

**DRAFT SPEECH FOR THE DIRECTOR-GENERAL ON THE OCCASION OF THE OPENING OF THE PUBLIC SERVICE HUMAN RESOURCE FORUM AT THE PROTEA HOTEL IN POLOKWANE 24 FEBRUARY 2009**

Madam chair, dignitaries and delegates to the 3<sup>rd</sup> HR Learning Forum:

On behalf of the Minister for Public Service and Administration and the Department of Public Service and Administration, who unfortunately cannot be with us today due to other pressing commitments, I welcome you all to this third Human Resource Learning Forum for the Public Service. We are well on our way to institutionalise this event on the annual HR calendar, as envisaged during its inception on 19 June 2006 in Port Elizabeth. Being part of the primary machinery to oversee human resource management and development policies within our Public Service, both the Minister and I wholeheartedly support any initiatives which promote sound human resources management and the sharing of knowledge in this ever evolving discipline. As a discipline, human resource management and development is central to improving performance and the delivery of quality services to our people.

You would agree that this event provides an ideal platform for HR practitioners from across the Public Service to debate, share and report on the state of human resource management in their respective areas. Cabinet's vision of December 2005 has come to fruition when it approved the establishment of such learning network for HR practitioners. Having commenced with the inaugural HR forum in June 2006 in Port Elizabeth, followed by the system of steering committees that was launched in June 2007, the HR learning network has now been well established and we trust that it will evolve into an institutionalized structure within the HR landscape with the momentum it has gained.

You may be asking, then what are the real aims of the HR Learning Network?

I will elaborate as follows:

Firstly, the aims of the HR Learning Network are by and large :

- The establishment of a government wide Human Resource Learning Family approved by Cabinet to improve the human resource management function within a collaborative and co-operative relationship within the Public Service. In terms of the initial conceptualisation of the HR Learning Network, the HR steering committee system proved a good mechanism to **operationalise** the HR Learning Network. Initially, Six Steering committees were established for the following human resource management domains/fields:
  - Employment Practices and Career Management
  - Diversity Management
  - Human Resource Planning
  - Employee Health and Wellness
  - Human Resource Development
  - The Senior Management Service

We are considering in future to extend the scope with the establishment of additional steering committees as the needs arises, focusing on, for example, compensation management and labour relations.

The system of steering committees broadly seeks to establish regular focussed platforms and sessions to-

- Discuss and interrogate new and emerging policy initiatives, in particular those undertaken by the **dpsa** which include the setting of norms and standards within the HR domain;
- Continuously support and build capacity of human resource managers through the sharing of information and best practices;
- Apprise human resource managers on current developments within the human resource management domain that impact on performance and service delivery in the Public Service; and
- Introduce a platform from which compliance with human resource management prescripts can be strengthened at all levels in the Public Service In response to the findings by the PSC

Secondly, the purpose of the annual HR forum -

is the consolidation of all initiatives as a broader strategy to improve and facilitate the repositioning of the human resource management function within the Public Service, through the sharing of information, knowledge, techniques and systems amongst HR practitioners. The system of quarterly specialist steering committees is intended to feed into annual events like this one to facilitate meaningful assessment, review and planning on the strategic management of human resources within the Public Service. Whilst it also applies to the steering committee meetings, a clear feature area and focus of the Annual HR Forum is what is of mutual benefit to the **dpsa** and other departments at that point in time. This is of particular importance for this event as the **dpsa** is currently pursuing a number of substantive policy initiatives and reviews. These include amongst other things (i) the repositioning and strengthening of the HR function, (ii) further work on rolling out the Leadership Development Strategic Framework which was a result of the review of the Senior Management Service, (iii) the development and implementation of occupational specific dispensations for professional occupations, (iv) the review and refinement of the Equate job evaluation system, (v) the development and implementation of strategic frameworks in the areas of Human Resource Development, Human Resource Planning, Employee Health and Wellness, Gender and Transformation, JobAccess and Performance Management.

The theme for this Conference aptly contextualises our road ahead which is that of : **“Improving HRM efficiency”**. We have endeavoured to pay specific attention to the strategic nature of HRM in ensuring organisational effectiveness with specific reference to performance management. You will indeed agree that year after year, the Auditor – General’s Reports on numerous government departments, highlight gross inefficiencies with the realm of HRM. The PSC State of the Public Service Report continually exposes inefficiencies in the implementation of national norms and standards in the area of HRM. Therefore, sufficient provision has been made to deliberate on challenges within the performance management policy area which has exposed serious challenges especially based on our findings from the Apex Project 15 and the current response by **dpsa** to respond to these challenges in break away sessions.

When we explore closely the decentralised HR policy framework over the past 10 years since the introduction of the current regulatory framework in the Public Service on 1 July 1999, we have to start asking ourselves critical questions. This decentralised HR framework flowed from the 1997 White Paper on Human Resource Management in the Public Service, which laid the foundation for our Public Service to undergo fundamental change in order to actualise a number of management principles, the most critical of which was *“increased delegation of managerial responsibility and authority to national departments and provincial administrations, and, within departments, the delegation of day-to-day management decisions to line managers.”* The White Paper therefore advocated **decentralised human resource management** and it stated in this regard that, in future, *“. . . it will be for national departments and provincial administrations to determine, within nationally defined parameters, their human resource management policies and practices, in order to meet their own particular strategic and operational objectives and operational needs, within the financial resources which have been allocated to them. Ultimate responsibility for the economical, efficient and effective management of departments and their human resources rests with accounting officers as delegated by the elected politicians as the legally appointed executing authority. Heads of national departments and provincial administrations will therefore need to ensure that there are adequate institutional and managerial mechanisms in place, and that the department’s/administration’s policies and practices are communicated, understood and observed.”*

Let me remind you that in line with this approach, departments have been provided with extensive powers to develop and implement their own human resource management policies, practices and processes within nationally defined parameters of norms and standards. As we know now, this shift was by no means easy and we are still grappling with the challenges that the regulatory framework poses to our HR practitioners. In this regard we have noted that in some instances the national parameters have not been defined adequately and in some cases resulted in unintended consequences and unjustifiable differences in the management of human resources in various departments. Hence the introduction of Strategic Frameworks to assist with a certain degree of uniformity in approach, application and implementation of HR strategies to inform operational HR policies.

The White Paper stated that "Human resource management in the Public Service should become a model of excellence in which service to society stems from individual

commitment instead of compulsion." The realisation of this mission depends by and large on departmental management styles, human resource managers and practitioners, as well as line managers. All of these role-players must be equipped with the requisite capacity to manage human resources effectively and strategically. As the biggest employer in the country, we have a tremendous responsibility on our shoulders to ensure that the more than one million public servants are managed effectively and strategically in support of transformation.

As HR practitioners we have asked ourselves on previous occasions whether we are succeeding in establishing the fundamental strategic changes required to actualise the following principles:

- Increased delegation of managerial responsibility and authority to departments and, within departments, the delegation of day-to-day human resource management decisions to line managers.
- The development of a service-oriented culture that builds positively on the multi-cultural and diverse workforce of the Public Service.
- A continuous endeavour for and focus on efficiency and effectiveness.
- The establishment of a flexible management environment that takes into account both the operational needs of the organisation and the needs of the employees.

It becomes increasingly important that we take the time to reflect on whether we as HR practitioners are contributing strategically to the functioning of our departments as required. HR practices should be managed in a holistic, meaningful and effective manner within an HR value-chain with supporting HRM systems.

It is widely agreed that effective HRM Practices can improve the performance of an organisation by-

- Ensuring that people with the required competencies and skills are recruited and retained;
- Optimising staff productivity in line with operational procedures and needs;
- Increasing employee skills and abilities;
- Promoting positive attitudes and increasing motivation;
- Providing employees with expanded responsibilities so that they can make full use of their skills and abilities.

Various research reports over the years into human resource practices applied at departmental level revealed serious deficiencies and problem areas. Some of the problems that constantly surface relate to a lack of proper HR planning, dysfunctional organisational structures that are not based on any service delivery model and the poor management of performance of employees due to less than effective performance management systems adopted by line departments.

However, in establishing strategic human resource management we should typically be concerned with devising ways of managing people in a manner that optimises the achievement of our organisational objectives.

We need to interrogate whether the deciding factors for a province or department to determine the service delivery vehicle for HR practices suits the needs of each organisation's goals?

Does the HR delivery model ensure the following are considered and managed adequately:

- The different human resource practices are coherent and compliment each other;
- There should be a fit between the sets of human resource practices and other systems in the organisation;
- The human resource systems and practices should be in line with the organisational goals or strategy of the organisation;
- The human resource management approach adopted by the organisation should be compatible with its operating environment.

There are ample advantages of assessing HR systems and practices in totality instead of focussing narrowly on individual practices within an organisation.

I would like to take this opportunity to pose the question whether we as public service HR practitioners have been able to implement HR policies and practices in a holistic manner that benefits our departments and the public service at large; or have the implementation and the quality of our policies been patchy, incoherent and without positive impact which is not necessarily in the best interest of public servants and or the performance of the public service in the long-term?

It should by now be clear to all of us that we need to improve the value adding potential of the different HR processes and practices in our own work environment. We need to integrate processes such as HR planning and organisational design with the recruitment and selection processes. Performance management must become much more than an annual assessment to determine which employees qualify for a merit bonus- it must be the ongoing daily management of performance. The outcomes of the assessment process must feed systematically into the human resource development process. Furthermore we must also ensure that employees are provided with a conducive work environment and that we meet the requirements of a decent work agenda.

A number of these issues relate to what we have done to improve the national parameters within which HRM can be executed at departmental levels.

We need to reflect on this the 10th year of the current HRM approach and ask ourselves how successful we as HR and Organisational Development practitioners have been in aligning departmental organisational structures to strategic service delivery goals.

- Were we sufficiently flexible to adjust to changing circumstances and priorities?
- Were we successful in changing our roles and responsibilities to provide line and departmental management with professional advice and guidance on organisational and human resource matters?
- Did we ensure that human resource systems and procedures are in line with organisational strategic goals and objectives?

I would want to believe that the answers to these questions will reflect mixed measures of success.

In the area of performance management, we are all aware of the immense challenges we face with service delivery. High quality service delivery is the end result of sustained quality performance through an optimal and systematic combination of various elements

of leadership, management, environment, systems and competence in organisations. Improved performance is about people, systems, processes and technology.

The **dpsa** has embarked on a process of reviewing the total performance management system framework with special focus on the SMS with the specific aim to provide for better alignment between organisational and individual performance assessment. As this is our current big bear, ample time has been allocated for deliberations on this matter during this conference and I would like to urge you to participate actively in these discussions in plotting the way forward for the public service within the field of performance management.

As HR practitioners we need to ask ourselves the following critical questions. Are we strategically supporting our departments and how can we improve our performance to improve our service delivery? How can we contribute to improving the management of performance in our departments?

Why is there such a public outcry about performance and service delivery, while many millions of rands are annually paid out by departments in the form of performance bonuses? To my mind this indicates a serious need that there should be a greater synergy between all the different HR policies and practices and more specifically between organisational performance and individual performance. This also points to the necessity that not only our employees but also our organisations must be better managed.

### Management of Compensation

In 2006, the dpsa conducted a Personnel Expenditure Review. This research suggested that certain categories of government employees are underpaid as compared to their counterparts in the private sector, especially professionals. This was exacerbated by the fact that the public service uses one salary structure to remunerate all employees and that the job evaluation system was seen as not grading certain professional jobs appropriately.

Since 1999 we have been facing ongoing challenges emanating from the inconsistent grading of jobs which contributes to dissatisfaction amongst employees, formal

grievances and disputes, job hopping, etc. Although the root causes of these challenges are multi-faceted, there has been a tendency to blame the job evaluation system for many of these.

From the 2006 PER, a new remuneration policy was developed, which included amongst other things, the introduction of Occupation Specific Dispensations. Occupation Specific Dispensations are revised salary structures, aimed to improving government's ability to attract and retain employees, through the development of career pathing opportunities, based on competencies, experience, scope of work and performance. These salary structures are unique to each identified occupation in the public service. It is important to note that OSDs are not general salary increases, but a forward looking plan to systematically increase the salaries of public servants after pre-determined periods based on specified criteria.

As salaries are matters of mutual agreement, collective agreements with organised labour have been signed for certain professions. Implementation of all categories of nurses and educators have been completed, while the departments in consultation with the dpsa are working on the implementation of the legal OSD. We are envisaging that implementation for this profession will be completed before the end of this financial year. We are busy negotiating the OSDs for social workers and correctional services officials and implementation will commence once agreements are signed.

We have encountered a number of challenges with the implementation of all these OSDs. The main challenge being financial constraints, due to incorrect interpretation of the dispensations by the departments. I appeal to all of you, to ensure that enough funding is sourced and you have proper understanding of the dispensation prior to implementing the OSD.

In response to problems emanating of the job evaluation system that I mentioned earlier, a process has been initiated by **dpsa** to review and refine the Equate job evaluation system and the associated grading processes. The presentation on job evaluation will focus on this initiative. Your contributions to inform and enrich the process will be appreciated.

This Forum provides the ideal opportunity to debate these burning issues and come up with suggestions and proposals for consideration.

As has been said earlier, line managers and HR managers face the same challenges of attracting, developing and retaining key talent for the Public Service. Just as in the private sector, our focus should also increasingly be on human capital development and organisational productivity. Sound and strategic HR management is a prerequisite to meet this challenge. It is consequently of paramount importance that the necessary human resource management capability is established throughout the Public Service.

Since the inception of the annual HR Learning Forum a number of initiatives have been introduced to address the human resource management challenges facing the Public Service. We have debated and shared some of these initiatives in the steering committees and the previous annual forums. What remains is to ensure that these policies and practices are implemented as intended, to improve performance and ultimately service delivery to the citizens.

During the next two days the above and other initiatives will be further discussed by the delegates. We will specifically focus on the challenging issue of performance management and the development of a set of common norms and standards for the Public Service. We will also debate some of the challenges experienced with our remuneration policy and inconsistencies with its implementation.

I wish you well during your deliberations.

Prof Richard Levin

Date: 24 February 2009