



**PRESENTATION TO THE  
PORTFOLIO COMMITTEE ON  
PUBLIC SERVICE AND ADMINISTRATION**

**Capacity challenges in the Public Service**

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**PRESENTATION OVERVIEW**

- Introduction
- Human Resource Management challenges
- Consequences of capacity challenges
- Conclusion

## INTRODUCTION

- The capacity of the Public Service remains a key consideration in the socio-economic transformation of South Africa.
- The President in his 2006 State of the National Address made the point that based on an audit of capacity conducted in a number of departments "issues of skills, vacancies, delegation of responsibilities to managers of delivery agencies and relationship between national and provincial departments have emerged as being among the most critical areas of requiring attention".
- With this in mind, the PSC dedicated its 2006 edition of the State of the Public Service (SOPS) report to examining the question of capacity more critically, especially as it relates to the nine Constitutional values and principles.
- This presentation considers some of the salient points made in the 2006 SOPS report and other research conducted by the PSC and other sources on the capacity of the Public Service.

## HUMAN RESOURCE MANAGEMENT CHALLENGES

- The ability of the Public Service to achieve its developmental and transformation goals depends critically on human resource capacity and the sound management of it.
- Good quality human resource management is therefore of paramount importance to the Public Service.
- In looking at the capacity of the Public Service to manage human resources, the PSC will focus on –
  - vacancies
  - recruitment and selection
  - performance management and development
  - Labour relations
  - employee wellness
  - organisation design.

## HUMAN RESOURCE MANAGEMENT CHALLENGES

### • VACANCIES

- The vacancy rate in the Public Service is one of the biggest challenges that are central to the problem of service delivery.
- Linked to the challenge to deliver is the slow rate at which departments are able to fill posts.
- An audit conducted by the PSC into vacancies in the Public Service as at 31 August 2007, indicated that it was difficult to reliably determine the vacancy rate, as a result of inaccurate data management by departments.
- During the audit, national and provincial departments reported a total of 88 232 funded vacancies. This figure represented a vacancy rate 5.8%. On the other hand, PERSAL information on the same date indicated 330 987 vacancies, representing a vacancy rate of 23.1%.
- An analysis of the spending rate of departments on the compensation of employees suggested that funding was not available to fund all the vacancies indicated on PERSAL.
- Although not all vacancies are funded, it does not mean that such posts are not critical to deliver the services needed.

## HUMAN RESOURCE MANAGEMENT CHALLENGES

### • RECRUITMENT AND SELECTION

- Research conducted through the PSC's Transversal Public Service M&E System (PSM&ES) pointed to the fact that only one of the 16 sample departments was able to fill all its vacancies within 90 days after such posts became vacant.
- The factors impacting on the filling of posts identified by departments were:
  - ✓ Scarce skills and inadequate remuneration
  - ✓ Unavailability of selection committee
  - ✓ Lack of delegations
  - ✓ Lack of HR capacity
  - ✓ Turnover rate/job hopping
  - ✓ Lack of funding
- The PSC's grievance trends report shows that recruitment and selection is one of the top causes of grievances in the Public Service.

## HUMAN RESOURCE MANAGEMENT CHALLENGES

- **RECRUITMENT AND SELECTION (cont)**
  - The following problems have been identified in the recruitment and selection process:
    - ✓ Advertisements are poorly compiled and lack the necessary depth in person and post specifications
    - ✓ Job descriptions are poorly compiled and results in poor and inadequate selection criteria
    - ✓ Properly defined and valid performance standards are non-existent. Such performance standards are as important as job descriptions in that they provide insight into the knowledge and skills that are required to be successful in a post
  - The PSM&ES also confirmed that only 63% of the sample departments have recruitment policies in place that complies with good practice standards with detailed recruitment procedures spelled out.
  - In order to improve the recruitment and selection process, the PSC has developed a Toolkit on Recruitment and Selection.

## HUMAN RESOURCE MANAGEMENT CHALLENGES

- **PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM (PMDS)**
  - The capacity to measure and manage the performance of individuals on a continuous and consistent basis is very important.
  - PSC research suggest that the implementation of the PMDS has continued to be inadequate over the period 2004/05 to 2006/07.
  - A study focusing on the Departments of Education and Social Development at national and provincial levels found that on average more than 50% of senior managers did not conclude PAs for the 2004/05 to 2006/07 financial years.
  - There were instances where performance rewards were granted to officials who had not even concluded PAs.
  - Some PAs were concluded late during the respective financial years and in some even after the financial year.
  - The PMDS as an accounting tool becomes even more crucial at the level of HoDs.
  - Glaring deficiencies are also applicable in respect of HoDs.



## HUMAN RESOURCE MANAGEMENT CHALLENGES

- **PMDS (cont)**

- For the 2007/08 financial year, only 16% of national and 13% of provincial HoDs entered into and filed their PAs with the PSC by the due date of 30 June 2007.

Year	National			Provincial			% received
	Received	Outstanding	HoDs Acting	Received	Outstanding	HoDs Acting	
2004/05	24	12	1	63	39	3	63%
2005/06	31	4	2	71	24	11	77%
2006/07	27	8	3	73	17	17	80%
2007/08	20	15	3	69	24	15	70%

- It is disconcerting that in no financial year a 100% compliance rate was achieved.
- The non-compliance also extends to performance appraisals, as only 50% of HoDs at national and 44% at provincial were evaluated in respect of the 2005/06 financial year.

## HUMAN RESOURCE MANAGEMENT CHALLENGES

- **PMDS (cont)**

- The PSC has raised concerns about the low levels of compliance, but no significant improvements have materialised.
- The performance management of HoDs requires prioritisation and close coordination between HoDs and EAs, without which the process will be compromised.
- A study conducted by the PSC into the management of poor performance has demonstrated a consistent lack of accountability by managers for managing poor performance and HR's failure to adequately provide the necessary guidance and support.
- It was determined from a sample of 11 departments that they have similar experiences which suggest common barriers to the management of poor performance in the Public Service that need to be addressed.
- The most common causes are attributed to organisational culture, a mismatch of officials and posts, a general lack of skills, and shortcomings inherent in the performance management system itself.
- The PSC published a Toolkit for the Management of Poor Performance in the Public Service to provide managers and supervisors with practical guidelines on how to deal with poor performance.

## HUMAN RESOURCE MANAGEMENT CHALLENGES

### • LABOUR RELATIONS

- The capacity for internal resolution of grievances is essential for the management of sound labour relations, and productivity levels in the Public Service.
- An analysis of grievances from public servants is informative as it points to issues that are of concern at an individual and group level in the Public Service.
- An assessment on the implementation of the Grievance Rules for the Public Service indicates that, despite awareness work shops to sensitise departments on the Grievance Rules, there is insufficient adherence and compliance, e.g. non-adherence to time frames and premature referral of grievances to the PSC.
- The finalisation rate of grievances in the Public Service decreased during the period January 2005 to June 2006.

## HUMAN RESOURCE MANAGEMENT CHALLENGES

### • LABOUR RELATIONS (cont)

- The reasons for the high number of pending grievances was ascribed to the following:
  - > Line managers lack the necessary time to deal with grievance management
  - > Line managers lack the necessary interpersonal and technical skills to deal with grievances, and as a result tend to procrastinate when faced with grievances
  - > Line managers do not receive adequate advisory and facilitation support from human resource and labour relations practitioners. This is often compounded by these support staff placing an over-emphasis on administrative and procedural issues rather than the deeper dimensions of LR and HR management

## HUMAN RESOURCE MANAGEMENT CHALLENGES

### • HUMAN RESOURCE DEVELOPMENT

- The verification of qualifications of Senior Managers conducted by the PSC during 2001 found that the qualification levels of Senior Managers are high, with the average manager holding more than two tertiary qualifications.
- The fact that managers are clearly well educated has, however, not translated into higher levels of service delivery by government departments.
- Despite the levels of qualifications there appears to be a dearth of management skills in the Public Service.
- The PSC is concerned about what the Public Service is doing to bridge the gap between the qualifications and experience that managers have and the competencies that are required of them to successfully implement the policies of Government.

## HUMAN RESOURCE MANAGEMENT CHALLENGES

### • HUMAN RESOURCE DEVELOPMENT (cont)

- Although the PSM&ES found that 69% of the sample departments have skills development plans in place, it was disappointing to find that only 44% are based on a skills needs analysis.
- Only 25% of the sample departments implemented their planned skills development plans, but without any assessment on the extent to which these activities have impacted on the departments ability to improve on service delivery.
- A PSC study found that the most cited professional and technical needs identified by SMS members are financial management, project management, strategic leadership and supply chain management.
- Training needs identification and investment are often poorly prioritised and misaligned, e.g. Salary level 15 managers tended to dominate the demand for project management skills, which at this level is perhaps misplaced and far too operational.

## HUMAN RESOURCE MANAGEMENT CHALLENGES

### • EMPLOYEE WELLNESS

- Given the challenge of HIV/AIDS, the PSC regards workplace management of HIV/AIDS in the Public Service as important.
- Should the ability of the Public Service to provide quality services be impacted on by HIV/AIDS prevalence amongst its workers, it could compromise service delivery to the population generally.
- The PSC has found that although a policy framework for the management of HIV/AIDS in the Public Service is in place, there is a need for a more proactive approach by ensuring that effective HIV/AIDS related health and counseling is in place.
- One way of strengthening the Public Service to deal with the impact of HIV/AIDS in its workplace is to ensure that the effective HIV/AIDS related health and counseling infrastructures are in place. This is a particular area where the capacity of the Public Service needs strengthening.

## HUMAN RESOURCE MANAGEMENT CHALLENGES

### • REMUNERATION

- Remuneration plays a critical role in recruitment and retention.
- The DPSA's capacity assessments has shown that the remuneration of professionals in the Public Service was inadequate.
- Professionals with a number of years of experience were leaving the Public Service, while new recruits were joining at entry level, where salaries were more competitive.
- In 2006 the DPSA conducted a Personnel Expenditure Review to form the basis of the new remuneration policy for the Public Service.
- This resulted in the development of the occupation-specific dispensation (PSD), a remuneration structure, grading, career pathing and pay progression specific to a profession, e.g. nursing, engineering.



## HUMAN RESOURCE MANAGEMENT CHALLENGES

### • ORGANISATIONAL STRUCTURING

- Studies conducted by the DPSA indicate that departments have been faced with capacity limitations in relation to organisational structuring. Some of the findings were:
  - Organisation structure development focuses on the creation of posts with little attention paid to the purpose and functions of the department
  - There is insufficient consideration of the workload and interrelatedness of work in designing structures
  - The span of control deviates substantially between departments with 1:27 in some and 1:1 in others
  - There is a tendency to have senior posts at headquarters with few senior posts at the coalface of service delivery
- The Public Service Regulations were subsequently amended to state that EAs should consult with the MPSA prior to approving their departments' organisational structures.

## HUMAN RESOURCE MANAGEMENT CHALLENGES

### • ORGANISATIONAL STRUCTURING (cont)

- A high level assessment by the DPSA into the current capacity of the Public Service to conduct or support large scale restructuring pointed to the following:
  - Departments were generally not skilled in dealing with the behavioural aspects of organisational structuring.
  - The majority rated themselves as medium to poor in change management skills.
  - A medium to poor rating was given for planning of physical infrastructure.
  - Departments gave a medium to poor rating for their skills in planning, implementation and rolling out of new structures, as well as for their capacity to monitor and evaluate its effectiveness.
  - The Organizational Design function was not positioned and equipped to play a strategic role in most departments.
- The DPSA has published a "Guide on how to Design, Implement and Maintain Organisational Structures in the Public Sector".