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A productive Public Service: What's needed?



JULIA DE BRUYN, IMRAAN PATEL and NOBOM TSHIKI, outline the issues which should be considered when discussing productivity in the

public service. They point out that the special features of the public service make the equation more difficult there than elsewhere. They also highlight the need for radical changes in public service management practice if the nation's transition goals are to be met.

THE introduction of real democracy to our country brought with it a renewed focus on the role of the public service in improving the quality of life of all South Africans. The Reconstruction and Development Programme (RDP) commits the Government of National Unity (GNU) to extend quality services to the majority of people in South Africa. The base document says about the efficiency of the public sector: "the ethos should be professional, in the most positive sense of the word; the public service should internalise the concept of serving the

people. At the macro-level, and reflected in calls for fiscal discipline, there is a concern that public expenditure keeps increasing as a percentage of GDP. Yet efficient and effective provision of government services is a factor affecting the entire economy."

As a result, improving public service productivity is no longer a question of whether, but how and when.

This article highlights some of the issues in public service productivity. Research and information gathering efforts underway will assist in refining and building on the issues being raised. This article focuses only on the public service. Productivity in parastatals needs a separate review.

What does productivity measure?

Productivity measurement is a tool for assessing the performance of an enterprise or economy. Genuine productivity looks at the relationship between inputs (for example, number of workers, litres of fuel, hectares of land or number of machines); output (goods and services produced); and outcomes (whether policy goals are being met).

It is, therefore, a measure of the economically and socially efficient use of resources. Concentrating on what can be easily calculated — a simple input/output ratio for example — may not reveal the most important feature in the successful performance of a department or institution. Measuring a public service agency's effectiveness in meeting the outcome objectives of a particular activity indicates whether a particular service is related to perceived needs in terms of quality and quantity. Reducing inputs (for example, number of bus drivers) which leads to lower outputs (for example, fewer buses) and which results in government's overall goals (for example, provision of basic transport services at times when people want them) not being met is not improving productivity. The need for increased outputs of many basic services requires that attention be given to inputs, outputs and outcomes.

While simplistic productivity measures will show an improvement from staff cuts, this kind of approach offers no incentive to workers to be part of productivity improvement strategies, nor does it encourage an examination of the degree to which desired outcomes are being achieved.

If the aim of measuring productivity is to encourage improvement, then the productivity indicators should be constant over time and the measurements should be taken regularly.

Public service productivity

Reasons why public service productivity should be measured include:

- to demonstrate efficiency levels, identify opportunities for improvement and make resource allocation decisions;
- to ensure that the budget reflects the resources needed for timely delivery of the desired type, quantity and quality of products and services;
- to assist assessment of management achievements; and
- to enable further analysis of the causes of problems and the design of solutions.

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Nothing about the public sector can be separated from the overall government policy environment. This makes productivity measurement in the public sector more complex than in the private sector. A clearly articulated view of the role of the public sector is also required.

Current approaches to productivity (such as fiscal discipline) fixate on size, or the number of inputs. For instance, there is the perception that the 1,2million-strong South African public service is bloated in terms of size. According to the National Productivity Institute (NPI), government employment as a percentage of total employment in 1990 was 29,3%. The impact made by the salaries of the civil servants on the fiscus is huge. In common with other parts of the service sector, labour costs in the public sector account for more than half of current expenditure. In rand terms the remuneration of employees for 1993/1994 was roughly R47,5billion.

But size cannot be viewed in isolation. As the example of bus services shows, simply looking at input/output ratios is not sufficient.

Because productivity improvements require the commitment of workers, they are entitled to share in the benefits of that improvement. The current shape of the public service, heavily influenced by apartheid and a capitalist framework, is a major stumbling block to productivity improvement.

Accountability to society through regular reporting on productivity is necessary to create a climate where the satisfaction of the needs and aspirations of society are foremost in the minds of public service managers. Taxpayers expect economy and efficiency in government but will tend to be satisfied with evidence that public employees work hard, do not abuse their position and receive wages not too different from them.

The GNU established objectives and a plan, expressed in the RDP. Its success requires decisions on how to utilise the nation's public resources to achieve its goals.

What stops the public service being productive?

Lack of training, poor management practices, unrepresentivity, unaccountability, pay and personnel systems, and lack of innovation and planning processes all contribute to low productivity in the public service and elsewhere. No-one suggests that these features are unique to South Africa. However, what may be unique is the extent and the way that these have occurred simultaneously.

Lack of training

The International Management Development Organisation of Switzerland recently ranked South Africa last out of 14 comparable economies in the development of its human resources. In the public service training has been characterised by:

- lack of adequate resources. The current government training budget is about 10% below the average formal-sector rate;
- benefits going to management; and
- minimal, inadequate and un-accredited training at lower levels. Even

basic adult education, including literacy programmes, are not provided on a significant scale.

Poor management practices

On 9 November 1994 the Parliamentary Public Service Select Committee described the management style prevailing in the public service as being authoritarian, highly rigid and inflexible.

Undue deference to political authority has been an inhibiting factor which has had to be contended with in the public service. Government which was itself unaccountable created a public service in its own image.

Unrepresentivity

According to the *Business Day* of 6 November 1991 a racial and gender breakdown of senior civil service positions from the rank of Director General to Government Administrator and other related managerial categories revealed that:

- approximately 96% of civil service positions are occupied by whites (females and males);
- less than 5% of these positions are filled by females (both black and white); and
- the majority of positions are occupied by white males (over 90%).

Simply looking at outputs in relation to inputs in such an environment tells us little about outcomes — whether services are delivered to the various communities in an equal and appropriate way.

Unaccountability

Public accountability and transparency is seriously lacking in the public service. Public servants have been mainly accountable to political leaders rather than to society as a whole, and this accountability has been mainly limited to financial control and regulatory compliance. Society was not included in the planning process.

A public service culture of secrecy and paranoia fostered corruption. Demands for transparency are a response to this.

Pay and personnel systems

Currently:

- wage differentials stand at 25:1. If other senior management benefits were taken into consideration the differential would be 37:1. Wage disparities of this magnitude undercut any attempt at cultural change based on shared values and commitments;
- the system rewards qualifications without consideration of skills or competencies;
- the grading system which establishes wage levels is very complex, rigid and narrowly defines jobs into occupational classes. Officials are paid according to rank, rather than performance; and
- the personnel and wage system rewards compliance with procedure rather than achievement of outcomes. Nor does it encourage staffing

changes in order to meet national priorities (eg encouraging doctors to practice in rural areas).

The Public Service Commission (PSC) is responsible for determining policy on organisational and personnel matters in the public service. Although some decision-making powers have been devolved to the level of national departments, the PSC still retains the power to establish the rules that would promote efficiency and ensure accountability in the departments and continues to put emphasis on procedural accountability rather than efficiency, effectiveness and productivity.

Lack of innovation

In 1989 the Committee for Economic Affairs of the President's Council on a strategy and plan regarding productivity improvement in the RSA identified the following factors as stifling innovation:

- rigidity of the post structure which inhibited ambition;
- uniformity of post descriptions;
- decision-making capabilities within the framework of regulations resulted in predictability; and
- financial control in accordance with detailed prescriptions.

The actions of public officials are judged mainly according to the mistakes (defined as contravention of rules) they have made. The absence of identifiable targets or measures of achievement in the civil service has led employees to act like robots.

Lack of planning processes

The public service should provide services to society. If needs are not being met the only appropriate response is to plan to meet these needs. Strategic planning helps to establish the long-term roles and responsibilities while change takes place. Within public service institutions, such plans could help match society's needs to a department's capacity to provide particular services.

The way forward

From labour's point of view a strategy which includes moderate increases in employment while significantly increasing outputs and meeting outcome goals is the best.

An outcomes-oriented approach

An outcomes-oriented analysis shows that only some departments could legitimately be described as over-staffed. Service departments like health, education, and the police are in fact understaffed (however, there are too many administrators). Furthermore, there are significant geographical imbalances in staffing: some regions may have fewer personnel than they are entitled to because of the legacy of the homeland and self-governing territory system.

Education and training

Through education and training, skills could be improved and new ones acquired. Training should be maximised throughout the public service!

(and elsewhere in the economy) to ensure that skills upgrading and performance enhancement schemes are not limited to a few geographic regions or departments. In-service training on its own will not suffice due to the increasing complexity of state responsibilities and the need not to simply have the system reproduce. Other forms of training, like giving workers paid time off to attend external courses is essential.

Opportunities need to be created for all employees to undergo intensive training, for skills obtained through experience to be recognised, for career paths to be created and to create performance-linked salary structures. Motivation and boosting the morale of workers is essential. Workers will also need to be retrained in order to deal with changing technology so they can keep abreast of new techniques and research.



Alexandra township — can the public service deliver?

Where there is lack of capacity, the state should provide the resources to build up capacity by providing relevant training to managers in order to improve their decision-making and labour relations skills.

Management process

Devolution of management responsibility and demands for management accountability go hand-in-hand. The notion of accountability goes much further. State assets and resources belong to the community. Structures and decision-making processes which are open to public scrutiny and which are accountable to society (which consumes public services) and to public sector workers need to be set up, including at the Parliamentary level. Other nations have Freedom of Information legislation under which citizens can demand information from the government.

Accountability regimes also reduce the opportunity for corruption.

There needs to be a clear distinction between a professional public

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service whose primary goal is to meet the needs of the people and the political goals of any particular government.

Devolving decision making powers and authority to lower management levels within departments and institutions puts public sector managers in a position where they can take decisions for which they should be held responsible. In addition to fostering a needs-based approach, it can create a more adaptable, flexible and need-directed service.

Such a system allows for increased efficiency, because management at lower levels has the freedom to make operational (not policy) decisions which affect them without seeking approval from higher levels of management.

Decentralisation

Decentralisation of power may also include delegating certain, appropriate executive powers to the regional and local tiers of government. One of the primary criteria for when this should occur is to ensure that there is maximum involvement by the community in the governing process and that services are delivered in a flexible and much faster manner as possible.

More generally, the development of a vision which acknowledges the importance of productivity in the public service within a labour-sensitive framework and also takes account of broader outcomes is essential. Within this context, public service productivity needs to be viewed as a multi-faceted concept.

We acknowledge the existence of many gaps and, equally, many contentious issues. However, as the debate on productivity in the public service increases, we hope that the issues raised in this paper will inform the final approach used in addressing this vital issue. ☆

**NALEDI
DISCUSSION FORUMS**

NALEDI hosts regular discussion forums on burning labour issues. The intention of the forums is to inform, build capacity amongst unionists and stimulate debate on crucial issues. Forums are hosted every two weeks, usually on the 8th and 22nd of every month.

The first topics for 1995 are:

The LRA and centralised bargaining	8 February
The LRA and workplace participation	22 February
Privatisation: for and against	8 March
The national budget	22 March
NEDLAC labour's performance	8 April

When and where forums are held:

The venue is 10th floor, COSATU House, Johannesburg, starting promptly at 17h30 and ending at 19h00.

If you are interested in attending any of the discussion forums, please contact NALEDI at 011-403 2122 (fax 403 1948), or your union Media/Education Officer.