refreshing and updating in such management skills. One of the dimensions of change, arising from the successful implementation of affirmative action programmes, concerns the question of diversity. … The increasing diversity of the Public Service will therefore need to be managed effectively, to maximise the benefits and minimise the problems. Training in the management of diversity will be especially important."

(g) **"Management Information Systems**. If the process of administrative transformation is to lead to much more effective and accountable systems of policymaking, implementation and evaluation, accurate and accessible information will be needed. This will require the redesign and upgrading of existing information systems, particularly computerised systems, to increase the accessibility and accuracy of information …"

These types of ideas, or ideals, are not realised in practice without a systematic programme to identify and implement practical changes (for instance, changing delegations). They don't come about by simply making aspirational statements. They require change in people's attitudes, which require intensive training and socialisation into a new culture. The behaviour of administrators is also shaped to a very large degree by the institutional infrastructure of policies, procedures, rules and systems within which they function. The attitudes and rules largely did not change to actualise ideas like "learning organisation". The public service is still rules driven. Managers still feel that they have no agency. The Public Service is still hierarchical. Old Management Information Systems that have been in place since the 1980's, especially the Personnel and Salary (PERSAL) system, and the Basic Accounting System (BAS), are still in use.

A systematic evaluation of the success of the White Paper to bring about reform was not undertaken. To measure the degree of change in the variables espoused by the White Paper [e.g., amount of participative management or amount of diversity management or diversity itself (as opposed to mere equity targets)] is in any case a difficult undertaking. Moreover, as has been pointed out above, some voices have questioned the appropriateness or soundness of some of the ideas of the New Public Management.

4.4.3   White Paper on Transforming Public Service Delivery, 1997 (Batho Pele White Paper)

The eight principles of the Batho Pele policy, namely; setting service standards, consultation with citizens, providing information on services, access to services, redress, courtesy, openness and transparency and value for money are a useful framework for improving services. These principles are informed by section 195 of the Constitution.

The White Paper on the Transformation of the Public Service was not evaluated by any government body, However, in the case of the Batho Pele Policy the PSC conducted a total of nine studies, between 2000 and 2009, to assess the level of compliance with the implementation of the Batho Pele policy. The findings of these studies confirmed the significance of the policy for transforming public service delivery in South Africa. On the contrary some of the findings revealed deficiencies towards the effective implementation of the policy due to a lack of skills, the absence of Batho Pele standards, and a general failure to link Batho Pele with organisational strategy.[80]

To conclude this series, the PSC in 2012 released a report entitled: Report on the Assessment of the Effectiveness of the Batho Pele Policy in Public Service Delivery.[81] This report went beyond Batho Pele compliance issues and examined whether the implementation of the Batho Pele policy by public institutions had made a difference in the lives of citizens. One of the key findings of the report is that the policy did not make a significant difference in the lives of citizens. The recommendations of the PSC report, including those of other similar studies on the efficacy of the Batho Pele policy conducted by research institutions and scholars of Public Administration, specifically refers to a need to re-design, strengthen, and revitalise the Batho Pele implementation approach.

The Batho Pele policy was more enduring than the White Paper on the Transformation of the Public Service. The DPSA invested a lot of effort over many years to promote implementation of the policy and issued a re-vitalisation strategy in 2022.[82]

However, much of the promotion of the Batho Pele policy took the form of campaigns to promote behavioural change – a new service delivery ethic. The eight principles, however, have a technical content – the setting of service standards for example is a technical exercise

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[80]   The PSC reports were—
   2000. Survey of Compliance with the Batho Pele Policy;
   2005. Evaluation of Service Standards in the Public Service;
   2006. Report on the Evaluation of Performance and Compliance with the Batho Pele Principle of Redress;
   2006. Report on the Evaluation of Performance and Compliance with the Batho Pele Principle of Access;
   2007. Report on the Evaluation of the Batho Pele Principle of Value for Money;
   2007. Report on the Evaluation of the Implementation of the Batho Pele Principle of Consultation;
   2008. Report on the Implementation of the Batho Pele Principle of Openness and Transparency;
   2009. Report on the Evaluation of the Implementation of the Batho Pele Principle of Information;
   2009. Report on the Evaluation of the Implementation of the Batho Pele Principle of Courtesy;
[81]   2012. Report on the Assessment of the Effectiveness of the Batho Pele Policy in Public Service Delivery
[82]   DPSA. 2022. Revised Batho Pele Revitalisation Strategy.

– and the failure of the policy was largely due to lack of skills or will with regard to designing the instruments required by the policy. The re-vitalisation strategy recognised this:

> "From an accountability perspective, which is a key dimension of effective service delivery, the distinction between Batho Pele principles and standards are crucial given that standards are specific, measurable, and agreed to by the users of the standard; whereas principles are not. Principles are merely general guides on how to act in a given context or situation. At best, therefore, the Batho Pele principles only guide public service officials in terms of their behaviour when executing their public service delivery functions."[83]

The same problem of lack of technical content also applied to the Service Delivery Improvement Plan required by Regulation 38 of the Public Service Regulations, 2016. The plans mostly list service standards and consultation arrangements but do not indicate how operational processes would change to achieve the set standards, this is despite an Operations Management Framework issued by the DPSA. So, if there is no a plan indicating the required change, nothing will change. This proves that policies and templates in themselves will not bring about change if the resultant plans are devoid of meaningful content – in fact, the policies and templates may promote a mode of thinking that may not be appropriate to a specific context and a false sense of security that something is being done to improve service delivery.

The Re-vitalisation Strategy therefore emphasised that operational processes should change, that context specific service standards should be determined and included a new emphasis on community development ("… collective resolution of socio-economic challenges enabling public participation in processes of planning, implementation, monitoring and accounting" – par 5.2.1(f) of the Strategy). The Strategy, however, retained its previous emphasis on campaigns and advocacy.

The Strategy also provides an Implementation Plan with objectives, activities, responsibilities and timeframes. This poses the danger of managing by template and a view that the DPSA is trying to plan for departments.

4.4.4   White Paper on Human Resource Management, 1997

The purpose of this White Paper was to provide a policy framework that would enable the development of human resource management practices in the Public Service in accordance with the Constitutional public administration principles. A key factor to the transformation agenda would always be human resource capability and capacity.

The White Paper aimed to accomplish a shift from *personnel administration to human resource management.* A set of Constitutional values were adopted to underpin the management of human resources in the Public Service, namely, *Fairness; Equity; Accessibility; Transparency; Accountability; Participation and Professionalism.*

The White Paper was clear that the Public Service will continue to be staffed mainly by career employees who will be provided with opportunities for professional advancement and personal

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[83]   *Ibid.*

development. However, the need for more effective recruitment practices that opens the Public Service up to a far wider pool of talent is paramount.

The paper was clear that there was a need for the use of fixed term contracts, and the increased use of part-time employment providing for greater flexibility. It also pointed out that some operational requirements can be unpredictable and therefore the need for flexible contracts were seen as an option.

Personnel administration components would be developed into fully-fledged human resource management units, providing policy advice and professional human resource services. An open recruitment system where all posts are advertised and fixed term contracts introduced elements of the New Public Management. However, that had to go along with the power of managers to appoint and eventually the Public Service Act assigned these powers to EAs with a view that "may" and EAs in many cases did not delegate this power.

Much is contained in the phrase *shift from personnel administration to human resource management.* **Table 2**, where a further difference is drawn between personnel management and human resource management, is enlightening: **[84]**

Table 2: Comparison between Personnel Administration and Human Resource Management

Basis for comparison	Personnel Management	Human Resource Management	White Paper on HR Management
Meaning	The aspect of management that is concerned with the work force and their relationship with the entity is known as Personnel Management.	The branch of management that focuses on the most effective use of the manpower of an entity, to achieve the organizational goals is known as Human Resource Management.	The branch of management that focuses on the most effective use of the manpower of an entity, to achieve the organizational goals is known as Human Resource Management.
Approach	Traditional	Modern	Will require a management revolution
Treatment of manpower	Machines or Tools	Asset	Asset
Type of function	Routine function	Strategic function	• Strategic function • Professional advice and guidance to line managers • Managing people
Basis of Pay	Job Evaluation	Performance Evaluation	Job evaluation
Management Role	Transactional	Transformational	Transformational

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[84] https://keydifferences.com/difference-between-personnel-management-and-human-resource-management.html

Basis for comparison	Personnel Management	Human Resource Management	White Paper on HR Management
Communication	Indirect	Direct	
Labour Management	Collective Bargaining Contracts	Individual Contracts	Increased use of fixed term contracts
Initiatives	Piecemeal	Integrated	
Management Actions	Procedure	Business needs	Business needs Substance and results
Decision Making	Slow	Fast	Standards for HR functions
Job Design	Division of Labour	Groups/Teams	Flexible working patterns
Focus	Primarily on mundane activities like employee hiring, remunerating, training, and harmony.	Treat manpower of the organization as valued assets, to be valued, used and preserved.	Treat manpower of the organization as valued assets, to be valued, used and preserved.
			• Increased decentralisation of HR functions from central department to line departments and from HoD to lower level managers • Career public service • Open competition for posts • Responsibility for HR shifts to line managers • Employees manage their own careers • Multi-skilled • Diversity • Merit

The fact that the Public Service could not shift from personnel administration to human resource management is frequently bemoaned. The Management Performance Assessment Tool (MPAT) overall score for Human Resource Management improved only slightly from a score of 2 to 2.5 between 2012 and 2015.[85] The definition of a 2 is: "Partial compliance with legal/regulatory requirements." The MPAT tool's standards are largely personnel administration compliance standards. If the score for administration is so low, then a shift to human resource management is still out of reach.

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[85] Department of Planning, Monitoring and Evaluation. (2015). MPAT 2012 to 2015: Lessons and Support to the Public Service.

4.4.5 The beginnings of the development of an integrity system for the Public Service: The Code of Conduct of 1997

Very early on the Public Service began to put in place the building blocks of an integrity system by the publication by the PSC of the Public Service Code of Conduct in 1997. The integrity system includes governance arrangements; a clear and unequivocal body of law, including the Public Service Act, Public Finance Management Act, including its provisions on financial misconduct, the Prevention of Corrupt Activities Act, Protected Disclosures Act, 2000 Promotion of Administrative Justice Act and the Promotion of Access to Information Act; financial controls and the promotion of a control environment; auditing; promotion of a performance culture; minimum anti-corruption capacity in each department, arrangements for the reporting of corruption, including through the National Anti-corruption Hotline (NACH); disclosure of financial interest by senior managers; and citizen responsibility.

A clear and unequivocal body of law should certainly be seen as a notable accomplishment and these laws have found application through the courts and have been used by individuals and civil society to enforce their rights. A few civil society bodies have made corruption a large part of their mandate. The press has also played a huge role in highlighting corruption. All these achievements should not be discounted.

However, the PSC has found[86] that the ethics framework is applied perfunctory (for the sake of compliance). Ethics is reduced to institutional issues like disclosure of conflict of interest, appointment of an ethics officer, Remunerated Work Outside Your Work in the Public Service (RWOPS), management of sexual harassment in the workplace, and anti-corruption strategies. Such issues are removed from the daily experience of citizens on how public servants conduct themselves when interacting with them. There seems to be little feedback on behaviour of officials and the impact thereof on service delivery and citizens. Ethics officers have become administrators of the integrity system, administering the disclosure of financial interest system, dealing with RWOPS and conducting the odd code of conduct workshop, so that their responsibility to "*promote integrity and ethical behaviour*" and *"advise employees on ethical dilemmas"* within specific contexts has not been realised.

A group of former Directors-General have commented that "the ethical foundations of Public Service have been eroded, and the public sector has steadily lost its professional ethos and dedication to serving our people."[87]

The management response to ethical issues should be much more contextual, to respond to specific issues relevant in a specific context, or how to deal with behaviour out of sight of managers or how senior managers deal with undue pressure by politicians. For example, in the Department of Correctional Services it is how warders treat prisoners, at provincial departments of transport it is how taxi licences are issued and at provincial departments of traditional affairs it is how traditional authorities handle trust money or how they award

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[86] PSC. (2019). State of the Public Service Report, 2018/19.
[87] Former DGs. (2020). Building a Capable Developmental State: Some reflections by former Directors-General on Strengthening the Capacity of a Developmental State in South Africa. *Reflections by former DGs – July 2020*

occupation rights on communal land, even though traditional authorities are a different sphere of government and not directly within the control of the department of traditional affairs.

4.5 Conclusion

This period laid the foundations of the post-apartheid institutions. A sound basis of law was laid, and the grasp of the Constitution and the law was improved through court judgements. The reform White Papers were ambitious but underestimated the tenacity of older paradigms. In many instances new dictums were accepted unquestioningly.

CHAPTER 5. SECOND WAVE OF REFORMS: 2001 – 2013

5.1   Introduction

This period is characterised by the introduction of the outcomes framework, monitoring and evaluation and major HR policy frameworks that gave some substance to some of the policy ideas of the reform white papers of the previous period. It also saw the introduction of the idea of a developmental state as an exemplar of institution building.

5.2   2001: Introduction of the Outcomes Framework and Monitoring and Evaluation

In 2001 the nine public administration principles in section 195 of the Constitution were used as a frame to evaluate public administration processes, with the introduction by the PSC of an M&E Evaluation Framework based on the nine principles. The M&E Evaluation Framework is an indicator-based tool to measure the level of compliance with the public administration principles. The PSC had up to now completed 170 assessments of departments using the system and, until the introduction of MPAT in 2011, it was the only system that showed trends in the performance of the Public Service since 2001. This system formed the basis of annual "Consolidated Public Service Monitoring and Evaluation Reports" (seventh edition published in 2010 and 4 sectoral reports after 2010).[88]

The "Consolidated Reports" were also a source for annual PSC "State of the Public Service" reports (thirteen editions published over the years). Until 2020, the evaluations were compliance focused, which means that the underlying standards for the evaluations were the regulations and other rules governing administrative processes. There was acknowledgement by the PSC that the evaluations should in future have administrative reform as aim, which would mean that the evaluation standards should become more normative to identify how administrative processes should change in order for South Africa's public administration to better comply with the values and principles. In 2021 the approach was changed in order to conduct more normative evaluations of specific principles.

The Department of Planning, Monitoring and Evaluation (DPME) introduced the Management Performance Assessment Tool (MPAT) in 2011.[89] Though the Key Performance Areas (KPAs) of the tool is different from the PSC 2001 Framework, at an indicator level both tools are compliance tools, and this reinforced compliance with its bias towards a belief that compliance with rules equates to good administration. The last MPAT results were published in 2015.

The Government Wide M&E System was introduced in 2007. Between 2010 and 2017, 8 National Evaluation Plans were published and over 60 evaluations had been completed and

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[88]   PSC. (2010). *Consolidated Public Service Monitoring and Evaluation Report* (seventh edition).

[89]   DPME. (2011). Management Performance Assessment Tool.

tabled in Cabinet, along with 2-year improvement plans. A review of the implementation of the National Evaluation System[90] found that—

> "most of the earlier evaluations had led to significant changes to government programmes or policies. … However, the reporting on the implementation of improvement plans, over two years, by departments was inconsistent or weak, as departments raised concerns over the reporting burden they were faced with. This also resulted in departments not actively reporting on progress made, which hindered the DPME's ability to account for changes and impact achieved through evaluations undertaken in the NES. Nonetheless, the evaluation strongly concluded that preliminary evidence for use of evaluations in departments was encouraging."

The Outcomes Framework was introduced in 2010. This reinforced the requirement that measurable objectives be set on the activity, output, outcome and impact level and that regular evaluations should be conducted to evaluate programme implementation as well as performance at these objective levels. A 2010 Framework for Strategic and Annual Performance Plans reinforced this model.

Performance measurement and reporting was further reinforced through performance auditing by the Auditor-General. However, performance auditing perhaps puts too much emphasis on countable indicators and producing audit evidence for each number that is published in an annual report. And as was commented earlier in the report in chapter two, public services are generally not amenable to standardisation of outputs, not to mention outcomes, so that a simple count of outputs can deliver a very skewed picture of performance. Nevertheless, this has become quite embedded, to the extent that scores like "percentage of objectives/ targets achieved" become quite central in executive and parliamentary oversight, without prioritising between objectives, focussing on outcomes, interrogating key trends and narratives or focussing on specific service standards. High scores based on a simple count of targets achieved are quite common and are at odds with public perceptions of the performance of departments.

In a 2015 report on a review of government's planning system, the National Planning Commission (NPC) concluded as follows:

> "The strategic planning system was developed at a time when there was a strong emphasis, both in South Africa and in international thinking, on target-based performance management systems. As a result, the system is heavily geared towards defining targets against which departmental performance can be assessed. In recent years, there has been increasing scepticism regarding the potential perverse incentives created by indiscriminate use of such target-driven approaches. While performance data remains an important tool in government planning systems and can help to promote accountability and transparency, the evidence suggests it is best used selectively and should not be used in isolation from other means of analysing progress."

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[90] DPME. (2017). Policy Brief: South Africa's National Evaluation System: A review of implementation between 2011/12-2016/17. Review of South Africa's Evaluation System (2020) (dpme.gov.za)

The NPC gives several examples of perverse incentives created by over-emphasising measurable targets and indiscriminate use of standardised templates. With regard to the role of the Auditor-General in performance auditing the NPC concluded that—

> "The focus of the Auditor General has helped to improve the precision of indicators and targets, as well as data collection and reporting. However, it can also result in departments viewing planning as a compliance exercise and create a perverse incentive for departments to choose indicators and targets that are easily measurable. As a result, the planning process can become focused on satisfying the requirements of the Auditor General."

5.3   2005-2009: Major reform of Human Resource Management Frameworks

Between 2005 and 2009 a whole set of HR frameworks were reviewed and consolidated. These included "strategic" frameworks for Job Access for people with disabilities (2008), Gender Equality (2009), SHERQ (2008) (Safety, Health, Environment, Risk, Quality), the Performance Management and Development System (PDMS) (2006 with substantial amendments in 2018), Human Resource Development (HRD) (2008, with a revision in 2021 that was submitted to Cabinet but referred back to the DPSA) and HR Planning (2009 with revisions in 2021). All these frameworks came with a "Strategic Framework", Implementation Guidelines and Reporting Templates (even quality assurance checklists). Before a framework was adjusted, research into the weaknesses of the current framework was conducted and a review report issued.

A key question to be answered by this section is: Why have frameworks, policies and guidelines largely failed to bring about meaningful change?

From the reports submitted by departments the DPSA prepared consolidated reports for the public service. So, many reports are available, but these are mostly compliance focused reports that do not say whether HR objectives, either regarding capacity, skills (capability), fairness or the maximisation of human potential (see principles 8 and 9 in section 195 of the Constitution) have been achieved.

In a quest driven by the transformation agenda to achieve both acceptable levels of service delivery and measurable performance, the Public Service adopted a PMDS for SMS members in 2001[91]. The hope was to shift from bureaucratic rules-driven approaches in public management to a results-oriented approach. However, it remains contentious whether the introduction of the PMDS has achieved its objective of better results[92].

One effect of the extensive frameworks and the reporting requirements is that compliance was pursued to the detriment of substance. This is so even where the frameworks made it clear

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[91] Penceliah, Y. (2012). Performance management in the Public Service with particular reference to the Senior Management Service Cadre in South Africa: A Perspective. Corporate Ownership & Control / Volume 9, Issue 2.

[92] Penceliah, Y. (2012). Performance management in the Public Service with particular reference to the Senior Management Service Cadre in South Africa: A Perspective. Corporate Ownership & Control / Volume 9, Issue 2.

that departments could adjust the frameworks to fit their specific circumstances because the reporting formats closely followed the components of the framework. As soon as detailed reporting according to a pre-set template is required, the frameworks become *de facto* requirements. There are also so many reports required that, with sign-off on the HOD level, it is impossible for an HoD to apply his/her mind to the substance. This is management by template and a template may produce a level of standardisation but not substance. Substance requires thinking and thinking cannot be standardised.

This report chose a limited number of HR practices to review, evaluate their impact and develop proposals for reform.

5.3.1   HR Planning

5.3.1.1 Regulatory Framework

Regulation 26 of the Public Service Regulations, 2016 says—

(1)   An executive authority shall prepare and implement a human resource plan for his or her department.

(2)   When preparing a human resource plan for his or her department, an executive authority shall—

    a)   assess the human resources necessary to perform his or her department's functions;

    b)   assess existing human resources by race, gender, disability, age and any other relevant criteria;

    c)   identify gaps between what is required under sub-regulation (2) (a) and what exists under sub-regulation (2) (b) and prioritise interventions to address the identified gaps;

    d)   consider the employment equity plan contemplated in regulation 27;

    e)   consider the available budgeted funds, including funds for the remaining period of the relevant medium term expenditure framework, for the recruitment, retention, utilisation and development of human resources according to the department's requirements; and

    f)   take into account any other requirements as may be directed by the Minister.

The first guideline, toolkit and template for HR Planning were issued in 2002 and revised in 2008 and 2021. A Ministerial Directive of 25 April 2021 says the Executive Authority **shall** prepare an HR Plan and **shall** use the prescribed template. So, where the regulation lays down the principle, the Ministerial Directive prescribes a template.

5.3.1.2 Existing reviews

The 2008 guideline was reviewed in 2017 and proposed following "improvement areas":

    •   "Shift from a compliance exercise of completing forms and templates to a quality value adding process for the Department."

    •   "Break the unhealthy cycle of the planning for the sake of planning to planning that is integrated within other strategic planning processes of the Department."

- "Transfer strategic HR planning from being the sole responsibility of the HR planner to a Department owned process; with active and meaningful involvement of line managers."
- "Change the approach from HR planners owning the process and seeking information from other HR practitioners to a strategic planning process owned by all HR practitioners."
- "The need for the executive management to take accountability for the HR plan."
- "Move from disconnected HR strategies and plans to using the HR plan to set the strategic agenda for all HR components."
- "More emphasis to be placed on process, providing more guidance on "how to" do things."[93]

The above improvements already point to the conclusions drawn below but the 2021 reviewed guideline did not solve these problems, probably because the problem is not the guideline and template but the analytical capacity in departments.

Unfortunately, good evaluations have not been done on whether the central purpose of an HR Plan, namely a thorough analysis of the demand and supply of personnel numbers, identifying the gap between the two and coming up with creative strategies to bridge the gap, has been achieved. The two evaluations that were done in 2009 and 2012 were compliance evaluations, which simply applied a checklist of whether all the areas prescribed by the guideline and template have been covered in a department's HR Plan.

In the 2009 report (First Aggregate Report on Human Resource Plans) the critical skills identified were very generic: "Project Management, Financial, Sector Specific, Leadership and Management, Computer Literacy, Policy, Engineering, Research, Strategic Management, Customer Focus". Project Management is indicative of current fashion, but one cannot do project management if you do not also know the area of the project – if I want to build a bridge I need a civil engineer, not a project manager.

The HR Plans evaluated contained very limited analysis of the actual data provided and where analysis was provided, they were descriptive, and the evaluations itself was descriptive. The recommendations in the 2009 report included—

- adhere to the template;
- since the overall level of compliance was not optimal, incrementally build capacity in departments;
- HR planning should be led by senior officials;
- integrate the HR Plan and the Workplace Skills Plan; and
- "Departments should gravitate away from simply presenting data to the domain of HR metrics and forecasting and modelling data."

It is striking that the HR Plan analysis is not done by occupation. In the end the gap should be expressed in terms of numbers for specific occupation, and especially specialities within occupations, that the departments have or do not have, the numbers that it would need over

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[93]   DPSA. (2021). HR Planning Guideline. (www.dpsa.gov.za)

the next few years and where these people will come from. The demand and supply of specific occupational technical skills should be the focus of the HR Plan with complementary skills. An example of such an occupational study is one conducted by a Research Consortium on the Social Work profession.[94]

The 2012 report (Substantive Report: Analysis of HR Plans and Capacity Development Measures)[95] added a quality dimension to the evaluation but only the quality of the information that was filled into the templates, not the results of the gap analysis or the workability or innovativeness of the eventual strategies to bridge the gaps.

The top five (5) gaps that were identified in the HR Plans of national departments were: training & development, recruitment & selection, employment equity/diversity management, organisational structure, and retention. This way of identifying gaps differs completely from the way "gap" was defined in Regulation 26 and from how gap is defined in both the 2008 and 2021 guidelines and totally misses the point of HR Planning. The question is how this happened despite all the guidelines and templates.

> The key object of an HR Plan is to project demand for and supply of skills staff and to come up with creative strategies to fill demand-supply gaps.
>
> Prescribing guidelines and templates did not result in meaningful plans because templates do not guarantee substance or creative strategies.
>
> Efforts should rather be directed to creating analytical capacity in departments.

The recommendations in the 2012 report[96] included—

- more compliance;
- An attempt should not be made to aggregate data from HR plans this should be done from primary data;
- standardising and codifying the scoring for quality (quality should be a judgement of the meaningfulness and workability of the plan and a standardised scoring system will probably not achieve this.);
- more training in HR planning; and
- establishing communities of practice.

5.3.1.3 PSC Perspective

A department's post establishment is the formal basis (in the legal sense because a post is an authorisation for the employment of a person) basis of any HR Plan because it establishes the demand side (how many people do I need) of the plan. Posts establishments are, however, not projected into the future, so, do not provide for growth in demand for services.

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[94] Research Consortium Human Sciences Research Council, Development Policy Research Unit and Sociology of Work Unit. (2008). Social Work as a Scarce and Critical Profession (Scarce & Critical Skills Research Project: Research commissioned by Department of Labour, South Africa).

[95] DPSA. (2012). Substantive Report: Analysis of HR Plans and Capacity Development Measures.

[96] *Ibid.*

Many departments do not regularly review their establishments and do not update these on the PERSAL system (the personnel and salary IT system of the Public Service). This puts stress on the public service. For instance, as the population of the service area of a hospital increases the demand for services increases. The hospital management and staff can for a while cope with the additional demand but eventually they will take strain. At the same time other functions or service areas may not experience the same demand or the same priority and the system becomes unbalanced.

The HR planning guidelines assume that proper establishment determination has been done. Establishment determination cannot simply be a question of measuring the workload or applying post provisioning norms because the number of posts also need to be within the budget. It also needs to be projected into the future. Measuring workload and applying post provisioning norms invariably lead to bigger demand for posts than can be afforded within the budget. Establishment determination therefore requires performance and expenditure reviews (see GTAC guidelines on performance and expenditure reviews[97]) and/or review of the service delivery model (see DPSA Operations Management Framework[98]) because in the budgeting process (which by necessity include establishment determination) trade-offs between level of service, amount of service and costs need to be made. Such reviews cannot be done for all organisational components every year.

Most of the public services represent a continuation of operations and resource provision from a previous year and the establishment record should reflect this with minor adjustments. But thorough reviews should be done regularly enough, before the stresses in the system become unbearable. HR planning can therefore not be done in isolation of a review of a department's strategic plan and what can be afforded within its budget envelope. This is in line with the 2017 suggested improvements.

The section on the post provisioning model in the 2008 HR planning guideline makes use of the concept of "weighted services". The explanation of the concept here is vague and really unhelpful. Tool 5 in the 2021 Guideline, which covers post demand and supply is on a very rudimentary level. Proper organisation structuring and post establishment determination is covered very superficially in the HR planning guideline. It is also doubtful whether HR components have the capacity and capability to conduct such reviews of the demand side of the HR Plan.

Providing a guideline and template does not solve this fundamental problem. A template or a stepwise process does not guarantee a meaningful plan and creative strategies. A good plan requires thinking and one cannot work out a procedure for thinking – it is a more creative process facilitated by deep immersion in the subject and it follows its own leads like an investigation. Mintzberg[99] (1994) calls the idea that a process or template can produce thinking the fallacy of formalisation. On the one hand the guideline and template are superficial and vague on the how, and on the other hand too prescriptive on process contents and creative

[97] National Treasury. Government Technical Advisory Centre. (2020). Spending Reviews: Companion Guide. 20200525_NT_COMPANION-GUIDE (www.gtac.gov.za)
[98] DPSA. (2016). Operations Management Framework. (www.dpsa.gov.za)
[99] Mintzberg. (1994). The Rise and Fall of Strategic Planning. Prentice Hall, Toronto.

strategies to fill supply-demand gaps –if you advertise posts and do not get the people you need, what are the short- and long-term strategies to fill these gaps?

An experienced analyst will know what to look for – a guideline and template do not really aid analysis beyond providing a checklist of things to consider. Equally, Identifying the gap does not automatically lead to creative solutions to bridge the gap. This requires innovation, creative thinking, mature experience and well-grounding in the policy or functional area of the department. So, the problem is not the lack of a guideline but lack of analytical skills and good data management. Forecasting demand and supply is also not as straight forward as it seems – See the case study 2 on issues around supply and demand. See also the case study 1 on the demand and supply of social work practitioners.

Case study 1: HR Planning for Social Service Practitioners

In 2015 the Department of Social Development (DSD) published a Supply and Demand Model for Social Practitioners that offers a number of lessons for HR Planning.

The National Development Plan (2012) estimated that the country required close to 55 000 social service professionals to respond to the country's social welfare needs. In 2015, there was approximately 30 000 Social Service Practitioners (SSP) (including Social Workers, Auxiliary Social Workers and Community and Youth Care Workers) registered with the South African Council of Social Service Professions. This was 25 000 short of the NDP projections.

These projections were based on norms of SSP in relation to population numbers, namely 1:5000 for urban areas, 1:4500 for peri-urban areas and 1:3500 for rural areas. The **table** below shows the actual ratios based on 2015 population numbers.

Province	2015 mid-year population estimate*	DSD employed SSPs~	Norms and Standards SSP per Capita	Actual SSP per Capita
Gauteng	13 200 300	2 311	5 000	5 712
KwaZulu-Natal	10 919 100	2 441	4 500	4 473
Western Cape	6 200 100	1 287	4 500	4 817
Eastern Cape	6 916 200	3 141	3 000	2 202
Limpopo	5 726 800	2 145	3 000	2 670
Mpumalanga	4 283 900	1 270	3 000	3 373
Northwest	3 707 100	1 365	3 000	2 716
Free State	2 817 900	712	3 000	3 958
Northern Cape	1 185 600	578	3 000	2 051

So, except for Gauteng, Western Cape, Mpumalanga and the Free State, these ratios have been achieved, placing some doubt on the NDP projections.

According to the *Higher Education Management Information System* database, South Africa had 720 students graduating in 1999. In 2014 the same data base reported that the country had 2 790 students graduating with social work related qualifications. The exponential increase since 1999 has positively contributed to the potential number of students that graduate with social work-related qualifications and will potentially join the workforce to be SSPs.

Over the 2008/09 to 2013/14 period, the DSD disbursed almost R1.3 billion to offer full scholarships to social work students, and by 2017/18, a total of 13 262 students had benefited

Despite government efforts, on average only 55 percent of all scholarship holders were absorbed into the public sector, which is not necessarily a bad thing if it is the function of the state to train for the whole sector and country. This low uptake is attributed to budget constraints in provinces and the non-availability of public sector posts. See **figure** below.
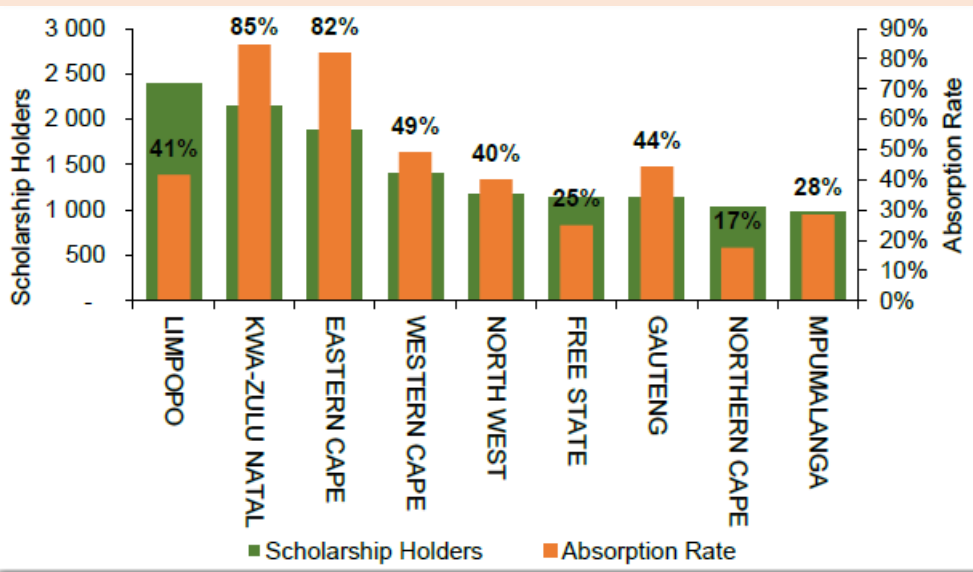
The Medium Term Strategic Framework (MTSF) (government's delivery plan) for 2019 to 2024, under Priority 4, provided for 13 531 social service professionals at a projected budget of R5 billion. To this was added the following note:

"This projected budget will require approval of the financing strategy by Cabinet."

It is clear that HR planning must be closely integrated with the MTSF and budget planning, especially if an expansion of services is planned for.

Most HR planning concentrates on maintenance of existing service levels, or the existing post establishment provision and may not take into account growth in population or growth in demand for services, as explained below in relation to the social service practitioner example.

Demand for staff can be estimated based on –

- Maintaining existing staff numbers or post provisioning norms but providing for population growth and attrition (resignations, death, retirement).
- Ideal norms, like the staff to population ratios above. This should only be a first step in demand projections because norms may lead to unrealistic projections with no relationship with available budget. If this happens to be the case, the ideal norms must be adjusted to realistic levels and realistic policies developed that will manage demand for and level of service. The same apply to standards because if the standard implies an unaffordable level of service, that standard must be adjusted, which is many times unpalatable for policymakers – it requires trade-offs.
- Estimating the staffing requirements of specific legislation, policies or programmes. This was done for the Children's Act and the following excerpt illustrates the difficulties that can be encountered.

"Two scenarios are described in the estimation. The first of these, the 'High' option was developed through five stakeholder workshops to determine the best practice norms and standards. It however became evident through the costing process that '*these 'High' norms and standards were leading to costing outcomes that were impractical in that they required more social workers to implement the Bill than there were social workers in the country.*' They therefore reviewed these and produced a second set of norms and standards that would be less personnel intensive. These are referred to as the 'Low' norms and standards. The key difference between the two is that while the 'High' norms and standards maintain '*good practice norms and standards across areas, services and activities, "Low" maintain these only for priority services and describe significantly lower norms and standards for non-priority services and activities*'".

- Prevalence of social ills demanding the attention of a social worker, e.g. prevalence of child sexual abuse and prevalence of substance abuse.
- Caseloads. Studies suggest that caseloads in South Africa are generally in excess of 120 cases (compared with a maximum of about 12 in the UK).

Supply is based on growth in qualifying students and the proportion of the total registered Social Work Practitioners going to work for the social development departments, which is in South Africa about 46%.[1]

Lessons learnt

1. The Supply and Demand Model of the Department of Social Development does not prescribe a template.
2. The model is data rich and require advanced data analytical skills.
3. Without integration with the budget process and the accompanying trade-offs, the application of models, norms and standards can be meaningless.
4. The model was done by consultants. Consultants cannot make the policy trade-offs.
5. The model was done for all social development departments by the national department. Strategies like offering scholarships were initiated by the national department. However, the required policy trade-offs will probably have to be made by the provincial departments.

Sources

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Case study 2: Issues around supply and demand

The central purpose of HR planning is to come up with strategies to bridge the gap between demand for and supply of staff. However, forecasting supply and demand or measuring skills shortages have considerable conceptual and methodological difficulties. Despite this. scarce skills are a recurring topic in both the public service and industry and scarce skills lists play a prominent role in policy, which is perhaps not justified by the credibility of such lists.

Demand and supply forecasting assumes a direct link between qualification (e.g. degree in social work) and demand for workers (e.g. posts for social workers – see discussion of a demand-supply model for social workers in the text box). This is mostly only true for professionalised occupations. If the link is not direct (e.g. between matric and clerical work) then the supply-demand forecasting is dubious and probably unhelpful.

Supply and demand forecasting further treats skill as a commodity that can be traded whilst in practice it cannot readily be separated from the workplace (it is acquired in the workplace), or the worker with a complex set of experiences, or the institutional infrastructure that enables the application of skills, or the ethos or institutional reputation that will determine whether people will work at a place.

There is also the issue of credentials, where qualifications are used to screen and rank candidates for selection but may have little to do with job requirements, making the link between supply (qualification) and demand (a job with specific requirements) tenuous. The qualification has been set as an advertised requirement and has been used for screening applicants but has little to do with actual job requirements. This may lead to inappropriate policy interventions (promoting irrelevant qualifications).

Scarcity is often linked to personal attributes like critical thinking, communication skills and ability to work independently, or even distinction, which confuses perceptions about scarcity. Scarcity perceived in terms of external recruitment difficulties versus skills deficiencies in the existing workforce also confuses the picture. (Scarcity then becomes unhappiness with the quality of the existing workforce.)

Sources of skill can broadly be divided into two:

1. The inculcation of bodies of knowledge that underpins the performance of work with autonomy, with no direct relationship between specific tasks in the workplace and such bodies of knowledge. Providers of such bodies of knowledge should not try to design curricula to respond to particular workplace demands.
2. Training for specific tasks in the workplace, which many times are unique for an employer – this requires as direct a relationship as possible between training providers who intimately know the tasks required in the work process, and the employer. Intermediaries like the SETAs complicate such a relationship. It also implies that a relationship between training provider and employing department be built over a long time, which may flout procurement rules.

The key data source for demand projection at industry or country level – employer identified skills needs – is weak. The scarcity is advanced skills and the data sources do not measure skills at this level well, if at all. Information about occupations is often of limited use in identifying the labour market supply and demand conditions because it is advanced skills in the occupation that are scarce, not necessarily the occupation as a whole. One should therefore view scarce skills lists with a considerable amount of scepticism.

What approach should then be followed in HR Planning by departments?

A broad outline of an approach is suggested based on the following questions:

Supply side

- What are the department's external sources of knowledge, by occupation?
- What are the department's external sources of experience, by occupation?
- What are the department's internal knowledge bases, by occupation?
- What are the department's internal know-how, by occupation?
- What are the specific training methods required for the unique work tasks in the department, by occupation, considering all methods of training, including—
  - o Formal training by external providers
  - o Formal training in the workplace
  - o Informal training in the workplace
  - o Mentoring
  - o Exposure to specific experiences
  - o Participation in activities of professional associations
- If the source of staff is a recognised occupation, how available are candidates? Can they gain the experience required for professional registration in the department? Is it necessary to create a sub-category of registration for the public service?
- Consider institutional factors determining the attractiveness of the employer, including—
  - o Institutional reputation
  - o Ethos
  - o Scope of work. Does the employer offer a scope of work that will facilitate the growth of the employee in his chosen occupation?
  - o Purpose of the work
  - o Place of work

  What are the department's unique selling points as an employer?

- How much/big is the department's training budget?

Demand side

- What are the departments occupations? The occupational categories need to be descriptive of the actual work, not general designations like scientist.
- Is it necessary to develop a specific occupation? If a transversal occupation, a lead department should do it for the public service.
- What are the department's priorities?

HR Planning is considering the above and a host of other issues – not filling out a template. Templates can only be a checklist of issues to consider.

Sources

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Archer, S. (2010). Key Issues in the Assessment of Seta Performance in South Africa's National Skills Development Strategy. Southern Africa Labour and Development Research Unit Working Paper Number 52. Cape Town: SALDRU, University of Cape Town.

5.3.2 Human Resource Development (HRD)

5.3.2.1 Regulatory Framework

The regulatory framework for HRD in the public service is quite extensive. The main pieces of legislation covering the area include the Skills Development Act, 1998, Skills Development Levies Act, 1999 and the Public Service Act and Regulations. Section 10(1)(a) of the SDA provides that "a Sectoral Education and Training Authority must develop a sector skills plan within the framework of the national skills development strategy." This sector skills plan is informed by Workplace Skills Plans [section 10(1)(b)(ii)] submitted by employers in the sector. SDLA at the same time Regulation 28 of the Public Service Regulations, 2016 determines that "an executive authority shall prepare and implement a human resource development plan for his or her department".

In addition to the above, there are country level strategies, such as the Human Resource Development Strategy of 2022 issued by the Human Resource Development Council and the National Skills Development Strategy III issued by the National Skills Authority, that direct the work of the SETAs, including the Public Service Sectoral Education and Training Authority (PSETA).

Earlier reform efforts in the Public Service were started with the White Paper on Public Service Training and Education of 1997 and the White Paper on HR Management in the Public Service of the same year. Then the DPSA published the first HRD strategy in 2002. It was comprehensively reviewed in 2008. A further review was submitted to Cabinet in 2020 but referred back to the Department to incorporate the strategy into a broader HR management strategy.

To find one's way in this maze of Public Service specific and country level policy documents is a mammoth undertaking for Executive Authorities, HoDs and other Public Service employees.

5.3.2.2 Existing Reviews

In 2015 a comprehensive review of the DPSA's 2008 Strategic Framework was carried out,[100] (GIZ, 2015.) The review made the following findings.

> "There is a need for greater alignment and streamlining of the planning and reporting environment for HRD."

> "There is unevenness in the quality of … reports from departments. There is a need for greater reporting back to departments on the contents of planning and reporting documents submitted to the DPSA. Responding to this would require expanded capacity in the HRD unit in the DPSA."

> "Greater coordination is still needed between the DPSA, the Public Service Sector Education and Training Authority (PSETA), other SETAs operating in the public sector

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[100]   Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) (2015) '*Human Resource Development for the Public Service: Strategic Framework Review Report* (2009-2014)', Commissioned by the Department of Public Service and Administration, Pretoria – as summarised in DPSA. (2019). The Public Service Human Resource Development Strategic Framework.

space, the National School of Government (NSG) and various policy units within the DPSA on issues related to HRD."

"Compliance on submission of annual HRD plans and monitoring and evaluation reports to the DPSA has improved. MPAT data, however, shows that compliance levels are, on average, still low."

"Many departments, however, do not have … institutional capacity, and are not shaping HRD strategically."

"There are insufficient numbers of HRD practitioners in many provincial departments; budgets for training are often not sufficient; and many HRD units do not receive the necessary time and commitment of senior managers to ensure effective and strategic HRD."

"The above factors also shaped departments' abilities to enable workplace learning. Learnerships and internships are very unevenly supported."

"Learning in the workplace is incidental, rather than the product of formal training."

"For data on the number of people trained or supported through formal capacity building programmes, the Review Report drew on data from Annual Training Reports, DPSA HRD Performance Reports, and PERSAL (for the period 2011 to 2013). In this period, about 15% of public servants accessed some form of formal training or capacity building, with 50% of these opportunities provided to managers and professionals. The large majority of the training budgets in departments were spent on non-unit standard based courses (between 40 and 45% per year), and unit standard based courses (between 20 and 30% per year) – the remaining budgets were spent on learnerships, internships, bursaries, adult education and training, Work Integrated Learning, and induction training."

"Spending on training as reported by departments in this period was 0,34% of the total public service compensation in 2013. This is below the target of 1% set by government."

The Review Report further noted that few quantitative targets for training were set under Public Service Human Resource Development Strategic Framework (PS-HRDSF) Vision 2015. In this regard, it noted the need for an improved Monitoring and Evaluation (M&E) Framework for the next PS-HRDSF III. A major finding of the Review was that an improved M&E capacity was needed for HRD to enable impact evaluations and value for money analysis."

From the findings it can be concluded that this was largely a compliance evaluation. In fact, the review noted that very little qualitative information about skills obtained was available so an evaluation of the impact of the HRD policy is not possible. One cannot derive from the review whether the skills-base of Public Service employees has improved or nor, which is the whole object of the policy. So, the point has largely been missed.

The PSC's 2015[101] report on a Public Service to underpin a developmental state offered the following problem statement with regard to capacitation/training and its funding in the public service:

- "University degrees and diplomas do not prepare candidates to be proficient in the tasks required of public service occupations." [Except for professional degrees like medical and engineering degrees. But even for professional degrees, like law, specific public service training may be required. E.g. the awarding of mining rights at the Department of Minerals and Energy requires further training in this very specialised field of law, or legal drafting is a specific skill required by public service lawyers.]
- "Many of the programmes are generic and not based on a thorough needs analysis."
- "The training offered is largely theoretical and is conducted in a class-room type setting without any follow-up support or on the job coaching."
- "Training is also not compulsory for career progression."
- "The current funding model for the National School of Government and training funded through SETAs do not allow induction and re-orientation programmes to be offered on a scale commensurate with the need."
- "There is no assessment of the impact of such programmes on employee performance and productivity and the overall functionality of the public service."
- "In the context in which there is a high level of unemployment and a shortage of skills in the country, the public service is also criticised for not playing a critical role in the provision of work-related training for youth and new or unemployed graduates through learnership and internship programmes."
- "A lack of a comprehensive system that provides information on the skills levels and utilisation of public servants, due to challenges in the implementation of the HR Connect system by the Department of Public Service and Administration."
- "Implementation of the Compulsory Induction Programme is characterised by challenges such as the shortage of trainers, which makes it difficult for departments and newly appointed employees to comply with the directive."
- "The *Directive on Compulsory Capacity Development, Mandatory Training Days and Minimum Entry Requirements for Senior Management Service (SMS)* introduced more compulsory training, which created a demand that the NSG also struggled to meet."
- "The weaknesses in the training and development programmes offered by PALAMA/NSG to date has meant that many Public Service employees preferred to obtain their short-term training from accredited public and private HETIs and FETIs/TVETs. … Most of this money pays for programmes that are offered by public and private FETIs and HETIs. The decentralised model for funding the NSG has also meant that public service institutions such as the NSG compete for resources with private and public TVETs/FETIs and HETIs."

The PSC offered the numerous recommendations in the 2015 report that cut across various training and development issues. The recommendations are grouped according to specific themes in the section below.

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[101] PSC. (2015). Report on a Public Service to underpin a developmental state.

Training programme design, curriculum development and implementation

To ensure that learning and training programmes are appropriately designed and address specific needs, the following should be addressed:

➢ The NSG, in collaboration with departments, should conduct a thorough needs analysis and skills audit to inform curriculum design for broad public service and sector specific programmes;

➢ The DPSA should roll out the HR Connect System supported by the State Information Technology Agency (SITA) to all departments; [This is no longer possible since the HR Connect system was implemented as a project that came to an end. The lessons of the HR Connect system should nevertheless not be forgotten.]

➢ The DPSA and all departments should ensure that iinformation on all qualifications and short to medium term training attended is captured on PERSAL;

➢ The NSG, in collaboration with SETAs, should support departments to develop and implement occupation-specific training (i.e. on-the-job training) for existing employees, youth learners and interns;

➢ Norms and standards for public service training should be set;

➢ Dedicated capacity in the National School of Government (NSG) should be developed to facilitate and coordinate training;

➢ The NSG should work closely with HETIs and FETIs/TVETs to influence their pre-service training and development programmes;

➢ Put mechanisms in place to make leadership development mandatory and link training with promotion; and

➢ The NSG should develop and implement a strategy to utilise suitably qualified/competent existing employees and former public servants such as HODs, Commissioners and Ministers as trainers and mentors.

Induction, reorientation and continuous capacity building

➢ The implementation of the Compulsory Induction Programme (CIP) for all newly-recruited employees should be fast-tracked, and should target all levels, from junior entry positions to senior management. This should be done by strengthening partnerships with HETIs, FETIs/TVETs, provincial academies and other public institutions to deliver the induction programmes.

➢ The NSG should implement a re-orientation programme for existing public servants in order to reskill SMS members and all employees at the beginning of every term of a new administration.

➢ All Public Service departments should, with the support of the NSG, put measures in place to ensure implementation of the Directive on Compulsory Capacity Development, Mandatory Training Days and Minimum Entry Requirements for the SMS.

Monitoring, evaluation and impact assessment

- ➢ The NSG in collaboration with DPME should implement a training programme on transversal monitoring and evaluation (including development evaluation), targeting employees at the supervisory, middle and senior management level.
- ➢ The NSG, in collaboration with relevant departments and other stakeholders, should put in place a system to review the purpose, effectiveness and efficiency of training provided through the NSG, provincial academies, and relevant service providers such as accredited public and private TVETs and HETIs.
- ➢ The NSG, in collaboration with the DPSA, Department of Higher Education, and SETAs should assess and clarify the role of the public service in the provision of training to youth and new/unemployed graduates in different fields.

Funding of training

- ➢ Review the funding model for the NSG and other public sector training academies to ensure the effective coordination of training in the public service.

These recommendations envisage a huge role for the NSG that competes with the current role of the DPSA to provide a policy framework and monitor its implementation. Since the policy framework literally covers all areas of HRD, giving these roles to the NSG does represent an overlap in function. The NSG is, however, probably better capacitated to play some of these roles. The recommendations also place huge emphasis on compulsory training and re-orientation programmes.

The recommendations emphasised the monitoring and evaluation of the training effort and putting systems in place to review the purpose, effectiveness and efficiency of training provided through various providers. It recommended the collection of skills data through roll-out of the HR Connect system (or a similar system, since HR Connect came to an end), and capturing all information on qualifications and training attended on PERSAL.

In a related report that was completed in 2019 as part of the State of the Public Service Report, the PSC found the following:

"There is ambivalence about skills in the public service. Skills and qualifications are not the same thing. Data on skills should change from "courses attended" to "tasks employee is proficient in". There is very poor data on skills in the public service and no clear strategy for building skills and for the professionalisation of the public service."

"Had the Public Service been adequately professionalised, one would at least have known that, for example, if someone is called a legal adviser they can draft and critically analyse contracts, write a legal opinion, draft legislation, manage litigation and take matters to the CCMA and labour court."

"The occupational classification of the public service is not well-designed or is very poorly applied and so is a poor basis for HR Planning, career management or skills development."

"Vacancy rates may not reflect shortages of specialised personnel, even if differentiated by occupation. For example, within the category of prosecutor there may be enough criminal prosecutors but huge shortages of prosecutors for commercial crime and

corruption. It is especially in these specialisations that the capabilities of departments may flounder. Generally, HR Plans are not sophisticated enough to propose credible plans for acquiring and maintaining such specialised skills."

"Skills data should be about what people can do rather than what courses they have attended. Outside the recognised professions regulated by professional bodies, the data on skills in the public service are very poor. The data on skills published in annual reports are totally inadequate. There is no system that properly defines the scope of work of the various occupations and the related skills set, and properly records who possesses the required skills and who does not. Very little of the development programmes are systematic, in the sense of systematically training people in all the key tasks of the scope of work of an occupation over the course of a long-term career."

"Departments are more focused on offering short courses as compared to learnerships and other forms of training. The exceptions are the Departments of Correctional Services, Justice and Constitutional Development and the SAPS. Perhaps some lessons can be learnt from these departments about the professionalisation of the public service. In addition, it seems the training interventions cover more generic course content, like finance for non-financial managers, compulsory induction programme, risk management and diversity management. The skills development tables in the annual reports do not give a comprehensive view of training provided because no information is, for instance, provided on relevant bursaries available and utilised. Furthermore, there is no evidence provided as to whether the exposure to training has addressed the skills gaps identified in the HR Plan. As a result, no correlation could be drawn between the training provided and the skills acquired through the training."

National Development Plan

The NDP noted that there is an ambivalence towards skills in the Public Service with a consequence that professional skills are not valued. One may add to this that there is an over-valuation of qualifications, as if the qualification alone qualifies one for a profession or occupation. The NDP placed emphasis on professional and technical skills and these need to be developed over the course of a long-term career. There should be a shift from the current isolated training initiatives (in the form of generic short courses) towards systematic training over the span of a career.

The NDP also said that all training cannot be centralised but should be located where the policy experts lie. Managers should also have expertise in the professional and technical area that they oversee so that they can understand technical and professional inputs. This implies that managers should be recruited from the technical and professional ranks and the managerial skills should be added to this foundation. ("Technical" and "professional" include all areas of administration, e.g., awarding mining rights, awarding water licences, immigration administration, and administering land rights, because all areas of administration are specialist areas in own right, requiring specialist knowledge of the law, policies and methodologies of the functional area. Corporate administration, namely HR, supply chain management and financial administration are also specialist areas.)

1.3.2.3   PSC Perspective

There is a need for game changers in the HRD landscape. However, if one considers the reviews summarised above, these game changers do not prioritise the right things. It is certainly also a glaring fact that despite reviews and recommendations from various bodies, not much progress has been made with regard to HRD.

The PSC is of the view that the proposed interventions around HRD in the Public Service do not sufficiently address the gaps on human resource management and career development practices, nor do the following "game changers" suggested in the 2020 draft strategic framework of the DPSA:

> "1. Ensuring the strategic placement of HRD in departments across the public service through further professionalisation and support to HRD practitioners and the appropriate resourcing of the HRD function.
>
> 2. Linking HRD to HR processes of recruitment, promotion and performance management through dedicated programmes of support.
>
> 3. Strengthening the capacity for workplace training across all departments in the public service through improved support to departments from central government departments and cross-departmental collaboration.
>
> 4. Building a high quality, integrated institutional delivery mechanism for capacity building through well-capacitated state academies and strong partnerships with higher education, other training institutions, and SETAs.
>
> 5. Building a well-capacitated and integrated HRD planning, reporting and monitoring system through improved coordination between stakeholders and improved data systems.
>
> 6. Ensure that the Strategy prepares departments and its workforce to respond to the implications of digital world and armed with the digital skills heralded by the future work. The idea is to ensure that, instead of being replaced by machines, humans must learn to collaborate with them to enhance their own productivity and ingenuity, thus enjoy a full career satisfaction."

The 2008 DPSA Strategic Framework and its 2020 successor (still only in draft form) provides a detailed plan for HRD in the Public Service. It is worked out down to the activity level. The plan is divided into the following four pillars:

> Pillar 1: Capacity Development Initiatives, with 8 areas of strategic intervention
>
> Pillar 2: Organisational Support Initiatives, also with 8 areas of strategic intervention
>
> Pillar 3: Governance and Institutional Development Initiatives, with 7 strategic interventions
>
> Pillar 4: Support of Government's Economic Growth and Development Initiatives, with 6 strategic interventions

These pillars are accompanied by 10 principles that should guide the implementation of the strategy. Each of the pillars and their associated strategic interventions have their objectives

and sub-objectives, their rationale and intended outcomes are spelt out, the success indicators are given as well as the approach to be followed. The plan is worked out down to the activity level. Between the 29 strategic interventions there are 147 activities. The strategic framework is accompanied by a detailed implementation guide. The implementation plan template requires timelines for a host of these activities. The monitoring and evaluation tool covers the proposed indicators. The M&E Tool is a questionnaire with mostly yes/ no answers, thus concentrating on compliance. No training or skills statistics are asked.

Such a detailed plan violates all the principles of sound planning. A plan needs to prioritise and make trade-offs depending on the available resources. At the risk of falling into the trap of proposing a simple solution to a complex problem, a plan should prioritise, which means focusing on a few things that you can accomplish with the means at your disposal. Priority may mean that a department prioritises one or two occupations to develop a competency framework and a plan to train those competencies or that a department spends most of its money on a training college. An extensive framework puts departments in a strait jacket and assumes that all departments are the same. It plans for departments and reduces their autonomy to determine their own strategies and priorities. If this plan should have been costed, one wonders what it would have amounted to.

This is surely management by template and as argued with regard to HR Planning, a template does not guarantee substance. The best that the Framework can be is a checklist of all the things that a department can consider when it develops its HRD Plan.

What then is the alternative?

Turning first to the regulatory framework the question needs to be asked whether two sets of laws with their accompanying institutional arrangements and frameworks are necessary. A department does not need a Human Resource Development Plan as well as a Workplace Skills Plan under the Skills Development Act. Policies and templates are also issued under the Skills Development Act and by the SETAs. This is a clear duplication, and the PSC is of the strong view that all the institutional support effort should be placed behind the Skills Development Act and the associated institutional arrangements and frameworks.

A Public Service policy should set a clear direction and should make specific policy choices. One cannot try to cover every conceivable angle. That is the domain of handbooks. In following the NDP it seems clear that the choice is to—

  (i)   focus on technical and professional training;
 (ii)   view the skills levy of 1% of payroll as a minimum and develop a standard budget structure for training and development;
(iii)   specify competency frameworks for each occupation;
(iv)   shift data on skills from compliance to policies to data on skills available compared to skills required;
 (v)   recruit (or promote) managers from the technical and professional ranks and then add managerial skills to this foundation later in his/her career; and
(vi)   professionalise the HRD function itself.

The PSC is of the view that if the Public Service concentrate efforts on these few key things, greater impact could be achieved than by issuing comprehensive HRD frameworks. As such, each of these areas is discussed in detail in the next sections

(i) Focus on technical and professional skills

For clarity, the definition of "technical and professional" is repeated here: "Technical" and "professional" include all areas of administration, e.g. awarding mining rights, awarding water licences, immigration administration, and administering land rights, because all areas of administration are specialist areas in own right, requiring specialist knowledge of the law, policies and methodologies of the functional area. Corporate administration, namely HR, Supply Chain Management and financial administration are also specialist areas.

This would mean that skills plans should be specified by occupation, by specifying the scope of work of the occupation, a competency framework for the occupation, specialisations within the occupation and seniority levels within the occupation, and the training requirements associated with the competencies – see section 8.6 on the elements of the specification of an occupation. There are already many examples where departments have made good progress with such an approach, e.g.—

- Supply Chain Management;
- Social Work;
- Environmental Impact Assessment;
- Agricultural Extension;
- Financial Management; and
- Detectives.

Regulation 76 of the 2016 Public Service Regulations, emphasises occupational training: "An executive authority shall determine the training required for various occupational categories or specific employees in his or her department."

This would require a shift from the current isolated training initiatives (in the form of generic short courses) towards systematic training over the span of a career. The competency frameworks for the various occupations in a department, specialisations within the occupations and seniority levels within the occupations and the associated training interventions, after they have been prioritised and costed (see next section), then constitutes the Workplace Skills Plan of the department. For an individual, the outstanding elements of the competency framework, those elements that he/she is still not competent in, then becomes his/her Personal Development Plan.

Generic and compulsory training should be chosen very circumspectly. A complete public service supervisor/manager must be competent in many areas, e.g. performance management, discipline management, conflict management, and financial management and must be aware of many policies. The list becomes very long. If all of these become compulsory, no budget (or time) will be available for occupational training.

The competency specification for occupations need not to be done by all departments but must be led by departments with the most expertise in a functional or policy area, in collaboration with the relevant SETA and other affected departments.

(ii) The skills levy of 1% of payroll

The 1% skills levy should be viewed as a minimum. A competency framework for an occupation would represent a fully trained member of an occupation. To reach fully competent status need not be accomplished by formal training only but also workplace learning through exposure to specific tasks under direction and support of a supervisor, and other methods. The department also needs to decide which training it will fund or provide financial assistance for and what will be the responsibility of the employee. The latter is important to avoid the misconception that the employer is obliged to level the employee's development in totality.

Only after training activities have been prioritised and costed and trade-offs made, can a proper budget of what must be paid for by the employer be arrived at. Budget should also include time set aside for training.

(iii) Specify Competency Frameworks for each occupation

Competency frameworks form the basis of HRD as well as career planning and management. See Table 10 in section 8.6 for a recommended competency framework.

A competency framework would require that competencies per sub-area of the scope of work and per seniority level per occupation must be identified, individuals' proficiency in these competencies must then be measured and the results recorded. It is doubtful whether the skills and capacity to do this exist across the Public Service. The Western Cape Office of the Premier has been engaged in a project to do this for a number of years. It is complex and difficult. The recommendations in section 8.6 of this report require that competencies per level must be specified for each occupation. One must make a start somewhere.

To ameliorate the complexity of such an undertaking one should avoid compiling long lists of competencies that a complete professional should possess. The competency specification should be restricted to a few key competencies. For instance, one would specify a training course without specifying the curriculum, or an experiential requirement without specifying all the tasks contained in a period of experience. One individual in any case does not possess a complete set of competencies but different competencies/ specialisations are situated in different members of a team.

Skills audits and competency assessments

Skills, especially advanced professional and management skills, are a combination of emotional intelligence, courage, deep-seated competence, and keen insight and judgement, on top of proficiency in generally recognised practice. Qualifications are just the starting point. Competency assessment can be a distraction.

Skills are developed, assessed and recognised through the institutional mill, including educational institutions, examination, professional certification, specification of entry and promotion requirements, recruitment and selection practices, experiences, life-long learning, performance management, dealing with poor performance, recognition and reputation. It can only be assessed and certified by a person of equal or higher competence.

A skills audit or competency assessment outside this institutional infrastructure can be fairly meaningless, no matter the sophistication of the methodology or extensiveness of the competency framework. At worse, it is just a verification of qualifications, at best superficial attestation of competence.

*(iv) **Data on skills***

According to Archer[102] for macro analysis three sources of data on skills are available:

1. Data on skills needs and training provided and published by departments in their annual reports. As far as could be established this data is not aggregated anywhere for the public service as a whole. The data on training is dominated by short courses.
2. Aggregations of employer-specified data on skills gaps – specified by employers in their Workplace Skills Plans and aggregated on a sectoral level by the SETAs in Sectoral Skills Plans plus the actual training delivered reported in Annual Training Reports.
3. The Quarterly Labour Force Surveys published by StatsSA.

These sources do not identify skills with any precision, namely competence in the production process. Employers are consequently reluctant to use the projections of the Sectoral Skills Plans in their investment in training. "… the key data source for skills anticipation – employer-identified skills needs – is weak and yet it drives much of our planning because labour market demand is seen as the holy grail."[103]

Moreover, all three sources use different occupational classification systems: the data published by departments in their annual reports use the old Code of Remuneration (CORE) classification system. The Sector Education and Training Authorities (SETAs) use the Organising Framework for Occupations (OFO) and StatsSA and the South African Standard Classification of Occupations (SASCO). These make comparisons of data difficult. Scarce skills lists should therefore be viewed with scepticism.

To compile skills data will require a capacity building process of setting up the data frameworks and the data collection processes. The following **Table 3** shows different methods of measuring skills.

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[102] Archer, S. 2010. Key Issues in the Assessment of Seta Performance in South Africa's National Skills Development Strategy. Southern Africa Labour and Development Research Unit Working Paper Number 52. Cape Town: SALDRU, University of Cape Town

[103] Allais, SM. 2022. Beyond 'supply and demand': Moving from skills 'planning' to seeing skills as endogenous to the economy. *Centre for Researching Education and Labour, University of the Witwatersrand.*

Table 3: Ways of measuring skills

Approach	Advantages	Disadvantages
1: Qualifications The proportions at each level (sometimes limited to degree-level and below)	Objective in nature; long-term trends available	Loose connection of academic qualifications with job skills
2: Education Length Average years of schooling, or proportions with at least x years of schooling	Objective; long-term trends available; internationally comparable	Variable quality of education, and loose link with job skills
3: Occupation The proportions in higher-skilled occupations	Easily available from labour force surveys or censuses; sometimes internationally comparable	Skills change within occupations; the hierarchy of skill among occupations is contestable and changing
4: Tests Scores from literacy and numeracy tests, such as the Skills for Life Survey, TIMSS, IALS	Objective; international comparisons sometimes possible	Narrow range of skills; expensive to administer
5: Self-Assessment Survey-based individual reports about themselves	Wide range of skills	Subjective, and skill assessment can be associated with self-esteem
6: Job requirements Sourced from commercial job analyses, expert assessments of occupations, or surveys of individuals or employers	Wide range of skills; intimately connected to jobs	Job skill requirement could differ from person skill; subjective; does not measure skills of non-employed people
7: Proxy measures Common practice is to measure skill levels by wages or wage hierarchies or by indicators of work experience	Widely available data and potentially internationally comparable	Underlying presumptions not easily tested: that high wage jobs are typically high-skilled jobs, and that earnings "returns" to work experience captures the acquisition of workplace skills

Source: Archer, S. (2010). Key Issues in the Assessment of Seta Performance in South Africa's National Skills Development Strategy. A Southern Africa Labour and Development Research Unit Working Paper Number 52. Cape Town: SALDRU, University of Cape Town

Despite the above challenges, monitoring and evaluation should be shifted from compliance with the HRD policy to data on skills available compared to skills required. Data on skills should change from "courses attended" to "functions on employee is proficient in". Data should be aggregated by occupation or specialised field. Scarcity is within a specialised field of the occupation rather that the whole occupation. For example, within the occupation of Prosecutor, the scarcity is the prosecution of corruption and commercial crimes, hence the need to appoint in this specialised area.

The 2020 draft HRD Strategic Framework III (section 1.12) envisages an M&E System to be administered by the DPSA where departments and others will upload "HRD priorities, plans, programmes, projects, qualifications, providers, costs, beneficiaries, learner throughput and learner impact." This sounds overly ambitious and overlaps with the work already undertaken by the SETAs. The lessons learnt through the HR Connect system should be considered before this project is embarked upon.

(v) Recruit (or promote) managers from the technical and professional ranks and then add managerial skills to this foundation later in his/ career

Currently the assumption implied in the competency framework is that if a manager meets the generic managerial competency requirements, he/she will be effective in any management role irrespective of the technical field. In contrast a manager should be thoroughly embedded in the functional or policy area he/she is managing. General management qualifications do not qualify a person to manage anything.

(vi) Professionalisation of the HRD function itself

The analysis about the HRD function has revealed that some of the challenges experienced stem from the lack of capacity of HRD units in departments. The view is that the HRD function will be placed on a sound footing when the HRD occupation itself is professionalised.

Since this report pinned its flag to the institutional arrangements of the Skills Development Act and the Sectoral Education and Training Authorities, we need to look at the performance of the SETAs, especially the PSETA. The report recommends that departments do not need a Human Resource Development Plan under the Public Service Act as well as a Workplace Skills Plan under the Skills Development Act. The Human Resource Development Plan should therefore be abandoned. To get a full picture of training in the public service the Sectoral Skills Plans for all the SETAs covering the public service will have to be scrutinised plus all the training offered or paid for by departments, but this review of the PSETA should give a good picture.

Funding for training and the role of the Public Service Sectoral Education and Training Authority (PSETA)

Basic logic of skills levy systems

Low levels of skills are seen as a market failure – employers will not train enough if simply dictated by market forces. So, if forced to set aside funding through a skills levy or a tax and this money is channelled back to employers to fund training, then more training will take place. However, this mechanism adds bureaucracy to the system: intermediaries such as the SETAs, requirements such as the submission of Workplace Skills Plans and Annual Training Reports, curriculum development, accreditation of qualifications, linking qualifications to the National Qualifications Framework and quality assurance of qualifications. So, the question needs to be asked whether the benefit justifies this cost (in the form of additional bureaucracy).

The funding model for SETAs and PSETA

The Skills Development Act provides for a 1% of payroll levy to be paid by employers. This is collected as a tax by SARS. Of this 1%, 20% is allocated to the National Skills Fund, to fund national skills development objectives, and the remaining 80% is distributed to SETAs. Of the 80% distributed to SETAs, 20% is, in terms of the SETA Grant Regulations of 2012, circulated back to employers in the form of mandatory grants. The only requirements that an employer must satisfy to qualify for the mandatory grant is to submit a Workplace Skills Plan and an Annual Training Report to the relevant SETA. The rest of the money is allocated by the SETA as discretionary grants to implement projects included in the Sectoral Skills Plan. The 20% allocation to mandatory grants was, however, challenged in Court *[Business Unity South Africa (BUSA) v Minister of Higher Education and Training and Others (JA111/2018) (2019) ZALAC 68]*. The Court held that the 20% provision is irrational and not rationally linked to the purpose of the Skills Development Act. Consequently, there is no longer a minimum percentage that a SETA must pay out as a mandatory grant. The SETAs serve as basic conduits of funds from the 1% levy collected by SARS back to employers to spend on training, after the SETA is satisfied with the Workplace Skills Plan of the employer and after the SETA has exercised its discretion on how the funds should be spent, because the largest portion of the 1% levy is channelled back to employers via "discretionary" grants.

In the case of PSETA, however, public service departments at national and provincial level are not "levied" employers in terms of the Skills Development Levies Act, 1999. Consequently, PSETA is funded through voted funds through the Department of Higher Education and Training's budget. The voted funds are far less than the 1%. Departments use the 1% as a guideline to determine their training budgets, but this amount is not paid over to the relevant SETA. Departments thus have full control over their training budgets.

In terms of a 2012 DPSA Directive[104], the 1% that departments are supposed to set aside for training, should have been apportioned as shown.

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[104] DPSA. (2012). Directive on Utilisation of the 1% Personnel Budget for Training and Development.

2012 proposed funding model

Allocation	Allocated to	Use of funds
30%	SETA	33% -- administration of the SETA 66% -- Discretionary grants to fund special projects, learnerships, internships, apprenticeships and skills programmes
20%	Unemployed Youth	
50%	Serving employees	

This funding model was not implemented. PSETA is therefore almost exclusively dependent on its voted funds. How these voted funds are utilised is further explained below.

Evaluation of the SETA system

A number of evaluations of the SETA system have been conducted, inter alia by Singizi, Nedlac, Business Unity South Africa, National Business Initiative, Business Leadership South Africa/the Resolve Group, and the Development Policy Research Unit.[105] What follows are some snippets from these evaluations.

- Even the most successful SETAs do not claim that their Sector Skills Plans contributed to a higher investment in training.
- The presented snapshot of skills development evaluations is predominantly negative.
- Some large employers have simply opted out of the system.
- 47% of companies feel that SETAs are not supporting their skills development priorities at all or only somewhat support them.
- The system is too complex.
- Reporting by employers is compliance reporting rather than reporting to support effective planning.
- Companies spend 3% of their salary bill on training, over and above the 1% skills levy.
- The mandatory grant does not appear to act as an incentive and the spend is far higher than the required amount. This would suggest that the transactional costs incurred yield limited returns.
- The various report indicates an increased uptake of occupational qualifications. However, the vast majority of programmes were not directly related to SETA initiatives.

Role of the PSETA

The main roles of the PSETA are to produce the Sector Skills Plan for the Public Service, conduct skills research, develop qualifications and do quality assurance and accreditation of training service providers. The Sector Skills Plan is based on the Workplace Skills Plans (WSPs) submitted by departments. The PSETA thus plays an important role in coordinating skills planning for the sector. It also receives Annual Training Reports (ATR) from departments and could play a significant role in creating a skills data base. However, the submission rate of ATRs and the quality of the reports

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[105] See the following source, Appendix 1 for a summary of these evaluations: Archer, S. (2010). Key Issues in the Assessment of Seta Performance in South Africa's National Skills Development Strategy. A Southern Africa Labour and Development Research Unit Working Paper Number 52. Cape Town: SALDRU, University of Cape Town.

compromise this important function. The PSETA does not train unemployed people or Public Service employees at any significant scale. This is because the funding model precludes this. The funding sits with departments and departments themselves thus fund the training.

The PSETAs funding model for 2021/22[106] looks like this:

Revenue   R128 million [of which R120m is voted funds].

Expenditure   R119 million [of which only R46m goes to employer grants, thus for training.

Expenditure by programme:

Programme 1: Administration   R56m
Programme 2: Skills Planning and Research   R4,6m
Programme 3: Learning Programmes   R53m
Programme 4: Quality Assurance   R5m

Most of the money is thus spent on administration i.e. | R119m | PSETA operations. The training outputs of the PSETA during 2021/22[107] are shown

PSETA training outputs 2021/22

Programme 2: Skills Planning and Research		
	Number of WSPs scrutinised	162
Programme 3: Learning programmes		
Number of employees entering learning programmes	Learnership	100
	Skills Programme	1340
	Recognition of Prior Learning	324
Number of unemployed entering learning programmes	TVET Work Integrated Learning	100
	HET Work Integrated Learning	130
	Bursaries	50
	Internship	75
	Artisanship	9
Programme 4: Quality Assurance		
	Number of qualifications developed and submitted to the Quality Council for Trade and Occupations	4
	Number of accredited skills development providers monitored	80

The PSETA is therefore not a training provider nor a funder of training by any stretch of the imagination. Rather, it plays an important planning, development, accreditation and quality assurance role.

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[106] PSETA. Annual Report 2021/22.

[107] *Ibid.*

If it were to be argued that PSETA funded training should reach significant numbers of public servants, the PSETA's budget would have to be increased substantially. In 2014 GTAC conducted an expenditure analysis for the PSETA that included costing models for different scenarios. Their "full mandate" scenario will require funding of over R3 billion over 10 years.[108] The demand assumptions of this "full mandate" scenario were:

Number of public servants under PSETA mandate	500 000
Number of public service employees that require a skills intervention	225 000
Number of public service employees that will be funded by PSETA	70 000

From the numbers above it is clear that the "full mandate" has not been considered. It is a decentralised model: Departments plan and fund their own training.

The Public Service Sector Skills Plan

The Sector Skills Plan tries to estimate training **demand** by listing "occupations with hard-to-fill vacancies", "major skills gaps" from departments' WSPs, and "Sectoral Priority Occupations and Interventions (SPOI)". The **supply** projections are not done to any level of sophistication because the tables in the plan do not draw a direct relationship between students who completed programmes (from matric, through to TVET colleges to Higher Education Institutions) (supply) and available posts (demand). For instance, in 2021, 6650 students completed part of the N6 qualification in public management.[109] The Sector Skills Plan does not say how many of these students could not be placed in public service posts (oversupply), or whether there was any shortage.

The SSP does intimate that candidates with the N6 qualification in public management do not compete on an equal footing for public service posts: "These part qualifications culminate in a National Diploma provided that students meet the requirements for work experience. Students enrolled for Business or General Studies programmes require 18 months (or 2000 hours) of applicable work experience. It should be noted that in practice, entry into many positions in the Public Service requires an undergraduate degree with a minimum of 24 months' experience. This practice does not favour TVET graduates, and this remains a challenge within the Public Service sector recruiting strategy."

Further: "The tracking and tracing of interns and learners after completion of their programmes has become critical. Employment post Workplace Based Learning (WBL) in the Public Service Sector was learnerships at 75%, internships at 63% and apprenticeships at 50%. Few employers are able to accommodate learners with the required workplace training and mentors."

The skills gaps identified in the SSP are mainly generic skills. For instance, for manager, the following skills gaps were identified: Advanced Leadership; Governance and Public Leadership; Mentoring; Strategic Management; Change Management; Monitoring and Evaluation; Digital Skills.[110] As we argue elsewhere in the report, a manager first needs to know the policy area he/

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[108] Government Technical Advisory Centre (GTAC). (2014). Public Service Sector Education and Training Authority Public Expenditure and Policy Analysis: Review Report.
[109] PSETA. Final Sector Skills Plan Update for 2023-2024.
[110] *Ibid*

she is managing (e.g. immigration) and the generic skills are then an addition to the technical knowledge.

Skills shortages will probably not occur at the level of generic programmes like "public management" but at the level of specialised skills. It is noted that the Sectoral Priority Occupations and Interventions (SPOI) List for 2023-2024 begin to indicate the specialisations in occupations[111]. E.g. specialisations for managers include Labour Inspectorate Manager; Diplomatic Mission Administrator; Chief of Staff; and Public Policy Manager. The specialisations for Professional include ICT Internal Auditor and Economic Advisor. This means that training will have to become much more specialised.

The PSETA Quality Assurance (QA) unit has 24 registered qualifications as shown:

PSETA qualifications

Qualification name	NQF level
Further Education and Training Certificate: Democracy, Active Citizenship and Parliamentary Services	Level 4
Further Education and Training Certificate: Public Administration	Level 4
Further Education and Training Certificate: Public Administration Management	Level 4
Further Education and Training Certificate: Social Housing Supervision	Level 4
National Certificate: Conflict Management and Transformation	Level 5
National Certificate: Foreign Economic Representation	Level 6
National Certificate: Home Affairs Services	Level 5
National Certificate: Inspection and Enforcement Services	Level 5
National Certificate: Mission Administration	Level 5
National Certificate: Mission Corporate Services Management	Level 6
National Certificate: Official Statistics	Level 5
National Certificate: Public Administration	Level 3
National Certificate: Public Administration	Level 5
National Certificate: Public Financial Oversight and Accountability	Level 6
National Certificate: Public Sector Employment and Skills Development Practices	Level 5
National Certificate: Public Service Communication	Level 6
National Certificate: Public Service Communication	Level 5
National Certificate: Social Housing Property Development	Level 6
National Certificate: Social Housing Property Management	Level 6
National Diploma: Diplomacy	Level 7
National Diploma: Public Administration	Level 7
National Diploma: Public Administration	Level 6
Occupational Certificate: Diplomat	Level 7
Occupational Certificate: Office Administrator: Public Service Administrator	Level 5

The value of a qualification depends on its prestige and the worth employers attach to it. This is built over time and depends on the quality of the curriculum and the academic staff and the level of assessment. Here the PSETA plays an important role.

Conclusion

PSETA plays an important coordinating, skills planning, research, development and registration of qualifications, accreditation of training service providers and quality assurance role. This role should be built upon within the current model where PSETA is not the primary funder of training.

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[111] Sectoral Priority Occupations and Interventions List for 2023-2024

5.3.3 Introduction of the Senior Management Service

- The Senior Management Service (SMS) was introduced in 2001 to be distinctively managed as an occupational group to ensure that the Public Service recruits and retains a better-quality group of managers. The idea was also to increase mobility of SMS members across the public service through transfers to utilise competent managers where they were most needed. This never really happened. Mobility in practice happens on the initiative of the individual employee applying for posts.

 Some of the key features of the SMS dispensation included:

- Total cost to employer structured remuneration packages and removal from PSCBC bargaining.
- A competency framework was introduced with competency assessment conducted by independent service providers.
- Special training through a public service Master of Business Administration (MBA). Special training, but not at the level of an MBA, was introduced much later. From 1 April 2020, 19 years after the creation of the SMS, entry into the SMS is conditional on successful completion of the Public Service Senior Management Leadership Programme. A 2015 directive[112] introduced mandatory training of 18 days in a three-year cycle, it set the qualification for entry into the rank of director and chief-director as a degree at NQF level 7 and introduced a requirement of 5 years' experience at a middle/ senior management level for entry into the rank of director.
- The idea was also to consciously identify high performing middle managers to create a pool of people who will be prepared for the SMS. This also never happened because the personnel system is an open system where all posts are advertised, which places the initiative with the individual who apply for posts to prepare him/herself for the SMS. It is thus interesting here to compare this with the pre-1994 performance assessment system, which graded candidates as "preferentially promotable", "promotable out of turn" and "promotable when your turn comes". The pre-1994 system clearly identified preferential candidates.

5.3.3.1 Regulatory Framework

Cabinet approved the establishment of the SMS in 2000 and later gazetted in 2001 (Regulation Gazette No1 of 2001). It was implemented on 1 January 2001 by means of the promulgation of Chapter 4 of the PSRs, 2001 and the introduction of the first edition of the SMS Handbook, 2003.

Chapter 5, Regulations 81-92 of the PSRs, 2016, make provision for the SMS which consists of all officials remunerated at salary levels 13-16 in terms of the SMS dispensation.

5.3.3.2 Existing Reviews

Since 1994 the lack of management capacity in departments was a central concern. Various reports sounded this concern including the Presidential Review Commission (PRC) Report,

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[112] DPSA. (2015). Directive on compulsory capacity development, mandatory training days and minimum entry requirements for SMS.

1998. The said report highlighted challenges spanning from performance management in the Public Service to the inadequacies of training and development programmes. The findings that stemmed from the PRC report provided the first step towards the establishment of the SMS.Following Presidential Review Commission, the Department of Public Service and Administration conducted a study that culminated into a report known as the Baskin Report[113].

Baskin Report

According to a 2006 overview report of the DPSA[114] the Baskin Report of 2000 confirmed the following persistent problems:

- High turnover rates in scarce occupations and problems in recruiting and retaining skilled senior personnel.
- Poor levels of performance and skills among some senior staff, resulting in inadequate service delivery.
- Under-developed performance assessment systems, notwithstanding positive developments in introducing performance agreements.
- Insufficient attention to training and development and nurturing of sustainable senior executive corps.
- Little horizontal mobility due to rigidities in the employment framework and underdevelopment of core leadership/managerial competencies.
- Uneven distribution of managers between national and provincial departments.
- Inflexibility of the remuneration framework to attract and retain scare skills.

Some of the recommendations made from the Baskin Report[115] included:

- The establishment of a distinct Senior Management Service.
- The HoD should decide on the recruitment and selection of members of the SMS.
- Jobs should be evaluated.
- Pre-employment tests should be introduced as well as competency tests.
- Employment Equity targets to be revised to ensure the appointment of 60% black managers by 2005 and 70% by 2010, 30% female managers by 2005 and 35% by 2010.
- Salary packages to be changed to cost-to-company and be structured for flexibility.
- Job titles such as Director, Chief Director etc. to be abandoned with the intention to create titles that are descriptive of job content rather than rank oriented titles.
- Salary adjustments to be made by the Minister for the Public Service and Administration (MPSA).
- A three yearly salary review panel to advise the MPSA on senior management pay.
- Introduction of a common PMDS for all SMS including HoDs.
- Salary progression to be based on performance.
- Various other recommendations concerning the SMS are contained in the Baskin Report, 2000. The Report also recommended that a more high-powered and sufficiently capacitated SMS directorate be established in the DPSA to oversee the

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[113] Baskin Report of 2000, obtainable in hard copy from the DPSA.
[114] DPSA. (2006). Senior Management Service: Overview of Reports 2000-2006.
[115] *Ibid.*

Dispensation [Historically, there was a Directorate created, which was later upgraded to a Chief Directorate]. [In 2020, following re-organisation of DPSA, the Chief Directorate was abolished].

The SMS dispensation was reviewed in 2005 to understand the impact it had. The following were identified as successes:

- The SMS comprised of less than 3000 managers when it was established. The report indicated that persons from outside the public service attracted to the SMS increased from 14% to 23%.

- The introduction of competency assessments has added value in terms of the recruitment process; the pool and calibre of applicants had improved immensely; staff turnover specifically at the level of Director had decreased considerably resulting in greater stability; and employment equity targets were met and even exceeded in certain instances.

- Regarding the retention of skills, a higher percentage of SMS members hold postgraduate qualifications, remuneration was competitive with the private sector and SMS packages were perceived to be adequate to retain SMS members.

- Regarding training and development, majority of SMS members enrolled in the Senior Executive Programme (SEP) and the Presidential Strategic Leadership and Development Programme (PSLDP) and found it beneficial. The SMS Handbook was a well guided document that aided SMS in their ability to perform their duties.

- With respect to mobility and redeployment, there was more mobility across departments, which resulted in the unintended consequence of job hopping. The issue here was that even though there was mobility between departments such mobility was still within the Public Service and it was initiated by employees.

- The introduction of the financial disclosure framework was seen to have improved awareness and ethical behaviour of SMS members.

- Regarding the PMDS, it was stated that despite the policy being sound, implementation was a significant challenge.

Following these reviews, there was a need to focus on critical areas relevant to the recommendations that were made. The **Leadership Development Management Strategic Framework** (LDMSF) took shape around four key areas, which were:
- Pillar 1: Organisational Performance Management (OPM)
- Pillar 2: Management of career incidents
- Pillar 3: Leadership Assessment Centre
- Pillar 4: Leadership Development

These pillars were operationalised as follows:

Pillar 1: Organisational Performance Management. Responsibility for this pillar was transferred to the then Department of Performance Monitoring and Evaluation to improve the effectiveness of OPM.

Pillar 2: The Management of career incidents of SMS members was elucidated through the Executive Protocol: Principles and Procedures for the Employment of Heads of Department and Deputy Directors-General, 2013. This guiding document is regarded as subordinate legislation and serves to guide Executive Authorities in appointing HoDs and DDGs of national departments. This protocol has been adopted by certain provincial administrations. The primary legislation still remains the PSA, 1994 and the PSRs, 2016.

Pillar 3: Leadership Assessment Centre. The DPSA embarked on a study to find the best approach to implement competency-based assessments in the Public Service. This led to the development of a comprehensive competency framework for the SMS and consequent reviews of the framework and accompanying tools in 2009 and 2014. This process has been under constant review to ensure that SMS members are tested appropriately given the current dynamic environment. The Directive on the Implementation of Competency-based Assessments for SMS was issued on 1 April 2011, aimed at improving the quality of candidates being recruited as well as manage the development of existing SMS members.

Pillar 4: Leadership Development. Various initiatives were introduced in line with the Human Resource Development Strategy. A lot of work was undertaken with the National School of Government (NSG) to develop targeted training and development programmes for SMS, including a compulsory induction programme, and courses that are relevant to the SMS competency framework. To reinforce the training agenda for SMS, a Directive on compulsory Capacity Development, Mandatory Training Days and Minimum Entry Requirements was issued in 2017.

5.3.3.3 PSC Perspective

The establishment of the SMS largely achieved some of its initial goals, which was to attract and retain high quality personnel at leadership levels. The SMS grew from 3000 to currently approximately 9000 officials.

Entry into the SMS was supposed to be determined by a competency framework and competency assessments. However, the competency framework is only used for determining development needs after appointment but if it is not as a determining requirement for selection. The competency framework only contains generic management competencies as opposed to the technical requirements of the job. Further research is needed on the validity of competency testing for purposes of recruitment.

Recognising the weakness in prescribed entry requirements for the SMS, the DPSA in 2017 issued a Directive on Compulsory Capacity Development, Mandatory Training Days and Minimum Entry Requirements. Various initiatives aimed at continuing development were embarked upon. However, the prestige of these courses still needs to be built, which takes time, and it is not at the level of a public service MBA as originally intended in 2001.

There is no recognised system to consciously identify high performing middle managers to create a pool of people who will be prepared for the SMS. In an open system anybody can apply and whether a high performing manager is eventually appointed is totally dependent on the rigour of the selection system.

The theoretical transferability of SMS members to be utilised anywhere in the public service was not realised in practice, and this in any case goes against a requirement of technical competency in a specific policy area. Mobility depends on the individual applying for posts.

DPSA's involvement in the quality control and implementation of the Executive Protocol for the appointment of DDGs and DGs is to be applauded as the layer of checking has potentially averted irregularities in terms of HR processes, and by the same token provided technical capacity to departments on preventing such irregularities. This enhanced confidence in the system.

In this context, the fact that senior appointments are political appointments, and the role of the ANC deployment committee or any political party development, cannot be ignored. The Zondo Commission was the first to unequivocally state that this is unlawful.

It is also noted that the SMS Handbook has not been reviewed since 2003. This is a challenge given the various legislative and prescript amendments.

With regard to **SMS careers**, three fundamental questions need to be considered:

  i.   Whether the belief in "management" is justifiable.
  ii.   Whether the SMS is an occupational class that can be managed as a homogeneous entity.
  iii. Whether the public service will become stunted if there is no exchange of managers between the public service and other employers.

It is the belief in management principle that-

The New Public Management introduced the ungrounded belief in the expertise of managers with the dictum: "Let the managers manage". In the private sector a belief in management was strengthened by the enduring reputation of business schools and the MBA qualification. However, a manager needs to be immersed in the area he/she is managing. It is a fallacy that a person trained in management can manage anything or that a project manager can manage any project. Even in the private sector they won't let you manage anything. In the same vein it is argued that top managers are responsible for strategy and operational managers for implementation. To the contrary, one cannot make strategy if one is not immersed in implementation. Mintzberg[116] calls this the fallacy of detachment – strategy (in the Public Service this translates to policy detached from implementation) detached from implementation and implementation detached from strategy (policy). One can only immerse oneself in a policy area by growing up with it or growing into it over a reasonable amount of time. This is not to say that such immersion can only be acquired through experience in a specific department as opposed to broader experience in the policy field through vigorous sectors and /or institutions. So, the obsession with management at the expense of technical and policy expertise is misguided and dangerous.

Can the SMS be managed as a homogeneous entity?

If a manager cannot manage everything, you consequently have different specialisations of management, e.g. hospital manager, police manager or energy planning manager.

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[116] Mintzberg. (1994). The Decline and Fall of Strategic Planning, Page 291.

This would require that managers are recruited mainly from the occupations that conduct the main business of the functional area of a department and they are trained in the management intricacies of the functional area. Army staff courses are a good example.

If an officer chooses a management career, generic management competencies are obtained in the course of his/ her career as an essential addition to technical competency in the functional or policy area. Training in management competencies and the instilling of a public service ethos can be done for the SMS as a group while recognising that the different functional areas also have unique management routines. So, the SMS is not necessarily a homogeneous group.

Exchange of managers between the public service and other employers

A career system gives preference to internal candidates. It should not be assumed that the private sector has something better to offer. In focus group discussions the fear was expressed that a totally closed system will lead to a stunted or inbred SMS. This should not be seen as a binary issue (either a career system or an open system). The primary requirement is that the ideal candidate should be well-established in the policy area of the department – at the level of a nationally recognised expert. In a well-managed career system, candidates are systematically exposed to enriching experiences and training over a long career, which may include exchanges or secondments to other employers. In some settings, e.g. drawing up industry master plans at the Department of Trade and Industry and Competition, recruitment from industry makes sense. In other settings, e.g. police management, it is less conceivable that someone from the private sector or even a criminology department at a university, can easily step into a police management role. At the same time, if the precondition of a well-managed career system is not met, a department has no choice but to seek a candidate in the broader labour market.

Is SMS an occupation or a role?
In the Public Service, management is treated as a 'transversal' occupation with skills and abilities transferable across technical departments.

In contrast, when the work of a manager is seen as a role within an occupational field, the knowledge of public administration and management role is not core. Serving in a manager role means that a person's specialisation is the occupational knowledge required in their technical field of practice. These fields include education, agriculture, finance, health, energy, and environment. When occupational knowledge is mandatory, a person will progress into a manager role within a specific technical field of practice. Occupational knowledge is core, while public administration and management are additional.

Source:
Centre for Researching Education and Labour (Wits University). 2023. **Why Management is not an Occupation:** Implications for professionalising the public service sector. *REAL Briefing* No 3, 2023

Recognising the value of exchanges between the public service and other employers, the DPSA issued a Policy and Procedure on Revolving Door Enablers in 2008. The policy unequivocally states that "The Public Service is regarded as a professional field with its own unique practice. No amount of outside training can substitute for on-the-job training and experience in this unique sector." However, "it is recognized that senior management development can also gain from collaboration with the private sector and universities." The "enablers" that the policy provides for include secondments and sabbaticals.

All of the above strongly suggests a well thought and balanced return to a career system, without closing the system completely from external influence.

5.3.4 The Performance Management and Development System

5.3.4.1 Regulatory Framework

The PMDS for the Senior Management Service (SMS) is contained in Chapter 4 of the SMS Handbook, prescribed by the Minister for Public Service and Administration in terms of Regulation 88 of the PSRs, 2016. It is based on assessing performance during and at the end of a year against a performance agreement entered into at the beginning of a performance cycle (i.e. 1 April of each year). It is a framework because the details against which employees are assessed are agreed between an employee and supervisor (and not pre-set by departments themselves). The details of the PMDS are the "Key Result Areas" (KRAs), outputs and standards against which the employee will be assessed, Core Management Criteria (a list of generic management competencies) and the Batho Pele principles, which must also be used to assess the level of competence of employees. The Batho Pele principles and the Core Management Criteria are not weighted and assessed separately but are assessed on how they are applied in the KRAs to determine at a holistic assessment. During annual performance assessments staff are scored against the KRAs and standards agreed upon, using a 4-point scale, where 1 and 2 are not effective and not partially effective performance, 3 is fully effective and 4 is highly effective. Scores are moderated by committees to ensure that the same standard is applied throughout the department for similar or related jobs. To justify scores, staff must provide motivation reports and evidence.

For employees below the SMS, an executive authority approves and implements a system for the performance management of employees, in his or her department. (Regulation 71.) Regulations 71 to 73 of the PSRs, 2016 prescribes in a fair amount of detail what requirements such a performance management system for employees below the SMS should meet. Moreover, a Determination and Directive of the Minister further elucidates and supplements the PSRs as well as provides guidance to departments on areas requiring revision in their departmental PMDS policies,[117] with the effect that the PMDS at the lower levels is fairly similar to the PMDS for the SMS.

This type of system has been in existence from before 1994. The so-called "incidents" system also had a score sheet providing for competencies and what perhaps can be called personality traits like initiative, dependability, drive, creativity, integrity and leadership. These had however, to be motivated in terms of their contribution to work outputs, for instance, how did you demonstrate creativity in a specific output? Based on the scoring, staff were categorised as "preferentially promotable", "promotable out of turn" and "promotable when your turn comes". "When your turn comes" was based on seniority. The "incidents" were evidence in support of a rating, which is still a feature of today's system. The past and today's system is therefore not a question of filling out a scoresheet because lengthy supporting evidence must be prepared. A significant reform in today's system is that focus has shifted to KRAs.

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[117] DPSA. (2018). Determination and Directive on the performance management and development system of employees other than members of the senior management service for implementation with effect from 1 April 2018.

5.3.4.2 Literature Review

Performance contracts are the key features of NPM, even though they were used in some countries long before the emergence of NPM. According to Cameron[118] the apartheid government was using a basic form of performance evaluation in a form of incident system which involved the recording of quarterly incidents on an annual appraisal. Performance management was based on measurable criteria linked to service outcomes. It was used as a tool for merit awards and promotions in the Public Service.

The Presidential Review Commission (PRC) report, 1998[119] noted that the pre-1994 Performance Appraisal System was subjective and ineffective to assess performance because the preparation of the critical incidents report was completed by individual employees themselves. It was also found to be punitive rather than developmental, and not linked to HR functions and systems.

A new performance management system was introduced through the Public Service Amendment Act of 1997. Originally, it was meant for directors and above. The NPM also advocated that EAs intervene in the administration of performance management of senior managers. EA could assess the performance of managers, particularly HoDs and accordingly reward them with bonuses or sanctions such as dismissal or refusal to renew appointments.[120] Managers are given autonomy over how they carry out their duties but remain accountable for performance through a system of rewards and sanctions.

The White Paper on the Transformation of the Public Service (WPTPS), 1995, redefined the working relationship between EAs and DGs by introducing greater performance accountability through clear lines of responsibility and performance targets, measures and monitoring[121]. It proposed that the contracts of DGs/HoDs be tied to the achievement of specific performance objectives and targets in relation to service delivery programmes of government.[122] To that effect, an appraisal and reward systems were introduced to inform individual promotions and career advancement.

The White Paper on Human Resource Management (WPHRM), 1997, also elevated the introduction of a PMDS system for the Public Service, which was also supported by the PRC report (1998). These initiatives resulted in a shift from a rule-based to a results-based system where predefined performance objectives are mutually agreed upon in performance contracts between supervisors and employees. The new PMDS introduced and advocated for a consultative, supportive and non-discriminatory form of performance management with a strong emphasis on organisational efficiency, effectiveness and accountability for use of resources. It also linked personnel development plans for individual training and development to performance assessment.

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[118] Cameron, R. (2022). *Public Sector Reform in South Africa 1994-2021*. Emerald Publishing.

[119] Presidential Review Commission. (1998). pp 41-42 in Cameron, *op cit.*

[120] Cameron, *op cit.*

[121] Department of Public Service and Administration. (1997). *The White Paper on the Transformation of the Public Service.*

[122] Cameron, *op cit.*

Every employee's performance is assessed at least bi-annually against mutually agreed objectives. The assessment process is aimed at identifying strengths and weaknesses, to recognise and reward good performance, and manage poor performance. Individual employees are primarily responsible for seeking opportunities for development and promotion in line with their own career aspirations. Managers have a responsibility for supporting and encouraging their staff to take advantage of such opportunities, and the performance of managers will be assessed, among other things, on whether they have fulfilled this responsibility. It is important to acknowledge that the PMDS has had its own strengths and challenges.

Various reports and literature on the PMDS in the Public Service recognises the PMDS as a well-developed system, but there are several challenges associated with compliance with the system rather than the principle of performance assessment itself. The major concerns raised are around issues relating to setting of measurable targets, signing of performance agreements, and a focus on outputs rather than outcomes, which ultimately results in statistical gaming and a lack of synchronisation between individual and organisational performance. Moreover, a lack of capacity of managers, which in some cases is due to unskilled patronage appointments,[123] lead to the poor implementation of the PMDS. As a result, the PMDS in the Public Service tends to have average impact on both individual and organisational performance. This impacts on governance and administration of service delivery.

The Provincial Review Report[124] found that the regulation on performance does not allow individuals to be held accountable for the performance of their jobs. Unlike in other sectors, managers or individuals of all ranks in the Public Service do not resign from their job as a result of their failure to deliver, but they remain in the system and continue to underperform. In spite of the assertions entrenched in the PSR, 2001 as amended, that should enhance organizational efficiency, effectiveness and accountability for the use of resources, performance accountability still remains a challenge.

5.3.4.3 Existing Reviews

Several reviews have been published over the years:

- 2001: The new management framework that strived to grant more management autonomy to departments required that departments develop their own performance management systems. The DPSA undertook a study in 2001 to assess the progress made by departments in putting new systems in place and what assistance the DPSA can provide.[125]
- Series of evaluations by the PSC: The PSC published 11 reports on the PMDS between 2007 and 2012 (see list of PSC evaluations in the list of sources at the end of this report). Unfortunately, these evaluations are compliance evaluations, which assume from the outset that the basic tenets of the system are correct.

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[123] *Ibid.*
[124] DPSA. (1997). Provincial Review Report.
[125] DPSA. (2001). The state of performance management in the public service.

- The 2022 Professionalisation Framework paid considerable attention to performance management.[126] It recommended as follows:

1. "The DPSA should review the performance management system." Unfortunately, few guidelines are given for the direction of reform, and emphasis is on compliance: hence non-compliance with performance management and contracting deadlines must be treated as an element of insubordination and should be dealt through existing consequence management processes.
2. "Align performance management with professional bodies registration."
3. "The new system should provide objective measures to:
    - Link performance of HoDs and DDGs to that of the institution.
    - Introduce independent triggers to exit non-performing HoDs.
    - Improve the competency of politicians to manage performance.
    - Address the systemic challenges that result in instability and poor relations between Executive Authorities and HoDs."
4. "The PSC should play a role in the performance evaluation of HoDs to strengthen objectivity and introduce an approach that will link the performance of the individual to the institution they lead."

Some of these recommendations, such as linking the performance of the HoD with that of the institution, sounds logical on paper but difficult, if not impossible, to implement in practice. As a wise man said:

> "When a manager with a reputation for brilliance tackles a business with a reputation for bad economics, the reputation of the business remains intact" *Warren Buffett.*

5.3.4.4 PSC Perspective

Performance improvement

If the PMDS is to be evaluated against its own objectives, it is a miserable failure. The comments provided here are specifically directed at individual performance appraisal or rating – performance management is a broader concept and an essential part of management. Par 2.3 of Chapter 4 of the SMS Handbook reads as follows:

> "The PMDS for members of the SMS is underpinned by the notion of improving organisational performance and accountability and enhancing the capability of members of the SMS in order to deliver on their performance expectations and to address their career developmental needs."

The Professionalisation Framework says—

> The PMDS does not improve performance.
>
> It is beset by fundamental problems: First the idea of performance measurement against objective standards; and second, the confusion of performance management with individual performance appraisal using a scoring matrix.
>
> The credibility of the system is low – it is viewed as biased and unfair by staff.
>
> The PMDS cannot be refined – it needs to be fundamentally reviewed.

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[126] National School of Government. (2022). A National Framework towards the Professionalisation of the Public Sector. Section 4.1.2.3.

"The purpose of instituting such a system is to improve efficiency, effectiveness and value-for-money in the services that are provided to the population. (Section 4.1.2.3.)"

It can safely be said that the PMDS does not improve organisational performance. The reasons for this are discussed in the next two sections. Yet the PMDS (called different names at lower levels) takes an inordinate amount of management time to implement, as well as self-evaluation time of the employees. Key questions that need to be asked are: What do we want the performance appraisal system to accomplish? How does it help you to get your job done? Unfortunately, the many evaluations of the PMDS, including by the PSC (see list of PSC evaluations in the list of sources at the end of this report), are compliance evaluations. Evaluations of the effectiveness of the system have not been undertaken because of methodological difficulties. There are many determinants of performance, and it is difficult to isolate the effect of an appraisal system. The evidence used to evaluate the PMDS are many times the mere existence of strategic plans and Annual Performance Plans (APPs), signed performance agreements with work plans and targets, and the application of a performance appraisal system and performance reviews.

Research in Australia showed that only 50% of employees agreed that their most recent performance review would help them improve their performance. The authors then concluded that "clearly, it is time to re-think the way that performance management is being conceptualised."[127]

With regard to the credibility of this type of system, a performance audit by the Australian National Audit Office found as the following:

"The survey results indicate that the credibility of Australian Public Service performance management systems is reduced by the patchy involvement of Senior Executive Service (SES) in performance appraisal and the use of quotas (adjusting performance appraisal outcomes to fit within a maximum amount allocated for performance bonuses) and forced distribution systems (adjusting performance appraisal outcomes to agree with the normal distribution). Both these practices are or were also part of the SA system."[128]

"… a large proportion of staff surveyed considered that their immediate supervisor and the SES do not show a commitment to performance management; that people management is not treated as a priority; and that the system is not effective in improving their own performance. … The APS appears to continue to have a rhetoric-reality gap on these issues."[129]

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[127] Blackman, D, Buick, F, O'Donnell, M, O'Flynn, J and West, D. (2012). Developing High Performance: Performance Management in the Australian Public Service: Research Paper Prepared for: The 'Strengthening the Performance Framework Project': a joint research program of The Australian National University, The Australian Public Service Commission, The University of Canberra and The University of New South Wales.

[128] Australian National Audit Office. (2004). Performance Management in the Australian Public Service. Audit Report No.6 2004–05 Performance Audit. Par 26.

[129] *Ibid, par 28.*

> "A related issue is that many staff surveyed are not convinced that their supervisors are able to use their performance agreement to monitor staff work activity, nor do they feel able to use it to gauge their own performance."[130]

These findings can be transferred to experience of many employees in the South African Public Service, as highlighted in the PSC's 2022 report on the Enablers and Inhibitors of performance for SMS members.[131]

Measurement

The appraisal system is beset by fundamental problems – it's not a question of poor implementation. The main problem is the idea that performance can be objectively measured against a standard. The four-point scoring scale explicitly refers to a standard. In practice these are seldom set. It is noticeable that the template for performance agreements (see for instance the template for directors and chief-directors) indicate under "performance measure" a target and a target date for an activity. This boils down to completion of activities, which is a very naïve performance measure.

Some functions in the Public Service have standardised outputs where it may be possible to set standards, but even here the reality is that they often do not exist because it is expected of supervisors to set the standards and they often do not have the skills to do that. Standards should instead be set by the organisation.

In the case of knowledge work – and it is acknowledged that the comment in this section is biased towards knowledge work – the nearest one would get to standards are criteria. For example, for policy development it might be criteria like "the problem that the policy aims to solve must be well researched", "the policy proposals must present decision-makers with different policy options", "the costs and benefits of the policy options must be evaluated", "people affected by the policy must be consulted", and so on. These are not standards because what do phrases like "well researched" mean? So, performance evaluation involves a huge amount of judgement (probably by the supervisor) and not measurement. It may be possible to set standards for quantity, but quality is much more difficult. Even for quantity it is not possible to set a standard if the output is not standardised, and worse when the employee does not have control over critical contextual factors that have an impact on their performance.

With a grading or scoring system, the problem is further complicated because a standard then needs to be set for every score, for meeting the standard, exceeding the standard or exceptional performance against the standard. A question often asked by employees in appraisal discussions is: Show me what exceptional performance look like, which most managers find difficult to answer.

Jeremy Cronin[132] offers the following examples of how simple measures can miss the point:

> "Narrow and highly centralised attempts to manage classroom teaching by having every grade 4 class in the country to be on the same page of a workbook on a given day

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[130] *Ibid, par 35*

[131] PSC. (2022). Report on the Enablers and Inhibitors of performance for SMS members in the Public Service.

[132] Cronin, Jeremy. (2021). Why the South African State is Incapacitated. *Eyewitness News, 25 August 2021.*

undermine the necessary professional discretion a teacher needs in order to respond appropriately to specific classroom conditions and individual pupil's needs. Likewise, attempts to evaluate police station success rates in terms of crimes reported to the station abstract from vastly different social realities."

Many public services require this professional discretion, and how is this discretion to be measured? Standards abrogate professional judgement. Many public services are complex and performance indicators focus on a few dimensions of the complexity to be measured – those that are most amenable to measurement or data collection.

The appraisal system is accompanied by cynicism, perceptions of unfairness, demotivation and gives rise to many grievances, without the benefits of better performance. If the results of formal performance appraisal are not credible (which means confidence by most staff members in the veracity of the system) it should be abolished. Therefore, any scoring or rating in performance appraisals should be abolished. One can simply discuss with the employee whether an output has been achieved or not achieved, and whether the achieved output has made a difference.

In this context of performance measurement, the belief in performance related pay becomes more management myth than sound practice. Interestingly, performance bonuses were gradually phased out from the 2021/22 financial year.[133]

To measure performance at organisational unit level is difficult enough, more so contribution at individual level. Organisations may perform well despite the contribution of senior managers or some employees because effective routines and capabilities have been institutionalised. Individual performance appraisal should be suspended if credible systems to make a judgement on organisational performance do not exist. Simply counting the targets in the APP results in performance evaluations that challenge the credulity of the public.

Another fundamental problem with standards or performance indicators at the task level is a confusion between indicator and cause of poor organisational performance. It assumes that if all the tasks meet standards, then the organisation will perform well. Poor performance against indicators is a prompt to look for causes and lifting the indicator does not necessarily increase performance on the outcome level.

Performance management

Performance management is the process of managing the execution of an organisation's strategy. Performance management is the daily, weekly or monthly checking of accomplished work. Formal staff appraisals should be abolished if the systems for this are not robust. A simple example is checklists that supervisors of cleaning staff in a hospital complete every day for the cleaning of a ward and other rooms. If this is not available, it is very difficult to make a case for performance months after the fact at an individual appraisal meeting. If ongoing feedback is tabulated or charted it can be the basis for annual assessment. In the absence of this, annual assessment becomes burdensome, subjective and target-gaining.

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[133] DPSA. (2019). Notice of a reduction in the percentage allocation of remuneration budgets for the payment of performance bonuses. Circular 1 of 2019.

In knowledge work, feedback is provided through regular discussions about goals, priorities, the value-add of products, discussions about alternative ways to achieve goals, progress in delivering outputs, the individual's contribution to the goals of the unit and systemic issues that hinder achievement of goals. Such discussions occur in the process of producing the product, not after the fact in an appraisal meeting. It is a regular, integral part of work activities. A formal appraisal does not create the conditions for such a discussion because the discussion will degenerate to the grades awarded.

Even the Professionalisation Framework said that focus should be on "building daily capacity for operational (day-to-day) management of staff by managers to improve the implementation of the current system"[134].It went further:

> "Regular management of performance … enables learning to take place within an organisation, while tweaking systems on a rolling basis and enhancing efficiency in service delivery. If such assessments are only undertaken every three or six months, this breeds inefficiency and poor service delivery."

> "One of the unfortunate side effects of implementing a system that requires individual performance to be formally assessed either quarterly or bi-annually is that the management of performance, which should be taking place on a regular, day-to-day basis, becomes neglected. Performance management should be agile and responsive in order to address shortcomings or failures frequently and as soon as they happen."

> "This requires hands-on managers who institute daily or weekly measures (brief meetings, action logs, submission of dashboards to assess progress in carrying out key tasks) to review performance on a more regular basis. Such a regular system has the potential to enhance accountability and to identify skills that staff may require in order to improve their individual performance."

> "As currently structured, however, the PMDS system has devolved into a 'compliance' exercise that is not seen as a useful tool to enhance service delivery."[135]

It is further argued that individual performance appraisal through a rating system is counter-productive and emphasis during the appraisal discussion on the score that was awarded inhibits a fruitful performance discussion.

The National Planning Commission also took a firm stand in this regard:

> *"Technocratic[136] systems do not solve underlying problems.* The NPC concluded that complex technocratic systems such as the centralised performance management system have been used to focus attention on formal procedures, but those systems are overly complex – administrators do not have the skills to use them and managers do not

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[134] National School of Government. (2022). A National Framework towards the Professionalisation of the Public Sector. Section 4.1.2.3.

[135] *Ibid.*

[136] "Technocratic" is used here in the sense of inappropriate use of measurement scales to replace judgement or process to replace substance.

have the time. The system is poorly understood by supervisors and subordinates alike. This leads to staff demoralisation and disputes rather than enhanced performance."[137] (NPC, 2011)

Management of performance at the individual level should complement performance management at the unit and organisational level. This may perhaps only require addressing the performance of individuals who do not significantly contribute to unit performance or perhaps identifying the individuals the unit cannot do without. One cannot have a one-size-fits-all system. The PMDS is much too prescriptive and consequently does not fit all contexts. The Professionalisation Framework also emphasised this point:

> "… the performance management system chosen by public sector reformers has to be a 'good fit' for the institutional context of that particular public administration. Rather than enhancing a focus on organisational goals, systems that 'enforce' accountability through strong sanctions and rewards are often counterproductive. The bottom line here is that more mature organisations can handle more complex and higher-stakes performance systems, while more vulnerable organisations far less so."[138]

A more fundamental issue with performance management is that the process should look for the underlying causes of poor performance, or systemic issues beyond the outputs that have been included in the APP for a particular year, and address those. All the components of the system should be examined, especially those that the organisation has control over or can manage. Focus cannot be just on outputs where—

> measurements and decisions are at best based upon an outcome paradigm, which are often based on the even more constraining output paradigm (get the outputs right and the outcomes will follow). "In such models it is assumed that outcomes can be broken down into outputs and that these in turn can be further broken down, often to the extent of deriving task-based performance measures for individuals. This inherently assumes that the sum of the parts equals the whole – if all performance measures at one level indicate success, then it follows that success at higher levels is also likely."[139]

One can have all the plans in place with performance indicators and targets and individual performance appraisal, but still not address the underlying causes of poor performance:

> "What are the indicators in the Public Service that a <u>performance management system</u> is being applied? Unfortunately, often regardless of results and delivery, the elements of evidence, or indicators of performance are usually seen to be the existence of strategic and operational plans, signed performance agreements with work plans and targets, and the application of a performance appraisal system and performance reviews. One example may be the education system where, despite apparently sound

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[137] National Planning Commission (NPC), (2011) Institutions and Governance Diagnostic, as quoted by the PSC. 2015. Building a Capable, Career-Oriented and Professional Public Service to Underpin a Capable and Developmental State in South Africa: Discussion Document.

[138] *Ibid.*

[139] Prinsloo, D**.** (undated) Performance management and the art of motorcycle maintenance (or Systematic management for performance and service delivery.

strategic plans being in place and outputs delivered accordingly, the RSA is constantly slipping on international comparative studies testing science, mathematics and literacy."[140]

If performance ratings or scoring is abolished, what will replace it?

All the purposes of a PMDS and individual ratings can be achieved by other means, as discussed below:

- Aligning individual goals with organisational goals and creating clarity about goals:

  Goals can be looked up in plans like the Strategic Plan, APP or operational plan of the department. It is doubtful that the PMDS ensures better alignment or adds much clarity. In any case does clarity emerges from continuing discussion of the goals and programme of a unit over time – not from a one-time transmission through a document. People can refer to plans instead of a Performance Agreement but if it is felt that the contractual nature of a Performance Agreement creates some obligation that was not there before (which is doubtful), it can be retained.

- Providing feedback on performance: As discussed above, a formal appraisal meeting is a poor setting for performance feedback hence it should be replaced with continuous and on the spot feedback.

- Dealing with poor performance: Poor performance should be dealt with immediately and the incident(s) of the poor performance and the corrective steps recorded. This must happen in any case quite independent from an appraisal. It is bad practice to use an appraisal as a trigger for a poor performance process.

- Incentives: Recognition should be given, and incentives awarded for exceptional products, that are to recognise, instead of a less than credible scoring against doubtful standards. Without a grading system, top performers might say that they work very hard, yet are treated the same as people getting along with the bare minimum. This may be so, but the Public Service should be a place where the reward is intrinsic to the job and top performers should be rewarded with more rewarding jobs. Also, the true incentive is or should be promotion, not cash bonuses. Linking rewards to performance is to oversimplify the diverse motivations and drivers of individual performance.

  Audit findings from the Australian Public Service, for example, indicated a very poor link between performance related pay and actual performance:

  "… only one-half of staff surveyed indicated support for the performance pay systems. Just over one-quarter agreed that the distribution of performance pay was fair. However, even fewer indicated that it provided sufficient incentive to improve performance. Further, only a small number of agencies surveyed made

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[140] *Ibid.*

any assessment as to whether performance pay had resulted in improved individual or agency performance."[141]

A 2015 PSC Discussion Document[142] emphasises public service values (Chapter 4) – the reward is the intrinsic reward of living these values – and career-orientation (Chapter 6) – the reward is a satisfying career.

- Identifying a group of top performers, especially in the Middle Management cadre, who will be specially prepared for a senior management role and from which senior managers can be selected:

    Pre-1994 people were graded as "preferentially promotable", "promotable out of turn" and "promotable when your turn comes". The PSC maintained preference lists that identified the pool of top performers. Currently there is no system that identify a group of top performers for special treatment. So, the point is a bit moot. Since all SMS posts are advertised, people identify themselves by applying for posts. They distinguish themselves by narrating key areas of expertise and accomplishments in their CV. If it should be found to be good practice to identify a pool of top performers, that could be done based on exceptional contributions to organisational goals that could be motivated in narrative form and not on the basis of a doubtful grading or scoring system.

- Identifying development needs can be identified through a comparison between the requirements of the job and the competencies of the individual and is not dependent on a grading or scoring system. Key competencies should be identified both on the organisational level – what are the organisation's distinguishing competencies – and the individual level. Also, competencies are situated in the group – each individual cannot have all the competencies but have unique competencies complemented by the competencies of others. So, a department's Workplace Skills Plan cannot be an aggregation of the Personal Development Plans of all the individuals in the department – it should also indicate the priorities of the department to obtain critical competencies.

A fundamental problem with systems like the PMDS is the assumption that objective standards can be set against which performance can be objectively measured. Performance management is a separate process and should not be confused with staff appraisal at the individual level, especially if rating scales or scoring systems are used. Moreover, an individual staff appraisal meeting is a completely inappropriate setting for performance management. *The PMDS can therefore not be refined* – it needs to be fundamentally reviewed. All the objectives of a system like the PMDS can be achieved without individual staff appraisal.

A system can only be successfully implemented if the preconditions for success are met. Any effort at improving the system should start with addressing the fundamental performance management problems at the unit/organisational level; especially designing an appropriate

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[141] Australian National Audit Office. (2004). Performance Management in the Australian Public Service. Audit Report No.6 2004–05 Performance Audit, par 38.

[142] PSC. (2015). Building a Capable, Career-Oriented and Professional Public Service to Underpin a Capable and Developmental State in South Africa: Discussion Document.

management structure (see section 5.9 below) and setting clear objectives. It is also logical that in places where the preconditions are not present, the question should be asked whether a department should persist with applying individual staff appraisal, knowing full well that chances of effective implementation are slim.[143]

The DPSA has embarked on a process to develop proposals on the improvement and review of the PMDS. The Objectives of this review exercise are to:

- Assess the implementation of the current PMDS directives in the Public Service in terms of its impact on employees' performance and organisational performance.

- Develop recommendations on the review of the PMDS for the Public Service, which may include linkages to the productivity measurement framework.

- Develop recommendations on a revised incentive policy framework for the public service.

- Introduce of a web-based PMDS for the Public Service.

5.3.5 Scarce skills and Occupational Specific Dispensations (OSDs)

The scarce skills and rural allowances were introduced as incentives for teachers and doctors to apply for posts in rural areas and to address socio-economic goals. The NDP (2010-2030) highlighted critical shortages of doctors, engineers, information technology professionals, forensic specialists, detectives, planners, accountants, prosecutors, curriculum advisors, among others, in the Public Service.

The challenge when it comes to scarce skills is to defensibly identify what those scarce skills are. A defendable designation of scarce skills or demarcation of the rural area where it is difficult to recruit people, become contentious.

The Human Resource Development Strategy of South Africa (HRDSA) 2010 – 2030[144] (RSA, 2009), emphasised the need for a national "scarce skills list", which is aligned to South Africa's social and economic goals. Numerous reports have drawn attention to the problems experienced by Government, as well as the private sector, in implementing growth strategies, fast-tracking service delivery and producing high quality products and services owing to a lack of skilled people.

PSCBC Resolution 1 0f 2007 replaced the Scarce Skills Framework with Occupational Specific Dispensations that catered for revised salary structures, career pathing, pay progression, and grade progression, with a view to attract and retain professionals and other specialists in the Public Service. The main reason behind the government's move to implement OSDs was to improve government's ability to attract and retain skilled employees, through improved remuneration, to adequately address the diverse needs of occupational categories in the Public Service. The Occupational Specific Dispensation introduced

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[143] This conclusion has already been reached in—
PSC. (2015). Building a Capable, Career-Oriented and Professional Public Service to Underpin a Capable and Developmental State in South Africa: Discussion Document.
[144] Human Resource Development Council of South Africa. The Human Resource Development Strategy: Towards 2030 (revised 2022).

differentiated salary structures for each identified occupation. Grades and job profiles were centrally determined by the DPSA. These dispensations covered amongst other, school-based educators and principals, health professionals, correctional service officials and other professions such as environmentalists, lawyers, engineers, architects etc. These dispensations were implemented over a five-year period, commencing in July 2007 and challenges were encountered.

Much of the reason for initial unhappiness of staff (the PSC received many grievances about OSDs) with the way the OSDs were implemented was exclusion of members of the occupation who did not meet new qualification and other requirements. The principle of the OSDs, to set competitive salaries for specific skills, is however sound and one should not throw out the baby with the bathwater. What complicates the issue further, is that the scarcity, or higher market value, applies to specialisations within an occupation and not the whole occupation. That a certain group is singled out may be experienced as unfair. There are many other problems associated with the OSDs such as:

- Uneven implementation between different departments.

- Funding constraints – some departments could not fully implement the OSDs

- OSDs being implemented for non-scarce occupations such as correctional officers, SAPS and teachers in general while some professional groups such as vets, IT professionals, etc. were left out.

There is an inherent tension between job weight and the associated principle of equal pay for work of equal value, and market related salaries, and this will have to be resolved in a new pay policy for the Public Service.

DPSA is currently in a process to review the Personnel Expenditure in the Public Sector, inclusive of the OSDs. Part of the project scope is to review the OSDs and provide recommendations whether the original intensions with the OSDs have been achieved, including the successes and challenges in the implementation. The report would then include recommendations for improvement or alternative arrangements (DPSA Terms of reference: Personnel Expenditure Review, 2021).

5.4   Programme Budgeting and Medium-Term Budgeting

The National Treasury introduced financial administration reforms, not least of which are budget reforms.

South Africa's budget is a programme budget. "A budget **"programme"** is a main division within a department's budget that funds a clearly defined set of objectives based on the services or functions within the department's legislative and other mandates. It also constitutes a management unit established within a department responsible for the delivery of that defined set of services and functions."[145] A programme therefore contains a collection of outputs and is not a strict output budget. Programme budgeting is not in principle different from budgeting by objectives that was already introduced in 1976.

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[145] National Treasury. (2010). Guidelines on Budget Programmes. 2010 update.

A major reform was medium term budgeting, introduced early in the reform journey, in 1998. Medium term budgets create more certainty because departments have an indicative budget for two future years. The budget documentation contains performance information, but performance does not play a direct role in the allocation of budgets. In 2003 the Treasury added a specific requirement that the programme information must contain "measurable objectives".

Linking the budget with government's policy objectives depends heavily on the programme structure and regular review of the programme structure should ensure that the link between the two is clear. In 2010 the outcomes framework was introduced, and departments were required to include information in programme documents to explain the link with outcomes, but the programme structure was not materially revised to follow the outcomes because groups of departments contribute to the same outcome. Further, for accountability purposes, the programme structure and organisation structure should mirror each other as closely as possible.[146]

A perceived challenge in the budgeting system is the link between planning, budgeting and reporting. In its 2014 State of the Public Service report the PSC remarked as follows,

> "This is reflected by the dictum "budgets should follow plans, not the other way around". This could, however, never mean that Treasury should fund all plans. It should mean that key strategic decisions, making the cost effectiveness priority trade-offs, are taken in the planning process. This means that plans should include financial modelling – alternative strategies should be costed. Reprioritisation, which should be part of the planning process, should take the form of shifting money from low to high priority, in other words the plan should spell out the budget implications of the reprioritisation. … the manner in which departments currently prepare and submit their budgets to Treasury will have to change in that the incremental budget process where departments substantiate small variations to the baseline, would have to be replaced by (more rigorous prioritisation)."[147]

This tension was worsened by expanding the role of the Department of Performance Monitoring and Evaluation to Planning, Monitoring and Evaluation. The link between budget and performance was strengthened when National Treasury issuing a framework on programme performance information in 2007 and strategic and Annual Performance Plans in 2010. The framework for managing programme performance information follows the well-known logical framework of activity-output-outcome-impact, with the implication that objectives had to be set at these levels.

This is still today a major flaw in the budget process because departments do not have the capability to do the required financial modelling.

From the 2018 budget the DPME started issuing a "Mandate Paper". "The Mandate Paper's objective is to establish the strategic framework for decision-making on budget priorities that are required to advance the goals of the National Development Plan (NDP)."[148] The Paper

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[146] Section 2.3 of the Guidelines on Budget Programmes.
[147] Public Service Commission. (2014). State of the Public Service Report.
[148] DPME. (2018). Mandate Paper: Budget 2018

indicates priorities, but a priority is only a priority if money is shifted to the higher priorities and since only Treasury has the capability to calculate the amounts of such shifts, it still plays a leading role in prioritisation.

Despite their capabilities, Treasury can't identify efficiency savings, policy changes that will produce better effectiveness, or opportunities for value for money if departments do not provide treasury with policy or spending scenarios. Consequently, Treasury had to accept incremental budgeting or across the board cuts or abolishing vacancies. This may damage services that affect the most vulnerable.

Obviously, the Treasury realises this:

> "The Treasury does not believe in indiscriminate, incremental and across-the-board increases in departmental budgets to simply keep pace with inflation as they fail to take into account underspending, inefficiencies and wasteful expenditure. … Considerations that have to be taken into account when budgeting includes the inability of departments to spend; value for money; poor outcomes; wastage and inefficiency; corruption and maladministration; political dysfunction causing poor use of resources in municipalities; and obsolete and nonperforming or duplicated programmes embedded in departmental budgets. National Treasury considers that the above should be the most important aspects of the budget process going forward." The budget does not support the damaging practice of incrementalism and departs from straight-line, CPI-based growth of spending items. National Treasury proposes that the budget process should place greater emphasis on performance, waste, efficiency and strategic trade-offs."[149]

The problem of prioritisation was identified early on by various commentators:

> "There is a fundamental difference between three-year incremental budgeting and an MTEF based on cost drivers and policy adjustments. The former is not different from conventional incremental budgeting where current budgets are increased by some margin for the following year. The introduction of the MTEF was an attempt to move away from this kind of budgeting to a budgeting system based on the actual cost of service delivery. The latter system takes cost drivers and policy adjustments into account when making forecasts over the MTEF period."[150]

The attempt to move towards a system that makes real trade-offs was largely unsuccessful and it remains to be seen how successful Treasury will be to move away from incremental budgeting and across the board cuts.

To do more rational prioritisation require expenditure reviews, which were introduced in 2013 and conducted by the Government Technical Advisory Centre (GTAC). Such expenditure reviews identify trade-offs between policy instruments, level of service (the norms and standards for the service), quantity of service (e.g. the number of eligible beneficiaries), cost

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[149] Edgar Sishi. (2023). (Head of the Budget Office, National Treasury.) *Business Day (BL Premium). 6 March 2023.*

[150] Applied Fiscal Research Centre. (2000). Submission to The Select Committee on Finance. Public Hearings on the MTEF Figures for (2001/2002): 23 August 2000.

items and their price and possible efficiencies (a process consuming less resources). Virtually no capacity for this exists in departments where the priority decisions should be made.

Nevertheless, South Africa's budget provides a wealth of information. It was ranked first in the Open Budget Survey in 2010. It maintained this high ranking for years and – it was ranked second in 2021.

5.5   Agencification

The New Public Management emphasised management autonomy and letting managers manage. This is very significant in terms of the leadership role expected from managers. This places a high confidence in management as opposed to many other variables that make for successful public administration. South Africa, following this belief, created many agencies, from State Owned Enterprises (SOEs) to various forms of regulatory agencies, advisory bodies, "government components" and "specialised service delivery units". This was a new thing; the apartheid government also created many agencies. The functions of agencies include applying regulations, research, policy advice and service delivery.

Apart from the many agencies created by their own founding acts, and listed in the PFMA, the Public Service Act, 1994 also provides for "government components" (section 7A) and "specialised service delivery units" (section 7B). Considerable powers may be assigned or delegated to such government components or specialised units under sections 7A (5) and (6) and 7B (5) and (6). Both these sections require feasibility studies before such components or units are established. Regulation 33 of the Public Service Regulations, 2016, prescribe the requirements for such a feasibility study.

The motivation for setting up agencies include separating policy from implementation on the assumption that policy is a pure government function whilst implementation can be given to any manager; and escaping perceived government bureaucracy by customising administrative and operational arrangements to suit a specific service delivery environment, especially through assignment or delegation of powers. The motivation is often simply to be able to pay higher salaries than what apply in the Public Service. Some argue that this led to an "hollowing out" of the state – to make good policy one needs to be immersed in implementation and if implementation is in a separate agency capability (and power) will eventually reside in the agency.

The PSC has conducted two studies on agencification – one on the agencies of the Department of Transport[151] and one on the South African Social Security Agency (SASSA) and the Small Enterprise Development Agency (SEDA).[152] (A limitation of these reports is that they covered few agencies.) From these reports it seemed that service delivery did improve but a challenge was blurred accountability between the agencies and the departments (making one question whether policy and implementation can really be separated).

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[151] Public Service Commission. (2003). Report on the Evaluation of the Service Delivery Innovation of the creation of Agencies at the Department of Transport.
[152] Public Service Commission. (2011). Report on the Evaluation of the Role of Agencification in Public Service Delivery in Selected Sectors.

A major review was conducted by the DPSA and National Treasury in 2005.[153] The key findings of this study were that "government approached the establishment of agencies in an *ad hoc* basis. The regulatory environment was fragmented with multiple accountability frameworks and public entity legislation was cumbersome and too rigid to deal with changing government priorities." The result was a policy framework on the governance of public entities. Like all such policy frameworks, this had a limited effect on the quality of governance.

One should not generalise regarding the creation of agencies. The functions of government, and therefore needs regarding appropriate governance and management arrangements, vary greatly. What is important is that a strong business case needs to be made for each. From time-to-time governments embark on wide scale macro-organisational reform like the rationalisation programme of the 1980s. The question then becomes whether such wide-scale reviews have the capacity to better consider the business cases of the multiple agencies or whether the reforms should not simply be undertaken on a case-by-case basis. However, the recent repeated demands for bail-outs for government enterprises underscore the need to thoroughly consider each business case, the financing arrangements and the reality that the risk finally reverts to government.

5.6   Coordination

The silo-mentality of government departments have been bemoaned from the start and special arrangements were introduced to improve coordination, namely the Intergovernmental Relations Framework Act of 2005, the ministers and DG cluster system for coordination between national departments, MinMECs for concurrent functions and the District Development Model (DDM) of 2020 for local level coordination.

This problem of coordination, however, persists. Former DGs refer to a "silo mentality of government departments and entities, and limited ability to coordinate interdependent functions both vertically between spheres of government and horizontally between line departments."[154]

The DDM Booklet expressed it as: "Lack of coordination between national and provincial governments, between departments and particularly at local government level, has not served the country. The pattern of operating in silos has led to lack of coherence in planning and implementation and has made monitoring and oversight of government's programme difficult."[155]

Coordination is the process of adjusting programme designs and administrative arrangements where two or more programmes are dependent on each other, to smooth implementation or to achieve synergies between the programmes by joining resources. Joint planning and collaboration imply that two or more organisations, or programmes, with similar objectives plan

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[153] Department of Public Service and Administration and National Treasury. (2005). Review of National Public Entities and Government Business Enterprises: Policy Framework for the Governance and Administration of Public Sector Institutions.

[154] Former Directors-General. (2020). Building a Capable Developmental State. Some reflections by former Directors-General on Strengthening the Capacity of a Developmental State in South Africa. July 2020.

[155] Department of Cooperative Governance (undated). The District Development Model: One Plan (Booklet).

together to achieve common objectives. Each brings his programme, capabilities and resources to the table and shares these. This implies that the actors have the authority to commit resources to the common objectives and to adjust their programmes to fit the joint plan or exploit synergies.

5.6.1   Coordination between spheres of government

This is governed by the Intergovernmental Relations Framework Act of 2005. The objects of the Act[156] is—

> "to provide within the principle of co-operative government set out in Chapter **3** of the Constitution a framework for the national government, provincial governments and local governments, and all organs of state within those governments, to facilitate co-ordination in the implementation of policy and legislation, including—
>
> > *(a)* coherent government;
> > *(b)* effective provision of services;
> > *(c)* monitoring implementation of policy and legislation; and
> > *(d)* realisation of national priorities."

The Act establishes the President's Coordinating Council and national, provincial and municipal intergovernmental forums. An inaugural report of 2007 evaluated the success of these arrangements.   The report is very hesitant about the functionality of the intergovernmental forums.

> "Considerable emphasis is given in the Report to the scope of the IG forum to act as the lynchpin of coordination and strategic direction within each sphere. Nevertheless, research to assess the functionality of the IGR forums in 2007, refers consistently to the evidence that it is not only policy, legislation and structures that influence successful outcomes in service delivery. Good relationships are fundamental to effective functioning of forums. Where relationships between members are strained, functionality may be compromised. The IGR forums are now emerging from the establishment phase, and it is hoped that studies going forward will be able to identify the impact of the forum's strategic processes on service delivery, as the structures consolidate and build on becoming effective forums for dialogue and engagement."[157]

Judged by later developments like the introduction of the District Development Model (DDM) to specifically address coordination issues, the intergovernmental forums did not become the lynchpin of coordination.

5.6.2   Coordination between departments

The DG and ministerial cluster system was introduced for coordination at this central level in 1998/1999. Two evaluations of the cluster system are available.

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[156] Section 4 of the Act of the IGR Act, 2005.
[157] DPLG. The implementation of the Intergovernmental Relations Framework Act: An inaugural report 2005/06 – 2006/07. Page 7.

A 2008 report by the Technical Assistance Unit of the National Treasury[158] found as follows:

- "The average participation rate of Directors-General in the cluster meetings was 32%."
- "The majority of respondents to the questionnaire did not think that Directors-General see attending cluster meetings as good use of their time."
- "Lack of participation should be assumed to be rational behaviour, based on an assessment that value will not be obtained from time spent in cluster meetings."
- "Clusters are a necessary but insufficient mechanism to align departments to cross-cutting priorities. Clusters need to be complemented by a mechanism which integrates the cross-cutting priorities into the decentralised accountability system for individual departments."

These findings point to the fact that structural arrangements like committees, forums, clusters, or "hubs" (of the DDM) are weak coordination mechanisms. A 2014 evaluation report of the DPME[159] found as follows:

"There are indications that the coordination structures are not optimally meeting their roles and mandates. Only 54% of DGs felt that participants at clusters were adequately prepared for meetings, only 50% felt that the quality of decisions was good, while only 32% felt there was good accountability for implementing cluster decisions."

"Wherever possible DGs need to give **delegated powers** to officials to address coordination issues outside of the cluster structures."

This is an important finding in light of our observation below that coordination takes place between programme managers and that this responsibility cannot be assumed by committees. Other important findings from the DPME report are the following:

Quoting Peters (1998)[160]: "Mere structural changes cannot induce behaviour alteration, especially if the existing behaviour is reinforced by other factors in government. … reflecting on the UK's experience of 'joined up government' (JUG), it is observed that "On their own, interdepartmental committees and task forces have tended to have relatively little effect on behaviour, without substantial investment of time and political capital by the prime minister."

Quoting Peters (1998): "Formal methods of coordination may not be as beneficial as more informal. The usual reaction of governments when faced with the issue of coordination is to rely on formal organisational mechanisms to solve the problem. Central agencies typically assume their intervention is crucial to successful coordination. *However, a better approach may be to permit those involved to address*

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[158] National Treasury. (2008). Technical Assistance Unit. Review of the Government Cluster System. 24 November 2008.

[159] DPME. (2014). Impact and Implementation Evaluation of Government Coordination Systems: Draft Final Report: Policy Summary, Executive Summary and Short Report. 6 February 2014.

[160] Peters, (1998). Managing Horizontal Government: The Politics of Co-ordination, Canadian Centre for Management Development. Research Paper no 21.

the problems themselves." (Our emphasis in italics.)

5.6.3 Coordination at local level

Coordination at the national policy or plan level has little impact on service delivery. Since service delivery takes place in a locality, coordination needs to take place at this level. Luckily, government has realised this and introduced the District Development Model (DDM) in 2019[161].The DDM focuses almost exclusively on institutionalisation of integrated planning – coordination through the "One Plan" for 44 districts and 8 metros. The DDM creates its own institutional structures – the coordination "hub" with managers, coordinators and specialists. It foresees a huge role for the National Department of Cooperative Governance, inter alia—

- "Mobilise resources and/or restructure to ensure appointment of managers, coordinators and specialists to give effect to the DDM."
- "Appoint a national programme manager for district/metro coordination."
- "Appoint provincial coordinators to support the programme manager in institutionalising the DDM in each province."
- "Establish and manage the district/metro coordination hubs that will initiate and drive the formulation of the Single Joined-up plans and oversee implementation, as well as coordinate capacity building, shared resourcing and impact monitoring."

The DDM perhaps relies too much on the "One Plan" as a coordination mechanism.   Since coordination requires mutual adjustment, a fixed plan may possibly hamper coordination. The DDM is also not clear about the relationship between the "One Plan" and the Integrated Development Plan (IDP), which already must include plans from sector departments, the Service Delivery and Budget Implementation Plan and Spatial Development Frameworks. The DDM also situate coordination in a structure, the planning "hub", whilst the actors that coordinate should be the programme/ project managers, not the planners in a "hub". It further places coordination in the hands of a central department. How will the "One Plan" be successful where these other plans seem to have failed to coordinate?

"Development objectives are invariably pursued across functional silos, which make the importance of coordination arrangements self-evident (but the solution is by no means self-evident). The mistake that is often made is that the coordination mechanism is structural (coordination committees) rather than a process of pooling resources to pursue joint objectives, which is a more informal mutual adjustment process. Coordination is also seen

Time will tell how effective a coordination mechanism this model is. However, since it involves local actors, it is a step in the right direction.

5.6.4 Critique of coordination arrangements

Coordination is not a function that can be assigned to a central department, to a committee or to a programme – it is a matter "reasonably necessary for, or incidental to, the effective exercise of a power" [section 44(3) of the Constitution]. Any programme, like the old Integrated Sustainable Rural Development Programme (ISRDP) or the Comprehensive Rural

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[161] Department of Cooperative Governance. (undated) The District Development Model: One Plan (Booklet).

Development Programme (CRDP), with coordination as its main logic should be avoided. Coordination is the role of programme managers in charge of programmes with their own budget and products and services.

For example, with regard to the ISRDP, the PSC found that—

> "To build a whole programme intervention on the abstract notion of coordination and integration was ambitious. Whereas the intervention mechanisms of other poverty reduction programmes are concrete, that of the ISRDP is abstract and the implementers did not always understand it. … In order to give some practical content to the programme it was initially linked to so-called "anchor projects" (a few prominent development projects). Instead of clarifying matters it sowed even more confusion because it was unclear how to distinguish between ISRDP projects and other development projects."

> "The coordination mechanisms introduced by the ISRDP were further too simplistic. The Interdepartmental Task Teams, for example, were not coordination or planning forums at all but information sharing and reporting channels. No real planning decisions, like approval of objectives, programmes, projects, or budgets are taken there. It therefore had limited influence as a coordinating mechanism."[162]

The Presidential Panel on land reform made the same mistake:

> "The panel recommends that the mandate for rural development be removed from the DRDLR. Rural development is a coordination function that requires working transversally across government, both horizontally across departments and line functions, and vertically between national, provincial and local spheres of government. Rural development cannot be effectively implemented by a single department. How coordination of rural development, in terms of policy and implementation, can be achieved, must be further considered. Options include locating coordination functions within the Presidency, and specifically within the DPME."[163]

The view is that coordination between two or more rural development programmes must be left in the hands of the programme managers. To give it to a third party like the DPME will put it in the hands of an entity with no powers to coordinate, and technical expertise on issue of land.

Simply put, you can't have a programme to coordinate other programmes. Coordination involves aligning objectives, programmes and projects features, and budgets. In the absence of dedicated people will decision-making power over these aspects, no coordination can take place.

With regard to the same CRDP, a 2013 DPME evaluation report[164] found as follows:

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[162] Public Service Commission. (2009). An evaluation of integration and coordination in the Integrated Sustainable Rural Development Programme.

[163] The Presidency. (2019). Final report of the Presidential Advisory Panel on Land Reform and Agriculture. Page 91.

[164] Department of Planning, Monitoring and Evaluation, Rural Development and Land Reform. (2013). Implementation Evaluation of the Comprehensive Rural Development Programme.

> "The CRDP is facilitated by a complex set of interrelated institutional arrangements such as the Council of Stakeholders, Technical Committees and Political Champions which bring all the various stakeholders together to contribute to the aims of the CRDP. The DRDLR has been tasked with the role of coordinator (as well as initiator, facilitator and catalyst). Coordinating these numerous and diverse stakeholders effectively poses tremendous challenges to the DRDLR …" (Page 5)

> "Most key informants asserted that it is not appropriate or realistic to expect the DRDLR to play the role of coordinator because it lacks the authority needed to do so." (Page 33)

> "The intention was for the CRDP to be a fairly decentralised programme which was to be driven by the local level and not national government. However, it was found instead that decision making is too centralised with too much happening in Pretoria and not enough in the provinces and very little ownership of the process by the local sphere." (Page 34)

These findings confirm that coordination cannot place too much reliance on structural arrangements (Council of Stakeholders, Technical Committees and Political Champions), and that the coordinator should be the institution and person with authority over the programme, not a separate coordinating department.

In a coordination model proposed by Mintzberg[165] he puts coordination mechanisms in a range from mutual adjustment (between a few people in a group) for simple coordination challenges, to structural arrangements (a supervisor coordinates between his subordinates, coordination committees and task teams and matrix organisation structures) for more complex coordination challenges. For the most complex coordination challenges like intergovernmental relations and coordination between departments, structural arrangements no longer work, and the coordination mechanism return to mutual adjustment, which depends on the initiative and the willingness of the actors.

5.6.5 Requirements for coordination at the local level

For coordination to be effective, the following are required:

1) It should be clear who the actors are – who in a department (national, provincial and local) is responsible for a programme or project in a district. With this is meant a person responsible for the execution of the project, not an overseeing project manager. The department should preferably have a district office with dedicated responsibility for a programme in the district – what the DDM calls "spatialisation".
2) It should be clear what the budget allocated to the programme in the district is – the budget should also be spatialised.
3) Each actor should be clear about what capabilities and resources he brings to the table (his offering) and how these can be deployed in the collaborative effort. (Each actor should know what staff and budget he can deploy to the project.)
4) Each actor should have the authority to adjust his offering to better complement the offerings of the other actors or to capitalise on synergies.
5) Programme features should be flexible to allow mutual adjustment between the actors.

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[165] Mintzberg, H. (1979). The structuring of organisations. Prentice Hall.

6) The structure should be as simple as possible. Joint planning should not be a too ambitious grand plan. Complexity increases if the collaboration aims to be comprehensive in the sense of including everything that is happening in the locality. It is simpler if two or three actors collaborate.

5.7   The developmental state, 2007

Ideas of a developmental state were introduced with the ANC Strategy and Tactics Document of 2007. In 2016 the PSC published a report on the characteristics of the public service that should underpin a developmental state. The PSC argued that the vision of building a capable and developmental state can only be realised through a form of public leadership in which senior public officials become stewards of the rights, values and principles in the Constitution.

The success of the Public Service depends on its capability to maintain a sound administration, to deliver quality services and to design and implement development programmes that lead to the improvement of the capabilities of service delivery beneficiaries. It is common knowledge that the overall capability of the Public Service depends on the skills, performance, integrity and motivation of its personnel. As noted in the PSC 2016 report on the Developmental State[166], one of the major characteristics of public services in developmental states is that they are merit-based, hence recruitment into the service is based on entrance exams, qualifications, talent and capability. This is the case in countries such as China, India, Japan, Korea, Malaysia, Mauritius, the Philippines, Singapore, Botswana and Brazil. For those aspiring to be developmental states, the two critical success factors are the building of organisational and technical capacity and strong coordination and synchronization of government's programmes and policies.

5.8   Conclusion

The analysis reveals that HR policies and guidelines did not serve as strong instruments for bringing about change even though they had potential, and many were well thought out. A reform area like coordination is still bedevilled by conceptual confusion and implementation complexity. The idea of the developmental state placed focus on state capacity and capability, but the Public Service still lacks advanced and specialised skills, prompting reliance on panels, commissions and task teams to facilitate priority reforms.

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[166] Public Service Commission. (2016). Building a Capable, Career-Oriented and Professional Public Service to Underpin a Capable and Developmental State in South Africa: Discussion Document.

CHAPTER 6. THIRD WAVE OF REFORMS: 2013 TO DATE

6.1   Introduction

A third wave of reforms started with the publication of the National Development Plan in 2012. This period was also dominated by the idea of a single Public Service, a revised planning framework, the publication of the Professionalisation Framework, which gave new impetus to the recommendations of the NDP, and the Judicial Commission of Inquiry into State Capture. A number of evaluations of the state of public administration were also issued in this period, including the PSC State of the Public Service reports. In this chapter the PSC further develops some of the ideas from earlier reports. One should also take note of the intentions for public administration reform in plans, specifically Priority 1 of the Medium-Term Strategic Framework, the implementation period of which stretches to the end of the electoral term in 2024.

6.2   Publication of the National Development Plan, 2012[167]

In line with a commitment to building a capable state, Chapter 13 of the NDP identified the following key reforms:

- Stabilise the political-administrative interface.

- Make the public service and local government administration careers of choice.

- Develop technical and specialist professional skills.

- Strengthen delegation, accountability and oversight.

- Improve inter-departmental coordination.

- Take a pro-active approach to improving relations between national, provincial and local government.

- Strengthen local government.

- Clarify the governance of State-Owned Entities.

Under the heading of stabilisation of the political-administrative interface, the NDP made the following recommendations:

- The creation of an Administrative Head of the Public Service, with responsibility for managing the career progression of heads of department, including convening panels for recruitment, performance assessment and disciplinary procedures.

- A hybrid system for appointing heads of department, incorporating both political and administrative elements.

- Strengthening the role of the Public Service Commission in championing norms and standards, and monitoring recruitment processes.

- Adoption of a purely administrative approach for lower-level appointments, with senior officials given full authority to appoint staff in their departments.

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[167]   National Planning Commission. (2012). The National Development Plan, Vision 2030: Our Future—Make it Work.

To strengthen the role of the PSC, the NDP stated that it would be "counterproductive to give the PSC a far-reaching role in recruitment." However, the PSC was envisioned to play a direct role in appointments to the most senior posts. The NDP recommended a hybrid model where the "chair of the PSC, together with the Head of the Public Service, would convene a selection panel for heads of department and their deputies. The selection panel will draw up a shortlist from which the political head selects a candidate." The NDP also said the scope for enforcing the recommendations of the PSC should be explored.

After a decade since the adoption of the NDP, very little has been achieved in the implementation of the recommendations contained in the blueprint. However, recently there has been a shift in discourse and a renewed vigor for change specifically;

- The Public Service Amendment Bill of 2023 assigns powers for appointment and career incidents of all staff below the HoD to the HoD whilst the Executive Authority is responsible for approving the strategic plan of the department and must hold the HoD accountable for the administration of the department.
- The PSC Amendment Bill strengthens the recommendations, advice and directions of the PSC by determining that "the relevant executive authority or other person to whom a decision of the PSC was directed must report, not later than 60 days as from the date on which such decision was so directed, to the Commission on the manner in which any such decision was implemented or otherwise dealt with."[168] An authority can therefore not just ignore a recommendation of the PSC, but must apply her mind and report on how the recommendation will be implemented or not implemented.
- The hybrid model appears to have been abandoned.
- The National Framework Towards the Professionalisation of the Public Sector goes a long way towards the implementation of the NDP recommendations on professionalisation and the career system.

6.2.1   The Political-administrative interface

In classical public administration the ideal is for an a-political bureaucracy, which means serving primarily the state and the ideals set in its constitution and implementing the mandate of any political party.

In mature democracies, the respective roles and responsibilities of politicians and bureaucrats are clearly defined through convention. The combination of tradition and lessons learned through the consolidation of democracy over time resulted in the development of clearer legal frameworks. In newer and transitional democracies these roles and responsibilities are less clear and the potential for tension is therefore greater. Many political office bearers in post-authoritarian contexts are driven by the need to effect social and economic change because of the high expectations from constituents. The speed at which this needs to be achieved, the modalities of implementation and the importance of following prescribed systems and processes often place technocrats in conflict with their political office bearers. The modalities and processes that technocrats are duty bound to follow are often viewed by public office

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[168] Clause 13 of the PSC Amendment Bill.

bearers as inhibitors, with the result that they are accused of deliberately impeding the implementation of a government's developmental agenda.

A successful developmental state requires a stable political-administrative interface that allows the administration to implement the government's policy objectives in a technically competent manner. A balance needs to be achieved between political direction and competent technical implementation. Achieving the correct balance in this complex relationship is pivotal to achieving development outcomes and is a key characteristic of successful developmental states. The interface depends to a large degree on the competence of both parties: the competence of the political head in the policy area of the department as well as competence to give strategic direction and oversight; and the technical and managerial competency of the administrative head.

The relationship should not be oversimplified. The doctrine of ministerial accountability is well-established in both the Constitution [section 85(2) and 92(2)] and South African public administration practice. Section 85 of the Constitution gives the responsibility for **both** developing and implementing policy to the Executive. But a clear distinction cannot be drawn between politics and administration. Law and policies are drafted in departments and in this process undergo many changes from political party policy to practical implementable policy. Similarly, a minister cannot divorce himself from implementation and administration, because if something goes wrong in a department, the minister is ultimately responsible. It is indeed a complex relationship and much depend on the trust between the parties and the capabilities of the administration.

In the South African Public Service, the political-administrative interface is influenced by the different ways roles and responsibilities are assigned to the executive authority and the head of department in the Public Service Act, 1994 and the Public Finance Management Act, 1999 as already discussed in section 4 of this report. The NDP has identified this as a key source of tension between political office bearers and the administration.

The current emphasis on "political deployment" needs to be replaced by a focus on building a professional public service that serves government but is sufficiently autonomous to insulate it from political patronage".[169] HoDs and senior executives are currently appointed by a panel of Ministers, which already 'politicises' senior appointments, and despite prescribed guidelines, does not sufficiently safeguard the merit principle.

A key institutional arrangement for insulating the public service from undue political influence is the location of the power of appointment. In the traditional British model, the appointment of staff required a recommendation of an independent body, the PSC (an appointments commission). While post -1994 all appointment powers were assigned to Executive Authorities, the Public Service Amendment Bill, 2023, now gives the power to appoint staff below the level of HoD to the HoD – see section 6.2.3 below. This paves the way for a purely administrative approach to appointments below the level of HoD, as the NDP has recommended. The only remaining post is that of the HoD. The developing consensus is that a significant role in the process of appointing an HoD should be assigned to the Head of the Public Service – see section 6.2.2 below. This raises the question of the independence of the

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[169] National Development Plan Vision-2030. 2012. Chapter 13.

office of Head of the Public Service itself and careful consideration should therefore be given to the process of appointment to this office.

6.2.2 An administrative Head of the Public Service

The NDP call reiterated the Presidential Review Commission's report for the creation of an administrative Head of the Public Service, with responsibility for managing the career incidents/progression of heads of departments, including convening panels for recruitment, performance assessment and disciplinary procedures.

The Public Service Amendment Bill, 2023, incorporate these with the various functions of the Director-General in the Presidency for purposes of supporting the President. While such has been proposed, the amendment has not explicitly indicated that the Director-General in the Presidency is designated as the Head of Public Service. The amendment therefore has not adequately covered the designated role seemed to be implied in the following[170]:

> "The head of the Presidency shall, in addition to any power or duty entrusted or assigned to him or her by or under this Act or any other law—
>
> (i) be the Secretary to the Cabinet;
>
> (ii) co-ordinate, convene and chair the Forum of South African Directors-General comprising all heads of department listed in column 2 of Schedule 1;
>
> (iii) subject to sections 85(2)(c) and 125(2)(e) of the Constitution, be responsible for intergovernmental relations on an administrative level between the Presidency and national departments, provincial departments and government components, including the co-ordination of their actions and legislation;
>
> **(iv) support the President on any matter entrusted or assigned to the President by or under this Act or any other law**; and
>
> (v) perform any other function, if so requested by the President, subject to the Constitution or any other law."

The PSC partly supports the proposed amendment to the Public Service Act, 1994. The reason for this is that the proposed amendment remains does not clearly designate the role of the Director-General of the Presidency as the Head of the Public Service as envisaged in the NDP.

The President, in terms of Section 12 of the Public Service Act, is the executive authority for all national heads of department with the power to appoint and deal with all career incidents of heads of department. The Head of the Presidency, based on the amendments is expected to provide support to the President which in reading the amendment such is extended to the management of career incidents of DGs. This includes recruitment, selection, performance management, discipline and termination.

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[170] Public Service Amendment Bill: Section 7 of the principal Act is hereby amended by the substitution for subsection (3) of the following section.

In their comments on the Public Service Amendment Bill, 2023, the Public Affairs Research Institute (PARI) (and others)[171] says that a role in the appointment and career incidents of HoDs is not explicitly assigned to the Head of the Public Service. The power to appoint HoDs in national departments and deal with their career incidents is assigned to the President (section 12 of the PSA). The new office of Head of the Public Service (HoPs) has, *inter alia*, the function to "support the President on any matter entrusted or assigned to the President by or under this Act or any other law". The Head of the Public Service thus has a role in appointment and career incidents of HoDs only by implication, by supporting the President. PARI strongly proposed that an explicit role in this regard be given to the Head of the Public Service (par 21 of the PARI submission).

PARI further commented that the role of the HoPS in the appointment and career incidents of HoDs would make the office of the HoPS important and powerful. Additional protections will be needed to ensure that the HoPS perform his/her role with competence and integrity, which means that the Bill should consider elaborating a fit and proper standard and other requirements for potential appointees to the office (par 22 of the PARI submission).

The PSC agrees with this view, as it is aligned with the NDP recommendation, which also requires the PSC to support the HoPS.

6.2.3 Role of the PSC in the appointment and career incidents of HoDs

The Professionalisation Framework envisages a much-reduced role for the PSC compared to the hybrid model recommended by the National Development Plan.

The Professionalisation Framework has indicated that *"*the PSC should develop a database of technical experts to be utilised by EAs during the recruitment and selection process. The PSC will recommend two (2) technical experts with relevant technical expertise/knowledge of the sector/department/institution to form part of the selection panel. This will enable the EA to run a rigorous selection and recruitment process supported by experts who can technically assess the suitability of the shortlisted candidates*"*.

The Professionalisation framework has also stipulated a role for the PSC with respect to the "development of a database of a pool of technical experts to be utilised by the municipal councils during the recruitment and selection process. The PSC will support the Municipal Councils by recommending two (2) technical experts with relevant technical expertise/knowledge of the sector/institution to form part of the selection panel. This will enable the Municipal Councils to run a rigorous selection and recruitment process supported by experts who can technically assess the suitability of the shortlisted candidates."

With regard to the performance evaluation of HoDs, the Framework provides that "the PSC should play a role in the performance evaluation of all HoDs to strengthen objectivity and introduce a comprehensive approach that should link performance of that individual to that of the institutions they lead. A revised performance management framework for HoDs will be presented by the MPSA to Cabinet. *The MPSA will issue guidelines on the implementation of the decision.*" In the Professionalization Framework it is stated that the Directive of the revised

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[171] Public Affairs Research Institute, Public Service Accountability Monitor, The Ethics Institute and Corruption Watch. (2023). Public Submission to Parliament on the Public Service Amendment Bill, 2023.

framework should have been issued by November 2022. Such a Directive has not been issued yet and no consultations have taken place with the PSC.

It is important at this stage to understand what this means in terms of the mandate of the PSC, the DPSA, DPME and DCoG as well as the envisaged Head of Public Service in the Presidency. The Head of the Public Service should form part of the interview panel for selection of DGs as per the Professionalisation Framework. This would require clear norms and standards together with amendments to the Public Service Regulations, which are expected to be managed by the DPSA, while DCoG will take responsibility for the local government prescripts.

6.2.4 The Public Service Amendment Bill, 2023

One of the contradictions between the Public Service Act, 1994 and the Public Finance Management Act, 1999, which complicated relations at the political-administrative interface and was a brake on delegations, is that the Public Service Act assigned powers of recruitment, appointment, performance management, transfer, dismissal and other career incidents of employees of a department to the Executive Authority [section 3(7) of the Act], whilst the PFMA assigns all powers with regard to financial management to the Accounting Officer (section 38 of the PFMA).The Public Service Amendment Bill now corrects this contradiction by assigning powers of appointment and other HR functions to the HoD and by clarifying the powers of the Executive Authority vis-à-vis the HoD.

The Amendment Bill gives the following functions to the Executive Authority:

An executive authority—

(a) is accountable for the department in his or her functional area;

(b) is responsible for approving the strategic plan of the department, including but not limited to the department's core objectives, based on its legislative mandate;

(c) shall ensure that the head of department's role and responsibilities are aligned to the strategic plan of the department;

(d) shall establish clear relationships and facilitate co-operation, co-ordination and communication with the head of department and other employees of the department;

(e) shall hold the head of department accountable for the administration of the department; and

(f) may exercise other powers and must perform other duties conferred or imposed on the executive authority by this Act."

It gives the following functions to the HoD:

A head of department—

(i) shall facilitate co-operation, co-ordination and communication with all other relevant departments;

(ii) shall ensure that he or she performs all functions imposed on him or her by this Act and other applicable legislation;

(iii) shall assist the executive authority to fulfil the executive authority's accountability and responsibility obligations as contemplated in section 92 of the Constitution;

(iv) shall report to the executive authority, upon request or as may be necessary, on matters regarding the department or any other matter determined by the executive authority;

(v) shall implement the strategic plan of the department;

(vi) shall manage the department's administration efficiently and effectively in accordance with this Act and other applicable legislation by—

> *(aa)* creating appropriate management structures and assigning clear responsibilities to such structures;

> *(bb)* ensuring efficient decision-making within the department and co-ordination of functions between different units;

> *(cc)* managing, effectively utilising and training employees;

> *(dd)* maintaining discipline of employees; and

> *(ee)* managing sound labour relations;

(vii) may, in accordance with this Act, exercise the powers and must perform the duties that are necessary for—

> *(aa)* the internal organisation of the department, including the establishment and the transfer of functions within the department;

> *(bb)* human resource management; and

> *(cc)* the recruitment, appointment, performance management, transfer, dismissal, remuneration and other career incidents of employees of that department, including any other matter which relates to such employees in their individual capacities.

In light of what was said above that the doctrine of ministerial responsibility is firmly ensconced in South Africa's public administration, with the Constitution assigning powers of both policy making and implementation to the executive, and that a clear distinction cannot be made between politics and administration, the above division of functions is probably the best that can be done and any further clarification would encounter difficulties.

The question may be asked what the safeguards against poor appointments are when the power of appointment is assigned to HoDs. These safeguards are to be found in regulated appointment processes in a professionalised public service, and include—

- specification of the appointment requirements for the position;
- how the requirements will be tested and verified;
- compliance checking to ensure the integrity and rationality of the process;
- composition of selection committees;
- the procedure in selection committees; and

- the separation of powers between recommendation for appointment and approval of the appointment.

The PSC supports the above division of functions between the EA and HoD. The PSC will also in the near future be publishing a Conflict of Interest Framework to guard against conflicts of interest and nepotism in the appointment process.

So, one will have to see what remains of these proposals as the bill winds its way through the legislative process.

6.3 The Public Administration Management Act (PAMA), 2014 and the Public Administration Management Amendment Bill, 2023 – Single Public Administration initiative

The central motivation for the PAMA of 2014 was the Single Public Administration initiative. After encountering implementation challenges, the initial view to have a single piece of legislation that regulates all spheres of government was replaced with a view of leveraging existing legislation with better coordination across government.

The PAMA defines Public Administration as public service and municipalities. It further defines Public Service as all national departments, national government components, offices of the premier, provincial departments and provincial government components.

The PAMA made laws for Public Administration, as opposed to Public Service, specifically in relation to transfer and secondment of employees between and within institutions and capacity development and training. It emphasised matters of ethics and went a step further with respect to "conducting business with the State" to include all employees, including those appointed in terms of Section 12A (special advisors). The PAMA also made an impact in terms of the establishment of the National School of Government, the Public Administration Ethics, Integrity and Disciplinary Technical Assistance Unit as well as the Office of Standards and Compliance.

> The Public Service, and even more so the broader public administration, is a conglomerate of institutions with vastly different contexts and administrative imperatives and it was perhaps doomed from the start to think that they can be managed by similar administrative arrangements.

The PAMA, together with the PAMA Amendment Bill of 2023, promote the cause of a single public administration by providing for—

- transfer (section 4) and secondment (section 6) of employees between the public service and municipalities and between municipalities. Judged from the experience with the Senior Management Service, which was also conceived as a single resource that could be deployed anywhere in the public service where they are needed, it remains to be seen whether such transfers and secondments will take place on any significant scale, especially because they require the consent of employees.
- aligning norms and standards across the public administration within the framework of existing laws. (See discussion below).
- removal of unjustifiable disparities in salaries and conditions of service between institutions, including public entities. The Minister (MPSA) is empowered to prescribe

norms and standards to establish the upper limits of remuneration and conditions of service for employees who do not fall within the scope of a relevant bargaining council; and to prescribe steps to remove unjustifiable disparities among employees in the public administration, provided that these steps may not reduce the salary of an employee (new section 17A). A new section 17B provides that no employer in the public administration may enter into a collective agreement in respect of conditions of service with financial implications without a mandate from a Committee of Ministers. The Committee of Ministers must, in determining the mandate, consider affordability and any other factor prescribed by the MPSA in consultation with the Minister of Finance.

The idea to realise a vision of a single public administration was scaled back considerably in the PAMA. Despite the intention to have a single piece of legislation governing public administration, this was not realised as the Public Service Act, 1994 and Municipal Systems Act, 2000 were not repealed. It is also apparent that the scaling back was driven by challenges to implement what was initially conceived.

More fundamentally, the Public Service, and even more so the broader public administration, is a conglomerate of institutions with vastly different contexts and administrative imperatives and it was perhaps doomed from the start to think that they can be managed by similar administrative arrangements. Not even the Nelson Mandela Academic Hospital in Mthata is the same as the health head office in Bisho, even though these two institutions are in the same department.

A framework for a process to develop norms and standards was published by the DPSA in 2022.[172] Whilst there are draft regulations in place, no prescribed norms and standards have been issued by the MPSA at the time of drafting this report. Nonetheless, one should consider which kinds of processes or outputs lend themselves to prescribing standards.

Public services range from standardised services, to enforcing compliance with regulations, to awarding rights and benefits, to professional services, to development projects. Standards can be set for a standardised service, less so for development projects that require the professional expertise and creativity of the development practitioner with a specific context. In education one can have a standard for progress with completion of the curriculum (on day 100 you should have progressed to lesson 100), less so for what happens in the class, which depends on the professional judgement of the teacher. Compliance with regulations and awarding rights are more a question of fairness; the standard might be compliance with PAJA (which must be read with many court judgements on how to apply PAJA in different situations).

Public administration/management processes are situational – there is no one best way to deal with a situation. It requires the judgement of the manager and a standard, in the sense of "an absolute measure as to what things should be"[173].Standards will put her in a strait jacket and may not be the most appropriate action for the situation.

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[172] DPSA. Office of Standards and Compliance. (2022). Framework for Minimum Public Administration Norms and Standards.
[173] DPSA, Framework for Norms and Standards, Definitions.

For example, strategic planning is a thinking process requiring creativity in generating options, more akin to an investigation where you follow where the evidence leads. A thinking process cannot be standardised and prescribed steps and templates for strategic planning do not guarantee thinking. Mintzberg calls this the fallacy of formalisation – that a set of sequential steps and analytical matrixes can "detect discontinuities, comprehend stakeholders, provide creativity or programme intuition."[174] Therefore, norms, in the sense of "principle of right action"[175], intermediated by values and principles, are probably the nearest one should get to public administration norms and standards, depending on how appropriate it is to standardise a particular process. Proponents of Artificial Intelligence (AI) will probably maintain that it is possible to programme all relevant decision criteria but even AI will require reducing the situation or person to the common, or generalised, case.

> Norms, in the sense of "principle of right action", intermediated by values and principles, may be preferable to standards, depending on how appropriate it is to standardise a particular process.
>
> Emphasising norms, rather than standards, could be an opportunity to move the public administration from a rules-driven to a values-driven mode.

Emphasising norms, complimented by standards only where necessary, could create a balance between rules and values. This balanced approach should apply to all aspects of Public Administration including planning.

6.4   Revised planning framework, 2020

A planning framework to promote a measure of standardisation of the strategic and operational plans that departments were required to produce, was first introduced in 2001. The National Treasury published a Framework for Managing Programme Performance Information in 2007 and a Framework for Strategic Plans and Annual Performance Plans in 2010.The National Treasury Frameworks were extensively revised by the DPME in 2020.[176]

The purpose of the revised framework is to—

- Institutionalise government's national development planning agenda through institutional plans.
- Institutionalise planning for women, youth and people with disabilities in line with the relevant frameworks.
- Provide information about the legislation which informs government planning.
- Institutionalise the Results-Based Approach.
- Provide planning tools which can be used for the different types of plans.
- Describe the alignment between the planning, budgeting, reporting, monitoring and evaluation processes.
- Define the various planning, reporting, monitoring and evaluation concepts.

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[174] Mintzberg, H. (1994). The Rise and Fall of Strategic Planning. Prentice Hall. Page 394.
[175] DPSA, Framework for Norms and Standards, Definitions.
[176] Department of Planning, Monitoring and Evaluation. (2020). Revised Framework for Strategic Plans and Annual Performance Plans.

- Outline the roles and responsibilities of key stakeholders and institutions that participate in the planning processes.
- Encourage evidence-based policy making, planning and implementation.

The Planning Framework sets lofty objectives for itself and outlines the hierarchy of plans, from the National Development Plan to the government wide Medium Term Strategic Framework, departmental Strategic Plans, Annual Performance Plans, Operational Plans, Service Delivery Improvement Plans, Programme Implementation Plans and Human Resource Plan. The same hierarchy of plans applies to the provincial departments. At local government level there is the Integrated Development Plan (without any certainty where the "One Plan" of the DDM fits in) and Service Delivery and Budget Implementation Plan. On top of this there are various sectoral plans (like the energy plan) and Spatial Development Frameworks under the Spatial Planning and Land Use Management Act of 2013. The Planning Framework also emphasises alignment with the Sustainable Development Goals of the United Nations and Agenda 2063 of the African Union. The Planning Framework also requires a focus on objectives regarding women, youth and people with disabilities.

> *South Africa probably already has too many plans, and it is quite an effort to find your way amongst all these plans.*

The prescribed structure for the plans is the well-known logical frame and departments need to set objectives and performance indicators for impacts, outcomes, outputs and activities with the inputs summarised in the part of the plan that deals with human resources and budgetary implications. The planning frameworks are too process- and template-based. To produce a good plan is a thinking process and thinking cannot be boxed into a process or a template – as if, when we do a mandate analysis; determine a vision, mission and values; do external and internal environmental analysis; set the impact, outcome and output objectives and the performance indicators; and consider key risks, these steps will necessarily produce good plans.

In 2015 the National Planning Commission (NPC) published a report on reforming the planning system which contains an insightful critique of the fundamental problems associated with planning frameworks.[177] The key messages of the report were the following:

- The institutionalisation of planning means moving beyond structures and rules towards ensuring the structures and systems that are in place are used to serve our developmental objectives.

- The production of good plans with compelling narratives has an important mobilising effect. It is therefore important that planning should not be confined to setting indicators and targets. This means being more discriminating and selective about when and how to use measurable targets and placing more emphasis on the role of narrative and

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[177] National Planning Commission. (2015). Reforming the South African Government Planning System: Discussion Document on the Role and Effectiveness of Planning and Implications for the Institutionalisation of Planning (Discussion Document 2/2015).

explanation in plans in order to ensure plans are more persuasive and more easily interpretable.

- The compliance focus of some planning processes is becoming counter-productive. The strategic planning system needs to break with the compliance culture by focusing on progress and trends not just whether or not targets are met. This will sometimes require a "glass half full" approach that recognises positive progress even where targets are not fully met.

- Planning needs to be seen as an ongoing process and should not be reduced to the production of documents. This means putting analysis, discussion, dialogue and debate at the heart of planning.

- Planning should include space for reflection on past trends in order to ensure effective learning from existing practices. This means strengthening the role of research in planning.

- Greater attention needs to be given to the respective roles of different types of plans in order to avoid mechanistic approaches to alignment or the creation of an excessive planning burden.

- The planning process should be used to identify specific policy mechanisms and levers, which can help to build alignment around key developmental priorities. This would enable a greater focus on bringing key stakeholders together for specific purposes. The ability to achieve sufficient alignment for each stakeholder to pursue their role effectively was an important feature of developmental states.

- Planning processes need to make better use of available data, even when it is imperfect, as increasing use of data is likely to be one of the most effective ways of improving the quality of data that is produced. National government should also look at how data can be analysed and made available to inform provincial and local government planning processes.

The PSC has noted that the DPME 2020 Revised Framework for Strategic Plans and Annual Performance Plans largely ignored the recommendations of the National Planning Commission in 2015 with respect to the following:

- Performance data is an important tool for government planning but should not be in isolation and include other means of analyzing progress.
- The system is heavily geared towards defining targets against which departmental performance can be assessed.

6.5 PSC's State of the Public Service Report 2017/18[178]

This report aimed to understand the status of the Public Service in response to ethical issues and how Departments should work more efficiently and effectively. The Report made the following findings:

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[178] Public Service Commission. State of the Public Service Report 2017/18.

- Ethics is reduced to institutional issues like discipline, financial disclosure/ conflict of interest, appointment of an ethics officer, Remunerated Work Outside your Work in the Public Service (RWOPS), Management of Sexual Harassment and Bullying in the Workplace and other Labour Relations matters, and Anti-Fraud and Corruption strategies. Such issues are removed from the daily experience of citizens of how public servants conduct themselves in their dealings with them. It is not clear how these mechanisms/systems influence the experience of citizens.

- Departments simply implement measures to improve efficiency, effectiveness and economy as these are regulated. The nature of what is regulated is a poor representation of the principles and values.

- Departments do not have the capability to cost different service delivery options to consider cost against benefit/ service delivery implications. Without the capability to cost different service delivery options, efficiency and effectiveness cannot be optimised because the cost and service delivery outcome of different resource provision and service level options (scenarios) cannot be weighed, and a department cannot plan to progressively achieve norms and standards.

- Because of the focus on reporting against annual targets contained in departments' APP, most departments could not give performance information that shows progress towards achieving strategic objectives over four to five years.

- Most departments struggled to build a complement of leading experts/ specialised skills in their functional areas who can plan and implement key policy and administrative changes that will drive development. Departments have the skills for routine operations but major leaps in efficiency or effectiveness, development outcomes or change in policy direction require deep skills to develop the policy instruments and the implementation plans. The depth of skills should at least be at the level of a nationally recognised expert in the functional area.

- From the analysis of HR Plans it is clear that the real problem lies with critical and specialist skills and the depth of those skills (and not so much the skills needed for the routine operations of departments). The Workplace Skills Plans (WSPs) of departments focus on short courses. Although core critical competencies were identified, it is not clear if the departments' WSPs address these. Departments refer to practices like mentoring, coaching and succession planning but seem not to have systematic programmes for these. These issues raise questions about the level of sophistication of HR Practice. As HR practice does not seem to respond adequately to the problems that they themselves have identified.

- A programme like the War on Poverty can only be successfully implemented if the roles of different departments, covering all three spheres of government, are properly synergised. In this regard the focus is still too much on structural arrangements for coordination in the form of committees and formal coordination bodies provided for in legislation, rather than the process of collaboration where local actors with the necessary authority combine their programmes and resources to achieve better, coordinated, outcomes.

- Few of the social development departments could show how they quantified the need (the number of eligible beneficiaries), prepared service specifications to meet the need and calculated unit costs so that they could properly plan and budget for responding to needs, or progressively meet needs, in an equitable manner.

- 80% of accountability by departments is devoted to APP reporting and only 20% to a real discussion about effectiveness.

6.6   PSC's State of the Public Service report, 2018/19

Below is a summary of the findings in this report. [179]

The ethics framework is applied perfunctorily (for the sake of compliance)

- Ethics is reduced to institutional issues like disclosure of conflict of interest, appointment of an ethics officer, Remunerative Work Outside your Work in the Public Service (RWOPS), management of sexual harassment in the workplace, and anti-corruption strategies.

- Such issues are removed from the daily experience of citizens on how public servants conduct themselves when interacting with them.

- There seems to be little feedback on the behaviour of officials and the impact thereof on service delivery and citizens.

- There is minimal attempt by departments to apply the Code of Conduct in their specific contexts.   For an example –

  - ❑ in a policy department it is independent (sometimes brave) advice;

  - ❑ in a citizen-facing department such as Correctional Services it is how warders treat prisoners.

- While the Public Service has done well in the appointment of ethics officers, their responsibility to "*promote integrity and ethical behaviour*" and *"advise employees on ethical dilemmas"* within specific contexts has not been realised.

- Disciplinary procedures are inadequate to deal with unethical conduct. They focus on specific breaches of regulations and ethical conduct cannot be governed only by regulation. The public service will therefore have to be much more innovative in developing and applying measures to ensure a high standard of professional ethics.

A disempowerment to manage

- The PSC receives many complaints about a **lack of leadership and management** on the part of heads of units, at various levels. The complaints frequently relate to various policies and procedures not being followed.
- The public service runs on standardised routines – there are policies and procedures regulating all administrative activities. If these are implemented diligently a level of

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[179]   Public Service Commission. State of the Public Service report, 2018/19

- stability and discipline is attained. If the discipline is relaxed things can deteriorate quickly.
- Every sector has its own unique routines -- a "general manager" cannot simply be supplanted into any environment, e.g. a hospital or a police environment.
- A worrying factor is the inability of departments' internal controls and monitoring systems to timeously pick up service delivery concerns.
- Managers at various levels feel that they have a lack of agency, or they do not act on the agency they have. They wait for decisions to be made elsewhere.

- One way to address this lack of agency is to review the management structures of the public service, which would require a better alignment of responsibility, authority and accountability.

Professionalising the Public Service through a career system

The PSC reiterated the NDP observations and recommendations and expanded on some as follows:

- Developmental states are characterised by strong institutions and strong institutions are built through long-term careers based on merit. The National Development Plan concluded that skills in the public service have been eroded. Therefore, the is need for a professionalisation drive.

- The career system has been decentralised resulting in poor recruitment and selection outcomes. Selection has been decentralised to thousands of selection committees who apply disparate selection criteria not linked to a structured occupational classification system and planned career paths for which candidates have been prepared.

- Pools of skills are not being consciously created from which candidates for promotion can be selected.

- The occupational classification of the public service is not well-designed or is very poorly applied and is a poor basis for HR Planning, career management or skills development.

- A programme to professionalise the public service is not about tinkering with entry requirements here and there (like minimum entry requirements for the SMS) but a comprehensive programme of specifying –
    - (i) Scope of work
    - (ii) Entry and promotion requirements
    - (iii) Experiential requirements (systematic exposure to key sections of the scope of work)
    - (iv) Training/ continuous professional development requirements
    - (v) Certification of competency (especially in the technical competencies).

An ambivalence about skills in the Public Service

- There is ambivalence about skills in the public service. Skills and qualifications are not the same thing.

- Data on skills should change from "courses attended" to "tasks that employees are proficient in". There is very poor data on skills in the Public Service and no clear strategy for building skills that are necessary to professionalisation of the Public Service.

- The data on skills published in annual reports is totally inadequate. There is no system that properly defines the scope of work of the various occupations and the related skills set and record of who possesses the required skills and who does not.

- Vacancy rates may not reflect shortages of specialised personnel, even if differentiated by occupation. For example, within the category of prosecutor there may be enough criminal prosecutors but huge shortages of prosecutors for commercial crime and corruption.

- The training method is predominantly short courses and is mostly generic training as opposed to technical training.

- There is no evidence provided as to whether the exposure to training has addressed the skills gaps identified in the HR Plan. As a result, no correlation could be drawn between the training provided and the skills acquired through the training.

Accountability has been eroded

- The report confirmed the National Development Plan's Diagnostic has argued that accountability in South Africa has been eroded. The question is why this is so despite formal accountability arrangements of Strategic and Annual Performance Plans, quarterly and annual reporting against these plans, auditing of the performance information, the signing of performance agreements and assessment of individual performance.

- The report found that 80% of the reporting effort goes into Annual Performance Plan reporting and producing auditable evidence for that. It is also eroded by a poor management structure: the misalignment of responsibility, authority and accountability. Only 20% of the effort is devoted to reflection on quality and effectiveness, and this takes place outside the formal performance management process and is not reported on. The increased role of monitoring and evaluation, as advocated by the DPME, and the creation of monitoring and evaluation units in departments have assisted in correcting this. However, many M&E units are almost exclusively used to support the traditional formal reporting process described above.

Measurement

- Measurement is a management myth: If it can't be measured it can't be managed.

- Current accountability arrangements place much emphasis on measurement of performance. However, activity and output can readily be measured; less so, effectiveness and impact, responsiveness and fairness.

- Performance indicators are always a simplification of a complex reality, and many times can't measure important things. Public functions are many times not about the production of a standardised output through standardised and efficient processes, but

also about the balancing of rights where values like fairness, equity, integrity and transparency, which are less amenable to measurement, are equally important.

A number of the key findings of the PSC's 2018/19 State of the Public Service report, namely; the findings on a disempowerment to manage, professionalising the Public Service through a career system, an ambivalence about skills in the public service and the erosion of accountability, are further developed in this report. The next section turns to empowerment of managers and the relationship between responsibility, authority and accountability.

6.7 Agency

> *Definition of agency: The ability to act or to choose what action to take: a sense of your own power to make a difference.*

Findings from the PSC on a "disempowerment to manage" and on accountability as well as the NDP recommendation to "strengthen delegation, accountability and oversight" led to the high importance given to the subject of agency.

6.7.1 Regulatory Framework

There is a contradiction between the Public Service Act (PSA) and PFMA, which affects the delegation of powers, especially who delegates. The PSA gives EAs powers over organizational structures, appointments, and transfers while the PFMA holds HoDs responsible for financial matters. This means HoDs are responsible for issues over which they have limited control[180].In response to the NDP recommendation to "strengthen delegation, accountability and oversight", the DPSA issued "Principles of Public Administration and Financial Management Delegations" in 2013 as a Directive in 2014[181] and a Guide[182] in 2017 on delegations in terms of the Public Service Act.

The Directive provides for delegation norms and standards, governance arrangements applying to delegations and minimum levels of delegation. The Guide provides useful tools for analysing decision-making processes and accompanying delegations to make it as efficient as possible.

One expects that there are similar prescripts and guidelines for procurement and financial management laws and the line function empowering laws.

6.7.2 Existing Reviews

A PSC report on the implementation of delegations[183] (2013) revealed that the majority of Executive Authorities (EAs) did not delegate appointments of SMS members, despite the delegation framework stating that the EA should withhold appointment delegations for levels 15 and 16 only (DDGs and DGs respectively). Despite this, the same report found that most

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[180] National Planning Commission. (2012). National Development Plan.
[181] DPSA. (2014). Directive on Public Administration and Management Delegations.
[182] DPSA. (2017). Guide on Administrative and Operational Delegations: Principles and Toolkit on how to assign Decision-making, Roles and Responsibility to Administrators.
[183] PSC. (2013). Report on the assessment of the implementation of human resource and financial management delegation frameworks.

EAs felt that HR delegations would lead to flexibility in the filling of posts and contribute to speedy service delivery. Another 2018 PSC report[184] found that failure by departments to delegate authority to the appropriate management levels resulted in delays in decision making. The PSC raised concerns that the DPSA did not, or could not, enforce HR delegations in the Public Service.

The DPSA monitored compliance with the Directive and issued a number of reports. The 2023 report[185] noted the compliance levels shown in **Table 4**:

Table 4: Compliance with the delegations framework

Total National and Provincial Departments Complying	2022 Percentage Compliance	2023 No. of Departments Compliant Against No. of Departments Assessed	2023 Percentage Compliance
Total for the Public Service	71	120 of 158	76
Total National Departments	78	39 of 45	87
Total Provinces	68	81 of 113	72

As illustrated by the above table, compliance levels are relatively high. This begs the question why there are persistent perceptions of lack of agency, or disempowerment, amongst managers. The negative perceptions can be attributed to the following:

(a)   The extent and level of delegation varies with each change of EA, which leads to instability in departments.

(b)   The lack of clarity about the division of roles and responsibilities between political principals and HoDs undermines the effective of delegations.

As already stated, the responsibility-authority is being addressed through the Public Service Amendment Bill.

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[184] PSC. (2018). Evaluation of the effectiveness of the recruitment and selection system of the public service.

[185] DPSA. (2023). Report on compliance by departments with the Directive on Public Administration and Management Delegations.

6.7.3 Literature Review

According to Schwella[186], a number of academics pushed for greater autonomy for public sector managers in South Africa in the late 1980s and early 1990s, but this did not change the centralized ethos in the Public Service. Post 1994 decentralisation of powers to managers in the post-apartheid government was first mentioned in the 1995 White Paper on the Transformation of Public Service[187] and the White Paper on Human Resource Management[188], which called for increased delegation of managerial responsibility and authority.

Extensive research has not been conducted in South Africa on the success of decentralisation and delegation. There has been little systematic research looking into the relationship between decentralisation and performance in government[189]. Generally, it is expected that delegation of authority reinforces officials to effectively carry out their duties and allow decision making at the appropriate levels.

Arguably, delegations improve the speed of decision making and as a result give more power to managers to achieve the desired performance results. The delegation perspective is thus viewed by Polidano and others as hands-on professional management.[190]

Delegation and Agency

- The National Development Plan recommended "strengthening delegation, accountability and oversight".

- The DPSA consequently issued principles, a directive and a guide to strengthen delegation, which was a step in the right direction.

- But managers still lack agency, whether because of a real or perceived lack of formal delegated authority, whether procedures and requirements are too onerous despite delegations, whether because of a lack of resources or lack of authority to use resources differently, or simply because of a timidity to act.

- This would require a relook at the management structure, which means that to achieve an objective, a manager must have control over the essential means to achieve it.

- Alternatively, there is simply a lack of leadership and management. Managers do have control over the utilisation of staff and much depends on the resolve and decisiveness of managers.

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[186] Schwella, E. (1990). *The theoretical debate in South African public administration. Administratio Publica.* Vol. *2(2), 101-115.* Quoted by Cameron, R. 2022. Public sector reform in South Africa 1994 – 2021. Public Policy and Governance. Emerald Publishing.

[187] DPSA, (1995).

[188] DPSA, (1997).

[189] Cameron, R. (2022). Public Sector Reform in South Africa 1994 – 2021. Public Policy and Governance. Emerald Publishing.

[190] PSC. (2019). Guide on governance practice for executive authorities and heads of department; Polidano, C. (1999). The new public management in developing countries. University of Manchester, Institute for Development Policy and Management, Public Policy and Management Working Paper No 13, as quoted by Cameron, 2022, *op cit.*

However other writers like Frederickson[191] and Peters and Pierre[192] state that delegation reform has not led to greater autonomy for managers in developing countries but resulted in greater political intervention in the day-to-day management of government. Delegation has not been successful to empower managers in the public service as they were granted delegations without being equipped with the necessary resources to utilise these delegations effectively[193]

6.7.4 PSC Perspective

The DPSA Directive and Guide was a step in the right direction but somehow did not solve the fundamental problem of lack of agency, whether such lack of agency is because of a real or perceived lack of formal delegated authority, whether procedures and requirements are too onerous despite delegations, whether a lack of resources or lack of authority to utilise resources differently, or simply a timidity to act.

In the experience of one former Commissioner of the PSC, there is a general timidity to take action, and this is caused by the rules-based nature of administration. To illustrate this, the Commissioner says when she visits a district office, they say they are waiting for a directive from head office, when she visits the head office, they are waiting for guidance from the national policy department and when she attends a MinMEC the Minister and MECs say they are constrained by various policies and administrative frameworks. The Commissioner's assertion corroborates the 2018/19 State of the Public Service report[194] of the PSC which found that managers at various levels feel that they lack agency, or they do not act on the agency they have. They wait for decisions to be made elsewhere. To illustrate this observation, the report states:

In addition, the PSC "receives many complaints about a lack of leadership and management on the part of heads of units, at various levels. The complaints frequently relate to various policies and procedures not being followed. The public service runs on standardised routines – there are policies and procedures regulating all administrative activities. If these are implemented diligently a level of stability and discipline is attained. If the discipline is relaxed things can deteriorate quickly. A worrying factor is the inability of departments' internal controls and monitoring systems to timeously pick up service delivery concerns."

Another further worrying factor is that these same policies and procedures may constrain positive action.

 As argued in section 6.10 below, the right balance has not been obtained[195]. Two examples illustrate this problem:

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[191] Frederickson, HG. (1996). Comparing reinventing government with the new public administration. Public Administration Review, 56(3), 263-270, as quoted by Cameron, 2022, *op cit.*

[192] Peters, BG & Pierre, J. (1998). Governance without government? Rethinking public administration. *Journal of public administration research and theory, 8(2), 223-243,* as quoted by Cameron, 2022, *op cit.*

[193] PSC. (2004). State of the Public Service Report, as quoted by Cameron, 2022, op cit.

[194] Public Service Commission. 2018/19. State of the Public Service Report.

[195] Public Service Commission. 2018/19. State of the Public Service Report.

Example 1:

The School of Public Health of Wits University conducted several studies on the agency of Health District Managers and found that "poor clarification of roles and lack of decision-making authority limit the ability of programme and district managers to effect change. … Many (district managers) lack the capacity or the confidence to translate policies into action."[196] Further: A key component of the health crisis in Africa is the disempowerment of health workers, managers and policymakers at all levels so that nobody feels able to effect changes that may improve the quality and impact of health services. … Reform is seen as the responsibility of a small group of centralised planners rather than as a distributed responsibility of the entire system."[197]

In South Africa programmes are mostly designed at the national level and then pushed down to the provinces to implement, many times accompanied by conditional grants with their own policy, process, and reporting requirements, that is, a supply driven approach. This leaves little room for local officials to adjust the features of a programme to conditions they experience on the ground. Such programmes should rather follow a rights and demand driven approach where communities are the partners of government and programme policies are applied flexibly so that communities can apply what works for them. Individuals and communities are encouraged to take control of their own development. Government plays a facilitation and empowering role.[198] Participatory approaches to designing and implementing programmes are followed. Such approaches require a wide range of discretion for local officials, which is invariably absent.

Example 2:

The Department of Agriculture and Land Reform's policy documents envisage that the traditional approach to extension, where the extension officer conveys technical information (e.g. on superior crop varieties or the types and quantities of fertilisers) from the research institution to the farmer in a top-down manner (supply-driven approach), should change to a paradigm where the extension officer is a community development practitioner who is more responsive to the needs of the farmer (a demand-driven approach) and plays a facilitation role covering a wide variety of subjects, including—

- livelihoods diversification;

- poverty reduction;

- natural resource management;

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[196] Fonn, S, Ray, S, and Blaauw, D. (2010). Innovation to improve health care provision and health systems in sub-Saharan Africa – Promoting agency in mid-level workers and district managers. Global Public Health. School of Public Health, University of the Witwatersrand.

[197] Ibid. See also Fonn, S and others. (2022) Acceptability and feasibility of inter-related activities to improve agency among African district health managers: A four-country study, Global Public Health, 17:7

[198] Public Service Commission. (2009). Dialogue on Poverty Reduction Strategies and interventions: Issue 3.

> - improved market access;
>
> - finance and enterprise management; and
>
> - institutional development.[199]
>
> Again, this requires a wide range of discretion from the extension officer to work with communities and not just implement pre-designed processes in a mechanical manner. "Room should be created for responsiveness, effectiveness, and transformational leadership – being change agents – values which don't thrive within the bounds of templates and fixed frameworks."[200]

So, to promote agency at the service delivery level requires a much deeper analysis of the constraints that face local public servants than simply looking at the delegations' framework. *It will require a change in the management structure. The management structure refers to the alignment of responsibility, authority and accountability.* For managers to be effective, they need to have the authority to take a range of actions, including assigning and scheduling work, adjusting plans, redesigning/adjusting processes, allocating/ re-allocating resources, appoint staff, train staff and procuring goods and services. They need to have the authority to make changes that can improve service delivery within their scope of responsibility. Only then can they be held accountable – they cannot be held accountable for something they have no control over.

Authority over the utilisation of resources is a key element in enhancing agency. For this to happen managers need firstly to know what budget has been allocated to their units. Subdivisions of the budget should be allocated down to the service delivery unit level. This is often not the case for district units. Even the emphasises that the budget should be spatially referenced.

To evaluate management structure, the analytical matrix in **Table 5** could be used at service delivery unit level:

Table 5: Analytical matrix to evaluate management structure

Objective	Means	Amount of discretion over means/ authority	What is the formal authority (delegation) for each of these activities?
E.g. Improve the availability, quality and impact of health services in a district	• Appoint staff • Ensure maximum utilisation of staff, like determining their work schedule and proper supervision	For each of the critical activities, indicate the range of discretion available to the manager, the	e.g. Delegation to appoint staff.

199 Public Service Commission. (2021). Providing support services to farmers/ Post Settlement Support: Case Study; De Satgé, Rick and Phuhlisani NPC. 31 March 2020. *Thematic study: A review of support services for smallholder and small-scale agricultural producers.* GTAC/CBPEP (Capacity building programme for employment promotion)/ EU project on employment-intensive rural land reform in South Africa: policies, programmes and capacities; Department of Agriculture, Forestry and Fisheries. 2016. National Policy on Extension and Advisory Services.
200 Public Service Commission. 2018/19. State of the Public Service Report.

Objective	Means	Amount of discretion over means/ authority	What is the formal authority (delegation) for each of these activities?
	• Ensure there is a good nursing manager • Make sure you have good doctors • Ensure medicine is available • Ensure equipment is available • Ensure buildings and terrain are in a good condition • Ensure security works • Re-allocate resources • Ensure support services like the kitchen works • Prepare budget inputs. (Is there a proper framework within which budget inputs are prepared, or must she simply accept centrally prepared budgets?) • Adjust work processes to make them more efficient • Ensure that service standards are met • Adjust plans to achieve service delivery and performance indicators	options for action available to her. What control does she have over the application of resources? What are the main constraints faced by the manager?	
Recommend adjustments to the management structure to increase the range of discretion and to remove constraints.			

The above matrix may sound idealistic and head offices tend to doubt the capacity of district/ service delivery unit managers to respond to such an idealistic framework. The matrix may also create the impression that there is sceptism about bureaucratic routines whilst bureaucratic routines are in many cases quite essential for efficiency. Each situation needs to be analysed to determine what is appropriate. The health example, where management and operational routines are standardised, is not the same as development projects where a wider range of discretion should probably be allowed. If the problem is timidity to act, other strategies like learning from successful managers, may be required.

Timidity to act may be linked to whether managers feel safe when they do what is right and resist what is wrong. The agency of public servants has been limited by their fear to act as a result of both the threats and reality that many face dismissal, false attacks and even assassination. The widespread condemnation of irregular expenditure in government – when in fact irregular expenditure is not the same as fruitless and wasteful – has led to public servants avoiding all risks around procurement rather than risking a finding by the Auditor General. This requires changes to the approach to irregular expenditure and procurement management by the National Treasury.

6.8 Towards a 25 Year Review: 1994 to 2019: Chapter 12

A summary of the 25-year review[201] of the post-apartheid public administration performance highlights the following as outlined below:

Persistent challenges

Interestingly, the 25-year review alluded to challenges that were raised in the NDP and other prior reports, thus indicating that many recommendations from previous reports were not implemented at all in the past.

- There is a "malaise of passing projects and vision statements as plans". The challenge is not in implementation, but rather the lack of proper and detailed planning.

Strategic capacity

- The real issue is whether there is a well-articulated and robust **strategic intent and planning** that effectively directs the public service, and if there are equally robust mechanisms for translating this intent into policies, plans and programmes of public administration.

- There is lack of clarity on the **location of the central coordinating role.** Most successful developmental states have a central coordinating centre that spearheads economic transformation. The central coordinating role prioritizes joint intergovernmental, inter-ministerial and interdepartmental planning, budgeting and proper prioritisation and coordinated delivery.

Institutional capacity

- Reviewing the current institutional configuration of public administration is critical in renewed efforts to improve the functioning of the state and the public service. The current institutional model is a '*federation of departments*'. This model has also been associated with an expensive process of 'agencification' of the state.

- This configuration impedes integration and coordination in planning and delivery, as well as unity and consistency of purpose in public service.

Technical capacity

> *PSC Perspective: Silos*
>
> Since departmentalisation is on the basis of functions, and since functional grouping is still a logical way to create manageable units, the silos are probably an enduring feature of the public service. So, a key question is what coordination model should be applied, given that structural arrangements for coordination like coordinating committees/or clusters were not successful. See some remarks in this regard in section 5.6 on coordination and on agencification in section 5.5.

> *PSC perspective: Are there good plans but poor implementation?*
>
> The statement is many times heard that South Africa has good plans but poor implementation. But a plan that does not take implementation capacity and capability into account is not a good plan. A plan must take cognisance of the context in which it will be implemented and should either tone down ambitions, or consider alternative means to achieve objectives, or plan for the capacity and capability that will be needed to realise ambitions.

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201   The Presidency. 2020. Towards a 25 Year Review: 1994 to 2019: Chapter 12

- The frequently reported concerns around **shortage of technical and managerial skills** within the public service and the outsourcing of professional and technical services is a challenge that requires attention.

> *PSC Perspective: Central Coordinating Role*
>
> This is a macro-organisational issue because good coordination starts with sound macro-organisation. For example, (1) should there be a super economic planning department, coordinating economic planning between the current 10 economic development departments; (2) what is the coordinating role of The Presidency, in which lately many functions have been centralised, including Operation Vulindlela (a joint initiative between the National Treasury and The Presidency focussed on accelerating the implementation of 35 priority reforms), various ministers in The Presidency, including Minister of Electricity, various commissions like the Presidential Climate Change Commission and various policy panels like the land reform panel and the panel on the State Security Agency; (3) what is the role of the Department of Planning, Monitoring and Evaluation; and (4) what is the relationship between planning (as a coordinating instrument) and budgeting?
>
> *Additional remarks were made about coordination in section 5.6 and macro-organisation in section 4.2.*

Recommendations from the 25-year review

- A **realignment of the Public Service** in terms of its shape/size, skills profile and macro-organisation to achieve national socioeconomic strategic objectives;

- Further exploration and execution of **the single Public Service** concept so as to ensure optimisation of existing skills whilst addressing the areas of low 'delivery';

- Conducting a comprehensive and internationally benchmarked **personnel expenditure review** that covers the three spheres of government, with the view to developing and implementing a remuneration strategy that covers national and provincial departments, and municipalities;

- **Intervention in problem departments** at national and provincial levels;

- **Service delivery improvement initiatives** should be evaluated to determine how well they are being implemented, and what improvements should be made to implementation. This should be complemented by the enforcement of compliance with service standards, such as the Batho Pele standards;

- Advancements in **technology** should be exploited to modernise business processes in the public sector and to make services more accessible and simpler to use;

- Establishment of the Office of the Head of Public Administration to ensure meritocratic governance of administrative appointments.

- The Public Service Act of 1994 must be amended in respect of political versus administrative appointments to ensure a professionalised public service.

6.9   MTSF 2019-2024: Priority 1: A Capable, Ethical and Developmental State

What follows below is a short elaboration of the MTSF 2020-2024[202] priorities of a capable, ethical and developmental state related to HRM issues:

Outcome: Improved leadership, governance and accountability

- Institutional model for intergovernmental and Interdepartmental coordination developed (National cluster system, IMCs and implementation forums reviewed by March 2020)

- Develop programme by national and provincial departments to capacitate and intervene in state institutions with challenges

- Establishment of the Head of National Administration and Head of Public Service

Outcome: Functional, efficient and integrated government

- Implement Organisational Functionality Assessment Framework as a mechanism to measure the levels of productivity and functionality (efficiency and effectiveness) of departments in supporting service delivery objectives

- Clarification of institutional arrangements for the District Development Model

- Monitor implementation of the District Development Model plans through an Integrated Monitoring System

Outcome: Professional, meritocratic and ethical public administration

- Job Competency Framework for public sector

- Mandatory in-service training framework approved by 2020 and 8 mandatory programmes rolled out by 2022

- Programme to institutionalise professional code of ethics in public administration

Outcome: Social compact and engagement with key stakeholders

- Programme to facilitate participatory governance mechanisms and citizen engagement (including review of structure of ward committees) developed. (Baseline: Studies conducted on the effectiveness of existing participatory governance mechanisms.)

Outcome: Mainstreaming of gender, empowerment of youth and people with disabilities

- Level of implementation of Gender, Youth and Disability Responsive Planning, Budgeting, Interventions, Policies and legislation

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[202]   Department of Planning, Monitoring and Evaluation. Medium Term Strategic Framework 2019-2024.

6.10 Reflections by former Directors-General 2020

The reflections articulated by former Directors-General[203] on how to improve the functioning of government are summarised below as important because they have implications for HRM:

- The ethical foundations of public service have been eroded, and the public sector has steadily lost its professional ethos and dedication to serving our people.

- Lines of accountability have been blurred to elevate political control rather than autonomous capacity of administration, leading to a subservient administration subject to undue political interference rather than a clear separation where politicians are responsible for policy direction and the administration for its delivery.

- Serious limitations of advanced skills, with appointments made on political considerations rather than expertise, limited tenure at senior levels, poor succession planning and leadership development, and overreliance on consultants even in policy formulation.

- Inappropriate configuration of the centre of government, with no clear head of the public service, and limited ability to integrate the functioning of Cabinet with the cycle of research, planning, implementation, reporting, and monitoring and evaluation.

- Silo mentality of government departments and entities and limited ability to coordinate interdependent functions both vertically between spheres of government and horizontally between line departments.

- A fiscal crisis which is forcing radical cuts in state capacity at the very moment that it is needed the most, combined with an inappropriate deployment of the limited resources that are available to areas that are not high priorities in this moment of crisis.

- Failure to seize the transformative opportunities provided by information technology to create a modern and efficient state.

- A state that is disconnected from the society within which it is located, with public participation processes that are compliance driven rather than meaningful, and outdated communication tools that are unable to reach people rapidly and effectively.

- The public sector has lost the ability to be innovative, creative or take risks due to fear of overstepping procurement, human resources, and monitoring and evaluation regulations which have become more rigid and less adaptable in the aftermath of state capture.

- Lack of enterprising approach to government, with lost opportunities for creative partnerships with non-governmental actors.

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[203] Former DGs. (2020). Building a Capable Developmental State: Some reflections by former Directors-General on Strengthening the Capacity of a Developmental State in South Africa. Reflections by former DGs – July 2020

- Serious dysfunction within the security cluster, in which capacity has been systematically eroded and various security departments and agencies turned into factional instruments.

6.11 Professionalisation Framework: December 2022

The Professionalisation Framework[204] acknowledges that public sector reforms are essential to enable public office-bearers and functionaries to perform duties competently, efficiently and professionally by strengthening skills, enhancing confidence and building a good character for the public sector. Its overall aim is, amongst others, to build a state that better serves its people and create a public sector that is based on ability, objectivity and fairness through the application of *sound human resource management practices and systems*.

The objectives of the Framework are, inter alia, to—

- cement a vigorous system of professionalisation in the public sector;

- strengthen the legal and policy instruments to professionalise various occupations in the Public Service;

- augment and build partnerships and relationships with Higher Education Institutions and professional bodies;

- ensure meritocracy in public sectors' recruitment, selection and career management in line with the National Development Plan (NDP) and the Medium-Term Strategic Framework; and

- implement employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past through transparent and fair career pathing practices.

It also makes several recommendations and proposals to change the public sector, which are all centred on its overall purpose of—

- positioning the public sector as a career of choice;

- establishing a career system based on meritocracy and an ethical personality;

- creating a clear vision of where the next generation of public servants will come from by determining how specialist professional skills will be reproduced; and

- devising mechanisms to address the skills deficit and inappropriate staffing.

The Professionalisation Framework is seen by some as a potential game changer or, at the very least, the catalyst for systematic change in the organisation, capacity, capability and ethos of the Public Service, and even the public sector as a whole. It is a laudable intervention that has reemphasized unimplemented recommendations from previous prescripts, and hope abounds that it will find the necessary resonance.

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[204] The National School of Government. (2022). A National Framework towards the Professionalisation of the Public Sector.

The Framework makes proposals and recommendations under five pillars of professionalisation, namely, (1) recruitment and selection; (2) induction and onboarding; (3) planning and performance management; (4) continuing learning and professional development; and (5) career progression, succession planning and managing the career incidents of HoDs. Some of these proposals would require legislative and policy amendments.

Pre-entry, recruitment and selection: the pre-entry, recruitment and selection process targets public servants who enter the Public Service for the first time by orientating them to the systems in place which they will be exposed to for their time in the Public Service.

Induction and onboarding: selected personnel are inducted to the processes and the systems of the public institution in which they are employed.

Planning and performance management: if the personnel employed are managers, they are introduced to planning and performance management processes, as these will be their day-to-day work.

Continuing learning and professional development: managers and public servants generally are exposed to continuous learning and development of new skills as a means of adjustment to new technologies and strategies.

Career progression, succession planning and management of the career incidents of Heads of Department.

The Professionalisation Framework is well thought out and ambitious, of which the implementation of key aspects of the framework does not require legislative amendments.

There are also expected changes to the legislative framework, i.e. the Public Service Act, 1994, which specifically deals with the devolution of powers from political heads to administrative head, which is underway through the Public Service Amendment Bill.

According to Public Affairs Research Institute, the challenge is translating these elements into operational and administrative capability and have an impact on service delivery[205].

6.12 Career system and professionalisation

6.12.1 Regulatory Framework

The public service has four sets of prescripts and guidelines determining careers and salaries:

- The Codes of Remuneration (COREs), which give guidance and prescripts on occupational classes, grades/ranks, job weights, salary ranges, occupational classification codes and required competencies. The salary range of a job is determined by job evaluation. However, job evaluation has been suspended from 1 August 2020[206] and grades are for the interim determined by comparison to benchmark job descriptions.
- Centrally determined Occupational Specific Dispensations (OSDs). Job evaluation does not apply to the OSDs.

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[205] Public Affairs Research Institute. (2021). Draft National Implementation Framework towards the Professionalisation of the Public Service. Submission on Public Comments.

[206] DPSA. (2020). Directive on the termination of the web-enabled Evaluate job evaluation system: Interim System and Transitional Measures. Circular 31 of 2020. 1 August 2020.

- A dispensation for the Senior Management Service.
- A dispensation for the Middle Management Service.

These are complemented by the Public Service Regulations and numerous ministerial determinations and directives.

- The Minister for Public Service and Administration (MPSA) determines the grading system linking salary ranges with job weight ranges. [Public Service Regulation 39(3).]
- The MPSA also determines Occupational Specific Dispensations, based on collective agreements. [Regulation 42.]
- An Executive Authority determines job descriptions and the inherent requirements of a job. [Regulation 39(1).] The advertised requirements for a job thus have effectively been decentralised.

The pre-1994 system of Personnel Administration Standards (PASs) was seen as too exclusionary because it set specific entry and promotion requirements and offered limited career opportunities beyond the members of an occupation as defined by the PAS. Consequently, groups or families of occupations were included in the same CORE and mobility across the group, both horizontally between occupations and vertically, potentially from elementary occupations to the policy and managerial levels, was provided for. In this manner the exclusionary nature of the old PASs was remedied. The competencies were described in narrative form and fell under the heading "Guidelines". Only job weights, salary ranges, salary codes and occupational codes were prescribed. Approximately 320 PASs were reduced to 24 COREs.

Other advantages envisioned for the COREs[207] were that:

> Departments could re-organise work to meet the demands of new policies rather than work within the strictures of the PASs.

> The PAS's over-emphasised specific formal qualifications and neglected other indicators of competency, such as experience outside the public service, alternative qualifications, or informal training. As a result, they excluded highly competent people from public service jobs.

An unintended effect of this was an ambivalence towards skills in the public service.[208] The requirements for the job became indeterminate and were interpreted by thousands of selection committees.

6.12.2 Existing Reviews

A key recommendation of the National Development Plan[209] was to professionalise the public service. It said "A professional public service is one where people are recruited and promoted on the basis of merit and potential, rather than connections or political allegiance. This requires

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[207] Department of Public Service and Administration. Introduction to COREs and the Occupational Classification System.

[208] Public Service Commission. (2019). Report to the National Assembly in terms of Section 196(4)(e) of the Constitution, 1 April 2018 to 31 March 2019: Part B: State of the Public Service

[209] National Planning Commission. National Development Plan: Our future - make it work: Chapter 13.

rigorous and transparent recruitment mechanisms … (and) a shift from isolated training initiatives to a long-term approach to recruiting people with relevant aptitude and developing their skills over the course of their career."

6.12.3 PSC Perspective

The 2015 PSC report *Building a Capable, Career-Oriented and Professional Public Service to Underpin a Capable and Developmental State* put the problem as follows:[210]

> "The criteria and rating scales used by selection committees and the rigour of the process are largely in the hands of selection committees. Selection, after minimum requirements have been met, is not based on rigorously defined objective criteria."

> "The specification of occupations with regard to task, knowledge and skills requirements was decentralised to departments. This resulted in many cases in inconsistent, inappropriate and inadequate entry and promotion requirements, which resulted in poor appointments and promotions."

> "If interviews by selection committees are not rigorous enough, better outcomes can be achieved if the pool of candidates that are interviewed are restricted to candidates who have undergone a prescribed training programme and are certified to be able to perform a predetermined scope of work."

> "If all posts are advertised outside the public service, the risk of appointing someone not meeting task, knowledge and skills requirements increases. Since key posts are advertised outside the public service, promotion is not restricted to a pool of people with specific experience and qualifications and proficient in specific tasks, knowledge and skills. In any case such pools of skills were not deliberately and systematically built."

> "When posts are created specific attention is not given to the future career of specific occupational categories. Career paths and succession planning are determined largely by the individual who applies for posts to further his/her career."

> "Staff are not building careers in specific departments, whilst at the same time experiential learning is not structured well enough to enable the transfer of skills from one department to another. People move from one job to the other in the public service, many times on promotion, before becoming proficient in specific tasks. Ministerial directives tried to put a damper on this job-hopping in the public service."

The following can be added to the above problem statement:

- The requirements for posts are essentially set in job descriptions, from which the advertised requirements are derived, with little reference to the COREs. The COREs fell into disuse. The COREs moreover constitute advice (not prescription) to Executive Authorities on appointment requirements for very broad categories of staff – they do not promote specialisation, which is inimical to recruiting or developing specialised skills. The generic form of the CORE job categories lacks

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[210] See also: Public Service Commission. (2018). Evaluation of the Effectiveness of the Recruitment & Selection System of the Public Service.

the specialisation of occupations. As a result, departments struggle to accurately plan for skills development and subsequently data produced through the CORE does not give a correct picture on existing skills demand and supply. There is a lack of prescribed competency frameworks for specific occupations. (See the discussion in section 5.3.2 under PSC Perspective and a recommended competency framework in Table 10 in section 8.6).

To manage careers, one needs to know what these careers are and this requires a proper occupational classification system. To create a post, a department ideally must first assign the post to an occupational or career structure (the post must fit into a career) and then place the post on the organisation structure. Sadly, the career structure was neglected in many areas.

Critical reflection on occupations

This report puts a high premium on the professionalisation of occupations. According to Shalem and Allais (2018), work in an occupation is a social role, the way a worker contributes to society, a vocation. Even labour, or a job, should have this dimension. It provides meaning to people's lives. Jobs should not be denuded of responsibility and autonomy.

All jobs in the public service should be part of an occupation. Occupations have a scope of work and the work requires—

skill – gained by exercise to do something well;

judiciousness – judgement informed by **systematic knowledge**, gained through study and experience. Systematic in some cases mean tested by scientific trial, in other cases more procedural, situational and value-laden, like administration, management and social work.

agreed routines, protocols and practice.

These skills, judiciousness and practice are unique to specific occupations and it is especially the advanced versions of it that are scarce. The idea of generic skill (communication, report writing, research, problem solving, project management, creativity, ability to work in groups, strategic planning) is seriously flawed. All three components are not learnt just by means of qualifications. In South Africa we have a fair amount of qualification inflation – more and more people get qualifications but there is an ever-diminishing relationship with the skills needed in work.

Source

Shalem, Y and Allais, S. (2018). Exploring Occupations: Linking Knowledge, Education and Work. University of the Witwatersrand: Centre for Researching Education and Labour (REAL). Working Paper.

What compounds the problem statement is that three classification systems are used in the Public Service, which is confusing, with no straight logical link between them and which departments probably find difficult to apply. The three systems are (a) the CORE's, which is based on the International Standard Classification of Occupations (ISCO-88), (b) the Organising Framework for Occupations (OFO) that is used by the SETAs and the DPSA in its

HR Connect project (which was a skills audit), and (c) the Occupational Specific Dispensations (OSDs). The OSDs are a move away from the occupational groups of the COREs back to specialisation. On top of all this. The Quarterly Labour Force Survey produced by StatsSA uses yet another classification system, namely the South African Standard Classification of Occupations (SASCO).

The HR data published in departmental annual reports in the Public Service uses the classification system of the COREs. Examining some of these data tables (see **Table 6** below) leads to the conclusion that the data is confusing and does not provide the functionality to drill down to occupational specialisations where scarce skills are situated.

For instance, Environmental Impact Assessment Practitioners, according to the Department of Environment Affairs, are part of the OSDs for Environmental Officers and Biodiversity Officers. Yet HR tables in the annual report does not contain these designations. It is therefore not possible to drill down to "Environmental Impact Assessment Practitioner". Moreover, "Natural sciences related" is a subcategory of "Middle Managers", which creates the wrong impression if the reader does not know this. Similarly, a key occupation for agriculture is Extension Officers, but the occupational classification does not provide for this category. These examples were chosen because the departments published extensive skills policies for these occupations.[211] A few departments have made progress with developing professionalization and competency frameworks.

Table 6*: Number of staff by critical occupation: Environment and Agriculture, Limpopo*

Occupation	Forestry, Fisheries and the Environment[212]	Agriculture and Rural Development, Limpopo[213]
Administrative related *	306	22
Agricultural, animal, oceanography, forestry & other related scientists	153	150
Agriculture related *	159	124
Biochemistry, pharmacology, zoology and other life science technicians		188
Farm hands and labourers		681
Farming, forestry advisors and farm managers	83	153
Horticulturists foresters agricultural and forestry technicians	36	423
Natural sciences related *	399	
Other administration and related clerks and organisers		127
Regulatory inspectors	183	
Senior managers	216	39
Veterinarians		32
Total of above categories	**1535**	**1939**

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[211] Department of Environmental Affairs. (2011). Environmental Impact Assessment and Management Strategy: Subtheme 8: Skills of Environmental Assessment Practitioners and government officials, and
Department of Agriculture, Forestry and Fisheries. (2011). National Framework for Extension Recovery Plan.

[212] Department of Forestry, Fisheries and the Environment. Annual Report 2021/22. Table 3.2.3

[213] Limpopo Department of Agriculture and Rural Development. Annual Report 2021/22. Table 3.2.3

Total posts on the establishment	1923	3142

* These are sub-categories of Middle Managers in these groups

One needs a recognised classification system for external comparison purposes, but for a department's HR Planning the designations should be more descriptive and more directly related to the actual work being done.

Additional to the above, the current personnel system is an open system where all posts are advertised. Staff manage their own careers by applying for posts. A career system is one where entry is mostly in entry grades and preference is given to internal candidates for promotion. It is also assumed that the internal candidates would be subjected to specific training over the course of their careers and will be exposed to specified areas of experience. The recommendation in this report favours a move from an open system to a career system especially in the entry level of occupations.

This report also favours central prescription of the entry, promotion, continuing professional development and other requirements for the management of careers. The "indicators of competency" must also become much more specific. E.g. not "5 years appropriate experience" but "played the leading role in developing 3 HR Plans". The system has already moved in this direction given the prescription of minimum entry requirements for the SMS.[214]

This report also favours moving back to specialisation. E.g. in the occupation of State Prosecutor, the scarce skill might be the specialisation in corruption and commercial crime cases. It is more exclusionary than the CORE system, but it excludes on the basis of who can do the job and who not. The exclusion can be moderated by making the requirements at the entry level as inclusive as possible.

The remuneration system applies two bases for salary determination, namely equal pay for work of equal value (job weight as determined by job evaluation) and market related salaries for the OSDs. These bases are in principle in conflict with each other and consideration needs to be given whether the two bases can co-exist. Job evaluation may put a job at a certain grade or salary level while the market rate might be at a different salary level. The market rate is determined by supply and demand for certain skills while job evaluation rates a job on the basis of intrinsic job weight elements like the complexity of the job. [Market related salaries were only utilized as a basis for OSD salaries when the OSDs were initially implemented. Since then, no formal market comparisons have been done. The salaries applicable to OSDs are simply adjusted annually with the same percentage adjustment negotiated in the PSCBC for all staff below the SMS.]

The PSC's perspective on professionalisation and career system is summarised in the text-box in section 6.12.4 below.

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[214] DPSA. (2017). Directive on compulsory capacity development, mandatory training days and minimum entry requirements for SMS.

6.12.4 Entry into careers in the public service through development programmes

Nowadays, entry into public service careers is many times through development programmes. The Directive on the Employment of persons to Development Programmes in the Public Service[215] makes provision for internships, learnerships, candidacy development (with a view to registration by a professional body), apprenticeships, graduate recruitment schemes and structured youth development programmes.

PSC perspective on professionalisation and a career system

Professionalisation implies firstly an ethos of public service. Secondly, it implies that specific qualifications, experience, examination and certification in certain instances, and continuing professional development requirements are set for entry and career advancement in an **occupation**.

These requirements come first – requirements for specific jobs as contained in the job description (that is normally the advertised requirements) should be derived from the occupational requirements. A job is not a standalone – it is part of an occupation and a career path. Nowadays, the public service only has the job description and advertised requirements.

The Codes of Remuneration (COREs) introduced after 1994 relaxed the occupational requirements and introduced broad categories rather than specialisation, to ease entry into and horizontal and vertical mobility in public service careers. This led to a lack of advanced and specialised skills. The COREs in any case fell into disuse. There was, opportunely, a move back to specific occupational requirements for some occupations with the introduction of the Occupational Specific Dispensations (OSDs).

Good appointments can only be made if selection committees apply specific, verifiable, requirements, more so if compliance with requirements can be independently verified and certified. Therefore, occupations, and specialisations within occupations, must first be named according to an agreed occupational classification system and the requirements for all the occupations then specified and, where appropriate, prescribed.

A career system implies entry into the public service mostly at the entry level and preferential promotion of career public servants who have satisfied prescribed requirements. The system is as open as possible at the entry level. Further training and development take place after entry and throughout the career of the employee. Therefore, measures must be considered to re-introduced a career system.

Participants in development programmes are not employed in posts on the establishments of departments but additional to the establishment [par 6.1 of the Directive and Public Service Regulation 57(2)(d)].

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[215] DPSA. (2018).

The principle of open competition and normal selection processes must apply when a department offers opportunities in development programmes. [Par 6.2 of the Directive.]. The Directive further regulates aspects like the duration of development programmes, the number of opportunities that can be offered (in line with demand for skills as in the department's HR Plan), and the remuneration of participants. Such development programmes are supposed to be structured by the relevant SETA or professional body.

6.13 Judicial Commission of Inquiry into State Capture (Zondo Commission), 2022

The Zondo Commission was largely about state capture, corruption and procurement especially in State Owned Enterprises, subjects that have been specifically excluded from the scope of this report. Nevertheless, the following subjects are pertinent to administrative reform and are briefly summarised here:

- What enabled state capture;
- Steps taken to strengthen the capacity of the state (from President Ramaphosa's testimony);
- Cadre deployment; and
- Accountability

According to the report a number of factors enabled state capture[216]:

"i) the allocation and distribution of state power and resources, directed not for the public good but for private and corrupt advantage; ii) a network of persons outside and inside government acting illegally and unethically in furtherance of state capture; iii) improper influence over appointments and removals (strategic appointments and dismissals); iv) the manipulation of the rules and procedures of decision-making in government in order to facilitate corrupt advantage (especially the reorganisation of procurement processes); v) a deliberate effort to undermine or render ineffectual oversight bodies and to exploit regulatory weaknesses so as to avoid accountability for wrongdoing; vi) a deliberate effort to subvert and weaken law enforcement and intelligence agencies at the commanding levels so as to shield and sustain illicit activities, avoid accountability and to disempower opponents; vii) support and acquiescence by powerful actors in the political sphere, including members of the ruling party; viii) the assistance of professional service providers in the private sphere, such advisers, auditors, legal and consulting firms, in masking the corrupt nature of the project and protecting and even supporting illicit gains; and ix) the use of disinformation and propaganda to manipulate the public discourse, in order to divert attention away from their wrongdoing and discredit opponents."

Two of the above are a recurring theme in administrative reform, namely improper influence over appointments and appointment of consultants.

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[216] Judicial Commission of Inquiry into State Capture Report (Zondo Commission). (2022). State Capture Established, President Ramaphosa's Evidence and the Role of the ANC and Parliamentary Oversight. Part VI, Volume 2. Par 69.

According to President Ramaphosa's evidence, the following steps were taken to strengthen state capacity[217]:

- "Efforts to improve transparency and coordination between ministries and departments in all spheres of government.
- The conclusion of performance agreements with Ministers.
- The draft national implementation framework towards the professionalization of the public service. This policy aims to ensure that "the public service is shorn of political partisanship and that the most qualified individuals enter its ranks.
- Ongoing work to implement the National Development Plan to improve performance of government structures.
- Re-establishment of the Policy and Research Services branch in the Presidency, which had previously been dismantled.
- Various steps to re-capacitate and strengthen law enforcement institutions.
- Steps taken to implement the recommendations of the High-Level Review Panel concerning the State Security Agency (SSA) and intelligence.
- Changes made to the school of government to improve training of civil servants and members of the Executive.
- The institutionalisation of the DDM, which will address the 'silo mentality' problem in government.
- The reform and reclaiming of SARS "from the capture it has been subjected to.
- The establishment of the Presidential State-Owned Enterprises Council."

These are serious planes and implemented administrative reform efforts, some of which are discussed elsewhere in this report.

Central to appointments, cadre deployment has been denied many times in the past mostly based on legalistic arguments that the constitutional and legislative framework do not allow for it. The Zondo Commission, by contrast, shone a very clear light on it. President Ramaphosa tried to emphasise that the ANC deployment committee only makes recommendations.[218] The Zondo Commission, however, found that in many cases it amounted to instructions. After analysing the relevant provisions in the Constitution and the Public Service Act, the Commission concluded that it will be unlawful for an executive authority to consider a recommendation of the ANC Deployment Committee when he/she makes an appointment.[219] The Commission added that an appointment on the recommendation of the Deployment Committee would be actionable as an unfair labour practice[220]. Various commentators have concluded that accountability in the public service has been eroded. Accountability has many aspects, including how objectives are set and how reporting against the Annual Performance Plan in a department's annual report works. Accountability also critically depends on the institutions set up to ensure accountability of appointed officials to

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[217] Zondo Commission. *Op Cit.* Par 305.
[218] *Ibid.* Par 410 and 419.
[219] *Ibid.* Par 657.
[220] *Ibid.* Par 656.

democratically elected bodies – thus officials are accountable to the executive and the executive to Parliament. The Zondo Commission found that—

> "Though there is room for improvement, parliamentary committees have … enjoyed the essential powers required in order to exercise oversight over the executive and SOEs and to hold them accountable.[221]

> This includes a duty to investigate or enquire (or to take other reasonable and appropriate measures) where there is reasonable cause to suspect unconstitutional, unlawful or improper conduct on the part of a senior representative of the executive."[222]

The Zondo Commission then concluded that Parliament had sufficient cause but inquiries were suppressed, and the ANC had been unwilling to initiate and support a parliamentary inquiry into the allegations of state capture.[223]

So, it is clear that for accountability to work, all elements of the system, from a culture of accountability to the administrative arrangements like reporting, to the oversight institutions, need to work and fulfil their role.

6.14   A values-, instead of a rules-driven, public administration

The defining characteristic for a new tenor of administration that will distinguish it from both traditional bureaucracy, which aimed at making administration objective and predictable through hierarchy, standardisation and rules, and the New Public Management, which is premised on a belief in management and performance measurement, is values. This is why this chapter places emphasis on a values-driven administration.

6.14.1 The Regulatory Framework

Section 195(1) of the Constitution says that "public administration must be governed by the democratic values and principles enshrined in the Constitution, including the nine principles listed in that section". Section 16(1)(a) of the Public Administration Management Act added to this by providing that "the Minister for Public Service and Administration may prescribe minimum norms and standards regarding the promotion of the values and principles referred to in section 195."

Clearly, the purpose of the norms and standards is to give definition to the public administration principles by determining what constitutes effectiveness, or responsiveness to needs, or accountability, etc. Since no norms and standards have been issued up to now and since such norms and standards will have to be given the power of law through regulations or directives, the current Public Service Regulations, and subordinate instruments, as well as all other laws and regulations governing public administration like the PFMA, at this juncture represent the envisaged norms and standards. One cannot, however, assume that the current regulatory framework is true to the intention of section 195 of the Constitution and that compliance will automatically lead to effectiveness, responsiveness, accountability, etc.

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[221]   *Ibid.* Par 1252.
[222]   *Ibid.* Par 1257.
[223]   *Ibid.* Pars 1260, 1266, 1271 and 1272.

The regulatory framework (herein further just referred to as rules) include a variety of measures, including law and regulations, directives and instructions, planning frameworks and plans, delivery programme designs with their accompanying rules, guidelines and reporting requirements, and professional codes of practice.

> "Rules — and in this context we mean rules generally applicable in the public service — remove arbitrariness and create standardisation and certainty. They set the bounds of discretion but allow efficient administrative decision-making within those bounds. They ensure that objective criteria are applied in an equitable manner in all situations. Rules and procedures also introduce financial controls to prevent unauthorised, irregular, and wasteful expenditure, as well as inefficient, ineffective and uneconomical use of resources. Respect for rules creates the necessary control environment. But rules invariably have the unintended effect of increasing complexity and reducing flexibility/responsiveness, especially if one looks at the combined effect of the whole body of rules. The mode of administration is compliance rather than solutions driven. Reporting and compliance fatigue draws effort away from a department's core function. There is also a considerable cost to the administration of all these rules. So, the issue is to create the right balance between the minimum amount of standardisation and enough flexibility to enable departments to respond to developmental challenges. There has to be a balance between rules and creating a control environment on the one hand and allowing enough discretion for creativity and innovation on the other hand, or between standardisation and control and effectiveness or results."[224]

However, the Constitution is not only about rules but about values. Similarly, the Public Service cannot only be regulated by the Public Service Act and Regulations and by the PFMA and Treasury Regulations, and a myriad other rules, but values as well. Public servants' behaviour and performance cannot only be governed by rules.

6.14.2 Existing Reviews

While the PSC has conducted several compliance studies within public administration and municipalities, no comprehensive review of the values as well as associated norms and standards has been undertaken, but several reports began to highlight it. Though these issues are discussed in section 6.5 and 6.6, they are repeated because of the centrality of values in public administration reform. The following quotes are an illustration:

> "The public sector has lost the ability to be innovative, creative or take risks due to fear of overstepping procurement, human resources, and monitoring and evaluation regulations which have become more rigid and less adaptable in the aftermath of state capture."[225]

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[224] Public Service Commission. (2014). State of the Public Service Report.
[225] Former Directors-General. (2020). Building a Capable Developmental State: Some reflections by former Directors-General on Strengthening the Capacity of a Developmental State in South Africa. July 2020

"Departments simply implement measures to improve efficiency, effectiveness and economy that are regulated. What is regulated is a poor representation of the principles and implies that no innovation takes place."[226]

"The ethics framework is applied perfunctory (for the sake of compliance). Ethics is reduced to institutional issues like disclosure of conflict of interest, appointment of an ethics officer, RWOPS, management of sexual harassment in the workplace, and anti-corruption strategies. Such issues are removed from the daily experience of citizens on how public servants conduct themselves when interacting with them."[227]

"The compliance focus of some planning processes is becoming counter-productive. The strategic planning system needs to break with the compliance culture by focusing on progress and trends not just whether or not targets are met. This will sometimes require a "glass half full" approach that recognises positive progress even where targets are not fully met."[228]

"The PSC receives many complaints about a **lack of leadership and management** on the part of heads of units, at various levels. The complaints frequently relate to various policies and procedures not being followed. The public service runs on standardised routines – there are policies and procedures regulating all administrative activities. If these are implemented diligently a level of stability and discipline is attained. If the discipline is relaxed things can deteriorate quickly."[229]

6.14.3 PSC Perspective

A bureaucracy is largely managed through policies, processes and systems – a system of rules. However, these should be animated by values. The supreme goal of the public service is to promote human dignity, the achievement of equality and the advancement of human rights and freedoms [section 1(a) of the Constitution]. These can be summarised in the South African value of Ubuntu. Without the animation of values, the bureaucracy will be stilted.

The right balance needs to be achieved between behaviour mediated by values and behaviour mediated by rules. The balance will not be the same for all government functions; rules governing leave, conditions of service, the grading of posts, or the entry and promotion requirements for occupations perhaps need to be tightly regulated but selection, after minimum requirements have been met, and performance management, less so. The awarding of benefits to people (the eligibility criteria and the size of the benefit) needs to be tightly regulated but the design of community development projects less so.

Rules cannot be a substitute for values no matter how extensive. Rules devoid of values govern less effectively than values. It should also not be assumed that people do not know the values system.

[226] Public Service Commission. (2018). State of the Public Service Report 2017/18.
[227] Public Service Commission. (2019). *State of the Public Service Report 2018/19.*
[228] National Planning Commission. (2015). Reforming the South African Government Planning System. Discussion Document.
[229] Public Service Commission. (2018/19). State of the Public Service Report.

Moreover, rules change the mode and nature of administration:

- They change how administrators act. The highest value becomes maintenance of the bureaucratic machine. We suspend our own moral judgement for the perceived right of the bureaucratic rules. So, a regular re-appraisal of the rules against values and principles, and against their purpose, becomes necessary.
- They provide for the general case, both regarding the variety of internal corporate management situations and the administrator's interaction with the citizen or a community, who, contrary to the general case, may have unique needs.
- Rules serve as a performance measure. They influence the assessment criteria applied by auditors on both finance and performance information.
- Directly or indirectly drive administration to become compliance-driven instead of solutions oriented.
- Management practices are defined by what is prescribed. For instance, accountability tends to be defined by quarterly reporting against the Annual Performance Plan, ethics tend to be defined by disclosure of financial interest and the prohibition to do business with the state or satisfying auditors. Efficiency and economy tend to be defined by internal control and cost containment measures, a procurement plan, supplier data bases, asset registers and an asset disposal committee, while effectiveness is largely ignored (because this is not easy to regulate and to measure).
- The tools currently applied in the public service, such as auditing and the Management Performance Assessment Tool (MPAT) (in the meantime suspended), as well as evaluations by the PSC, focus on compliance, mostly with the Public Service and Treasury Regulations and related policies, frameworks, guidelines and directives. Evaluating compliance assumes that there is a strong relationship between the rules and organisational performance. Yet

Balancing Rules and Values

The major advantages of rules are standardisation, predictability and consistent decision-making, because they set the bounds of discretion. A major disadvantage because their peremptory nature, is that rules determine how people act, and may displace values as the decision-making norm. The power of this in determining people's behaviour should not be underestimated and this is why meticulous attention should be paid to the formulation of rules. Rules without values cannot prevent corruption. The question then becomes, how do we instil values.

"A culture of compliance should not be underestimated in a world where corruption and misconduct are the order of the day. But it should not be confused with the belief that "ticking the boxes" absolves us of responsibility. We still have to apply those unique skills of critical and analytical thinking, judgement and professional scepticism, and we still have to demonstrate our ethical behaviour."

Bernard Agulhas, former audit regulator and adjunct professor in auditing at the University of the Free State.

it cannot be assumed that compliance ensures achievement of the purpose of the rules. In fact, it can be argued that a rules driven public service is anathema to a developmental public service. Though compliance establishes the underlying organisational hygiene for good public administration, evaluation on this level alone does not enable decision-makers in charge of improving the functioning of the public service to identify the critical changes that need to be made to transform the Public Service.

- Institutional due diligence becomes more important than responsiveness to the needs of communities. The community becomes faceless, with participation projects conducted to legitimise institutions. This makes public administration processes susceptible to the danger of producing mediocrity and an auto-pilot type administration that is rigid, unresponsive and not innovative. Performance Monitoring and Evaluation has not succeeded in changing this. Thus, the discourse is developmental, but public administration remains stiff and archaic.[230]
- Rules led to a disjuncture between institutional compliance and citizen satisfaction.
- The public service became overly bureaucratised as if all management can be reduced to rules, frameworks, templates and guidelines. Rather than exercising discretion, public servants refer to the rules and discretion is limited to legalistic interpretation of rules.

Though rules are important, the public service cannot be managed like a machine with all processes neatly mapped and engineered and the performance of all parts of the system perfectly measured. A large part of management in the public service ought to be about adhering to a culture of service to the people and the country, respect for the dignity of every human being, fairness, responsiveness to the needs of people and accountability.[231]

While some senior public servants feel strangled by compliance, others have taken refuge in it. PARI's sociological work on the public administration has shown that keeping one's head down and ticking boxes is an understandable reaction in an organisational environment of risk and instability created by systemic corruption and unstable factionalised politics.[232]

At the same time the PSC cannot promote non-compliance. Respect for the rule of law requires compliance. Therefore, if the rules do not agree with the values and principles, they need to be changed. Suggestion on how to reform a rules-based culture are provided in the example below.

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[230] Sithole, MP. (2021). The Bind of Classism. Talk delivered on the blog "Are we Transforming", hosted by Thembekile Phylicia Makhubele. August 2021.

[231] See Henry Mintzberg, *Managing Government, Governing Management*, Harvard Business Review, May to June (1996), for a discussion of the differences between the private and public sectors and different models for management in government.

[232] Public Affairs Research Institute. (2023). Comments on draft of this report.

Guidelines for revising or applying rules

1. Drastically reduce the volume of rules.

2. Obtain a better balance between governance by values and governance through rules.

3. Where appropriate, move towards norms rather than standards.

4. Return to meaningful performance measures. E.g.
   - A procurement officer must do a good buy (obviously without a bribe) in addition to compliance with the rules. To do a good buy requires knowledge of the product, the price and the market, not just the Supply Chain Management rules. Procurement officers must be buyers of essential stuff, not just gatekeepers who check that all the rules are complied with.
   - HR officers should ensure a good appointment (obviously without nepotism) in addition to ensuring compliance with the rules.
   - Performance management, through reflection, should ensure effectiveness and not just meeting narrow APP targets.

5. Redesign the rules where they conflict with the public administration principles and Constitutional values, or where management approaches do not fully adhere to the principles.

6. Formulate rules that will make it possible to consider the values and principles when applying the rule (without having to approach a treasury for a deviation).

   In this regard it is interesting to note that the Zondo Commission recommended that legislation dealing with the duties and responsibilities of Accounting Officers/Authorities be amended to insert a provision which reads:

   > "No person is criminally or civilly liable for anything done **in good faith** in the exercise or performance or purported exercise or performance of any power or duty in terms of this Act unless such person acts negligently."

   Under current audit practice, he/ she will still get a qualified audit opinion though.

7. Administrative action should be rational. There is enough provision in law for values (fairness) to trump rules. A court will always ask whether administrative action has been rational. Section 3 of PAJA provides as follows:

   (2)(a) A fair administrative procedure depends on the circumstances of each case.

   (4)(b) In determining whether a departure from fair administrative procedure is reasonable and justifiable, an administrator must take into account all relevant factors, including—

   (i) the objects of the empowering provision;

   (ii) the nature and purpose of, and the need to take, the administrative action;

   (iii) the likely effect of the administrative action;

   (iv) the urgency of taking the administrative action or the urgency of the matter;

   and

   (v) the need to promote an efficient administration and good governance.

   (5) Where an administrator is empowered by any empowering provision to follow a procedure which is fair but different from the provisions of subsection (2) (fair procedure), the administrator may act in accordance with that different procedure.

> Note that the PAJA has a specific definition of administrative action, which excludes management decisions. The principle is however clear that an administrator cannot mechanically apply rules.
>
> 8.   The approach to regularity auditing should be adjusted to take these principles into account.
>
> 9.   Reporting requirements and compliance testing should not fault a decision-maker where he gives honest, rational and defensible reasons for a decision.
>
> 10.   Reporting requirements and compliance testing should not change a guideline into a rule.
>
> 11.   Rules should not be used as an excuse for poor planning, delayed action, or poor performance. Public servants should apply rules in a reasonable, enabling and solutions-oriented manner, not in a prohibitive manner.
>
> More practical examples on how to balance rules and values are provided for in the PSC's publication, the Guide on the Constitutional Values and Principles Governing Public Administration – *Source (www.psc.gov.za).*

6.15 Leadership

There is no doubt that leadership plays an immense role in the success of an administration and reforms. The question is how to change from the orthodoxy of rules added to hierarchy and a top-down management style to a public value oriented, transformational leadership style. The need for visionary, inspirational, and consultative leadership is integrally linked with how to decentralise power and make the public service more agile. It is also important to consider the impact of leadership style and organisational culture on the well-being of public servants.[233]

This is the reason why various sections in this report have touched on important aspects of leadership as follows:

- The role that a Head of the Public Service in managing the career incidents of heads of department requires leadership acumen.
- The appointment process of Heads of Department and other public servants is based on merit.
- Generic and Technical Competency assessment as a mechanism to improve leadership capability and a review of the competency assessment as its value add for recruitment and even leadership development is minimal.
- Professionalisation of the SMS through merit-based appointments, with primary emphasis on technical competency in the policy area of a department and secondary emphasis on generic management competencies.
- Review the management structure to enhance the agency of managers: their perception of their ability to make a difference and encourage to act.

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[233] Dr Shanil Haricharan, Senior Lecturer, Nelson Mandela School of Public Governance, University of Cape Town. Panellist: PSC Public Administration Reform Conference, 12 October 2023.

- Balancing rules and values as a mechanism to strengthen governance.

For public administration to have competent leaders, persons of the right calibre first must be appointed and then supported to build on their strengths and address their weaknesses. Reference must be made to Section 195 of the Constitution on the type of leadership that is required, i.e. ethical, professional, development orientated, etc.

The above summary suggests that leadership by its very nature cuts across the fundamentals of all HR practices and finds expression in the daily operations of a department. Therefore, leadership development should not be decontextualized from the mandate of an institution and its various functional areas as well as linkages with other institutions. as well.

6.16 Conclusion

The NDP was undoubtedly correct in identifying new key priorities during the third wave for reforms, but it took almost ten (10) years for the new impetus to act on the reforms. The NDP argued for need to stabilise the political-administrative interface and creation of Head of Public Service. Some NDP recommendations have not been implemented and others are at initial stages of implementation. Public Service Amendment Bill, 2023, provides for assignments of administrative powers to Heads of Departments which is being supported by the PSC. Limited progress was made in implementing the NDP's recommendations on the profesionalisation of the Public Service, but professionalisation has now picked up renewed impetus through the acceptance by Cabinet in 2022 of a Framework for the Professionalisation of the Public Sector. This is a positive step.

CHAPTER 7. SIZE OF THE PUBLIC SERVICE

7.1   Introduction

Noting that this report covers aspects of human resource planning as well as re-organisation of Government, it was vital to consider the growth of the service following democracy. Understanding the proportions of the Public Service in terms of the ratio between servant to citizen forms part of the agenda of developing a capable state as well as service delivery. The current fiscal crisis further necessitates a reflection on this aspect.

7.2   South Africa, in comparison to other countries, does not have a bloated Public Service

Post the 1994 amalgamation and integration of the historically disaggregated administrations, the number of employees in the Public Service were estimated at approximately 1,3 million (Kuye, 2006).[234] The numbers were gradually reduced as a result of the 'downsizing' and 'right sizing' processes to approximately 1,1 million employees (Parliamentary Monitoring Group [235], 2000; Sachs *et al,* 2023[236]). According to Sachs *et al*, while employee numbers were reduced by about 230 000 between 1995 and 1998, remuneration scales were improved for various cohorts. Gains from the right sizing process were reversed in 2002 and the number of Public Service employees increased gradually thereafter (*Ibid*).

Between 2006/07 and 2018/19, personnel numbers, measured using full-time equivalents, rose by 170 000 from 1.2 million to 1.3 million. This translates to average annual growth of 1.2 per cent.[237] The Institute for Economic Justice (2018) note that "despite having to extend services to a large population historically excluded from many services, the numbers employed by government (local, provincial and national) compared to the numbers employed under apartheid, did not significantly increase as a share of total employment and the reversal of the cutbacks was not scaled to keep pace with the growing population.[238]

This observation remains valid given that as of March 2023, the number of employed people in South Africa was 16.2 million[239] and the public service, at an estimated 1,2-1,3m represents 7,5%-8% of employed people. When public service employment is combined with other public sector employers, public employment constituted about 15% of the country's work force prior to the

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[234] Kuye, J.O. (2006). *Public Sector Reforms: The Case for South Africa – 1994-2005. Journal of Public Administration • Vol. 41, no. 2.2*.

[235] Parliamentary Monitoring Group. (2002). Personnel Expenditure Review and Wage Policy Principle: briefing, *https://pmg.org.za/committee-meeting/4003/*

[236] Sachs, Michael, Ewinyu, Arabo and Shedi, Olwethu. (2023): The government wage bill: Employment and compensation trends in South Africa, *Development Southern Africa*, DOI: 10.1080/0376835X.2023.2249016

[237] National Treasury. Medium Term Budget Policy Statement. (2019). Annexure B.

[238] Institute for Economic Justice. (2018). *Stream 4 Policy Brief 1: Public Sector Jobs*, Policy brief prepared for the Labour Caucus in the Jobs Summit Public and Social Programmes, Labour Market and Anti-Corruption Interventions working group.

[239] StatsSA. (2023). *Quarterly Labour Force Survey*, Q1, 2023.

1990s rightsizing process[240] but by 2022 the number of public sector employees stood at 2,8m[241], which is 17% of the employed. This is relatively small when compared with most developed and many developing countries, as shown in **Table 7** below.

Table 7: Public sector employment as a share of paid employment

South Africa	17%
Kenya	12,62%
Madagascar	17,61%
Angola	32,69%
Egypt	41,06%
Mozambique	17,61%
Russian Federation	54,41%
Finland	37,7%
UK	28,83%
Canada	24,11%
US	23,17%
Brazil	17,78%
Argentina	24,03%

[World Bank. Worldwide Bureaucracy Indicators. 2019]

In relation to sector specific occupations it is also important to understand the significance of the public service/citizen ration between developed and developing nations. For this purpose, it is vital to consider an essential service like nurses for example. South Africa has a population of 59 million people and the reality is the ratio distribution of essential services to population is relatively low when compared to international counterparts. According to the World Bank Indicators for 2019, in South Africa there are 5 nurses per 1000 people, whereas in developed countries like Germany (population 83 million), France (population 67 million) and Canada (population 37 million), their ratios were 13.4; 10.6 and 9.7 respectively for every 1000 people. Interestingly, in developing nations, the ratios depicted are concerning. In Brazil (population 211 million), China (population 1.4 billion) and India (1.3 billion), the ratios were 7.5; 2.1 and 1.3 respectively. The statistics suggest that developing countries should put measures in place to improve public servant ratio to citizen which has the potential to improve the extent of service delivery.

The point being made here in terms of the articulation is to consider the wage bill in the context of the occupations that are becoming a factor in terms of population growth. Continuously reducing numbers in essential services does not fare well for service delivery in a country that has high unemployment and poverty level.

In view of the current economic climate and cost containment measures, Sachs *et al* (2023) made similar observations and further cautioned as follows:

"The thorough restructuring of government employment and pay in the first decade of

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[240] Institute for Economic Justice. 2018. *Stream 4 Policy Brief 1: Public Sector Jobs*, Policy brief prepared for the Labour Caucus in the Jobs Summit Public and Social Programmes, Labour Market and Anti-Corruption Interventions working group.

[241] International Labour Organisation

democracy was part of an explicit strategy negotiated with trade unions, widely canvassed in society and given high political priority. The restructuring preserved employment in core services, balanced pay and headcount trends, and was underpinned by clear policy frameworks. This contrasts very strongly with the current approach, which has relied on blunt, across-the-board measures to contain headcounts, largely by imposing ceilings on compensation budgets or withholding funds to line departments to force attrition. In a review of policies to manage government compensation and employment, the IMF notes that:

> In their efforts to contain wage pressures, governments have often resorted to blunt measures to reduce high wage bills, which only provide temporary relief. Governments have typically relied on quick fixes such as across-the-board freezes in wage and employment levels. While these measures can be effective in reducing wage bill spending in the short term, they tend to decrease morale, distort wage and employment structures, and adversely affect service delivery. As a result, they tend to unravel over the medium term resulting in recurring wage bill pressures. Undertaking functional reviews to inform structural reforms, as well as institutional reforms that focus on weaknesses in the management of wage and employment processes, can help prevent the recurrence of wage bill pressures. (IMF 2016:36)

It is likely that the current approach will suffer from many of these defects. Moreover, further attempts to reduce pay and employee numbers will unavoidably impact frontline professionals in core government services such as healthcare, basic education and criminal justice. Efforts to restore fiscal sustainability need to involve more conscious plans, negotiated explicitly with line departments, agreed in cabinet and supported at the centre of government. Greater focus on public entities and local government may also be warranted."

7.3   Wage Bill

There have been debates in South Africa whether the compensation of the Public Service is inadequate or inappropriate, or whether the debate is a tactic to divert attention from the challenges of low economic development and high unemployment. However—

"In the long run, compensation spending growth cannot exceed GDP growth. Since 2007/08, however, consolidated compensation spending (excluding public entities) has grown more quickly than nominal GDP in every year except 2013/14. As a result, public-service compensation absorbs an increasing share of GDP" – **see Figure 2** [242]

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[242] National Treasury. Medium Term Budget Policy Statement. (2021). Annexure B: Compensation Data.

Figure 2: Annual change in nominal GDP and consolidated compensation spending
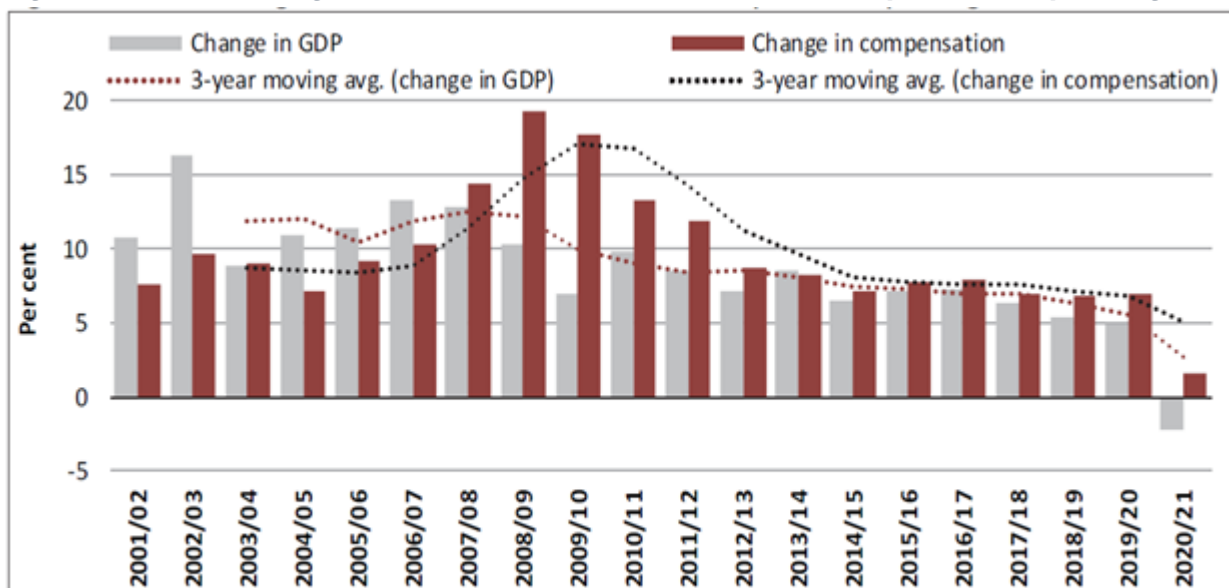
Source: National Treasury

To get a handle on wage bill growth, one needs to consider the components of such growth, which are—

1. growth in post establishment, or personnel numbers;
2. inflation (inflation related annual salary adjustments);
3. real wage growth (annual salary adjustments above inflation); and
4. other factors such as—
   a. annual notch increments;
   b. upward mobility across grades (promotions and upgrading of jobs based on job evaluation outcomes);
   c. movement into higher earning occupational categories; this was especially affected by the introduction of Occupational Specific Dispensations in 2007; and
   d. age of the workforce (because older workers have got more promotions and notch increments than younger workers).

Each of the aspects above directly impact the size of the wage bill. Whilst we have established that the Public Service is not big in relation to the ratio of public servant to citizen, it is vital to understand and consider the cost drivers as stipulated. Senior managers make up approximately 9000 of the 1.2 million public servants, whilst professional occupational categories that fall within the OSD make up more than half of the Public Service. The OSD categories include educators, nurses, legal, social services, engineering and related, medical and related, allied and related. Implementation of the OSD has been a challenge and not all professional categories have been covered. OSD salaries remain a great contributor to the cost of salaries in the Public Service.

7.4   PSC Perspective

A stagnation in personnel numbers affect services like health, police and education drastically because of the growth in population and other factors that affect the demand for services. In any case, as discussed above, the size of the South African public service is not too big – we have a middle size public service commensurate with a middle-income country. But the wage bill needs to be kept under control, it cannot grow faster than GDP, otherwise it will crowd out all other government expenditure on critical areas such as school books (Learner and Teacher Support Materials), direct benefits to citizens, and investment on social and economic infrastructure.

7.5   Conclusion

Given the demand on the state, especially in the area of the social wage, the route to addressing fiscal constraints in the short to medium term is not through 'reducing' the size of the public service, especially in certain sectors. There is general understanding that the Public Service and broader public sector is not bloated, relative to the size of the population. A positive move in terms of acknowledging sectors like health, education and security is that the Minister of Finance has noted this, hence these sectors were allocated additional funding during the 2023 medium term budget policy statement to support employment in these sectors. [243]

Factors such as slow economic growth, high unemployment and the size of the wage bill in relation to the country's GDP are significant. Other factors such as corruption and public opinion about unsatisfactory performance of Public Service institutions and some employees cannot be discounted. But these do not automatically validate views about 'bloating'. Sight should never be lost to the fact that human resources remain the most important asset in the Public Service.

National macro-organisation of the Government is an important factor to the functional capability of Government, however continuous reorganisation contributes to the disorientation of the very asset that remains the biggest driver to effective service delivery. It is therefore vital that the Public Service be kept stable and the nature of reforms be guided by extensive rationale (for example, where resources are needed the most and where organisations be merged based on skills and knowledge) to avert disorientated human resources and extensive periods of gliding in the unknown.

Post 1994, HR reforms were central to the macro-organisation of Government and they remain central to the transformation of the functional capability of Government in the 21st century. The current reforms are taking place in an environment characterised by economic constraints, a growing population in the context of high unemployment, lack of progress in embracing and exploiting rapid technological advancements and visible societal agitation. Therefore, there is a misconception regarding the size of the Public Service, which may result in ineffective "quick-fix" reforms, that are discouraged in this report.

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[243]   National Treasury. (2023). Medium Term Budget Policy Statement, 1 November. https://www.treasury.gov.za/documents/mtbps/2023/speech/speech.pdf

CHAPTER 8. SYNTHESIS AND RECOMMENDATIONS

This report addresses, in detail through research, analysis and discussion, various matters that have the potential to change and revolutionise the state of practice in the service. The intention is to contribute to discussions and decisions about future reforms. As such, the report supports recommendations that are made in the Professionalisation Framework and other reports, expands on some and proposes additional novel recommendations. Below is a summary of the key issues and recommendations from the various sections.

8.1 Role of the Head of the Public Service

The Public Service Amendment Bill of 2023 does not explicitly create the role of the Head of the Public Service (HOPS). This is a step back from the recommendations of the Presidential Review Commission of 1999, the National Development Plan of 2012 as well as the Professionalisation Framework of 2023.

The PSC asserts that the recommendations made in the earlier reports are still pertinent and will contribute a lot to the professionalisation of the Public Service. The Public Service Amendment Bill, 2023, adds a new section 7(3)(c) to the original act, namely the following:

The head of the Presidency shall, in addition to any power or duty entrusted or assigned to him or her by or under this Act or any other law—

(i) be the Secretary to the Cabinet;
(ii) co-ordinate, convene and chair the Forum of South African Directors-General comprising all heads of department;
(iii) subject to sections 85(2)*(c)* and 125(2)*(e)* of the Constitution, be responsible for intergovernmental relations on an administrative level between the Presidency and national departments, provincial departments and government components, including the co-ordination of their actions and legislation;
(iv) support the President on any matter entrusted or assigned to the President by or under this Act or any other law; and
(v) perform any other function, if so requested by the President, subject to the Constitution or any other law.

It appears the role of Head of the Public Service is an implied role under support to the President [subsection (iv)] however the designation and the office is not even called Head of the Public Service in the Public Service Amendment Bill, 2023.

The motivation to create such an office in the earlier reports was to firstly stabilise administrative leadership or ensure continuity of leadership by inserting a check on the powers of appointment of executive authorities (the President and/ or ministers) and thus lessening the probability that ministers would remove serving DGs to appoint someone better trusted by them. Secondly it was to professionalise the senior leadership position.

It is therefore recommended that the Public Service Act be amended to—

(i) create the office the of Head of the Public Service (HOPS);
(ii) provide for the appointment requirements for the Head of the Public Service;

<ol type="i" start="3">
<li value="3">provide that the appointment process into this office should be a public process (i.e. appointment requirements and the names of candidates who applied be published and that interviews be open to the public);
<li value="4">assign to this office the power to "make recommendations on all career incidents of heads of department" of national departments;
<li value="5">provide for the possible combination of the role of Head of the Public Service with other roles like the Director-General of the Presidency;
<li value="6">provide that in provincial administrations the role of HOPS should be fulfilled by the Director-General of the Office of the Premier and that a similar public appointment process should be followed for this office to align with processes followed for the HOPS at national level.

Consequently, the roles of the following bodies in the appointment of HoDs will be—

Head of the Public Service

1. Make recommendations on all career incidents of heads of department.
2. Oversee the management and administration of career incidents of HoDs, including compliance checking, inspection/scrutiny.
3. Facilitate dispute resolution and mediation between HoDs and EAs (with assistance of the PSC where necessary).

DPSA

4. Policy development and analysis as per current legislation.
5. Policy advisory support, interpretation and application of legislation.
6. Monitoring and quality assurance on the application of policy and legislation.

PSC

7. Oversight on HoDs career incidents as per Constitutional mandate.
8. Research and evaluation on the management of career incidents of HoDs and recommendations to improve practice.
9. Maintain a database of technical experts.
10. Dispute resolution and mediation on career incidents of the Head of the Public Service, at national and provincial levels.
11. Support the Head of the Public Service in resolving disputes between EAs and HoDs.

8.2   Appointment of HoDs and levels below HoD

Chapter 6 of this report extensively covers matters related to the Political-Administrative interface, articulating the requirements of the NDP, the need for an administrative Head of the Public Service and the outcomes of the Judicial Commission of Inquiry into State Capture. All roads lead to a clear separation between the roles and responsibilities of the political leadership and the administrative leadership.

As indicated previously, the PSC supports the changes being made in the Public Service Amendment Bill, 2023. In addition, the PSC offers the following recommendations to strengthen the arrangements:

Role of the Public Service Commission

1. A structure must be created in the Public Service Commission to assist members of the Commission on matters related to the career incidents of Heads of Department to, when required, give advice to the President/Premiers, the relevant Executive Authorities and/or the HOPS. Such matters include issues of recruitment, career management and performance management, specifically for Heads of Department at National level. Advice may also similarly be rendered to Premiers.
2. The PSC must maintain its independence by not being involved in the administrative process of filling a post of DG or HoD, or any other employee.
3. The PSC must host a database of experts, as recommended in Professionalisation Framework which can be accessed by HR Units of departments to assist in identifying technical experts when filling DG/HoD or DDG posts. The policy provisions about the role of such experts in recruitment and selection must be put in place by the DPSA/MPSA prior the database being utilised. Ideally such technical experts should be able to influence the process just like other members of the selection committee.

Authority to appoint HoDs

1. Section 12 of the Public Service Act should be amended to assign the authority to fill vacant DG/HoD posts (except the HOPS and the DG of a Provincial Administration which should still remain the power of the President and Premier) to the relevant Minister or MEC.

Or

2. The President or Premier to consider a Delegation of Authority in respect to Section 12 to all Ministers/MECs for the filling of a DG/HoD post.

Role of the EA

1. In collaboration with the HOPS, the relevant Minister/MEC must establish a recruitment and selection panel to fill HoD posts.
2. The EA shall consider the recommendation of the selection committee and approve the appointment of a DG/HoD in the Public Service but not serve on a selection committee, in the interest of maintaining a separation of duties between recommending and approving.
3. The EA must take full responsibility and control over the setting of the strategic vision with due consideration to the Constitutional mandate as well as other transversal strategic documents with respect to the department.

Role of the HoD

1. The DG or HoD of a Department must have full administrative control over recruitment of all other personnel in the department, including DDGs, as proposed in the Public Service Amendment Bill, 2023.
2. The DG or HoD must operationalise the strategic vision, staff the department appropriately and take full accountability for the performance of the Department.

Proposed Cabinet process going forward in respect to appointments

1. DDG appointments should no longer be taken to Cabinet but a decision on appointment shall be made by the relevant DG.

2. For the HOPS, the President shall make the appointment and follow a similar process to announce to Cabinet.
3. For DG appointments in Provinces the relevant Premier shall make the appointment and follow a similar process to make the announcement to the Provincial Cabinet.
4. For DG appointments at National level, the relevant delegated Minister shall make the appointment and submit to the MPSA for to perform quality assurance and make the appointment announcement in Cabinet, in line with Section 3 of the Public Service Act, 1994.
5. For HoD appointments in the Province the relevant MEC shall make the appointment and submit to Provincial Cabinet for noting.

The above recommendations are simplified in **Table 8** below:

Table 8: Composition of selection committees and process for the HOPS/DGs/HoDs

Post	Recommended selection committee	Approving authority	Public scrutiny
Head of Public Service	Minister in the Presidency (Chair), or any Minister, 1 National DG, 1 Provincial DG and 2 technical experts.	President	Yes, proceedings of the interview must be televised and names of shortlisted candidates published.
DG in the Province/Component	Head of Public Service, DG of another Provincial Administration, 1 other national DG in the Public Service and 2 technical experts.	Premier	Yes, proceedings of the interview must be televised and names of shortlisted candidates published.
DG at National department /Component	Head of Public Service (Chair), 2 other DGs from the Public Service and 2 technical experts.	Relevant Minister	Yes, proceedings of the interview must be televised and names of shortlisted candidates published.
Head of a Provincial Department	DG of the Provincial Administration (Chair), 2 other HoDs/DGs from the Public Service and 2 technical experts.	Relevant MEC	Yes, proceedings of the interview must be televised and names of shortlisted candidates published.
DDG	DG/HoD of another Department (Chair), 2 other DDGs/DGs, one from the relevant Department and another from a different department and 2 technical experts.	Relevant DG	No

In order to effect the above proposals a recommendation is made to amend Regulation 67 of the Public Service Regulation.

8.3   HR Planning

The key object of an HR Plan is to project demand for and supply of staff and to come up with creative strategies to fill demand-supply gaps. Commendable work was done to provide guidance in this area through the HR planning Directive and Guidelines. However, prescribing guidelines and templates did not result in meaningful plans because templates do not guarantee substance or creative strategies. Therefore, the following recommendations are made:

1. Each department should create a core of analytical capacity. (It is doubtful whether such analytical capacity exists in current HR Units.) This is not only needed in the HR components, but strong analytical capacity should cover HR planning, policy analysis, expenditure review, monitoring and evaluation, process design, strategic planning, organisation structuring/development and systems development. It could be considered to create such analytical capacity in one place in a department (centralise it).

   The NSG can play a key role in training analysts. While generic analytical capacity is necessary across the different functional areas of an institution, boundary-spanning analytical capacity can be centralised in the research, policy analysis and evaluation units. The NSG can play a key role in developing the required capacity.

2. Ministerial Directive on HR planning required that EAs **shall** follow the prescribed template. Regulation 26 of the PSRs, 2016 already lays down the principle and this is as far as prescription should go.

3. The HR gap analysis in each department should be done for each critical occupation. For occupations that are found in different departments, the gap analysis should be led by a lead department, but all other affected departments must actively participate.

4. The evaluation of HR Plans submitted by departments to the DPSA should change from applying a compliance checklist to evaluation of the veracity of the supply-demand projections, the meaningfulness of the plan and whether it came up with innovative and workable strategies to bridge supply-demand gaps.

8.4   Qualifications, Skills and HRD

There is confusion and contradictions about skills requirements in the Public Service as noted in the NDP. This is attested to by the tendency to emphasise generic instead of professional and technical skills, the preponderance of *ad hoc* short courses and the assumption that possession of a qualification equates to competence. This challenge is complicated further by the existence of a dual system of regulation of skills development, through both the Skills Development Act and the Public Service Act.

As stated in Section 5.3 of the report there is no need for a Workplace Skills Plan as well as a Human Resource Development Plan in a department. Furthermore, the DPSA HRD Framework takes planning for departments and planning by template to the extreme and yet HRD plans are too generic and not occupational specific.

Therefore, the following recommendations are proposed:

1. Discontinue the DPSA HRD Strategic Framework in its entirety and place emphasis on the workplace skills plan and the sector specific plan in collaboration with the relevant SETAs.
2. Specify training and development by occupation and prioritise technical and professional skills.
3. Structure data on skills according to occupation.
4. The task of specification of training and development requirements for occupations that cuts across multiple departments should be assigned to departments where the functional or policy expertise for the occupation lies and other affected departments should actively participate.
5. Professionalise the HRD occupation to better support training and development initiatives undertaken by departments. Detailed recommendations around the professionalisation of occupations are listed in section 8.6. The M&E system or skills data base should provide information on the training and development completed as specified in the competencies framework part of the occupational specification.

8.5   The Performance Management and Development System[244]

There is no dispute that the existing PMDS does not improve individual and organisational performance. It is the biggest source of conflict between employees and supervisors, and it is beset by fundamental problems: The idea of performance measurement against objective standards is debatable; and there is confusion between performance management and individual performance appraisal using a scoring matrix. The credibility of the system is low – it is viewed as biased and unfair and no amount of refinements will redeem it. The PSC therefore recommends as follows:

1. Fundamentally review the PMDS, this includes the discontinuation of individual staff assessment using rating scales or scoring systems.

2. Develop norms (not standards) for organisational/unit performance management and individual performance appraisal should be linked to unit performance.

3. The following **options** for changes in the individual staff assessment system are suggested:

- Much more use should be made of objective external assessment, obtain feedback from external parties.

- Simple frameworks for specifying performance standards for selected occupations should be pre-determined by departments and not be left to be filled in between supervisors and employees.

- Performance assessment should be done through regular inspections or evaluations of units rather than through individual staff assessments.

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[244] These recommendations are building on the recommendations made in the—
PSC. (2015). *Building a Capable, Career-Oriented and Professional Public Service to Underpin a Capable and Developmental State in South Africa: Discussion Document.*

4. The nature of incentives and rewards in the Public Service should be fundamentally rethought. Cash bonuses, which were phased out in the 2021/22 financial year, should not be re-introduced. Rewards should not be based on an individual rating system. Reforms in this area could include –

- Rewards for specific results or products and for unit performance; and

- Rewards designed around the intrinsic value of the job, such as professional recognition.

5. Poor performance should be dealt instantly in relation to specific tasks or specific incidents of poor performance instead of being generalised. Individual staff appraisal (using rating or scoring or any other system) should not be the trigger for initiating poor performance management.

Table 9 below operationalises these recommendations based on Blackman's[245] work.

Table 9: Suggested characteristics of a performance management system

	Traditional models	Future-fit models	Practical design principles and features
Method of feedback and/or reflection	Formal, bi-annual form completion	Organic, discussions and ongoing refinement of expectations to keep key outcomes in focus, owned by teams and individuals	Ongoing, continual feedback from multiple sources and contact points that supports growth Regular 'check-ins' driving shared accountability for both results and behaviours Teams facilitate no-blame continuous reflection, learning, improvement and adjustment discussions to drive innovation
Role of manager/ supervisor	Manager reviews and assesses performance on an annual basis Manager provides regular feedback and meets HR reporting deadlines	Leaders facilitate ongoing collaborative, diagnostic processes that expect high performance and are action and outcomes oriented	Leaders instigate and create the environment and forums for connecting with organisation, team and individual purpose and role Leaders are facilitators of the discussion Leaders role model growth mind-set, encouraging openness and feedback

8.6   Professionalisation and the career system

Professionalisation implies firstly an ethos of Public Service. Secondly it implies that specific qualifications, experiential, examination and certification in certain instances, and continuing professional development requirements are set for entry and career advancement in an

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[245] Blackman, D (Ed). (2021). Handbook of Performance Management in the Public Sector. Edward Elgar Publishing.

occupation. These requirements come first. On the contrary nowadays, the Public Service relies on requirements contained in job descriptions from which advertised requirements are copied.

As already state the Codes of Remuneration (COREs) introduced after 1994 relaxed the occupational requirements and introduced broad categories rather than specialisation, to ease entry into and horizontal and vertical mobility in public service careers. This led to a lack of advanced and specialised skills. The COREs in any case fell into disuse. There was, opportunely, a move back to specific occupational requirements with the introduction of the OSDs.

The report argues that good appointments can only be made if selection committees apply specific, verifiable requirements; more so if compliance with requirements can be independently verified and certified. Therefore, occupations, and specialisations within occupations, must first be named according to an agreed occupational classification system and the requirements for all the occupations then specified and, where appropriate, prescribed. In support of this the professionalisation framework contains the following recommendation:

All occupations in the public sector should be specified in terms of job content; entry requirements regarding task, knowledge and skills proficiency; promotion requirements; career progression and succession planning; mobility into and out of the occupation; and continued professional development requirements. It prioritises the following groups of occupations for such specification:

- o Public Finance Management
- o Supply Chain Management
- o Human Resource Management and Development
- o Planning
- o Information and Communication Technology
- o Built Environment

In addition, a career system implies entry into the Public Service mostly at the entry level of each occupation and preferential promotion of career public servants who have satisfied prescribed requirements. The system is as open as possible at the entry level but minimally closed above the entry levels. Further training and development take place after entry and throughout the career of the employee. An example of a framework for the specification of an occupation is provided in the textbox below.

Example: Framework for specification of an occupation
1. Name of occupation
2. Occupational classification
3. Scope of work
4. Work streams/ specialisations within the occupation [e.g. in social work the streams might be social work (working with communities, families or individuals), community development practitioner, statutory work or policy work]. This is important because it is in the specialisations that scarcity may exist.
5. Competency framework. These describe competency areas and competency levels—see **Table 10** on next page.
6. Post establishment arrangements (staffing norms)
7. Continuing Professional Development requirements
8. Code of Conduct specific to the occupation
9. Demand and supply of staff in the labour market and measures to ensure supply like a skills development strategy

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<table>
<tr><td colspan="3">10. Re-orientation of the occupation. This may involve a review of the specification of the occupation and re-training of its occupants. For instance, the traditional approach to agricultural extension, where the extension officer conveys technical information (e.g. on superior crop varieties or the types and quantities of fertiliser) from the research institution to the farmer in a top-down manner (supply-driven approach), should change to a paradigm where the extension officer is a community development practitioner much more responsive to the needs of the farmer (a demand-driven approach) and plays a facilitation role covering a wide variety of subjects, including—
a. livelihoods diversification;
b. poverty reduction;
c. natural resource management;
d. improved market access;
e. finance and enterprise management; and
f. institutional development.[246]</td></tr>
</table>

Table 10: Example Competency Framework for Supply Chain Management[247]

Competency areas		
• Plan (demand planning, procurement plan) • Source (order, supplier management, strategic sourcing, transversal contracts) • Receive (inventory control, warehouse management) • Deliver (transport, logistics) • Disposal management • Enable (ICT, process design, contract management, supply chain performance)	Benchmark job descriptions for these areas	Indicators of having these competencies, e.g. • Qualifications (move, where appropriate, towards specific occupation-linked qualifications instead of general degrees) • Experience (specify not only "number of years of appropriate experience" but also the content and level of the experience. E.g. for Environmental Impact Assessment Practitioner: "A minimum of three environmental assessments of appropriate scale and the applicant has held primary responsibility for conduct of the assessment"[248] • Testing • Certification of competency Registration by professional body
Competency levels[249]		

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• Clerical • Operational (production) • Tactical • Strategic • Executive	Benchmark job descriptions for these levels (in enough detail to determine job weight)	Indicators of competency at these levels (see above examples of indicators)	Public service grade/ rank and salary levels linked to these levels and relevant rank and salary codes

In view of the above the PSC makes the following recommendations:

1. Revise the occupational classification system.
2. Develop and prescribe an occupational specification framework.
3. Prioritise several occupations to start implementation, including those prioritised by the Professionalisation Framework (SCM, Built environment, Finance and HR).
4. Appoint lead departments to specify selected occupations. (Some departments have already made substantial progress in this regard, e.g. National Treasury with Public Finance Management and Supply Chain Management, Department of Forestry, Fisheries and the Environment with Environmental Impact Assessment Practitioner and Department of Agriculture, Land Reform and Rural Development with Extension Officers).
5. The DPSA should prescribe part of the specification of each occupation as compulsory requirements.

In addition, the following changes to the requirements for the advertising of posts are recommended:

6. The relevant DG/HoD should be allowed to fill (some not all) posts without advertising externally but internally, only for levels 1-8 positions so as to promote a career system in the Public Service and to create an opportunity for new graduates and interns to join the Public Service at the entry level.

7. The relevant DG/HoD must advertise all posts from level 9 upwards externally in the Public Service Vacancy Circular.

8.7 The Senior Management Service

The establishment of the SMS largely achieved some of its initial goals, which was to attract and retain high quality personnel at the management and leadership levels. Various initiatives aimed at continuous development were embarked upon. However, some of the features of the SMS dispensation, including the PMDS and the competency framework, did not live up to expectations and the SMS Dispensation has not been reviewed comprehensively since 2005 based on insights gained over the years.

Therefore, the following recommendations are made:

1. Review the decision to remove the SMS from the PSCBC. There needs to be a study conducted by the DPSA on the impact this has had on the quality of SMS, their work ethic and their ability to implement government programmes.

2. A decision must be taken regarding the continuance of the competency assessment as its value add for recruitment and even leadership development is minimal.

3. Specify the generic occupation of SMS in the form recommended in the previous sections. The generic specification should be developed by the DPSA. The specification of the differentiated requirements for management in different functional areas, e.g. hospital manager, police manager or energy planning manager, should be developed by lead departments.

4. Since a prospective manager must be immersed in the policy area of the department, each department must introduce technical leadership competency frameworks (core instead of generic management competencies) for management in different functional areas, e.g. hospital manager, mine health and safety manager or energy planning manager, and determine to what extent this should substitute for compulsory generic management training of the public service.

5. Develop training programmes for management in different functional areas to nurture young professionals to enable them to grow with the intention of joining the SMS.

6. A more values-orientated SMS must be encouraged in the manner that training and development courses are configured.

7. Review the SMS Handbook and Dispensation in light of the recommendations made in this report.

8.8 Agency

The NDP recommended the importance of "strengthening delegation, accountability and oversight". The DPSA issued principles, a directive and a guide to strengthen delegation, which was a step in the right direction. In its 2018/19 State of the Public Service report, the PSC noted that managers still lack agency, whether because of a real or perceived lack of formal delegated authority, whether procedures and requirements are too onerous despite delegations, whether because of a lack of resources or lack of authority to use resources differently, or simply because of a timidity to act. Addressing this challenge would require a relook at the management structure, which means that to achieve an objective, a manager must have control over the essential means to achieve it.

The PSC recommends:

- A review of the management structure of authority, responsibility and accountability. An analytical matrix is provided to assist in such a review.
- Three service delivery areas should be identified to implement a management structure that promotes agency. Lessons from this process will provide further guidance on how to upscale such an approach.

8.9 Balancing governing by rules and governing by values

Rules are necessary and unavoidable. Rules ensure standardisation, predictability and consistent decision-making and they set the boundaries for discretion. A major disadvantage is that, because of their peremptory nature, rules influence how people act, and may displace values as the decision-making norm. Arguably, values are a much more effective governing instrument than rules, but they are insufficient. Clearly, a balance between values and rules is required but the balance has shifted an overly rules bound public service.

The PSC therefore recommends:

- Revise existing rules in line with the guideline presented in Section 6.
- A programme to review HR and programme design rules be instituted as these are the critical areas that drive service delivery (A review of procurement rules is already underway).

8.10 Macro-organisation

Strong institutions are at the heart of the developmental state. Sound macro-organisation is the starting point of institution building and it is the prerogative of the President and the Premier in terms of the Constitution. However, frequent reconfiguration may set back institution building for many years because of the disruption and discontinuity that accompany it. To avoid discretionary and unjustified macro reorganisation, **the PSC recommends that** the powers of the President and Premiers in this regard should only be exercised in/after consultation with an independent expert body similar to the National Planning Commission. Coordination and Secretarial support for this body should be provided by the DPSA. This will require amendment to the Public Service Act, 1994.

8.11 Legislation

The PSC supports the Public Service Amendment Bill, which gives HoDs full administrative powers and EAs full powers in terms of strategic vision and the cascading of the electoral mandate. However, there is a need to augment the current amendments as indicated in Section 8.1, to clearly designate the role and creation of the Head of Public Service.

The report notes the PAM Bill, 2023 and the need to finalise the PAMA Regulations covering the requirements in the Amendment Bill of 2023. It is therefore recommended that the MPSA finalise the development and issuing of regulations. It is also recommended that the MPSA prescribe and issue a comprehensive set of norms and standards covering the requirements of Section 16(1) of the PAMA. As recommended and explained elsewhere in the report, emphasis should be on norms, rather than standards, and where possible norms should trump standards.

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