

Public Service Compliance and HR Convention:

“Building state capacity: towards strategic human capital management in the public service”

23 February 2023

Keynote Address: Mr TW Nxesi MP,

Acting Minister for Public Service and Administration

- Programme Director
- Deputy Minister for the Public Service and Administration
- The Director General and heads of the broader DPSA family: the NSG, PSETA, CPSI and the PSC
- Directors General and Heads of Department present
- All our partners including the Public Sector Education and Training Authority, Regenesys, Wits, University of the North-West, Tshwane University of Technology and SAAPAM (South African Association of Public Administration and Management)
- Researchers, invited guests and speakers
- Ladies and gentleman

Warm greetings to all present for this very important engagement between government – in the form of the DPSA family - and the Higher Education training and research sector. As we have worked to develop a framework for the professionalization of the public service it has become very clear that government – and the public service – cannot do this on their own. We welcome the partnerships that are represented by your attendance at this conference.

I also need to flag that the President has made it very clear that ‘professionalization’ is a key priority for the remaining time of this administration – and, we trust, into the future.

It is in this spirit that the Department has convened us as part of efforts to guide us towards a development and service delivery oriented professional public service as called for in the Professionalization Framework.

The Human Resource Management and Development function within the Public Sector – and the management of human resources - needs to adapt to the changing environment to realise the objectives of the National Development Plan and priorities of government.

Management of Human Resource in the Public Sector in South Africa comes with its own challenges:

- Transformation imperatives such as changes to the demographic representation within the public service,
- protection of labour rights,
- and with dwindling resources,
- the need to promote productivity and efficiency places high demands on the effective management of human resources in the public sector.

The success of any organisation depends on the quality of service provided by the employees of that organisation. Chapter 10 of the Constitution of the Republic of South Africa, (1996) Section 195 (h) emphasises that “*Good human-resource management and career-development practices to maximise human potential, must be cultivated*”.

The COVID 19 pandemic tested the quality of human resources in SA’s public sector and brought about a number of changes in how employees perform their duties. This experience has brought to the fore issues of continuous training, development, performance management and ensuring that employees are given the necessary resources and support they need to develop.

Through this Public Service Compliance and HR Convention, the Department in partnership with:

- the South African Association of Public Administration and Management (SAAPAM),
- Wits University
- the Public Service Education and Training Authority (PSETA),
- Tshwane University of Technology, and
- the North-West University (NWU) – the Department aims to not only use the conference as a learning opportunity, but also as an opportunity to strengthen the Integrated Public Service Human Resources Management and Development Strategy currently under development. As we prepared for this conference, we have been looking forward to sharing evidence-based comparative approaches and best practice in human capital management in the public service.

I was impressed by the theme of yesterday's colloquium on minimum public administration norms and standards in a time of "uncertainty, volatility, complexity and ambiguity." I look forward to reading the report of yesterday's proceedings and hope that you will continue to wrestle with the issues raised even after the conference.

One of the main objectives of this conference is to create space for public servants, students, researchers, and academics to share their research results in the field of Human Resource Management in the public service. The private sector has also been included to share experiences and lessons especially on productivity management, efficient recruitment processes for quicker turn-around times and continuous performance assessments. At the end of the day we want to help senior managers in the public service to learn innovative ways of dealing with challenges facing their institutions.

State capacity in South Africa has weakened over time, and varies widely, with deficiencies in many departments and units existing side-by-side with pockets of strength and excellence.

Currently departments and individuals are measured against their delivery on predetermined objectives and targets as per their Annual Performance Plans. Whilst this is preferable to the previous free-for-all, and ensures a measure of accountability, we increasingly believe that this needs to be complemented by reflection and judgement on whether policy goals have been met and whether a department was really responsive to citizens' needs in other words: bringing to bear a clear focus on service delivery and customer satisfaction – and how these are measured. Furthermore, space should be created for responsiveness, effectiveness, and transformational leadership – public servants as change agents – none of which tends to thrive within the restricted bounds of templates and fixed frameworks.

The Judicial Commission of Inquiry into State Capture Report has demonstrated the systematic and deliberate weakening of the state through restructuring of its institutional capacity, strategic appointments and dismissals of key individuals' as a result of state capture. Many state organs became a shadow of their former self.

More fundamentally, the weakening of the revenue raising capacity of the state, represented by SARS, has compromised the ability of the State to support all its activities, and thus had a far-reaching impact on the entire bureaucratic apparatus of the state to deliver services. The weakening of major State Owned Enterprises (SOEs), which were at the centre of South Africa's political economy for the major part of its modern history followed a similar pattern under state capture. *[I am encouraged by the evidence in the Budget Speech yesterday that SARS is continuing to rebuild its revenue collecting capacity.]*

Capacity and capability challenges have further affected departments at the level of operations. Systemic corruption, poor skills at critical levels, lack of accountability for wrongdoing and declining budgets have hastened this decline.

We have said that the state of the public service, its capacity and capability, varies widely both within and between spheres of government, departments and functional specialisations. Two examples to make this point are the response to the COVID-19 pandemic and the unrest in July 2021.

With regards to the COVID-19 pandemic, and despite resource constraints, South Africa has gone through four waves with a response that can be characterised as a 'mixed bag'. The response involved a coordinated 'multi-sectoral approach, across and beyond the three spheres to contain and mitigate the spread of the pandemic. The most salient lessons learnt between March and September 2020 were:

- strengthened command and control which were achieved through both centralised and decentralised Inter-Ministerial Task Teams (IMTs),
- swift evidenced-based decision-making from the highest political levels for instituting lockdowns to buy time and increase healthcare capacity.
- Coordination was a key ingredient that proved the existence of a substantial latent capability put under pressure to respond to an uncertain and complex situation.

In the case of the July 2021 unrest, the weakening of state capacity and capability demonstrated a gross lack of preparedness. It is perhaps critical that all departments and sectors should undergo a process of evaluating their organisation and administration both internally and externally to determine the level of capacity, capability and readiness should the country be hit by a disaster that requires them to again rise to the occasion.

At the level of support and specialisation functions, departments are also struggling to build the required capacity and capability. The DPSA has produced several reports providing diagnosis and recommendations about capacity issues in the human resources management area – including on inadequate organisational

structures, high vacancy rates, insufficient management of discipline and the lack of relevant academic qualifications.

In addition, the current approach to Human Resource Management is rules-driven, whilst there is a need to find more innovative ways to achieve value for money and impactful interventions. The knowledge of HR officials is often restricted to the rules and regulations, whereas in order to make a good hire, one needs a broader understanding of the mandate of the department, the service to be delivered and its potential impact on the public – where the present transactional approach, with compliance as the only focus, falls short.

One specific challenge – what we refer to as the ‘political-administrative interface’ – basically a persistent situation where public servants (principally DGs) interfacing with political leaders do not last in their positions. Clearly this politicizes the public service and undermines continuity and experience. This is something we have sought to address as part of the professionalization framework and is mentioned in this year’s SONA. [*Let me hasten to add, in relation to the DG at DPSA, I have previously thanked her for the efforts made to support me over the last year during this period as acting minister.*]

Generally, the turnover rate is highest within the SMS (Senior Management Service) bands, where the loss of experienced and skilled managers will have a disproportionate impact on the capacity of the state.

Emerging research from the PSETA-funded work by the Tshwane University of Technology and Wits REAL unit, is highlighting key challenges that the Public Service has in recruiting younger officials and in human resource planning for the future. The rebuilding of state capacity requires renewal through recruitment of energetic youths that are entrepreneurial, and the enhancement of technical skills away from narrow managerialism. This requires a commitment to meritocracy, and

continuous training and development as championed in the Professionalization Framework, the NDP and Chapter 10 of the Constitution.

Some remarks on **THE NATIONAL FRAMEWORK TOWARDS PROFESSIONALISATION OF THE PUBLIC SECTOR** – which was introduced to ensure that only ethical, qualified and competent individuals are appointed into positions of authority – as part of a transformed, professional, ethical, capable and developmental public sector which is driven by merit.

The Framework introduces measures to capacitate current public officials with the competencies required for productivity, leadership and performance management. These measures are designed to ensure that all public sector officials (new and existing) live the Batho Pele principles and Constitutional Values and Principles, and have the right qualifications, technical skills and competencies.

The National Framework is foregrounded in five pillars of the value chain for professionalising the public sector, which are:

- (1) pre-entry, recruitment and selection;
- (2) induction and onboarding;
- (3) planning and performance management;
- (4) continuous learning and professional development;
- and (5) career progression and management of career incidents.

The National Framework lays down, among other things, clear requirements for recruitment and selection processes, mandatory induction for new public servants and performance management. It prioritises continuous learning so that the skills and capabilities of public servants are always improving.

The National Framework Towards Professionalisation of the Public Sector represents significant public sector reforms that position government towards the achievement of Vision 2030 articulated in the National Development Plan. The

overall objective of improving the capacity of government to deliver on public goods and services remains the driving force in pursuit of Priority 1 of the 2019-2024 Medium-Term Strategic Framework. Priority 1 being “the Building of a Capable, Developmental and Ethical State.”

For a capable state to function effectively requires competent and comprehensive data management. One of the reasons we have frosty relations between the social partners including organised labour is because our social partners cannot trust the data that we rely on. We are striving to build capacity to develop our ability across the state to collect, mine, analyse, package and disseminate information in a manner that makes it easy for everyone to understand and our colleagues across the public service to use in planning, budgeting and delivering services. This capacity is also very important in wage setting and negotiations, in that organised labour will be able to check the facts presented by government negotiators.

We have long stated that we need to create a platform for statisticians, researchers, policy makers and data users to keep pace with the growing demand for reliable information for decision-making in the wake of the data revolution. Capacity and expertise in this field is now a required necessity to tackle specific issues in planning and decision making.

In simple terms, improved management of data is designed to result in the following:

- Enhanced public confidence and trust in government information amongst external and internal stakeholders;
- Build capacity in data analysis and improved administration records;
- Enhance research capacity;
- Enhanced discussions on innovation and application of technological advances in the design of geospatial techniques for location and access to public services; and
- To create awareness and understanding of South Africa’s Public Services official data, services and products.

The more general point is that the public service must embrace technological change, and the necessary skills and competencies as key to improved service delivery and access.

The general paradigm challenge we face can be illustrated by the following examples:

- In **Supply Chain Management** we ask the question: Have the SCM rules been complied with – has a specification been prepared, a tender properly published and evaluated by a properly constituted bid committee? **rather than asking:**
 - What is the best product, what are the ruling prices, are the suppliers reliable and what are the market conditions so that we ensure a good buy?

- In **HR** we ask: Is there a job description, has the post been job evaluated, has the post been properly advertised and was the selection committee properly constituted? **rather than asking:**
 - What is our recruitment strategy and for what purpose? or Did we make a good appointment which has impacted service delivery?

- In **performance management** we ask: Have we achieved the Annual Performance Plan targets? **rather than asking:**
 - What was the developmental impact or the quality of the service?

This approach has largely contributed to the following:

- Limited scope to think outside of pre-conceived planning frameworks.
- Disjuncture between institutional compliance/ due diligence and citizen satisfaction.
- Communities that are largely voiceless and faceless, with participation projects which primarily legitimize the institutions.

So, maybe the approach should be one of a values-driven Public Service, that takes cognisance of the fact that the regulatory framework exists to enable accountability, service delivery and to impact on society – it is not merely compliance for its own sake. Let me reassure the Office of Standards and Compliance – yes, compliance is vital for an accountable and ethical public service. It is the bedrock on which we build. But it is not an end in itself.

Thank you.