



Public Sector Capacity Constraints – A Critical Review

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Capacity constraints in the public sector – a critical review

1. Introduction

Since the White Paper on Reconstruction and Development was released in 1994, government has put socio economic development and poverty alleviation at the forefront of its developmental agenda. These priorities were reinforced in the Constitution of South Africa which places a clear responsibility on government to deliver on basic services as enshrined in the Bill of Rights¹.

The efficiency and effectiveness of the public sector is key to the achievement of these objectives. As the pressure to extend service delivery to all South Africans increases, particularly within previously marginalized communities, and the government looks to implement and expand an ambitious transformational agenda, the capacity of the public service has come under increasing scrutiny.

The pressures on and limitations of the public sector are recognised in the Accelerated and Shared Growth Initiative (ASGISA) launched by the Deputy President in 2006: ‘deficiencies in the state organization, capacity and leadership’ are identified as one of the six binding constraints to higher economic growth in South Africa. More recently, the high levels of vacancies within individual government departments and in specific skills categories have been highlighted within parliament and in the media.

This paper attempts to describe the scale and nature capacity constraints in government, focusing on the high level of vacancies across the public sector. It begins with an analysis of the available data on staff vacancies and turnover and reveals some of the symptoms of these problems. This is followed by a review of the possible causes of capacity constraints in government and a description of some of the main initiatives that have been implemented to address these issues.

2. Scope of research and methodology

2.1 Scope

Given the limited time and resources available for this research paper, it is important to define the scope and outline the limitations of this work from the outset. This paper proposes to provide background research that will foster debate around the following research questions:

- What is the nature of the ‘capacity constraint’ within the South African public sector?
- What are the possible causes of this capacity constraint?
- What are the symptoms of a lack of capacity in government?
- What initiatives have been tried or are in place to address capacity constraints?

- What more could government do to address capacity constraints in the public sector?

This paper does not purport to provide comprehensive overview of the above mentioned research questions and the recommendations presented in this study are extremely preliminary. Rather, it provides a reasonable ‘snapshot’ of the scale of this problem and highlights some broad areas where further research, discussion and policy intervention is required.

2.2 Methodology

In order to address each of these research questions, the researcher collected data from the Department of Public Service and Administration (DPSA), interviewed various officials and completed a desktop review of existing research and commentary on the issues.

Material was also sourced from published reports, newspaper articles, parliamentary committee reports and conference papers. In addition, the researcher reviewed provisions in the numerous pieces of legislations relating to the issue of capacity building.

Sources of information in government include:

- The Department of Public Service and Administration
- The Department of Labour
- The Auditor General
- The Public Service Commission

For the purposes of this paper, government is defined as national, provincial and local government and thus excludes parastatals and public entities, for which there is limited information on vacancies.

2.3 Limitations

The most important limitation of this paper is the lack of consolidated data for local government. Furthermore, the reliability of information from the PERSAL² system on vacancies at national and provincial government is questionable given the inherent problems with the way the data is inputted on the system (see box). Given the data problems associated with PERSAL, it becomes difficult to identify which posts within the dataset are funded, unfunded or frozen (as a result of attempts to limit personnel expenditure). This compounds the problem associated with trying to assess the true extent of capacity constraints amongst funded and unfilled positions in government. Finally, accessing information from some government departments proved problematic.

3. The nature of capacity constraints in national and provincial government

In his 2007 State of the Nation address, the President acknowledged the capacity constraints that exist throughout government and pledged to keep the issue of capacity building high on the agenda of the state in the period leading up to 2009³. But what exactly is meant by 'capacity constraints' and how does this problem manifest itself in the South African public sector?

In 2006, the public sector employed about 1,65 million people made up of about 1,15 million people in national and provincial government, 181 000 in local government and a further 304 000 people in public entities and state owned enterprises⁴. The public sector employs about 3,5 per cent of population of the country⁵.

Officially, and for the purposes of this study, 'the public service' is defined to include national and provincial government and excludes local government, public entities and parastatals. We therefore consider capacity constraints in national and provincial departments (the public service) and local government separately.

Capacity constraints can be broadly defined as the lack of adequate and suitable human, scientific, technological, organizational, institutional and resource capabilities to deliver on the constitutional mandate of government⁶. Adopting this definition, capacity constraints might exist at three different dimensions: at the system level, at the institutional level and at the individual level.

At the system level, capacity constraints manifest themselves in the lack of legal and policy frameworks to govern structured and effective service delivery. For example, there is no clear and comprehensive human resource policy to attract and retain high skilled labour in key areas of the public service.

At an institutional level, capacity constraints refer to the lack of systems and structures within an organization to support capacity building strategies and implement policies. For example, within national and provincial government, poor performance management systems hinder skills development and career planning for personnel.

Finally, at an individual level, capacity constraints refer to the lack of human resources and/or a lack of skills amongst personnel to perform their jobs effectively. These constraints could be evidenced in many different ways: an absence of qualified people (in the sense of certification to an agreed minimum standard); an absence of people who are qualified and meet ancillary criteria (like racial designation for the purpose of 'transformation' policies); the quality of certification possessed by job incumbents; deficiencies in attributes like experience and skills less likely to be certified, like leadership.

These three dimensions of capacity constraints are interdependent and interlinked. For example, without the proper legal and policy framework in place, it becomes difficult to implement procedures and processes that will support the development of skills, knowledge and understanding at an individual level within government departments.

Although, this paper focuses largely on capacity constraints at a human resource level, the impact of a lack of capacity at the institutional and system level often has far reaching impacts on service delivery and public sector productivity.

3.1 Vacancies

In the last few years, human resource capacity constraints and skills shortages have received substantial media attention⁷. In 2006, a study commissioned by the Democratic Alliance based on information found in annual reports found that there were 40 000 vacancies at the national government level⁸. However, at a media briefing in November 2006, the Department of Public Service and Administration contested that figure saying that it has identified 28 000 unfunded vacancies amongst all vacancies at national departments, bringing the total number of funded vacancies to around 26 000⁹.

In this section, we attempt to provide a more recent estimate of the number of vacancies at the national and provincial levels of government using personnel data obtained from the Department of Public Service and Administration. However, the accuracy of our calculations are hampered by limitations inherent in data obtained from PERSAL and this impacts on our understanding of the true extent of capacity constraints in the public sector (see Box 1 below).

Box1: Understanding the PERSAL problem

PERSAL is payroll system used to process salary payments for all public service employees. PERSAL is also able to keep each employees 'personnel file' electronically which includes their biographical details, information on occupation and salary level, data on education, training and development, information on performance rewards received and finally the dates and reason for terminations.

National and provincial departments are required to develop strategic plans based on their constitutional and legislative mandate. These annual strategic plans are furthermore informed by policy priorities of the government at the time. The strategic planning process starts with an overview of the internal and external service delivery environment. Thereafter, the department identifies the resources, including human capital, that it needs to deliver on its service delivery obligations. The departmental organogram is then revised to reflect changes in the organisational structure and sent to the Director General for approval. Once approved, the new organogram, including new positions, is loaded onto the PERSAL by the human resource management department.

It is only once the strategic planning process has ended that the budgeting process commences. The department drafts a budget based on its resources required and submits this to the Medium Term Expenditure Committee (MTEC). The MTEC committee reviews the budgets and makes recommendations on budgetary allocations to the MinComBud. The MinComBud amends and/or approves final allocations and submits to the Cabinet for adoption.

According to the DPSA, a problem arises when departments fail to update their PERSAL records to reflect the approved and funded vacancies. Thus, the number of posts shown on PERSAL, particularly the vacancy statistics, usually include all funded and unfunded vacancies. In other words, the records on PERSAL reflect a rolling wishlist of what the department has requested over time rather than what is has received in terms of its personnel budget. In addition, when restructuring, departments may duplicate positions on PERSAL as they transfer positions from structure to another, sometimes failing to delete old posts. These practices have reduced the reliability of the vacancy rate, as shown in PERSAL, as an indicator of capacity constraints in the public sector.

It is likely that within the senior management band, the vacancy rates reflected by PERSAL are more accurate given that the creation of a senior management post would require approval from the executive and hence would most likely be funded.

Despite, the limitations of the data, an analysis of the existing information on vacancies might help to highlight some of the potential problem areas in the public sector at an institutional, systemic and individual level. In particular, we can use this data to identify those departments and provinces which have the highest and lowest vacancy rates and the reasons for this; and can look deeper to identify the main skills categories in which these vacancies exist.

3.1.1 Vacancies in National and Provincial Departments

As of December 2006, the PERSAL database revealed that the total number of vacant post in national and provincial government collectively stood at 321,665¹⁰. Expressed in terms of the total number of people employed in national and provincial government, this translates into a vacancy rate of about 28 per cent.

The number is marginally smaller if one uses the average number of vacant posts, by month, for the calendar year ending December 2006. Using the aggregate monthly data, there were more vacant posts in national departments than in any one province and in terms of the provinces, KwaZulu Natal and the Eastern Cape had the highest number of vacancies. The Northern Cape had the lowest number of vacant posts.

Table 1: Vacant posts in national and provincial government¹¹

	Number of vacant posts as at December 2006	Average number of post vacant between Jan and December 2006
Province/National department	2006	2006
Eastern Cape	40,501	44,011
Free State	26,418	23,282
Gauteng	34,995	31,764
KwaZulu Natal	59,573	48,131
Limpopo	32,756	30,658
Mpumalanga	25,344	22,807
National Departments	56,131	52,381
North West	22,762	23,469
Northern Cape	8,338	8,006
Western Cape	14,847	15,184
Combined National and Provincial	321,665	299,693

Source: Author's own calculations based on DPSA data (January – December 2006)

The number of vacancies at national government has received considerable attention recently. The Democratic Alliance released a report which suggested that there were 40 000 posts vacant at national government, while the government responded with a statement that there are only 26 000 funded vacancies. The PERSAL database suggests that there are 56 131 vacant posts within national departments.

These differing statistics underline the limitations of the available data. The Democratic Alliance study was based on statistics collated from the annual reports of national departments. There are two inherent problems with this data. First, the data for annual reports is often derived from PERSAL which includes information on both funded and unfunded vacancies. Second, some departments have indeed tried to 'clean' their dataset for the purpose of their annual report (this has reduced the number of vacancies) while others have not. The lack of consistency in the way human resource information is dealt with in annual reports undermines the credibility of such information.

Similarly, the use of funded vacancies as an indicator of capacity constraints is tenuous given the disjuncture between strategic planning and budgeting. The lack of institutional capacity to assess personnel requirements reliably means that personnel expenditure is often cut by the Treasury without due consideration of the personnel requirements of departments; it is also possible that many funded posts are defended for budgeting reasons but not needed or filled by the responsible department. This practice means that the use of funded vacancies as an indicator of capacity constraints may underestimate or overestimate in the optimal size of the public sector.

The absolute number of vacancies in the South African Public Service remains an unknown and is perhaps less relevant than the vacancy rate, calculated as the total number of vacant posts as a percentage of total posts within the province or national departments. See table 2.

National departments had a lower vacancy rate than the provinces, despite the high absolute number of vacancies. This finding could be explained by various factors including the location preference of the labour force for urban areas, the access to better human resource management capacity at national government and the reputational currency of national departments.

In 2006, the province with the highest vacancy rate was the Northern Cape followed closely by the Free State, Mpumalanga and the Eastern Cape. This table reinforces the commonly acknowledged problem of difficulties experienced by the public service in filling vacancies in rural provinces as skilled people are often unwilling to work outside urban areas. To a certain extent, the location preference of the labour force in South Africa, has contributed to a higher than average vacancy rate amongst some provincial administrations.

Table 2: Average vacancy rates for 2004-2006

Province/National department	Average Vacancy Rate		
	2006	2005	2004
Eastern Cape	26.94%	24.80%	25.75%
Free State	29.73%	27.04%	27.11%
Gauteng	21.56%	20.67%	24.97%
KwaZulu Natal	22.98%	21.29%	17.97%
Limpopo	21.60%	21.54%	23.35%
Mpumalanga	27.21%	31.32%	34.07%
National Departments	15.94%	15.94%	18.04%
North West	26.92%	29.02%	35.61%
Northern Cape	31.86%	25.64%	26.21%
Western Cape	18.04%	16.51%	18.15%
Combined National and Provincial Average	24.28%	23.38%	25.12%

Source: Author's own calculations based on DPSA data (Jan – Dec of each year)

On the whole, table 2 shows that except for the Western Cape, all other provinces have a vacancy rate that exceeds 20 per cent. In simple terms, this means that one out of five positions in provincial governments are categorized as unfilled.

Perhaps of some encouragement is that fact that between 2004 and 2006, the combined average national and provincial vacancy rate decreased. But whereas five provinces have made some progress in reducing vacancies over this period, the other four have seen an apparent deterioration in capacity.

3.1.2 Vacancy by skill levels

Reviewing the vacancy rate by salary band helps to identify at which skill levels the highest vacancy rates exist. The salary bands within the public sector are categorized according to skills levels in the following manner:

- Lower skilled (Levels 1 -2)
- Skilled (Levels 3-5)
- Highly Skilled Production (Levels 6-8)
- Highly Skilled Supervision (Levels 9 -12)
- Senior Management (Levels 13 -16)¹²

Table 3 shows that the highest vacancy rates occur within the senior management band with on average 35 per cent of all posts unfilled between levels 13 and 16. This is a worrying statistic as senior management personnel (level 13 upwards) provide strategic direction and are directly accountable for service delivery in an organization.

The 59 per cent vacancy rate at deputy director general level (DDG, salary band 15) is particularly disturbing. Six out of every ten deputy director general positions remain vacant. Most DDG positions would be funded and have been approved by the Minister and National Treasury and the data therefore provides a fairly accurate description of the vacancy rate at this level of government..This data is confirmed by the DPSA which has indicated that there is a high replacement rate at the DDG level¹³.

Regular turnover among senior management is likely to create instability within national and provincial government leading to poor oversight, performance management, policy implementation and interruptions or discontinuous service delivery. For example, most senior position in the Department of Home Affairs are vacant and temporarily filled by people in an acting capacity. This situation has created a climate of ‘instability and lack of motivation’ within the department¹⁴. In addition, the cost of filling these positions regularly is substantial.

Table 3 further indicates that the vacancy rate amongst lower skilled workers between Band 1 and 2 is on average 33 per cent. At first, this statistic seems almost counterintuitive given high unemployment rates amongst lower skilled people in the country. However, it is important to recognize that this statistic could include a substantial number of unfunded vacancies. Occupations falling within this band level generally require the execution of routine tasks and include cleaners, messengers and

porters. Another contributing factor to this high vacancy rate has been the outsourcing of such activities to the private sector without the concomitant removal of these vacancies from the PERSAL system. There is good reason to suspect that many of these vacancies will never be filled.

The 42 per cent vacancy rate in middle management is another cause for concern. Middle management is responsible for implementing the operational plans (also known as annual performance plans) of a department, monitoring the delivery of outputs and reporting on progress with implementation¹⁵. Salary band 10 includes assistant directors, nursing sisters and supervisory level staff. This high vacancy rate is probably driven by unfilled posts in the health and education sectors. Symptoms of a pervasive lack of middle management capacity in the public service include slow or non-delivery of outputs, inadequate monitoring processes, and poor reporting.

Table 3 Vacancy by salary band

Salary band	Vacant	Total posts	Vacancy rate
1	18,412	50,103	37%
2	45,319	154,685	29%
3	33,325	136,261	24%
4	25,690	93,042	28%
5	22,948	105,980	22%
6	46,152	205,957	22%
7	44,858	270,532	17%
8	43,749	227,573	19%
9	25,621	86,976	29%
10	19,597	46,821	42%
11	3,537	19,859	18%
12	2,443	12,856	19%
13	2,478	7,756	32%
14	792	2,448	32%
15	958	1,621	59%
16	26	148	18%
Grand Total	336,024	1,423,992	24%

Source: DPSA (as at March 2007)

3.1.3 Vacancy by occupational category

The Code of Remuneration (CORE) is a classification system that standardizes the categorization of employment (defining and grading of jobs) in the public service. Each CORE is ascribed to a major occupational field within the public service. For example, the first CORE in the public service houses all occupations related to Health and Associated Sciences. Within each of these major categories, there are minor occupations, which describe the specific job. For example within the first CORE, a minor occupation category might be oral hygienists.

Dissagregating vacancies by major occupations in terms of the CORE classification system reveals that barring certain unclassified occupations, the highest vacancy rates

occur within the information technology sector, technicians and craft and trade related workers.

Notably, the vacancy rates amongst college and school educators amounts to just one per cent. This statistic is supported to a certain extent by a recent study by the Human Sciences and Research Council which found that if the official education department learner-to-teacher ratio of 1:40 for primary school and 1:35 for high school was applied, then there was no teacher shortage¹⁶. The study found that the quality and allocation of teachers was a far greater problem than the number of teachers available and there are critical shortages of certain types of teachers, particularly mathematics and science, throughout the country.

Table 4 Vacancies by major occupation

Major Occupations	Vacant	Total number of posts	Vacancy rate
Administrative office workers	64,571	207,705	31%
Craft and trade related workers	5,627	15,014	37%
College and school educators	2,930	389,389	1%
Drivers, operators and ship's crew	4,252	13,542	31%
Elementary occupations	51,681	188,209	27%
Information Technology personnel	1,213	2,518	48%
National security and custodian personnel	8,746	162,898	5%
Other occupations (not classified elsewhere)	47,577	55,697	85%
Professionals and managers	89,835	236,522	38%
Service workers	5,893	19,178	31%
Social, Natural, Technical and Medical Sciences			
Supplementary and Support Personnel	33,668	105,520	32%
Technicians and Associated Professionals	5,555	13,312	42%
Unknown	14,476	14,488	100%
Grand Total	336,024	1,423,992	24%

Source: DPSA (as at March 2007)

The example given on education and teachers reveals that a focus on aggregated vacancy rates by occupational category is often an inadequate indicator of capacity constraints in the public sector and should not be used as the basis for policy making. A much wider set of information is required to understand the real nature of the capacity constraint in this specific sector.

That said, where data by minor occupations is available it can at least be used to determine whether critical vacancies exist within the public service and to develop the institutional capacity to recruit for these positions. This data reveals that the highest vacancy rates exist amongst engineers, healthcare practitioners, town planners and computer programmers¹⁷. See table 5. This information should be analyzed further to understand the reasons for these critical shortages and identify strategic initiatives which would positively influence the supply of such skills and assist provincial departments and local government in recruiting within these professions.

Table 5 Vacancy by minor occupation category

Minor occupation category	Vacancy as at 30 March 2007	Total number of posts	Vacancy rate
Electricians	153	215	71.16%
Earth moving workers	74	105	70.48%
Mechanical engineers	155	227	68.28%
Geologists geophysicist	348	513	67.84%
Medical technicians	847	1,265	66.96%
Civil engineers	1,046	1,591	65.74%
Oral hygienists	255	405	62.96%
Dental specialists	45	72	62.50%
General Engineers	763	1,281	59.56%
Architects and town planners	196	332	59.04%
Dieticians and nutritionists	795	1,348	58.98%
Dental therapy	215	365	58.90%
Information technology specialists	390	701	55.63%
Social sciences and related occupations	1,792	3,261	54.95%
Artisans and related occupations	659	1,217	54.15%
Computer programmers	92	177	51.98%
Occupational therapists	781	1,541	50.68%

Source: Author's own calculations based on DPSA data (selected occupations as at 30 March 2007)

3.1.5 Changes in the public service workforce

Given the inaccuracies inherent in the PERSAL system, we also look at headcount data to provide a general overview of the growth in personnel in the public sector. Headcount data is obtained on a regular basis by requiring all public service to sign a verification of employment. These filled forms are then submitted to the Department of Public Service and Administration by all national and provincial departments. Headcount data is therefore a reliable source of data on the total number of employees in the public service categories by department.

Between 2004-2006, the national and provincial government increased their workforce by an annual average of 5 per cent. This positive increase suggests that the national and provincial departments are managing to replace employees who leave the public service. The low positive growth rate in the three year period leading up to 2006 does however indicate the slow pace of the recruitment process within the public service.

These findings are confirmed by a recent report by the DPSA which notes that for the financial year ending 2006/07, 103 349 employees were recruited. Most of these new recruits were college and school educators (26%), followed by professionals and administrative staff¹⁸. The report further noted that for every one manager that left the public service, they were replaced by 1,47 new appointments. In the media briefing, the DPSA noted that it was possible that senior employees with years of experience in the public sector are being replaced by junior employees with much less experience¹⁹.

Mpumalanga and the Western Cape had the highest increases in personnel between 2004 and 2006. In the case of Mpumalanga, this substantive increase supports the findings in table 1 that shows that vacancies decreased by about 6 per cent over the same period. This improvement is driven largely by a growth in employees within the provincial

department of education in Mpumalanga through better recruitment strategies. These strategies should be further investigated in a case study to determine whether they can be replicated elsewhere.

Table 9 Headcount from national and provincial departments

Province/National Department	Headcount			Average Annual Growth
	2004	2005	2006	
Eastern Cape	120,310	121,545	121,201	0.37%
Free State	52,697	55,282	55,842	2.94%
Gauteng	106,163	114,488	117,686	5.29%
Kwa Zulu Natal	151,022	161,530	169,102	5.82%
Limpopo	102,780	113,203	111,117	3.98%
Mpumalanga	50,711	56,508	64,547	12.82%
North West	61,589	62,492	64,643	2.45%
Northern Cape	15,542	16,872	17,316	5.55%
Western Cape	60,356	69,625	70,842	8.34%
National Departments	322,527	263,323	358,464	5.42%
TOTAL	1,043,697	1,034,868	1,150,760	5.00%

Source: Author's calculations based on DPSA data

Broken down by department, there is a strong increase recorded in most provincial departments of safety and liaison. Provincial departments of education and health also saw positive growth rates in their workforce of between 1 and 10 per cent. Provincial departments of welfare and social development recorded decreases in total headcount as employees were transferred to the South Africa Social Security Agency (SASSA).

National departments increased their workforce by 5,4 per cent over the three year period. Within national departments, Statistics SA recorded the strongest increase, with an average annual growth rate of 45 per cent between 2004 and 2006. This impressive growth is the result of a concerted effort by Statistics SA to improve its recruitment strategies, fill its senior management positions and retain its highly skilled staff. The success of Statistics SA shows that there is potential for the public sector to recruit skilled people whilst retaining their existing workforce.

Other departments recording significant increases include the Department of Water Affairs and Forestry and the Department of Sport. The national department of Social Development was amongst the few departments that recorded a net average annual decrease in employees of 3.05 per cent due to the establishment of SASSA and consequential restructuring of the department.

3.1.4 Turnover in the public sector

Government defines the turnover rate as the change in the number of employees in a department as the result of death, resignation, contract expiry, transfer, dismissal or retirement within national and provincial government. Between 2003/04 and 2005/06, turnover increased from 94,157 to 153,302, driven mostly by an increase in the number

of contracts expiring in the education and health sectors. These sectors make extensive use of contracts to employ relief teachers and temporary staff.

If one removes the contract expiry statistics and redefines turnover as the number of deaths, resignations, transfer, dismissal and retirements, then the turnover number falls to 44,920 and 58,365 in 2003/04 and 2005/06 respectively, rising by 23 per cent between 2004 and 2006. Although still a small portion of the total number of terminations, the death rate in the public sector has been increasing at an alarming rate over the last few years. This is most likely due to HIV/AIDS. The impact of this pandemic on turnover in the public sector is probably much larger than this as the death rate does not capture officials dismissed, retired or who have resigned due to ill health and incapacity.

Table 6 Termination by category

	2004	2005	2006	Average annual growth
Death	4,156	8,067	9,053	47.59%
Resignation	29,051	22,717	29,878	1.41%
Contract expiry	49,237	68,886	94,937	38.86%
Transfer	178	292	158	-5.79%
Dismissal	3,354	4,555	4,534	16.27%
Retirement	6,948	10,899	11,245	27.22%
Unknown	1,233	882	3,497	68.41%
Total	94,157	116,298	153,302	27.60%

Source: Author's own calculations based on DPSA data

Expressed as a percentage of the headcount within the public service, the death rate accounts for less than one per cent of the change in the total number of employees in the public service. These high level statistics mask the distributional profile of occupations, and it would be important to know whether any specific categories of employees have been more adversely impacted than others. Some additional information is available at the provincial and departmental level, but not by skills category.

Table 7 Termination by category expressed as percentage of headcount

	2004	2005	2006
Death	0.40%	0.78%	0.79%
Resignation	2.78%	2.20%	2.60%
Contract expiry	4.72%	6.66%	8.25%
Transfer	0.02%	0.03%	0.01%
Dismissal	0.32%	0.44%	0.39%
Retirement	0.67%	1.05%	0.98%
Unknown	0.12%	0.09%	0.30%
Total	9.02%	11.24%	13.32%

Source: Author's own calculations based on DPSA data

Turnover rates (including contract expiry) by vote shows that the highest turnover rates occur within the departments of economic development in three of the nine provinces and

are generally high in all provinces. The departments of economic development are responsible for promoting local economic development and implementing industrial strategy within provinces and the high turnover rates may impact on their capacity to carry out this mandate. A possible reason for these high turnover rates is that the skills of employees in the departments of economic development are generally transferable and in demand within both the public and private sectors.

In five of the nine provinces, the department of health is included among the three highest departmental turnover rates. All five of these provinces have a strong rural component and health professionals therefore qualify for a special rural allowance. The data confirms the need for special attention to healthcare workers in these provinces but also raises the question as to whether the additional allowance has had a positive impact to date. Clearly, more research on this subject is required.

Table 8 Turnover by Vote

Province/National Department	Votes with the highest turnover rates	Votes with the lowest turnover rates
Eastern Cape	Economic Affairs , Environment and Tourism (49 %) Health (8 %) Office of the Premier (8%)	Sports, Recreation, Art and Culture (2 %) Provincial Legislature (3%) Provincial Treasury (4%)
Free State	Sports, Arts, Culture, Sport and Tourism (31%) Premier's Office (15%) Education (10%)	Tourism, Environment and Economic Affairs (3%) Provincial Legislature (3%) Agriculture (5%)
Gauteng	Housing (27%) Gauteng Shared Services (14%) Agriculture, Conservation and Environment (14%)	Gauteng Provincial Treasury (0%) Gauteng Liquor Board (0%) Office of the Premier (3%)
KwaZulu Natal	Sports and Recreation (33%) Office of the Premier (17%) Health (11%)	Arts, Culture and Tourism (4%) Public Works (4%)
Limpopo	Sports, Arts and Culture (13 %) Local Government and Housing (13%) Health (9%) Transport (9%)	Safety, Security and Liaison (3 %) Legislature (3%) Education (4%)
Mpumalanga	Economic Development and Planning (10%) Office of the Premier (9%) Health and Social Services (8%)	Finance (2%) Social Services (4%)

North West	Provincial Legislature (13%) Economic Development and Tourism (12%) Education (9%)	Office of the Premier (4%) Social Development (4%) Transport, Roads and Community Safety (4%)
Northern Cape	Agriculture and Land Reform (13%) Housing and Local Government (13%) Health (12%)	Provincial Legislature (13%) Finance (13%)
Western Cape	Environmental Affairs and Development Planning (23%) Cultural Affairs and Sport (21%) Education (20%) Local Government and Housing (20%)	Provincial Legislature (10%) Transport and Public Works (12%) Agriculture (12%) Community Safety (12%)
National Departments	Justice and Constitutional Development (24%) Environmental Affairs and Tourism (20%) Education (20%)	Public Service Commission (5%) Trade and Industry (7%) Agriculture (7%) Foreign Affairs (7%)

Source: Author's own calculations based on DPSA data (as at March 2007)

The table highlights the substantial variance in turnover rates between provincial departments suggesting that the capacity constraint problem cannot be seen as a general and homogenous problem. More disaggregated information would be needed to understand the true nature of the skills shortage within provinces and national departments.

4. The nature of capacity constraints in local government

There is very little public information on the level of employment and vacancies in local government and this makes analysis difficult, if not impossible. In researching this paper, we tried to access consolidated data from the Department of Provincial and Local Government, but such information was not made available.

There have been numerous attempts to quantify the capacity constraints within particular sectors in local government, but these smaller studies can only provide insight into part of the greater problem.

For example, the engineering profession has recently conducted a survey throughout local government and found that more than a third of all 231 local municipalities did not have a single civil engineer, technologist or technician²⁰. Practically, this means that in 77 municipalities throughout South Africa, municipal roads and other basic infrastructure are probably not being constructed or maintained. The same study found that there were more than 1 000 vacancies in local government for engineering practitioners.

Another study done by National Treasury surveyed 278 senior managers (municipal managers, chief financial officers and other senior managers) in local government to assess their skills based on the requirements of the Municipal Finance Management Act (MFMA)²¹. This study found that 30.6 per cent of all municipal managers surveyed held a matric or diploma, followed by 23.7 with an undergraduate or post graduate degree.

Table 10 Qualifications of senior managers in local government

Qualification	EC	FS	GP	KZN	LM	MP	NC	NW	WC	National	National (Percentage)
No Data	0	2	0	1	0		1			4	1.4
Pre-Matric	0	0	1	0	0					1	0.4
Matric only	0	4	2	1	4	2		2		15	5.4
Matric and Diplomas	8	11	13	7	27	6	7	4	2	85	30.6
Undergraduate degree	8	2	10	8	9	4	5	8	1	55	19.8
Undergraduate degree and Diplomas	2	6	4	1	6	6	7	0	3	35	12.6
Under and post graduate	7	5	14	3	9	5	7	10	6	66	23.7
Under/Post graduate and Diplomas	4	1	0	4	5	1	1	1	0	17	6.1
Total	29	31	44	25	60	24	28	25	12	278	100

Source: National Treasury, 2006

In addition, when broken down by qualification type, the data shows that just 9.7 per cent of senior managers held a finance qualification. Of the nine core competency areas for municipal managers defined in the Draft Municipal Regulations on Minimum Competency Requirements and gazetted by the National Treasury²², six require an understanding of financial management principles. There would seem to be a significant risk that many senior municipal managers are not sufficiently skilled to implement the provisions of the MFMA.

Table 11 Type of qualification received

Qualification	EC	FS	GP	KZN	LM	MP	NC	NW	WC	National	National (Percentage)
No Data	0	2	0	1	0	0	1	0	0	4	1.4
Teaching	2	11	5	1	5	1	11	0	1	39	14
Finance	7	1	5	1	8	0	3	2	0	27	9.7
Legal	4	2	8	4	4	2	2	10	2	38	13.7
Public Admin.	10	6	13	12	34	11	5	8	4	103	37.1
Other	6	9	13	6	9	8	6	5	5	67	24.1
Total	29	31	44	25	60	22	28	25	12	278	100%

Source: National Treasury, 2006

Arguably, the biggest problem within the public sector is the lack of detailed and comprehensive information around skills shortages in local government. Moreover, without reliable information around these skills shortages, it becomes difficult to develop targeted medium to long term capacity building strategies for local government.

5. Other indicators of capacity constraints

The data presented in the previous sections shows some of the critical capacity shortages by occupation, salary band and sphere of government. Here we highlight two of the strategies used by departments to respond to staff shortages; these short-term solutions are symptomatic of the depth and duration of capacity constraints within some government departments.

5.2.1 Additional posts

The creation of additional posts within a department may be indicative of a lack of capacity. Additional posts are usually created as a temporary measure to bring in specialist capacity or skills for a specific project. Usually, additional posts are easier to create on the PERSAL system and do not require full compliance with public service regulations. This makes ‘additional posts’ an easy way to in-source capacity and to deal with critical skills shortages. The table below suggests that the Western Cape and the Eastern Cape Provinces are the biggest users or abusers of this system.

Table 12 Additional posts as percentage of total posts

Province/Department	2006		2005		2004	
	Vacancy rate amongst additional posts	Additional Posts as a percentage of total posts	Vacancy rate amongst additional posts	Additional Posts as a percentage of total posts	Vacancy rate amongst additional posts	Additional Posts as a percentage of total posts
Eastern Cape	5.41%	7.98%	10.46%	0.86%	8.03%	12.01%
Free State	19.59%	2.18%	19.79%	2.45%	12.44%	2.23%
Gauteng	22.08%	2.40%	29.75%	3.73%	21.67%	5.74%
KwaZulu Natal	23.83%	1.09%	23.66%	0.98%	21.79%	1.01%
Limpopo	9.02%	0.40%	16.96%	5.99%	19.72%	9.84%
Mpumalanga	11.66%	0.49%	13.51%	3.99%	17.73%	3.84%
National Departments	17.21%	1.74%	13.03%	1.13%	15.74%	1.12%
North West	22.76%	0.25%	14.05%	1.28%	11.65%	1.35%
Northern Cape	18.80%	2.62%	12.77%	3.06%	13.84%	5.13%
Western Cape	11.65%	9.14%	11.97%	10.34%	24.83%	10.44%
Average	16.20%	2.83%	16.59%	3.38%	16.74%	5.27%

Source: Author's own calculations based on DPSA data

5.2.2 Use of consultants

In 2002, a report on the appointment and utilization of consultants in government noted that it was becoming common practice to appoint consultants on contract to fulfill vacancies in national government²³. The Accounting Officer's Guide to the PFMA guideline outlines the process that should be fulfilled when appointing a consultant²⁴. These include:

- clearly defining the need for a consultant
- considering the cost of the consultant and using the appropriate price selection approach to appoint the consultant
- benchmarking the hourly rate to the DPSA guidelines
- ensuring the transfer of skills
- ensuring that there is no conflict of interest between the department and the consulting company
- applying the preferential procurement regulations consistently in the evaluation of bids.

The pervasive practice of using of consultants to address capacity issues as a stop-gap measure means that government departments may not be developing longer term measures to address capacity constraints, such as implementing appropriate recruitment strategies and up-skilling exiting personnel. This problem is confirmed in a recent performance audit by the Auditor General on the Department of Trade and Industry.

“One of the biggest challenges the DTI faced, was the number of vacancies and staff turnover. An establishment report as at 1 January 2005 indicated that the DTI had a total number of 1 147 positions. Further information provided by the DTI dated 11 November 2005 indicated that 328 positions were vacant. The number of vacancies contributed to the increase in the number of consultants required by the DTI to perform its functions.²⁵”

The report further found that vacancies were not advertised as a result of the appointment and utilization of consultants in those positions. In the same report, the Auditor General highlighted the cost of using consultants to fill core vacancies. In the DTI's case, the department had experienced difficulties in appointing a chief financial officer (CFO). Consequently, the DTI appointed a consultant to fulfill some of the responsibilities of the CFO over a two year period. The total amount disbursed for that contract amounted to R6,8 million over the two year period, about 4 times more than the salary of a CFO.

6. A distillation of the capacity constraints problem

While the previous sections focus on the data on vacancies in the public sector and identify a critical lack of capacity in certain occupations, they also raise a number of important systemic and institutional capacity issues that also need to be addressed:

- The high vacancy rates are partly indicative of a lack of capacity within government departments, but they are also a reflection of poor resource planning during the

strategic planning and budgeting process. It has become common cause for departments to motivate for new posts regardless of their actual needs or their ability to find appropriate people to fill these posts. This in turn contributes towards inflated and misaligned organizational structures.

- The unwillingness of departments to align their total posts on PERSAL to total funded posts indicates further complacency amongst departments (high vacancy rates being perceived as a negotiating tool)²⁶. Since the information on PERSAL is the only management information system available for human resource planning within national and provincial government, it is worrying that departments are not maintaining and updating this source of information regularly to improve its accuracy and usefulness.
- The poor implementation of human resource management practices is cause for concern. Human resource management has been relegated to the responsibility of human resource practitioners within corporate services. Managers often do not participate in and support performance management, skills development and mentoring. A single-minded focus on adding and filling vacancies means that resources are often misdirected towards recruitment (sometimes repeated advertisements and senior management time spent in interviews) rather than on improving internal productivity.
- There is a serious lack of data on the extent of vacancies and skills shortages in local government. Sector specific studies have been useful in identifying large gaps in specific skills areas, such as engineering, and these partial studies suggest that a more comprehensive assessment is probably required.

7. Possible causes of capacity constraints

The data and analysis presented in this paper is fraught with reliability problems. It does however raise two main issues of concern for public sector planning and decision making. Firstly, there are very large numbers of vacancies in particular sectors of government and this must impact adversely on service delivery; and secondly, existing human resource management and information systems are inadequate for describing and addressing capacity constraints within Government. Clearly, more needs to be done to correctly specify the causes and find solutions to these problems.

In this section, we discuss three of the likely causes in a little more detail:

- Skills mismatch amongst existing personnel
- A lack of human resource management capacity
- Ineffective supply chain pipeline

7.1 Lack of skills and/or skills mismatch amongst existing personnel

Although, much of focus on capacity constraints in the public sector is on quantitative aspects, such as vacancies, turnover rates and changes in headcount, it is easy to overlook the lack of skills or skills mismatches among existing personnel.

Currently, apart from the skills development plans of departments, there is no framework for assessing the competency and capabilities of public sector employees. The Public Service Commission in its annual monitoring and evaluation study found that although most departments have a skills development plan, the implementation of skills development activities remains poor²⁷.

It is beyond the scope of this study to assess the quality of the skills complement against the actual needs of the public sector, but there is ample anecdotal and sector-specific evidence to suggest that in many areas, skills levels are weak, inappropriate or poorly distributed (see the discussion on mathematics teachers above). Focusing only on the available quantitative indicators of capacity is clearly not sufficient.

7.2 Lack of human resource management capacity

The expanded mandate and orientation of our public service in the post-apartheid period means that managers and public sector employees require a different set of skills to perform their duties effectively. In reforming the public sector, human resource management capacity has become a critical enabling factor in building a unified and effective public service²⁸. Challenges exist throughout the human resource management value chain from recruitment and selection through to training and development. The lack of good human resource management strategies and skills in the public sector contribute to and exacerbate the problem of capacity constraints and ultimately impact on service delivery.

7.2.1 Recruitment and Selection

An effective recruitment and selection policy is crucial in building a well resourced and skilled public sector. In a survey of 14 national and provincial departments, The Public Service Commission found that on average, these departments scored 0.82 out of 1 in terms of having a recruitment policy that complied with Public Service Regulations²⁹. But the implementation of recruitment and selection activities were weak. In the same study, departments scored 0.21 out of 1 for their ability to fill vacant posts within an acceptable period of time³⁰. Only 7 per cent of all departments surveyed in the 2007 state of the public sector report managed to fill vacancies within the prescribed 90 day period³¹.

This suggests that although departments have good recruitment and selection policies in place, they are unable to implement these policies effectively. Moreover, the Public Service Commission noted that departments often failed to consider the skills and competences they require and detail such information clearly when advertising³². This compromises the selection process and increases the probability that the post will not be filled, or worse, will be filled by an inappropriate candidate.

Another important factor impacting on recruitment is the conditions of employment within the public service and local government. Undeniably, the conditions of employment influence the ability of the public sector to attract and retain employees while at the same time influencing the productivity of existing personnel. As reviewing the conditions of employment is beyond the scope of this paper, we suggest that further research be undertaken to further understand the link between conditions of employment, labour supply and productivity.

7.2.2 Performance Management

Poor performance management systems remain a cause for concern throughout the public sector. Performance management systems are the link between individual performance and organizational performance and productivity in the public sector and therefore crucial for effective service delivery.

In 2006, the Public Service Commission found that performance agreements and performance appraisal were not carried out in accordance with the Public Service Regulations³³. In addition, the report also confirmed that management reports on human resource management issues were irregular and inadequate.

7.2.3 Training and development

It is commonly acknowledged that there is little or no link between training and performance in the public sector³⁴. As a result, skills development within the public service and local government does not always address the actual skills needs of employees. Training is often ineffectual and does not result in the desired productivity improvements. In addition, there is little or no monitoring of employee performance as consequence of training. This often translates into the wasteful use of funds for training programmes that do not contribute to the technical competence of the employee or to improved productivity.

This study has highlighted that the public sector is perhaps fixated with establishing new posts and filling vacancies. The building of capacity through training and development has been lagging behind. The Public Service Commission found that skills development had been done in an ad hoc manner³⁵. Most departments had no systems and structures in place to monitor the impact of training on service delivery.

The main impediment to training and development in the public service lies in the culture of relegating training and development to an ad hoc function of human resource management rather than making it the central point of departure for career development and progression of public sector employees³⁶. Training could certainly be used more effectively to reduce turnover and attract new entrants in the public sector.

Another factor that hinders skills development lies in the ability of departments to assess the skills of their own employees on a regular basis and develop specific training programmes that would augment their technical competence³⁷.

7.2.4 Retention and succession planning

Given the turnover and vacancy rates in the public sector, retention strategies and succession planning, are important tools that could be used to lessen the severity of capacity constraints. The Public Service Commission has identified the lack of retention strategies in the public sector and poor succession planning as a key area of concern, especially in areas of scarce skills³⁸, and this study has highlighted the fact that vacancy rates among senior management are alarmingly high.

7.2.5 Ineffective education system

A recent study by Posel and Dias noted that increasing unemployment amongst graduates could be partly explained by the education system³⁹. The quality and appropriateness of formal training is not well matched to the needs of prospective employers. There is no reason to suspect that this problem is restricted to the private sector.

Government is aware of weaknesses in the education systems and through ASGISA, has identified four medium to long term strategic interventions:

- Building a strong foundation for public schooling (particularly increasing the pass rates for mathematics and science)
- Focusing on priority skills within the tertiary sector (by improving access to funding for such qualifications and restructuring FET colleges)
- Initiating and improving work based training programmes and scarce skills initiatives
- Establishing a coordinating body to monitor the skills development in South Africa⁴⁰.

The successful implementation of these strategies should, over time, contribute to an improvement in the number and quality of skills available in the country. But given the needs of the private sector are as great as those of government, it is not clear that these general interventions will have any immediate impact on capacity constraints in the public sector. More targeted interventions may be required to attract skilled graduates to the public sector.

7.3 Legislative and regulatory framework

The legislative and regulatory framework can impact on every stage of the human resource management value chain from recruitment to training and development.

In South Africa, affirmative action plays a crucial role in all recruitment and promotion decisions and this can make the appointment process longer and more complex. Posts can remain vacant for longer than anticipated because of a lack of applicants from targeted groups. For example, recent reports suggest that it is difficult for ‘Indian doctors’

to be appointed in the Western Cape Department of Health, despite large numbers of vacancies, because the Department's affirmative action plan requires 'African doctors'⁴¹.

Similarly, excessive or unclear immigration regulations raise barriers to entry for foreigners to gain employment in the public sector despite them being equipped with critically-needed skills. For example, doctors from developed countries will "only be considered if no qualified South African has applied for the job, if the contract is restricted to one employer and a maximum period of 3 years, if the doctors make a written undertaking to return to their home country once the contract is completed, if they show professional competence (including fluency in English or one other official language of South Africa) and high ethical standards, and if they register with the relevant health council (Cleary and Thomas 2002)."⁴²

8. Government Initiatives to Measure and Build Capacity

8.1 Joint Initiative on Priority Skills Acquisition (JIPSA)

Launched in March 2006 on the back of ASGISA, JIPSA is an initiative that aims to bring government, organized labour and business together to accelerate the development of priority skills within the country. In the short term, JIPSA aims to promote progress in the acquisition of priority skills for the economy through a number of 'quick win strategies'. In the longer term, the initiative aims to remove bottlenecks in the education system that prevent the development of priority skills.

JIPSA's three point strategy is as follows:

- To increase the rate of acquisition of the five high profile priority skills (engineering, town planning, artisan skills, management and planning in health and education and mathematics and science competence).
- To obtain the commitment of key 'project owners' that will foster the development of priority skills.
- To focus research on specific labour market issues.

Given extreme shortages in many of these skills across both the private and public sectors, it is not clear whether the public sector, in particular, will benefit from these specific initiatives.

8.2 Scarce skills list

In 2005, the Department of Labour (together with various other national departments) initiated a process to develop a list of scarce skills, which was released in September 2006. The explanatory memorandum accompanying the scarce skills lists specifies the purpose of the list as follows⁴³:

- "For the Department of Labour and its statutory skills development intermediaries, the national list provides a set of indicators for skills development interventions

- For the Department of Education and public education and training institutions, the national list provides a set of indicators for course development and career guidance that should be provided to learners and communities, including schools, FET , Colleges, Universities, Universities of Technology and learners across these institutions
- For the Department of Home Affairs, the national list provides a basis for establishing the Work Permit Quota List and for evaluating employer-sponsored applications for work permits. The current draft work permit quota list reflects the adjustments made on the basis of this comparison.
- For the national government and current national initiatives such as JIPSA, the national list begins to provide a platform for targeted interventions and the development of mechanisms to monitor and evaluate both the success and impact of measures aimed at redressing particular scarcities”.

The scarce skills list was compiled based on the five year sector skills plans of SETAs. These five year plans are in turn based on the skills development plans of organizations found within a specific sector. In the case of national and provincial government, PSETA’s five year sector skills plan would be a synthesis of the skills development plans of national and provincial departments.

It is encouraging that the government recognizes the need to raise the skills base in South Africa through long-term interventions, such as education, and in the short-term through immigration. That said, policy makers need to be aware of the difficulties and dangers in trying to identify the specific skills needs of the economy in general and the public sector in particular at any moment in time.

8.3 Skills assessment initiatives as part of the government programme of action.

The Governance and Administration Cluster is tasked with the responsibility of assessing the capacity needs of Government. As part of their mandate, the cluster has initiated four major subprogrammes aimed at assessing the skills shortage in the public sector. These initiatives are summarised below.

8.3.1. The implementation of a public service skills database

The development of a public service skills database is intended to provide government with a baseline account of the current skills levels and capabilities within all national and provincial government. This database has been piloted at the Department of Public Service and Administration, Department of Justice and Department of Trade and Industry and will now be implemented through the rest of government.

The public service skills database will provide a snapshot of the current state of the public service in terms of skills and capabilities, at both an aggregate and departmental level. This should be of value in highlighting the main constraints and bottlenecks and revealing the most problematic skills shortages and departments.

However, for this data to be useful for human resource planning and development, it must be accurate (note the shortcomings of the existing PERSAL-based data described above); it must be dynamic (show progress over time); and it must somehow be linked to the budgeting, training, recruitment and retention plans of individual departments.

This paper argues that the process of building a skills database is a bottom-up process, not something that can be imposed by and managed at a central or higher levels of government. It is imperative that institutional capacity, systems and structure are built within departments to perform skills assessments regularly and that this information is used by departments to develop a baseline against which their organizational skills development strategies are monitored.

6.3.2 Development and utilization of an appropriate local government skills database

The concept of the local government database is similar to that of the public service skills database. Although, various stakeholders have conducted capacity assessments in local government, these studies have been aimed at particular aspects of local government, such as financial managers and engineers. The local government database is the first attempt to understand the skills capabilities of local government as a whole.

This paper supports the idea that an initial skills audit be undertaken by national government to provide some idea on the extent of the skills shortages in the area of local government. Without such an audit we have no idea as to the extent of the problem. This audit should be designed to provide information on the disparities in skills between municipalities, the nature of skills shortages between urban and rural municipalities and an exposition of the minimum technical skills required for the delivery of basic services.

8.3.3 Implementation of competency based assessments

In March 2007, the DPSA made competency based assessments a mandatory part of selection process for senior management positions. The competency based assessment are based on a set of generic competencies (e.g. strategic leadership) that senior and middle managers in government need to demonstrate in order to fulfill their roles and responsibilities effectively.

Competency based assessments can only be effective if used as a legitimate tool for decision making during the selection process. However, the Public Service Commission notes that “reports of political office bearers sometimes deviating from the recommendations of the selection panel without fully recording reasons for such deviations, is of concern as it may be viewed as undue interference⁴⁴.”

This is clearly of concern and is likely to be most prevalent at the senior management level, possibly negating the role of competency tests. This should not be tolerated. Moreover, it is important to emphasise that objective competency tests be introduced at all levels of public service as soon as practically possible.

8.3.4 Implementation of the Public Service Human Resource Development (HRD) strategy

The implementation of a new public service human resource development strategy to address the shortcomings in the current human resource value chain is welcome. Whilst still at the draft stage, the HRD strategy recognizes that although substantial progress has been made with developing human resource management policies and strategies, implementation at institutional remains poor. The draft HRD strategy focuses on bridging the gap between strategy and practical implementation by providing a step-by-step implementation guide for human resource practitioners.

Perhaps the biggest challenge in the implementation of the draft HRD strategy is resistance from within organizations. Currently, human resource management is seen as a mechanistic line function within departments, usually housed within a wider corporate services division, distinct from the technical and strategic management of the department. This needs to change. Human resource practitioners need to be equipped to provide ongoing support to managers throughout the public sector and management needs to make better use of human resource tools and functions.

9. Conclusion and recommendations

The analysis presented in this paper reveals large gaps in capacity across all departments and provinces; it also highlights substantial gaps in government systems and institutions for human resource planning and development. Government is certainly aware of these shortcomings and a number of initiatives have been launched to deal with human, institutional and systems constraints across the public sector. What more, if anything, could be done?

9.1. Improving data accuracy and reliability

As ASGISA places increasing pressures on the public sector to deliver on basic services and infrastructure development, the need to understand the full extent of the capability and capacity of the public sector becomes more pressing. Currently, due to the unreliability and inaccuracy of data contained in PERSAL, the public sector has no real estimate of the extent of vacancies in national and provincial government. Although, funded vacancies can be easily determined from expenditure on personnel budgets, the extent to which both funded and unfunded vacancies are required for effective service delivery remains obscure.

The massive scale of the number of vacancies shown by existing data is evidence of too much fat in the current organizational structures of individual departments and government as a whole. This makes it impossible to identify critical, real and binding constraints on delivery. Existing data and databases are therefore not particularly useful for human resource planning in the public sector.

Part of the solution lies in the need to improve the strategic and operational planning processes that produce credible resource estimates (including personnel estimates) within departments.

The rest of the solution lies in cleaning the data on PERSAL so that meaningful information can be extracted and used in decision making and planning. Although, the DPSA has made attempts to get departments to load their funded organogram on the PERSAL system, there has been no real progress in removing inaccuracies in the system.

This paper recommends that the process of improving the accuracy of the PERSAL database be centralized and conducted by the DPSA. In addition, a human resource management module (as opposed to just a payroll system) should be rolled out to support the implementation of the HRD and to provide managers with critical and up-to-date management information.

Urgent attention needs to be given to developing organizational and institutional capacity at local government to assess capacity constraints and report on skills shortages.

9.2 Undertaking regular skills audits within the public sector.

Once the public service and local government skills database is developed and a baseline established by department and municipalities, regular skills audits should be undertaken to update the database and identify progress on skills development initiatives or resolve problems in areas of skills shortages.

Information on the skills database should be made available to managers and human resource practitioners to ensure that they are well equipped to effectively manage their employees.

9.3 Legislation and regulations that hinder the fulfillment of critical posts

Affirmative action is essential for redressing past inequalities and this is particularly important within the public sector. Employment equity targets should inform all appointment and promotion decisions within government, but they need to be implemented in cognizance of the general lack of skills across all sectors of the economy and the extremely high vacancy rates among certain skills categories in government.

9.4 The public sector as the employer of choice

Within middle and senior management levels, there is a clear need to attract and retain skilled and talented people. However, at these levels, the public sector often competes with the private sector. Although, the obvious solution seems to be to pay employees more, there are other strategic interventions that the public service could undertake to position itself as an employer of choice. Plans are already under way to develop dual streams in the public sector – one for specialists/professionals and the other for managements.

In the end, it is the public service's ability to add value to the career path of its employees and create opportunities for advancement that will determine whether it is able to attract and retain talent and skills.

9.5 Monitoring, evaluation and reporting

Inadequate monitoring, evaluation and reporting on human resource management issues remains a problem within the public service. Though the Public Service Commission has undertaken a number of useful monitoring and evaluation studies, these need to be internalized and done at a departmental level. There is a clear need for senior management to regularly monitor skills development, turnover and vacancies in order to make operational decisions and reallocate resources where necessary.

Public reporting on statistics around vacancies, turnover and replacement factors should occur regularly. The Department of Public Service and Administration should consider making available a regular report detailing the state of human resource management within the public sector. This would include both qualitative and quantitative information on key human resource and capacity indicators as well as an indication of progress on some of skills development initiatives listed above.

ENDNOTES

- ¹ Constitution of the Republic of South Africa, Act 108 of 1998, Chapter 1
- ² PERSAL is a human resource management system used by national and provincial government to manage salary payments, leave etc.
- ³ The Presidency, State of the Nation 2007, <http://www.gov.za>
- ⁴ National Treasury, 2006. Local government budgets and review: 2001/02 -2007/08 p. 51
- ⁵ Author's own calculations based on 2006 Mid year population estimates by Statistics South Africa
- ⁶ A. Soko, Capacity Building for Infrastructure: Are we ready for 2010? Paper presented at the 25th Southern Africa Transport Conference. 25th July 2006, p. 11
- ⁷ Mail and Guardian, Shortage Confusion and Mismatch Surplus. http://www.mg.co.za/articlePage.aspx?articleid=246965&area=/insight/insight_economy_business/
- ⁸ Democratic Alliance, Skills Vacancies – Developing Quality and Producing Quantity, http://www.da.org.za/DA/Site/Eng/campaigns/DOCS/SkillsVacancies_Project_2006.doc
- ⁹ Parliamentary Monitoring Group. Governance and Administration Cluster: Implementation of Programme of Action, 15 November 2006. <http://www.pmg.org.za/briefings.php?id=308>
- ¹⁰ Vacant posts includes both funded and unfunded positions in the organogram.
- ¹¹ Data received from the DPSA covered the period of a calendar year and thus cannot be directly compared to data in annual reports which cover the period of a financial year.
- ¹² Department of Public Service and Administration, 2007. Vacancies in the Public Sector. Briefing Note
- ¹³ H. Sterkfontein. Interview conducted for CDE, interview no 2.
- ¹⁴ Mail and Guardian, 2007, Can Home Affairs be saved? http://www.mg.co.za/articlePage.aspx?articleid=309665&area=/insight/insight_national/
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- ¹⁶ Business Day, No teacher shortage in SA, says Expert. <http://www.businessday.co.za/Articles/TarkArticle.aspx?ID=2797341>
- ¹⁷ Based on data obtained from the Department of Public Service and Administration drawn down from Persal at minor occupation level within the CORE framework.
- ¹⁸ Republic of South Africa, 2007, Governance and Administration Cluster Briefing. <http://www.info.gov.za/speeches/2007/07051412451001.htm>.
- ¹⁹ Republic of South Africa, 2007, Governance and Administration Cluster Briefing. <http://www.info.gov.za/speeches/2007/07051412451001.htm>.
- ²⁰ Engineering news, 2006, Skills Shortages in Local Government http://www.engineeringnews.co.za/article.php?a_id=110230
- ²¹ National Treasury, Minimum Competency Regulations, Presented to the Portfolio Committee on Provincial and Local Government. 2006
- ²² National Treasury, Draft Municipal Regulation on Minimum Competency Requirements, pp 13. <http://www.treasury.gov.za>
- ²³ Auditor General, 2002, Report on the appointment and utilization of consultants. [http://www.agsa.co.za/Reports/Our%20Reports/AG%20reports-National/Specialised%20audits/Performance/2002/Performance%20audit%20on%20appointment%20and%20use%20of%20consultants%20at%20certain%20nat%20departs%20and%20prov%20admins%20\(RP%20122%202002\).pdf](http://www.agsa.co.za/Reports/Our%20Reports/AG%20reports-National/Specialised%20audits/Performance/2002/Performance%20audit%20on%20appointment%20and%20use%20of%20consultants%20at%20certain%20nat%20departs%20and%20prov%20admins%20(RP%20122%202002).pdf) p. 18.
- ²⁴ National Treasury, 2004, The Accounting Officer's Guide to the PFMA. P. 57. <http://www.treasury.gov.za>
- ²⁵ Auditor General, 2007, *Performance audit of the Auditor General on consultants at the Department of Trade and Industry* p. 4
- ²⁶ H. Sterkfontein, Interview conducted for CDE, interview no 1.
- ²⁷ Public Service Commission, 2006, *Second Consolidated Monitoring and Evaluation Report*, p. 38 <http://www.psc.gov.za>
- ²⁸ Public Service Commission, *State of the Public Service Report 2006*. <http://www.psc.gov.za>

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