

PUBLIC  
SERVICE  
COMMISSION

STATE  
OF THE  
PUBLIC SERVICE  
REPORT

2004

## **Foreword: By the Chairperson of the Public Service Commission**

This is our tenth year of democracy and we have much to celebrate. Ten years ago South Africa was a very different place facing ongoing crises induced by the undemocratic apartheid dispensation. Our stable transition to a democratic order is an achievement of which all South Africans, and indeed, all of humanity, can be proud. It proves the ability of the most divided people to put their differences aside and work together to build a better society for future generations.

The third edition of the Public Service Commission's (PSC) State of the Public Service Report provides an overview of what has changed in the Public Service over the last ten years. The focus is on the most recent developments, reviewing PSC research and drawing from information gathered in our Public Service Monitoring and Evaluation System (PSM&E System). The Report also looks specifically at how issues were addressed under the previous government in order to provide a better sense of the changes that have been made.

The State of the Public Service Report 2004 is a high level overview of the Public Service and is, as with the previous two editions, structured around the nine Constitutional principles governing Public Service and administration in South Africa. The Commission promotes these principles in the belief that they offer a clear guide to the kind of Public Service we aim to build.

Our Public Service is a national asset. Improving its efficiency and getting its various tiers to work together more effectively are key challenges facing us. As we face these and other daunting tasks, we can look back at ten years of rapid and sustained change and take strength from our legacy of adaptability and creativity.

We hope you enjoy the Report and find it useful in your discussions and planning.

**Professor Stan Sangweni**  
**Chairperson: Public Service Commission**

# STATE OF THE PUBLIC SERVICE REPORT 2004

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## Executive summary

- Introduction**
- The Public Service Commission is Constitutionally mandated to monitor and evaluate the public service and to promote a high standard of professional ethics.
  - This is the third edition of the State of the Public Service Report and is a high level strategic overview for use by officials and others. It looks at what has changed over the last 10 years and is organised around the nine Constitutional principles for public administration.
  - Performance improvement, intergovernmental relations and managing the effects of HIV/AIDS are currently major priorities for government.
- Principle One:**  
A high standard of professional ethics
- Combating corruption is a priority concern for the Public Service but better implementation of the outstanding elements and improved coordination of the National Strategy is needed.
  - Departments also need to improve their processing of cases of professional misconduct, particularly by improving turnaround times.
  - The PSC argues that the minimum anti-corruption capacity for departments must be implemented, that more training on applied ethics be provided and that departments' own anti-corruption efforts be better integrated with the National Strategy.
- Principle Two:**  
Efficient, economic and effective use of resources
- Government has done much to promote efficient, economic and effective use of resources. A modern strategic planning and budgeting approach has been adopted although implementing it is still a challenge.
  - Better reporting on results is needed to ensure that improved effectiveness is constantly sought.
  - The PSC proposes the adoption of an integrated national performance management framework.
- Principle Three:**  
Public administration must be development oriented
- While government has made impressive efforts to promote social development, these are not as effective as they could be.
  - Many poverty alleviation projects do not follow good development practice and are poorly integrated into local development plans and strategies.
  - The PSC supports the call made in the *Ten Year Review* to define an "encompassing framework for South Africa's development in the next decade and beyond".
- Principle Four:**  
Services must be provided impartially, fairly, equitably and without bias
- Government has adopted legislation and policies intended to improve service delivery but these are poorly understood and implemented.
  - The Administrative Justice Act and the *Batho Pele* programme are examples of pioneering strategies that the Public Service is struggling to implement properly.
  - The PSC proposes widespread training for officials in the Administrative Justice Act and the promotion of *Batho Pele* by requiring that it be specifically addressed in Annual Reports.
- Principle Five:**  
People's needs must be responded to, public must be encouraged to participate in policy making
- Although there is a stated commitment to public participation in policy-making, this is rarely supported by formal policies and procedures.
  - A common practice is to either involve programme beneficiaries in implementation without adequately involving them in conceptualisation and design or vice versa.
  - The PSC proposes the release of clear policy guidelines prescribing the minimum levels of consultation and participation required when developing public service policy and legislation.

- Principle Six:** Public administration must be accountable
- The Auditor General plays a major role in building accountability in the public service and produces useful reports that should be used to identify and address areas of weakness.
  - Parliamentary Portfolio Committees also play an important oversight role, while the Public Finance Management Act has defined what is required for accountable financial management. PSC research has found that its requirements are exacting and many departments comply only formalistically.
  - The PSC proposes the creation of a specialist turnaround capacity to address problems as they arise. Risk management and fraud prevention plans also need more emphasis.
- Principle Seven:** Transparency must be fostered by providing the public with... information
- Legislative bodies play a key role in demanding government report to them on their activities and results, while the Truth and Reconciliation Commission played an important role in providing a space in which its victims could review the apartheid experience.
  - Annual Reports are the key mechanism through which government departments achieve transparency. While these have generally improved, there are still tendencies to report on activities rather than impact and not to use plans as the basis against which to compare achievements.
  - Annual Reports should be structured so that they report directly against plans and budgets. The human resource information that must be provided in Annual Reports needs to be simplified. Additional mechanisms for transparency should also be sought.
- Principle Eight:** Good human resource management and career development practices... must be cultivated
- The Public Service has shrunk by around 15% since 1994 and restructuring continues to challenge government.
  - Human resource management has been decentralised to each department and while enormous progress has been made, many Public Service organisations are struggling to meet the required standards in crucial areas. Skills development plans, for example, are often poorly considered.
  - Where departments consistently perform poorly, their delegated authorities should be revoked. An accreditation system should also be considered and incentives to encourage Voluntary Counselling and Testing should be provided.
- Principle Nine:** Public administration must be broadly representative ... with... practices based on ability,... fairness and redress...
- The Employment Equity Act outlawed discrimination in the workplace and promoted affirmative action. It has played a key role in addressing the Public Service's legacy of discrimination.
  - While many racial imbalances have been addressed, women are still poorly represented at the leadership level while disabled people are still particularly underrepresented.
  - Putting in place fair and objective assessment practices is an ongoing challenge.
  - Gaps in the human resource management framework in areas such as career pathing and performance management need to be addressed. Assessment procedures and incentive systems also need updating.
- Conclusion:** A period of consolidation
- Our Public Service needs to enter a new phase in which its good features are consolidated and built upon and major changes are kept to a minimum.
  - A high degree of consistency between the PSC's suggestions and those made in the Presidency's *Ten Year Review* is encouraging and suggests a high level of agreement on strategies for building the Public Service in the future.

## **Introduction:** A ten year journey

### **The Public Service Commission**

The Public Service Commission (PSC or "the Commission") is one of the institutions created by our Constitution to promote democratic values and principles in South Africa.

The PSC started working under its new mandate in 1999. It works to maintain an effective and efficient public administration with a high standard of professional ethics. It investigates, monitors and evaluates the organisation, administration and personnel practices of the Public Service<sup>1</sup> and advises the national and provincial spheres of government.

The previous Commission was responsible for determining conditions of service, work organisation, appointments and other important aspects of public administration. These tasks dominated the work of the old Commission operating under the interim Constitution of 1994.

The Commission has 14 Commissioners and is based in Pretoria with offices in each provincial capital. It is headed by the Chairperson of the Commission, Professor Stan Sangweni and is supported by the Office of the Public Service Commission (OPSC), headed by the Director General Mpume Sikhosana. The Office has a staff complement of around 185 people.

The PSC undertakes research and investigations at the request of Cabinet and Provincial Executive Committees, Parliament and Provincial Legislatures, as well as looking into issues it identifies as being pertinent to personnel, administration and organisation of departments. The PSC is accountable to the National Assembly.

### **This publication**

The PSC produces an enormous volume of research into diverse subjects relating to the Public Service and its performance.

The State of the Public Service Report is an annual publication that summarises findings from the research and investigations undertaken by the PSC over the preceding year. This is the third edition of the Report.

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<sup>1</sup> The Public Service comprises those entities governed by the Public Service Act, namely national and provincial departments. Local authorities, parastatals and public entities are not included.

This Report is intended to provide strategic direction for people working in the Public Service by highlighting important themes and trends. The Report also aims to offer insight and analysis in a concise, easy to read format to all Public Service stakeholders, including academics, students and ordinary citizens.

Footnotes in the text provide further details on the points being made. Endnotes listed at the end of the Report refer to PSC and other publications mentioned in the text and provide their full titles and dates of publication.

**Ten years of democracy**

2004 is the tenth anniversary of South Africa's first democratic elections. Accordingly, this year's report takes a long view of what has been achieved over the preceding decade by looking specifically at what has changed

The Report is once again structured around the nine basic Constitutional values and principles governing public administration.

Each section of the Report looks at a specific principle, discussing what is meant by it and summarises how it was addressed (or not) under the previous regime. The report then looks at what has been done in the past ten years to promote compliance with each principle and makes suggestions for the future.

**Key challenges and issues facing the Public Service in South Africa**

The Presidency's publication, *Towards a Ten Year Review (The Ten Year Review)*, released in October 2003, cites a number of challenges that need to be met if the major intervention of consolidating democracy is to succeed. These challenges are the creation of a framework of encompassing interest; improved State performance; addressing the consequences of the transition and improving the sub-continental environment.

Improving State performance is also essential if poverty is to be successfully combated in South Africa. The Public Service has had a basic framework created over the last ten years and is now in a position to fine-tune and adjust structures and systems to the major task of poverty alleviation.

A singular challenge facing the State as it confronts poverty is the complex area of performance improvement. Government is not yet as effective as it needs to be and is not achieving the results it could, given its impressive social investment record. Generating timely and credible information about performance, identifying improvement

measures and implementing these successfully is a major human resource challenge that must be confronted soon.

Intergovernmental relations is the second major issue confronting the public service. Integrating and coordinating services needs better planning as well as monitoring of implementation practices so that the intended policy outcomes are achieved. This complex area requires creative thinking and a focussed national strategy.

**Table:**  
**SA Public Service by race and gender as at 31 December 2003**

(Source: Department of Public Service and Administration)

Province	Department	African		Asian		Coloured		White		Total		
		Female Number	Male Number	Gender Number								
EASTERN CAPE	AGRICULTURE AND LAND	1,098	4,107	0	5	12	27	59	89	1,169	4,228	5,397
	D1: OFFICE OF PREMIE	171	140	1	1	7	6	3	5	182	152	334
	D2: HEALTH ECAPE	18,759	5,830	62	96	1,892	590	1,179	684	21,892	7,200	29,092
	D3: WELFARE ECAPE	1,065	472	2	3	131	63	95	30	1,293	568	1,861
	D5: EDUCATION ECAPE	45,517	19,919	189	201	3,244	2,346	2,833	1,157	51,783	23,623	75,406
	E1: PROV0 TREASURY	195	109	2	0	2	4	15	4	214	117	331
	E2: SPORT ARTS CULT	384	482	1	1	27	47	53	50	465	580	1,045
	E3: SAFETY AND LIAISO	12	20	0	0	0	1	0	0	12	21	33
	ECONOMIC AFFAIRS TOU	315	509	1	1	6	64	24	35	346	609	955
	HOUSING LOCAL GOVERN	423	591	4	1	9	27	34	64	470	683	1,153
	ROADS AND PUBLIC WOR	636	4,648	0	3	4	97	26	104	666	4,852	5,518
	TRANSPORT	292	674	0	1	4	29	23	40	319	744	1,063
	<b>Subtotal</b>	<b>68,867</b>	<b>37,501</b>	<b>262</b>	<b>313</b>	<b>5,338</b>	<b>3,301</b>	<b>4,344</b>	<b>2,262</b>	<b>78,811</b>	<b>43,377</b>	<b>122,188</b>
FREE STATE	AGRICULTURE	403	651	4	0	9	15	90	112	506	778	1,284
	FREE STATE: FINANCE	56	61	0	0	7	10	61	30	124	101	225
	FREE STATE: PREMIER	77	123	1	0	11	20	48	22	137	165	302
	FREE STATE: TOURISM	138	427	0	0	3	11	38	64	179	502	681
	FREE STATE: EDUCATION	14,003	9,512	8	6	477	324	3,175	1,240	17,663	11,082	28,745
	GOVT MOTOR TRANSPORT	43	75	0	0	0	1	6	17	49	93	142
	HEALTH	7,664	3,026	11	20	628	188	1,975	940	10,278	4,174	14,452
	LOCAL GOVERNMENT	68	114	1	0	6	2	77	56	152	172	324
	MEDPAS	9	43	0	0	1	3	11	9	21	55	76
	PUBLIC WORKS ROADS	1,132	2,815	1	0	19	86	274	307	1,426	3,208	4,634
	SAFETY AND SECURITY	26	45	0	0	2	4	9	1	37	50	87
	SOCIAL DEVELOPMENT	874	491	1	0	25	19	154	53	1,054	563	1,617
	SPORT	92	145	0	0	1	6	97	33	190	184	374
<b>Subtotal</b>	<b>24,585</b>	<b>17,528</b>	<b>27</b>	<b>26</b>	<b>1,189</b>	<b>689</b>	<b>6,015</b>	<b>2,884</b>	<b>31,816</b>	<b>21,127</b>	<b>52,943</b>	
GAUTENG	DEPARTMENT AGRICULTU	116	269	17	10	6	9	66	75	205	363	568
	DEPARTMENT OF FINANC	64	46	5	4	2	1	14	11	85	62	147
	DEPTO OF HOUSING	168	236	12	14	23	17	57	71	260	338	598
	DEVELOPMENT PLANNING	92	67	2	1	10	5	22	27	126	100	226
	GAUT DEPT EDUCATION	24,120	16,010	1,243	510	1,704	1,013	12,487	3,723	39,554	21,256	60,810
	GAUTENG DEPO TRANSPO	622	2,346	8	15	19	25	247	602	896	2,988	3,884
	GAUTENG DEPT HEALTH	26,706	6,803	442	412	966	182	3,695	1,683	31,809	9,080	40,889
	GAUTENG GOG TRANSPOR	8	88	1	1	1	1	22	33	32	123	155
	GAUTENG SHARED SERVI	341	280	15	22	51	42	106	72	513	416	929
	GAUTENG: MEDSAS	17	52	1	1	3	1	20	14	41	68	109
	OFFICE OF THE PREMIE	58	41	6	6	5	4	15	9	84	60	144
	SAFETY AND LIAISON	20	25	0	0	4	0	3	1	27	26	53
	SOCIAL SERVICES & PO	986	528	17	8	113	32	348	71	1,464	639	2,103
SPORT ARTS & CULTURE	98	105	0	2	7	9	33	11	138	127	265	
<b>Subtotal</b>	<b>53,416</b>	<b>26,896</b>	<b>1,769</b>	<b>1,006</b>	<b>2,914</b>	<b>1,341</b>	<b>17,135</b>	<b>6,403</b>	<b>75,234</b>	<b>35,646</b>	<b>110,880</b>	

## Provinces continued:

	African		Asian		Coloured		White		Total			
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Gender	
KWAZULU/NATAL	AGRICULTURE & ENVIRO	985	2,346	70	43	9	3	129	166	1,193	2,558	3,751
	ECONOMIC AND TOURISM	46	30	9	5	0	2	5	3	60	40	100
	EDUCATION AND CULTUR	45,823	22,954	5,808	3,429	881	399	3,269	1,026	55,781	27,808	83,589
	HEALTH	29,061	10,413	3,672	3,026	1,046	308	1,954	1,047	35,733	14,794	50,527
	HOUSING	220	619	43	100	13	49	37	41	313	809	1,122
	KZN: PROVINCIAL LEGI	55	48	0	2	1	1	4	2	60	53	113
	PREMIER	95	91	12	6	6	2	16	11	129	110	239
	PROVINCIAL TREASURY	54	75	21	9	7	2	51	24	133	110	243
	ROYAL HOUSEHOLD	96	95	0	0	0	0	0	0	96	95	191
	SAFETY & SECURITY	17	25	1	6	1	0	4	2	23	33	56
	SOC WEL & POP DEV	1,260	801	228	159	36	30	57	31	1,581	1,021	2,602
	Traditional and Local Gov aff	377	510	55	30	14	5	129	75	575	620	1,195
	TRANSPORT	453	2,633	163	213	48	74	263	297	927	3,217	4,144
	WORKS	572	1,473	30	75	4	25	66	114	672	1,687	2,359
<b>Subtotal</b>	<b>79,114</b>	<b>42,113</b>	<b>10,112</b>	<b>7,103</b>	<b>2,066</b>	<b>900</b>	<b>5,984</b>	<b>2,839</b>	<b>97,276</b>	<b>52,955</b>	<b>150,231</b>	
LIMPOPO PROVINCE	LIMPOPO : PREMIER	168	174	2	3	0	0	5	4	175	181	356
	LIMPOPO : TRANSPORT	364	1,111	0	0	0	0	13	46	377	1,157	1,534
	LIMPOPO AGRICULTURE	2,378	4,149	0	0	1	2	25	64	2,404	4,215	6,619
	LIMPOPO EDUCATION	30,191	26,597	52	54	22	23	1,079	397	31,344	27,071	58,415
	LIMPOPO LOCAL GOVERN	581	828	0	0	2	3	8	5	591	836	1,427
	LIMPOPO P: SAFETY &	23	21	0	1	2	1	2	0	27	23	50
	LIMPOPO: FINANCE	519	1,309	1	1	0	0	20	43	540	1,353	1,893
	LIMPOPO: HEALTH	16,417	7,046	16	25	39	17	434	238	16,906	7,326	24,232
	LIMPOPO: SPORT ARTS	67	96	1	0	0	0	12	2	80	98	178
	LIMPOPO: WELFARE	655	425	0	0	1	0	14	4	670	429	1,099
LIMPOPO: WORKS	2,069	4,694	1	3	5	4	40	83	2,115	4,784	6,899	
<b>Subtotal</b>	<b>53,432</b>	<b>46,450</b>	<b>73</b>	<b>87</b>	<b>72</b>	<b>50</b>	<b>1,652</b>	<b>886</b>	<b>55,229</b>	<b>47,473</b>	<b>102,702</b>	
MPUMALANGA	DEPT HOUS	97	124	0	3	1	2	11	14	109	143	252
	DEPT OF LOCAL GOVT T	209	377	0	1	1	2	23	79	233	459	692
	DEPT PUBL WORK & RDS	900	2,365	2	2	1	2	46	197	949	2,566	3,515
	FINANCE	130	103	1	1	1	3	5	10	137	117	254
	HEALTH	7,285	2,469	27	36	111	16	800	302	8,223	2,823	11,046
	AGRI CONSERV ENV	715	1,064	1	2	4	1	73	105	793	1,172	1,965
	EDUCATION	16,745	10,466	88	63	114	54	2,273	849	19,220	11,432	30,652
	PREMIER	152	172	0	1	2	2	9	11	163	186	349
	SAFETY	31	54	0	1	0	0	2	1	33	56	89
	SOCIAL SERVICES	333	171	1	0	4	2	51	15	389	188	577
	SPORT	83	117	0	1	1	0	18	6	102	124	226
	<b>Subtotal</b>	<b>26,680</b>	<b>17,482</b>	<b>120</b>	<b>111</b>	<b>240</b>	<b>84</b>	<b>3,311</b>	<b>1,589</b>	<b>30,351</b>	<b>19,266</b>	<b>49,617</b>
NORTH WEST	DEPARTMENT OF TRANSP	399	640	0	0	2	8	20	59	421	707	1,128
	ECONOMIC DEVELOPMENT	69	63	2	0	5	0	3	2	79	65	144
	FINANCE	226	161	1	9	2	5	9	10	238	185	423
	NORTH WEST : ARTS AN	15	28	0	1	1	2	3	3	19	34	53
	NORTH WEST: AGRICULT	516	1,331	1	5	3	25	78	128	598	1,489	2,087
	NORTH WEST: HEALTH	10,324	3,599	20	26	245	61	832	291	11,421	3,977	15,398
	NORTH WEST: EDUCATION	20,827	10,611	105	103	262	160	2,288	805	23,482	11,679	35,161
	NORTH WEST: LOCAL GOV	175	271	0	4	0	1	7	6	182	282	464
	PREM: OFF OT PREM	278	227	1	0	5	3	7	8	291	238	529
	ROADS AND PUBLIC WOR	634	3,811	1	1	2	15	58	184	695	4,011	4,706
	SAFETY AND LIAISON	22	28	0	0	3	0	1	0	26	28	54
	WELFARE	717	485	1	4	10	5	57	24	785	518	1,303
	<b>Subtotal</b>	<b>34,202</b>	<b>21,255</b>	<b>132</b>	<b>153</b>	<b>540</b>	<b>285</b>	<b>3,363</b>	<b>1,520</b>	<b>38,237</b>	<b>23,213</b>	<b>61,450</b>
NORTHERN CAPE	AGRICULTURE NATURE C	39	129	1	1	36	105	40	64	116	299	415
	DEPT ECONOMIC AFFAIR	22	17	0	0	8	5	1	1	31	23	54
	DEPT FINANCE	35	20	1	1	32	23	14	2	82	46	128
	DEPT OF EDUCATION	1,378	850	0	2	2,772	1,961	1,108	403	5,258	3,216	8,474
	DEPT OF HEALTH	1,007	467	15	21	1,651	534	491	213	3,164	1,235	4,399
	DEPT OF TRANSPORT	37	140	1	0	49	209	27	29	114	378	492
	DEPT SAFETY & LIAISO	7	11	0	0	5	3	2	0	14	14	28
	DEPT SPORT ARTS CULT	28	41	1	0	21	38	26	12	76	91	167
	HOUSING & LOC GOV	43	36	1	1	34	111	16	19	94	167	261
	OFF OF THE PREMIER	42	52	0	0	31	24	10	3	83	79	162
	SOCIAL SERVICES	140	132	3	0	186	109	51	7	380	248	628
<b>Subtotal</b>	<b>2,778</b>	<b>1,895</b>	<b>23</b>	<b>26</b>	<b>4,825</b>	<b>3,122</b>	<b>1,786</b>	<b>753</b>	<b>9,412</b>	<b>5,796</b>	<b>15,208</b>	
WESTERN CAPE	AGRICULTURE: WESTERN	9	25	2	1	93	366	106	185	210	577	787
	COMMUNITY: WO CAPE	33	45	2	2	97	241	40	88	172	376	548
	CULT AFF & SPORT	14	21	0	1	111	147	127	46	252	215	467
	HOUSING	22	20	2	0	70	89	23	44	117	153	270
	ENV & DEV. PLANN	14	9	5	3	59	32	41	36	119	80	199
	FINANCE	10	9	0	4	35	44	31	37	76	94	170
	ECON DEV & TOURISM	8	8	2	1	24	27	8	7	42	43	85
	HEALTH	2,021	956	99	110	11,758	3,678	2,958	1,802	16,836	6,546	23,382
	LOCAL GOVERNMENT	7	5	0	0	23	16	18	26	48	47	95
	PROVO ADMIN: WO CAPE	13	19	0	4	89	156	74	95	176	274	450
	TRANSO AND PUBLIC WK	25	320	1	1	179	489	119	238	324	1,048	1,372
	EDUCATION	3,381	1,775	77	57	12,092	8,311	4,414	1,998	19,964	12,141	32,105
SOCIAL	203	134	4	2	615	488	119	34	941	658	1,599	
<b>Subtotal</b>	<b>5,760</b>	<b>3,346</b>	<b>194</b>	<b>186</b>	<b>25,245</b>	<b>14,084</b>	<b>8,078</b>	<b>4,636</b>	<b>39,277</b>	<b>22,252</b>	<b>61,529</b>	

	African		Asian		Coloured		White		Total		
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Gender
Companies & Intelle Prop Reg office	148	101	4	4	6	5	96	21	254	131	385
DEEDS REGISTRATION	142	184	23	9	92	59	256	119	513	371	884
DEFENCE	7,658	38,496	1,839	7,550	198	775	6,337	11,822	16,032	58,643	74,675
DEPT PROV LOCAL GOVE	94	70	2	5	10	11	32	22	138	108	246
DEPT WAT TRADING	2,288	6,930	10	21	16	276	101	295	2,415	7,522	9,937
DEPT: MIN & ENER	274	290	5	10	22	19	109	170	410	489	899
DEPT OF COMMUNICATION	95	67	5	3	8	1	17	20	125	91	216
GOVERN PRINTING WORK	97	151	4	2	19	11	149	169	269	333	602
GOVERNMM COMM \$ INFOR SYS	119	132	5	5	12	22	41	15	177	174	351
INDEP COMPLAINTS DIR	40	46	5	5	7	4	9	9	61	64	125
NAT DEPT: AGRICULTUR	318	951	14	25	71	197	437	314	840	1,487	2,327
NAT DEPT: CORRECTION	4,455	15,137	125	478	1,028	4,144	1,253	6,394	6,861	26,153	33,014
NAT DEPT: EDUCATION	396	232	12	10	10	14	132	49	550	305	855
NAT DEPT: ENVIRONMEN	192	177	11	14	52	157	114	202	369	550	919
NAT DEPT: FOREIGN AF	398	455	30	43	31	43	328	263	787	804	1,591
NAT DEPT: HEALTH	401	345	20	14	35	21	213	77	669	457	1,126
NAT DEPT: HOME AFFAI	2,111	2,046	36	37	246	172	887	332	3,280	2,587	5,867
NAT DEPT: HOUSING	55	64	4	2	5	5	38	15	102	86	188
NAT DEPT: JUSTICE	3,517	3,834	340	198	653	374	2,376	1,378	6,886	5,784	12,670
NAT DEPT: LABOUR	1,971	1,871	96	85	377	269	927	304	3,371	2,529	5,900
NAT DEPT: LAND AFFAI	490	535	37	26	106	111	337	201	970	873	1,843
NAT DEPT: P/S ADMINI	75	69	5	5	5	3	22	31	107	108	215
NAT DEPT: PUBL WORKS	1,296	1,494	25	55	228	514	314	422	1,863	2,485	4,348
NAT DEPT: SPORT	12	13	0	0	3	6	13	6	28	25	53
NAT DEPT: TRADE/INDU	248	195	27	30	22	25	131	114	428	364	792
NAT DEPT: TRANSPORT	103	93	10	6	7	4	37	24	157	127	284
NAT DEPT: WATER/FORE	2,694	3,523	30	26	54	248	374	557	3,152	4,354	7,506
NAT DEPT: WELFARE	149	112	9	4	7	9	72	22	237	147	384
NAT TREASURY	113	114	9	20	21	21	108	89	251	244	495
NATIONAL DEPT ARTS C	109	114	7	6	14	18	75	38	205	176	381
NATIONAL DEPT:SCIENC	77	60	5	5	9	3	18	12	109	80	189
NPA	781	1,254	165	84	139	165	683	559	1,768	2,062	3,830
Nat Youth Comm-OFFICE O/T PRES	23	14	0	0	2	0	1	1	26	15	41
PENSIONS	177	112	12	6	30	14	141	32	360	164	524
PUBL SERV COMMISSION	60	68	4	4	6	11	24	16	94	99	193
PUBLIC ENTERPRISES	50	41	1	1	4	3	7	6	62	51	113
SA MANAG & DEVEL INS	30	41	4	3	4	1	27	11	65	56	121
SA POLICE SERVICE	18,116	65,392	1,346	3,508	4,574	9,756	12,568	20,069	36,604	98,725	135,329
STATISTICS SA	369	408	14	14	16	27	190	87	589	536	1,125
THE PRESIDENCY	161	105	13	5	22	20	22	16	218	146	364
<b>Subtotal</b>	<b>49,902</b>	<b>145,336</b>	<b>4,313</b>	<b>12,328</b>	<b>8,171</b>	<b>17,538</b>	<b>29,016</b>	<b>44,303</b>	<b>91,402</b>	<b>219,505</b>	<b>310,907</b>
<b>Grandtotal</b>	<b>398,736</b>	<b>359,802</b>	<b>17,025</b>	<b>21,339</b>	<b>50,600</b>	<b>41,394</b>	<b>80,684</b>	<b>68,075</b>	<b>547,045</b>	<b>490,610</b>	<b>1,037,655</b>

## **Principle One:**

A high standard of professional ethics must be promoted and maintained

### **Understanding this principle**

Corruption is essentially the use of public office for private gain and can be overcome by the widespread practice of professional ethics. This is more than just not being corrupt and has a positive aspect that includes working hard and ensuring the optimal use of resources under one's control.

Public resources are often seen as easy targets by unscrupulous elements inside and outside government and require careful protection and monitoring. Ethical governance is a challenge in developed and developing societies and has become a highly sophisticated area of management specialisation. Indeed, implementation of *Batho Pele* principles demands a high standard of professional ethics<sup>2</sup>

Corruption can involve the active undertaking of illegal activities that lead to enrichment (such as stealing medicines or fraudulently claiming social benefits) or it can take more subtle forms involving the abuse of power to predetermine outcomes in the procurement, delivery and disposal of public goods and services.

Addressing the problem requires a well-developed ethical culture and an appreciation of issues such as conflict of interest. This needs to be present in government but also in all the private and civil society sectors with which it transacts.

The principle calls for a high standard of professional ethics to be both promoted and maintained. This means preventing corruption (through education, awareness raising and ensuring adherence to strict procedures) as well as combating it (by relentlessly investigating and prosecuting individual cases).

### **Ten years ago**

Endemic under the previous regime, corruption took many forms and was rooted in and was a consequence of its overtly unjust, exploitative character.

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<sup>2</sup> The *Batho Pele* programme and principles are discussed in greater detail later in this report.

The former government did not explicitly address corruption nor was it mentioned as part of public policy. Instead, it was treated on an ad hoc basis.

### **Changes since 1994**

Since 1994, corruption in the Public Service has become a major concern and is addressed through a number of institutions and collective initiatives<sup>3</sup>. The lead monitoring agency is the Public Service Commission with the Department of Public Service and Administration as the major policy-making partner.

The government has prioritised the issue of corruption through the creation and promotion of an ethical framework that has yet to be pursued aggressively. Responsibility for addressing corruption is shared amongst various bodies. This could be better supported by accelerated implementation of the National Anti-Corruption Strategy.

For example, the Strategy calls for departments to ensure that they have an adequate anti-corruption infrastructure; that a legislative framework is in place and that partnerships are forged with civil society. However, PSC research (to be released later this year) has found that departments are severely under-capacitated. The carefully considered and well regarded *Prevention and Combating of Corrupt Activities Bill* will only be passed this year. Partnerships with civil society have been slow to become operational.

PSC research has also shown that anti-corruption agencies have variable levels of performance and are often seriously under-resourced (1).

Government's response to corruption has appropriately centred around the creation of an appropriate ethics infrastructure and has included:

- The introduction of stringent financial management practices in individual departments and entities, required under the Public Finance Management Act (PFMA) of 1999. Risk assessments and risk management and fraud prevention plans need to be developed by

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<sup>3</sup> The 1996 Constitution created a number of bodies responsible for addressing corruption, including the Auditor General, the Public Protector and the PSC. The Independent Complaints Directorate and the following criminal justice agencies also play a role: SA Police Service's Commercial and Anti-Corruption Units, the National Prosecuting Authority, the Directorate of Special Operations and the Asset Forfeiture Unit.

each Public Service entity in terms of the Act. Internal audit capacity is also required and each body is required to have its own Chief Financial Officer.

- The creation of hotlines through which cases can be reported. PSC research identified a number of problems and argued these hotlines need to be consolidated into a single national service (2). This recommendation is being implemented with the hotline to be managed by the PSC.
- The adoption and promotion of a Code of Conduct for the Public Service. Adherence to the Code is a condition of service and is a mechanism for dealing with unethical practice, albeit weakly at the moment.
- The hosting of a Public Sector Anti-Corruption Conference in 1998 and a multi-sectoral Conference in 1999 that adopted a number of resolutions that are still being implemented. This includes the formation of the National Anti-Corruption forum comprising a wide range of partners from the public, private and civil society sectors.
- The adoption of "Whistle blowing" legislation that protects both public and private sector staff members who expose corruption.
- The creation of an Asset Register in which all managers (Directors and above) are required to provide information on their financial interests. This facilitates the identification and investigation of conflicts of interest.

The PSC monitors how Public Service organisations handle their cases of misconduct since this indicates their overall approach to addressing unethical behaviour.

Many disciplinary cases involve fraud, misappropriation of funds, the acceptance of commissions and theft<sup>4</sup>.

While many national departments manage their cases of professional misconduct fairly efficiently, provincial departments are less successful and lack policies and procedural guidelines. Cases often take an unacceptable length of time to be concluded. There also appear to be few reported cases given the overall size of the service, which may indicate a low rate of detection and reporting.

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<sup>4</sup> PSC research for the period 2000/2001 showed that 38% of national departments' cases and 26% of provincial departments' involved these offences (3).

## **Looking ahead**

Government's commitment to addressing corruption is clear and is shown in the broad range of initiatives it has undertaken. It has also signalled its commitment by participating in global initiatives such as the signing of the UN Anti-Corruption Convention in December 2003 in Mexico.

However, the government's approach is not as effective as it needs to be. Corruption remains a significant problem in South Africa, as shown in the Country Corruption Assessment Report, released by the SA Government in partnership with the UN Office on Drugs and Crime in April 2003.

Corruption is likely to continue to be a major challenge to the Public Service. Dedicated, proactive efforts to address new forms of corruption as they emerge will be needed. It is important that the National Strategy be more systematically implemented and coordinated with other efforts such as research and networking to build an ethical society.

## **Suggestions**

A clearer link between the National Anti Corruption Strategy and anti-corruption efforts by departments needs to be forged.

Departments must be encouraged to ensure the required minimum anti corruption capacity is created and to report on the required areas.

Completion of training in integrated ethics management should be required of all public service managers.

## **Principle Two:**

Efficient, economic and effective use of resources must be promoted

### **Understanding this principle**

Efficiency, economy and effectiveness (the three E's) are three relative, interdependent and dynamic concepts that should guide what government does and how it goes about achieving its objectives. Efficiency is a relative concept that relates to productivity - it is best understood as the ratio of inputs used to achieve the desired outputs. Economy relates to the lowest cost employment of the mix of alternative inputs, while effectiveness involves achieving the desired outcomes while taking account of the full range of costs to achieve the optimal results.

Assessing whether government is performing efficiently, economically and effectively is a complex task that needs to be linked to strategic planning, budgeting, performance management and service delivery.

Efficiency, economy and effectiveness are desirable characteristics achieved through sound planning, budgeting, service delivery and implementation, and assessment techniques.

Operating in a way that has these characteristics requires a mindful and considered approach to the selection of strategic objectives and the allocation of resources for their attainment.

### **Ten years ago**

Prior to 1994, government budgeting was done on a rolling basis, with most departmental allocations based on those of the preceding year.

This obscured the actual use made of resources and created many opportunities for the continued implementation of ineffective and inappropriate activities with vague outcomes. Monitoring and evaluation was also generally not undertaken, so there were few opportunities to reflect on the success or otherwise of government programmes.

The widespread failure to consider the three E's also created many opportunities for "soft" corruption in which activities were implemented for the benefits they offered the implementers rather than being in the interests of the

**Changes  
since 1994**

ostensible beneficiaries.

Government has since 1994 adopted a modern strategic planning and budgeting approach that is in keeping with best practice internationally.

This involves identifying strategic objectives and unpacking these into achievable outcomes that are attained by the delivery of specific outputs, using clearly defined inputs such as personnel, equipment and funds.

Departments' year-plans are now structured around a defined number of programmes and resources are voted to these programmes by Parliament when they approve departmental budgets.

Programme descriptions need to define their intended outputs and outcomes, identify the resources required and importantly, also need to clearly state what indicators can be used to assess performance.

A major innovation that promotes efficient, economic and effective use of resources was the adoption of a three-year rolling budget known as the Medium Term Expenditure Framework. This has more recently been supported by the introduction of a requirement that each department adopt a Medium Term Strategic Framework in which their strategic objectives are clearly defined and described.

Another important development is the Public Finance Management Act (PFMA) requirement that all departments analyse the risks facing them and implement Risk Management Plans to address the potential problems they have identified. Unfortunately, the PSC's Public Service Monitoring and Evaluation System (PSM&E System) has shown that many departments approach risk management formalistically, using generic solutions and do not develop customised plans tailored to their specific risk profile. Other PSC research has shown that the implementation of risk management strategies is hampered at the operational level by a lack of knowledge, skills and resources (4).

As a result, during 2003 the Commission released an overview of international risk management good practices to support departments. Risk Management Guidelines for the Public Service have also been drafted and discussions around their adoption are under way with National Treasury.

While new management processes have been introduced to promote efficiency, economy and effectiveness, the Public Service could be achieving more with the resources it uses. For example, PSC research into the national housing subsidy scheme showed clearly that its impact is constrained by a wide range of factors such as poor coordination and problems associated with integrating service delivery systems and processes (5).

The PSC's PSM&E System has also found that few of the government departments researched can consistently report successful achievement of most of their plans. This suggests that plans and actual activities are not integrated or that performance needs to be improved (or both).

During 2002 and 2003 the PSC piloted a Citizens' Forum programme in which service users were invited to participate in a process to analyse the nature of service provision and to make suggestions for improvement. The Forums have revealed that simple, practical innovations can enhance service delivery significantly - for example, suggestions around staff retention in health services by improving conditions of service in rural areas.

### **Looking ahead**

As the demand for improved service delivery grows, the pressure on government to operate efficiently, economically and effectively will also increase in coming years. A basic framework for an effective, developmental State has largely been created. The challenge of the next phase will be to improve on how strategic objectives are achieved.

This will involve drawing a much clearer link between budgeting and service delivery, so that it becomes possible to define costs much more exactly. Equally important is the role of monitoring and evaluation practices to inform planning and budgeting. By systematically analysing what is achieved through interventions, improvements become more likely to succeed and achievements are easier to identify and replicate.

### **Suggestions**

Last year's edition of the State of the Public Service Report called for the adoption of a clear, comprehensive performance management and evaluation framework for the public service.

The suggestion is still valid as it is based on the understanding that performance management is still a major challenge facing the public service.

The proposed performance management framework should have interlinked performance budgeting and monitoring and evaluation components. These should consider individual, team and institutional performance that take account of the results of the other levels when considering each.

## **Principle Three:** Public administration must be development oriented

**Understanding this principle** Many definitions of development exist, most reflecting particular ways of understanding society and social change. The third Constitutional principle is, as a result, open to a number of interpretations.

However, it is possible to take a broad view of the principle and interpret it to mean that public administration must take account of poverty and its causes and should seek to address them. In practice this means that the daily activities of public administration should seek to improve citizens' quality of life, especially those who are disadvantaged and most vulnerable. This should also be one of its major long-term objectives.

Governments that seek to alleviate poverty face subtle and complex challenges. However, there are also internationally accepted strategies that are recognised as enhancing the likelihood of social development interventions succeeding. For example, it is widely acknowledged that to address poverty, comprehensive planning, participation and budgeting are required to facilitate the success of poverty-alleviating projects.

The adoption of such strategies shows that a public administration is development oriented. Other characteristics of a development orientation would be the use of participatory, consultative approaches to increase the success rate of poverty alleviating projects and dedicated reporting on the status of vulnerable and marginalized groups.

**Ten years ago** The apartheid regime was fundamentally anti-developmental and pursued enrichment for a small section of the population.

In the last years of the regime, prompted by politically manipulative concerns, increasing proportions of public resources were allocated to social-related spending. These, however, rarely had the desired effects. Inappropriate processes and exclusionary practices made authentic social development impossible.

Patronage promoted political compliance and kept social

benefits amongst a small elite that clustered around the few sectors in which freer economic activity could occur. Many current social problems such as conflict in the taxi industry are a result of the skewed and inequitable structure of the apartheid economy.

### **Changes since 1994**

Social development is a major priority for the current administration and forms one of its main expenditure items.

Social security is a major instrument for redressing poverty. Comprising seven different grants including the child support grant and old age pensions, social security is the primary source of income for many vulnerable households and ensures a minimal resource level.

However, the system is widely reported as having major problems and as being in need of a major overhaul<sup>5</sup>. As the major government expenditure item (besides interest payments) social security should be more effective and could be delivered in more imaginative and innovative ways that build poor people's economic networks and systems.

Both national and provincial departments have implemented a broad range of poverty alleviation programmes. This shows how important government considers the issue.

However, the PSC's PSM&E System has found that while many departments implement poverty alleviating projects, these are often not implemented in accordance with generally accepted good development practice. For example, project management guidelines are often not used, criteria for support are not clearly defined and results are not monitored.

PSC research has also found that development interventions need a more integrated, cross-sectoral approach if they are to achieve better results. For example, an evaluation of the national housing subsidy scheme found that while it has succeeded in delivering key services, better coordination and planning would contribute significantly to enhancing its impact (5).

The PSC's PSM&E System has also found that Local Development Objectives and Integrated Development Plans are rarely considered in public service-funded

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<sup>5</sup> The creation of a separate agency is under consideration and is an indication that the problems are at least recognised.

poverty alleviation projects. These projects would generally have benefited from better coordination and integration.

In recognition of its critical role, Government has created an agency dedicated to supporting civil society, the National Development Agency (NDA). Unfortunately the NDA has been riddled with maladministration and has not been as successful in its efforts as it should be. It has yet to play the leadership role envisaged.

PSC research has found that in some parts of the country, the fundamental administrative systems needed for orderly social development are not adequately developed. For example, an evaluation of land administration in the Eastern Cape found that land administration in some former homeland areas are in crisis as a result of legacy problems caused by conflicting and contradictory laws and policies (6).

**Looking ahead**

The absence of an overarching national development strategy is sorely felt in the Public Service. Without clear guidelines on what kinds of projects should be supported and how, Public Service development efforts will remain dispersed and fragmented.

The National Spatial Development Perspective provides guidelines on what kinds of development should take place in specific areas and is a step in the right direction. It is, however, not clear that its suggestions are being well promoted or properly monitored.

Increasing the impact of the various development initiatives undertaken by the Public Service will require thoughtful implementation on an integrated and coordinated basis. Support and guidance on how to achieve this need to be provided through clear policy guidelines.

**Suggestions**

*The Ten Year Review* calls for the "articulation of an encompassing framework for South Africa's development in the next decade and beyond". The PSC supports this call.

## **Principle Four:**

Services must be provided impartially, fairly, equitably and without bias

**Understanding this principle** The call for services to be provided impartially, fairly, equitably and without bias is a reflection of the intention to ensure justice in Public Service provision.

Each of the concepts expressed in this principle has a distinct meaning, all of which taken together set a very high standard for the providers of public services.

Impartiality demands that factors such as race, ethnicity and family connections should play no part in the delivery of services.

Fairness demands that account be taken of people's context and their living situations. What constitutes fairness is a personal matter and requires a highly developed ethical consciousness.

Equity is an even more challenging concept relating to even-handedness and fair play and calls for a historical perspective in making service delivery decisions. Equity often requires that certain groups be given affirmative or preferential access to services, which creates a dynamic tension with a principle like impartiality. This tension is healthy and constructive and creates opportunities for reflection and mindfulness.

Operating without bias calls for conscientious consideration of all pertinent factors when making decisions and a preparedness to explain the basis on which decisions were made.

**Ten years ago** Service provision under apartheid was one of the major areas of conflict and contestation, mainly because of the blatant injustices that characterised delivery. Budgets for service delivery were closely related to leaders' acceptance of separate development at the local level.

The use of service delivery to promote a political agenda led to some of the fiercest clashes between communities and security forces during the 1980s.

Service delivery was characterised by a rule-bound, repressive culture that sought to deepen social control.

Service users were poorly treated with a service culture that was dismissive and insulting.

### **Changes since 1994**

Government has addressed the need for fairness in service delivery in a number of ways. The first is the Administrative Justice Act of 2000 that ensures procedurally fair administrative actions.

The Act gives people the right to request the reasons for administrative decisions and to have reasons reviewed by a court. The Act is a very challenging one that requires the procedures by which administrative actions are taken to be clearly stated and that people be advised of their rights to appeal and have decisions reviewed.

The Act is an example of the South African tendency to set extremely high standards that are very challenging in the current context. The PSM&E System has shown that compliance by departments with the provisions of the Act is almost uniformly disappointing. Few have provided training on the matter as required, and there are few instances in which service users are advised of their rights.

The other major way in which government has addressed service delivery is through its service delivery improvement programme, *Batho Pele* (People First).

This is a service delivery improvement intervention that provides a policy framework and implementation strategy for better provision of public services. It comprises eight principles<sup>6</sup> that should be implemented by all Public Service entities as part of their overall strategy.

Research by the Department of Public Service and Administration has found that *Batho Pele* is poorly understood and has not successfully addressed the underlying reasons for inadequate performance (7). The report generally identifies inconsistent and disparate implementation of the policy with monitoring a definite area of weakness.

### **Looking ahead**

Driving implementation of *Batho Pele* is a priority for the Public Service and is a key tool for addressing the overall challenge of performance improvement.

The capacity to meet the requirements of the Administrative Justice Act will also be addressed if *Batho*

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<sup>6</sup> In summary, these are: Consultation with citizens on the level and quality of services; clear communication of service standards; equal access; courtesy and consideration; provision of information on eligibility; openness and transparency regarding costs and responsibilities; redress and value for money.

Pele is well implemented, since they require similar mechanisms and procedures.

**Suggestions**

Increased training should be provided to all officials on the Administrative Justice Act and financial support should be provided to civil society organisations working in this area.

In order to promote implementation of Batho Pele Service Delivery Improvement Plans, departments should be required to specifically address the matter in their Annual Reports.

**Principle Five:**

People's needs must be responded to and the public must be encouraged to participate in policy making

**Understanding this principle**

Peoples' needs are the clearest signal to government of what it should be doing. By committing itself to responding to citizens' needs the Public Service is seeking to distance itself from a tradition in which sectional interests are prioritised.

This raises the critical question of how government, given its unwieldy and bureaucratic form, knows what its' citizens really need. In answering this question, public participation becomes critical. It is only by consulting ordinary people and involving them in all phases of government programmes, from design through to implementation and evaluation, that their needs will be properly articulated and addressed.

Representative democracy is just one of the ways in which people can participate in governance. Innovative and imaginative strategies are used internationally to encourage participation, especially at the local level where citizens experience the quality of service provision most.

Popular participation is a valuable Public Service strategy because it promotes *Batho Pele* and draws service users into decision-making processes ensuring that expensive, ill conceived mistakes are not made, no matter how well intentioned.

**Ten years ago** The overarching concern of the apartheid administration was control, and in such a context people's daily needs could not be prioritised.

Security imperatives meant that many initiatives promoted as developmental were in fact about manipulating certain social groups and minimising opposition to undemocratic rule.

Social exclusion and a dis-empowering public culture meant that participation was discouraged and seen as likely to promote discontent and unrest.

**Changes since 1994**

Public participation in policy making is recognised by government as an important mechanism for ensuring policy coherence and appropriateness. The National Economic, Development and Labour Council (NEDLAC), a tripartite forum in which economic and labour matters are discussed, is an example of the official commitment to a participatory governance style.

However, while most departments have a stated commitment to public participation in policy making, this is rarely supported by formal policies and procedures.

Some policy making departments rely on the standard participation mechanisms required by the standard legislative procedure and make limited use of non-expert consultations with citizens.

Of concern is the general practice of involving beneficiary communities only in the implementation phases of projects and programmes, without properly involving them in design and conceptualisation, or vice versa.

Most provincial departments are less developed than national departments in terms of their efforts to promote public participation in policy making. However, certain provinces such as Limpopo, Gauteng and Mpumalanga, have a number of innovative and interesting strategies (such as events in which "Exco meets the people") that could be replicated elsewhere.

One of the efforts made by the PSC to involve citizens in assessing government performance was its Citizens' Satisfaction Surveys undertaken during 2002 and reported upon in 2003 (8). This survey, conducted in selected health, education, social development and housing services, indicated that many service users feel that their expectations are being met. The research showed that

the expectations of citizens in Adult Basic Education and Training, life skills, antenatal care, care during birth; postnatal care and social security grants are largely being met. The experiences of outcomes based education, Emergency Medical Rescue Services, the housing subsidy and social development processes are less positive, however.

Another PSC pilot project (previously mentioned in this report and undertaken in collaboration with the Parliamentary Portfolio Committee on Public Service and Administration) involved the hosting of Citizens Forums in the Mpumalanga and the Eastern Cape. In these Forums citizens were invited to participate in assessing service delivery in a specific location and to suggest practical improvements (9). The process was an overwhelming success and led to the identification of a number of low cost, practical suggestions for improving service delivery, including better coordination by the various departments involved in poverty-alleviation programmes.

**Looking ahead**

The challenge for the Public Service in the next decade is to increase its effectiveness and improve the long-term outcomes of its programmes. Public participation has a major role to play in this.

Ensuring that a participatory governance style is promoted requires that all departments have formal policies addressing the matter that are supported by clear procedures.

Good practices on public participation, such as those found in the Department of Water Affairs and Forestry, should be widely promoted and adopted.

**Suggestions**

Clear policy guidelines with supporting regulations should be issued prescribing the minimum levels of consultation and participation required when developing public service policy and legislation.

## **Principle Six:** Public administration must be accountable

**Understanding this principle** Accountability is one of the most important principles underlying democracy. Accountability involves taking responsibility for ones' actions and is a key corollary of being given a mandate by an electorate.

By committing to operating accountably, the Public Service, in the spirit of *Batho Pele*, is agreeing to be held up to public scrutiny so that its decisions and processes used to reach them can be evaluated and reviewed. This feature of modern democracies sometimes makes being a public leader awkward but is a mechanism that prevents the kinds of abuses common in totalitarian regimes.

Accountability also has a more technical dimension relating to the ability to account for resources and their use in achieving their intended outcomes. In a complex and rapidly evolving economy this is a serious challenge. Modern financial tools allow the most complex transactions to take place almost instantaneously and can be used to obscure the final destination of public expenditure.

For this reason transparency in public financial transactions combined with as much control as possible is a priority all over the world. Adherence to international accounting standards and procedures is one of the most useful tools in this regard.

In this report and in its research, the PSC takes a largely financial view of accountability, and while this may be a narrow approach, it is nevertheless an important aspect of the principle that needs to be emphasised.

**Ten years ago** A profound lack of accountability was one of the most distinctive features of the apartheid system and was a direct consequence of its undemocratic nature.

By refusing to take responsibility for its actions and denying the relationship between State actions and their social consequences, the regime became increasingly discredited and its position precarious.

State accounting practices under the former government

were an example of its unaccountable nature. Idiosyncratic and archaic, they failed to ensure control over public resources and did not clearly identify the final uses made of public resources, creating many opportunities for corruption and abuse.

### **Changes since 1994**

The Auditor General (AG) is the key institution promoting accountability in South Africa's public sector. Widely regarded as having performed extremely well, the AG is a central pillar of our democracy. Unfortunately recommendations made by the AG are not always implemented and there is a worrying incidence of matters reported in AG reports being repeated year after year.

Public resources are voted to Public Service entities by Parliament and Provincial Legislatures. Parliamentary Portfolio Committees, especially the Standing Committee on Public Accounts, have proved to be key role-players enabling legislators to keep abreast of developments in particular areas.

Legislatively, the Public Finance Management Act was a major advance, making each Public Service entity responsible for its own financial management and reporting. The shift has required the building up of capacity in all government departments, the creation of Chief Financial Officer posts and the appointment of Internal Audit Committees.

One of the key problems in the Public Service over the past ten years has been the shifting of responsibilities to lower levels before they are ready. For example, the PSC recently researched the ability of departments to deal with decentralised authority regarding remuneration and conditions of service (10). The findings clearly showed that the majority of the Public Service has not put the necessary systems and policies in place but exercise the authority nonetheless.

The PSC's PSM&E System looks at financial controls and the implementation of fraud prevention plans. Findings suggest that most national departments have solid internal control systems, although four departments have received qualified audit reports for the last three years<sup>7</sup>. Provincial departments generally fare less well with a higher incidence of qualified reports.

Fraud prevention plans are largely in the process of being

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<sup>7</sup> Home Affairs, Justice and Constitutional Development; Public Works and Water Affairs and Forestry.

rolled out but in many instances are generic and not based on thorough risk assessments. Once again, provinces are generally even less compliant in this area.

Building an accountable Public Service will be a long-term process. Important building blocks have been put in place and these need to be strengthened and entrenched.

Late in 2002 the President appointed an Interim Management Team to assist with the turnaround of the four major Eastern Cape provincial administration departments (Health, Education, Public Works and Social Development). The intervention involved developing turnaround plans for each of the departments and addressing transversal issues such as outstanding disciplinary cases. While successful in many areas, there are concerns about the sustainability of the changes.

### **Looking ahead**

The PSC has found that Departments that have poor performance in financial management tend to perform poorly in other areas as well. It is important that problems be addressed as early as possible (e.g. as soon as matters of concern are raised in AG reports) so that situations such as that in the Eastern Cape do not develop.

Building Public Service accountability will require that both capacity and capability be built systematically and incrementally. Without focusing directly on the issue the situation will not improve. Instituting an accreditation system for Public Service managers would perhaps help ensure that appointees have the skills and experience needed for their work.

It is also important that there be a shift in reporting so that issues of long-term outcomes are better analysed. This will allow better consideration of the benefits of programmes considered against their costs and facilitate even greater accountability.

### **Suggestions**

When it becomes clear that Public Service departments are in difficulty there should be a capacity that specialises in supporting their turnaround. The Eastern Cape experience has shown that specialist skills are needed for this sensitive and complex task. A specialist unit should be established to undertake thorough problem analyses, design appropriate solutions and support project implementation.

The implementation of departmental risk management and fraud prevention plans needs to be prioritised. Progress should be closely monitored and emphasised

more in the evaluation of HoD's performance.

### **Principle Seven:**

Transparency must be fostered by providing the public with timely, accessible and accurate information

#### **Understanding this principle**

Transparency involves making the working of government visible so that citizens know what is being done with their resources.

Providing the public with information they can use to assess government performance and reach their own conclusions creates transparency and promotes *Batho Pele*.

Transparency is an important prerequisite for accountability. Without knowing what government is doing, it is impossible to hold it to account.

Transparency also requires that information be provided in an understandable and accessible format. Technical and confusing reports can be used to create pseudo-transparency and can be highly effective in concealing more than they reveal while creating a false impression of commitment to openness.

The timing of information provision is also important. Once enough time has lapsed on controversial matters even the most vigilant public watchdogs tend to focus on new concerns.

#### **Ten years ago**

Secrecy was a key element of the former State, with many important decisions made by shadowy security-based structures that were immune from public scrutiny.

This created space for sinister decisions to be made, many authorising the loss of life. Even now, the operations of these structures are not clearly understood. As a result it is still hard to hold individuals responsible for particular apartheid atrocities.

The Public Service more generally was also characterised by a stifling, conformist and patriarchal culture that discouraged the questioning of authority.

In such a context transparency was not a valued attribute but was instead seen as disrespectful impertinence.

### **Changes since 1994**

The principal way in which transparency is promoted is through the National Assembly and the Provincial Legislatures, where specialist portfolio committees scrutinise departmental reports and plans before voting resources to them.

The open and vigilant style adopted by these bodies has contributed to the creation of a transparent approach to governance and public administration.

The Truth and Reconciliation Commission was a pioneering initiative that provided an opportunity for the telling of individual stories of repression and human rights abuses. While its findings and recommendations have been controversial, the Commission was invaluable in providing a platform through which the injustices of the former regime could be voiced. Similar structures are being used in other countries (such as Sierra Leone) that have legacies of conflict.

Government has also created the Government Communication and Information Service (GCIS) in the Presidency that is responsible for providing services in this area. The GCIS is active and has a key role to play in supporting communication with marginalized and vulnerable people.

Annual Reports are the key public documents through which transparency is achieved. National Treasury prescribes what Annual Reports should address and stipulates the content of such reports. The basic requirement is that Annual Reports should consider actual performance against predetermined objectives.

PSC research (11) as well as the findings of its PSM&E System has found that the quality of Annual Reports has improved significantly in recent years with a general trend towards better compliance with requirements.

However, there are still areas of weakness: there is, for example, a tendency not to focus on the achievement of strategic objectives, with details on activities being provided instead. Expenditure estimates, which should form the basis for reports, are often not referred to at all. There is also very little, if any, mention of programme outcomes.

Provincial departments are generally less successful in

producing Annual Reports that facilitate transparency and tend to provide insufficient detail on their performance.

**Looking ahead**

Some of the reporting requirements are unnecessarily onerous and detailed and could easily be simplified and streamlined.

More attention also needs to be paid to the use of simple English that is accessible and easily understood.

Annual Reports are not adequate as a transparency tool on their own. There is a need to find additional methods of reporting to the public.

High levels of illiteracy and a general failure to access government communication systems means that improving transparency and providing the public with better information needs imagination and creativity so that supplementary methods can be agreed upon and widely adopted.

**Suggestions**

Annual Reports should be structured to directly reflect plans presented in the National Expenditure Estimates. This will allow performance and expenditure to be clearly compared to plans and budgets.

The human resource related information required in Annual Reports should be reduced.

Departments should be encouraged to adopt additional mechanisms for promoting transparency other than their Annual Reports.

## **Principle Eight:**

Good human resource management and career development practices, to maximize human potential, must be cultivated

### **Understanding this principle**

People are by far the most valuable asset in any endeavour, and this holds true for the Public Service. Making the most of the people in the Public Service is the most effective way of getting value for money and makes human resource management one of the critical areas of the Public Service.

Employing over a million people, the Public Service is by far the biggest employer in the country, and the responsibility for making sure this enormous resource is effectively used is a daunting one. Human resource management (HRM) has become a highly sophisticated field, encompassing a number of specialisations and a broad range of professions.

Human resource management refers to the measures put in place to ensure that employees are willing and able to implement government programmes, while career pathing are the systems that determine promotions and advancement. It is important for individuals working in any post to feel that they are on a clearly defined career path and that their efforts today will be rewarded with promotions in the future.

Creating a workplace in which staff members have a clear sense of being nurtured and supported promotes productivity and creates a positive dynamic that is felt in and beyond the workplace.

It is important to note that the central concept in this principle is the maximisation of human potential. This expresses a humanistic political impulse that puts people and their advancement at the centre. This is rare amongst civil services and is a wonderful legacy of our struggle for liberation.

### **Ten years ago**

The growth in human resource management is a relatively recent phenomenon that has only come into its own in the past ten years, so it is understandable that it was not a priority area in the previous administration.

The study of work and its organisation was an important area of concern but it was approached in a formal and formulaic manner rooted in a stifling and positivistic approach. Rules-based and control-centred, the former government was more concerned with security - controlling access and movement.

Under the old system the former Public Service Commission was responsible for determining work organisation and staffing levels as well as career paths and pay scales. Rules and career paths differed according to race, gender and occupation and varied for top managers and unskilled workers.

In this approach line managers saw themselves as administrators of centrally determined rules. Recruitment and promotion was based on formal qualifications and as a result heavily biased against black people who had less access to education.

### **Changes since 1994**

The process of improving human resource management started in 1994 with the rationalisation of the various administrations established under apartheid. In 1996 the role of the PSC was redefined to its current mandate and the Department of Public Service and Administration became responsible for policy. During that year a single pay scale for the Public Service was also adopted.

Amendments to the Public Service Act in 1998 made political heads of departments responsible for employment decisions. Regulations concerning conditions of employment were simplified and became collective agreements reached in the new industrial relations structures. These relied on normal labour relations including legal, formally recognised trade unions.

An important area of work has been efforts to standardise promotions and increases, a process that is still not complete.

Since 1994 the Public Service has shrunk in size by around 15%, mostly as a result of attrition in low-level jobs in sectors such as construction and forestry. However, restructuring remains a major challenge to Government.

Resolution 7 of 2002 is an agreement reached in the Public Service Collective Bargaining Chamber to right-size departments and re-deploy excess personnel to other positions. The process is ongoing and promises to pose real challenges although it should also offer very tangible rewards too.

Departments are generally finding it difficult to comply with the broad range of human resource management requirements imposed on them. For example, managing performance is now the responsibility of individual managers. Effective performance management needs simple, functional systems that support managers in assessing staff and reviewing their performance.

PSC research undertaken during 2003 showed that while many departments are implementing Performance Management and Development Systems, these are often in the initial stages and have not been implemented according to the prescribed processes (12). Compliance with guidelines can best be described as erratic and inconsistent.

Other PSC research undertaken in this area includes studies into the use of dispute resolution mechanisms and the management of discipline (13). These studies all show that departments aim to comply with the challenging HRM framework but are struggling to meet the required standards.

One of the most important measures taken by government to address South Africa's future human resource needs was the Skills Development Act of 1997 which requires the completion of skills audits, needs analyses and the adoption of skills development plans. PSC research in the PSM&E Project has shown that while skills development plans are usually adopted, these are often generic and poorly implemented, especially in provincial departments.

## **Looking ahead**

Work organisation in the Public Service remains hierarchical and innovation resistant. Future challenges relate to the adoption of more egalitarian, flatter structures and adopting modern, team-based work methods that have better results.

The use of information technology (IT) is uncoordinated and ineffective and does not deliver the benefits it should. Improving the use of IT is a priority for enhanced human resource utilisation.

The elimination of rank and leg promotions has left career paths undefined and makes the prospects for promotion and advancement unclear. Career pathing remains perhaps the major area for attention.

HIV/AIDS threatens to place enormous pressure on the

Public Service, both in terms of increasing demand for services while eroding its work force through increased absenteeism and increased mortality. While a progressive and comprehensive Public Service policy has been adopted and promoted, its implementation is patchy and inconsistent. The PSC will, during 2004, be undertaking research to assess compliance with it.

### **Suggestions**

Decentralisation and the delegation of authority relating to human resource management to lower levels have in many instances overloaded managers. Where performance suggests it is necessary, consideration should be given to revoking these delegations until capacity to manage them properly has been built.

An accreditation system should also be considered in which powers are only delegated once public service institutions prove they can use them effectively.

Incentives to encourage public servants to undertake regular Voluntary Counselling and Testing (VCT)<sup>8</sup> should be provided.

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<sup>8</sup> Voluntary Testing and Counselling involves an individual choosing to receive counselling and being tested for HIV. Early detection enables people to make the necessary lifestyle changes and to receive appropriate therapies needed to extend their lifespan.

### **Principle Nine:**

Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past to achieve broad representation.

#### **Understanding this principle**

Given South Africa's history of racial discrimination, it is appropriate that the Constitution promotes a Public Service that reflects the demographics of the country as a whole.

This principle is a statement declaring the intention that race and position should not unfairly benefit anyone in the democratic government.

The desire for ability, objectivity and fairness to be the criteria on which personnel practices are based expresses a desire for a just and equitable management approach.

This principle is important in that it refers indirectly to one of the most important aspects of Public Service HRM utilisation, performance management. By insisting that ability and objectivity form the foundation stones for management practices, the Public Service is implicitly obliged to assess its staff so that their abilities can be properly considered.

#### **Ten years ago**

Until the democratic transition, the South African State was the preserve of specific groups within the white population who benefited enormously from their control of the public purse. The reservation of certain jobs for people of particular races was a common practice in the early years.

Not only were these groups able to ensure that they were the beneficiaries of State activities, for example through beneficial access to employment in the State, but they were also able to ensure that activities ostensibly for the benefit of other people, were structured in their favour, through provision and service supply contracts for example.

Having enjoyed preferential access to the job market, these groups also benefited from workplace practices that demanded less of them and in which they were often advanced unfairly.

### **Changes since 1994**

Government's most important intervention in this area was perhaps the Employment Equity Act of 1998 that outlaws discrimination and promotes affirmative action in the workplace. The White Paper on Public Service Transformation released in November 1995 set clear targets and was a powerful statement of the changes that needed to be made.

The PSC's PSM&E Project has shown that the Public Service has succeeded admirably in addressing racial imbalances in a fairly short space of time. Research has also shown though that while more women are finding employment in the Public Service, this is rarely at a senior level and is often clustered in the traditional "caring" professions such as teaching and nursing.

PSC research has also shown that disabled people still comprise only around 0,3% of the Public Service, far short of the target of 2% (14).

This principle also calls for employment and personnel management practices to be based on ability, objectivity, fairness, all of which are proving a distinct challenge. For example, the PSC manages the evaluation of Heads of Department (HoDs) and has noted that many HoDs are ranked as having achieved their objectives (15) even though this is not substantiated by independent assessments of the performance of their institutions.

Other PSC research has looked at the reasons for mobility amongst senior managers and at the role of labour relations officers in Public Service departments (16). This research has shown that succession planning; staff retention strategies and other key elements of human resource management are still being poorly implemented. Labour relations officers are often not properly utilised and become responsible for line functions that should be managers' responsibilities.

### **Looking ahead**

Amongst the many challenges facing the Public Service is improving the performance of labour relations functions in departments.

Of particular concern are areas such as staff retention, recruitment and selection strategies. The PSC recently released guidelines on this important area of HRM (17).

Representivity still needs to be addressed in certain strategic areas, particularly disability equity and the promotion of women to leadership positions.

Another area for attention is diversity management and the implementation of support measures for inexperienced appointees.

**Suggestions**

The current human resource management framework is incomplete in certain fundamental areas contributing to poor performance. These areas include career pathing and performance management measures to encourage effective recruitment, development and promotion. These gaps need to be identified and processes put in place to fill them. A priority is an overhaul of assessment procedures and incentive systems.

## **Conclusion:** A period of consolidation

### **Consolidation and integration**

The ten-year journey has been an intense one and fraught with pitfalls, leaving the Public Service fatigued and stressed.

Major changes as well as small ones have made it an uncertain environment and meant that institutional memory and skills have been hard to retain.

It is now time to shift to another phase, one in which the good features of our State are consolidated and built upon while those areas needing attention are systematically addressed.

### **Consistency between the PSC analysis and the recommendations of the “The Ten Year Review”**

The recommendations made in the *Ten Year Review* are largely consistent with those made by the Commission in this report.

This is positive and suggests that there is a general consensus on what needs to be done to improve the performance of government.

The Presidency's *Ten Year Review* lists improving performance by the State as one of the major challenges facing South Africa. This is of course the major objective behind the work of the PSC.

The PSC has identified the following major priorities, which correlate closely with those made in the *Ten Year Review*:

1. Better assessments of State capacity and performance need to be undertaken and a capacity and readiness to intervene where necessary is required. This will ensure that mismanagement is addressed as it is identified.
2. Public management needs to be strengthened and improved. Public management is an increasingly specialised area with different bottom lines to those in the private sector resulting in a need for specialised competencies and leadership qualities. South Africa's Public Service needs a more explicit and sensitive management development strategy with a well-developed retention component.

3. Public Service leadership needs to be better fostered and nurtured. This requires more flexibility and creativity in contracting the highest-level staff given the competing incentive levels in the private sector.
4. A general focus on implementation and service delivery is required. The creation of a single Public Service will help to improve policy coordination within and between spheres of government, and ensure that local government, which has the greatest need, is supported in making the necessary changes.
5. Social development must be accelerated and poverty must be more effectively addressed. This will require greater public participation in government, the articulation of an encompassing framework and increased use of the National Spatial Development Perspective.

The Constitutional principles for Public Service and Administration remain valid and guide us as we build a developmental Public Service that can meet South Africa's future challenges.

The Public Service Commission looks forward to contributing to this process by delivering on its mandate excellently and thereby contributing to continuous improvement in the Public Service.

## **Appendix:**

### List of recent Public Service Commission and other useful reports

1. "Review of National Anti-Corruption Bodies" (2001)
2. "Report on the effective management of hotlines" (May 2002)
3. "An investigation into the management of discipline in the public service" (2003)
4. "Integrated Risk Management – A provincial perspective" (2001)
5. "Report on the evaluation of the National Housing Subsidy Scheme" (2003)
6. "Report on an evaluation of land administration in the Eastern Cape" (2003)
7. Department of Public Service and Administration: "Batho Pele Implementation report" (2003)
8. "Citizen Satisfaction Survey: Overview report 2001/2" (2003)
9. "Report on Citizens Forums" (2003)
10. "Report on the ability of departments to deal with devolved authority regarding remuneration and conditions of service" (2003)
11. "A review of Departments' annual reports as an accountability mechanism" (2002)
12. "Report on the State of Performance Management systems in the SA Public Service" (2003)
13. "An investigation into the management of discipline in the public service" (2003) and "A report on the extent to which dispute resolution mechanisms are utilised by employees in the public service" (2003)
14. "Report on Disability Equity in the SA Public Service" (2002)
15. "Report on the implementation of the framework for the evaluation of HoDs" (November 2002)
16. "Report on the Role of the Labour Relations Officers" (2003) and "Report on the causes and effects of mobility amongst senior management staff in the public service" (2003)

17. "Guidelines on recruitment and selection" (2003)
18. "Report on the monitoring and evaluation of Provincial Multi Purpose Community Centres" (2003)
19. "Report on blacklisting" (2002)
20. "Remunerative work outside the Public Service by Nurses doctors and allied health professionals" (2004)
21. "Report on financial misconduct" (2003)
22. "Report on the evaluation of service delivery innovation in the creation of agencies at the Department of Transport" (2003)
23. "Report on the evaluation of fleet management in the Eastern Cape" (2002)
24. "Report on the evaluation of the Department of the Department of Transport and its agencies" (2003)

## **STATE OF THE PUBLIC SERVICE REPORT 2004**

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