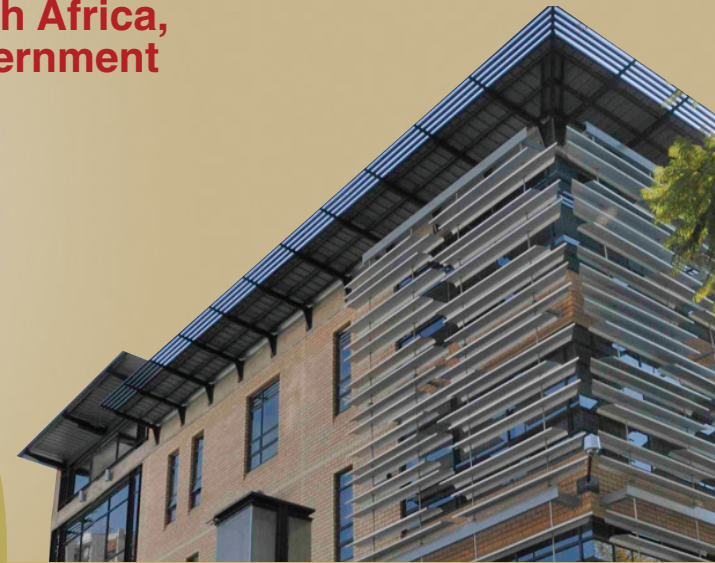




# PRODUCTIVITY AS A FRONTIER IN THE SOUTH AFRICAN PUBLIC SERVICE

Report Commissioned by the Presidency of South Africa,  
in collaboration with the National School of Government



REPUBLIC OF SOUTH AFRICA

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In partnership with Deutsche Gesellschaft für Internationale Zusammenarbeit  
(GIZ) GmbH through the Sustainable Development Goals Initiative (SDGi)



REPUBLIC OF SOUTH AFRICA



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# EXECUTIVE SUMMARY

Studies pertaining to productivity usually focus on the private sector or broader notions of productivity. There are few comprehensive studies that deal with productivity in the public sector/service. It is in this context that the study from which this Report is based examined productivity in the public sector in South Africa. The multi-disciplinary research team appointed to measure productivity in the South African public service/sector addressed, among others, the following questions:

- How to measure the public service productivity robustly and comprehensively?
- How does the public service productivity in South Africa compare internationally?
- To what extent have the changes in the public service wage bill corroborate and/or complement productivity in the public service in South Africa?
- What are the key determinants and constraints of productivity in the South African public service?

Linked to addressing these questions, conceptual and methodological – and even philosophical – issues have been addressed. The team agreed on the approach that would be suitable for measuring productivity in the South African public service. For instance, would the study mainly focus on full-time equivalent employees in the government or consultants, and would state-owned entities and other public entities be taken into account or included, including local government, in line with current public administration reforms? The team worked on a definition of productivity in the South African public service, to guide the assessment/quantification of productivity. In addition, the team had to clarify which type of productivity

should be of critical importance in the context of South Africa (e.g. workforce productivity, total-factor/multi-factor productivity etc).

The following were envisaged deliverables:

- Provide literature review on the conceptualization, implementation and management of productivity in the South African public service.
- Identify and define the drivers and constraints on productivity in the public service.
- Provide international benchmarking to determine countries with highly productive public services showcasing high productivity levels.
- Sample analysis of legislation and policy frameworks applicable to the public service, which provides the mandate, measures and standards for productivity management. This included the Constitution, economic and finance related legislation and policies, public service-wide legislation and policies, service-specific legislation and policies, and institution-specific legislation and policies.
- Sample analysis of core service delivery indicators and data currently used to measure productivity in the South African public service.
- Sample analysis of government expenditure on public goods and services and its relation to efficient service delivery.

The study made use of both secondary and primary data. Various sources were used for secondary data, including International Labour Organization, Penn World Table, Statistics South Africa (StatsSA), Quantec, World Bank development indicators, government reports, and other relevant sources. As regards the primary data, an appropriately designed survey and the survey tools were employed. Well established



standard procedures were designed in sampling of primary data, ensuring that all parts of the public service are covered and respective research ethics' principles, are adopted. Fieldworkers were prepared appropriately for undertaking fieldwork and the research instruments were piloted before the survey. Various government documentation and legislation were analysed.

Among the key issues, an international benchmarking exercise was done aimed at comparing South Africa with some of the best performing countries in public sector productivity to establish best practices and strategies from which South Africa can learn and improve her own productivity. The international benchmarking exercise followed five steps. These steps included the following: identification of countries; collection of data from different secondary sources; analysis of data; identification of different best practices and development of recommendations.

In the assessment of productivity, an array of indicators was considered. These indicators included service quality, accessibility, efficiency, innovation, economic and social context, public sector culture, data and measurement, citizen satisfaction, employee satisfaction, outcomes, digitization, partnerships, collaboration, political stability, legal and regulatory framework as well as transparency. The Public Service Awards Program and the World Bank Public Service Comparator tools were used. Data from these tools was triangulated through the inclusion of insights from scientific publications with a view to either support or dispute the findings.

Countries that were considered for the international benchmarking exercise were Canada in North America, Singapore in Asia as well as Rwanda in Africa. These are considered the best performing in public sector productivity. Some of the key findings from the three countries are elaborated below starting with Canada.

Canada has shown strong focus on innovation and experimentation. The country uses technology to improve productivity. It is strong on decentralization which has resulted in flexibility and innovation. The performance management system is used effectively as a tool to improve productivity. The country has made strides and notable improvements in automation. Canada has a motivated, engaged and skilled workforce. To assess its workforce, Canada conducts public service employees survey every three years to establish engagement, satisfaction and motivation. Canada has a program of seconding employees to other departments and countries for them to gain rotational experience. Furthermore, Canada undertakes customer satisfaction surveys every two years. Digital tools, online portals and mobile applications are used to improve service delivery. Service delivery in Canada is informed by evidence-based research. Canada effectiveness index is between 1,5 end 2.0 while South Africa is between minus -0.5 and 0.5. The regulatory quality of Canada and South Africa is the same.

Singapore is one of the least corrupt countries in Asia and the world. The country has adopted a proactive approach to change through the formation of four committees. These committees are the staff well-being committee, the quality service committee, the excellence committee, and the organizational review committee. Singapore's investment in ICT and automation is remarkable and it is considered as one of the world leaders. A typical example of using ICT to improve service delivery is the application and collection of passports from a self-service machine. Singapore regularly reviews curriculum and its training programs. Recruitment in Singapore is the sole responsibility of an independent Public Service Commission, which is insulated from politics. Recruitment is based on meritocracy. Singapore pays relatively higher salaries which are market related. In addition to salaries, bonuses are based on individual and collective performance levels. Bonuses are paid either monthly or annually. Ministries in Singapore are provided with incentives for limiting



the growth in the number of employees. Government effectiveness in Singapore is improving while they are declining in South Africa.

Rwanda has emerged from a painful history of genocide and developed into a beacon of hope for Africa. Rwanda is regarded as an anti-corruption success story in Africa. In Rwanda, corruption has fallen sharply in recent years compared to other African countries and countries across the globe. Rwanda has managed to cut red-tape to a minimum. A typical example is that a business can be registered in an average of three days compared to sub-Saharan African average of 34 days at an exorbitant cost. Rwanda has developed a homegrown public performance-based assessment system. On the effectiveness index, Rwanda was at a lower base in 2012. The country's effectiveness index improved rapidly between 2015 and 2017. On the contrary, South Africa witnessed its sharp decline

between 2019 and 2021. The rule of law index shows that Rwanda has been improving since 2012. South Africa's assessment shows a decline between 2014 and 2018 with some improvement in 2020. Rwanda is seen as more politically stable than South Africa.

From the international benchmarking exercise, the following areas may need attention in the South African public sector/service if productivity is to improve:

- Employee development,
- Innovation and continuous improvement,
- Use of ICTs to improve service delivery and cut on human capital costs,





- Recruitment and salaries,
- Performance management systems,
- Flexibility and adaptability,
- Leadership,
- Firm commitment to root out corruption, and
- Accountability

Overall, South Africa shows signs of decline in productivity. South Africa has also been showing signs of decline in controlling corruption while Singapore has been relatively stable. Similarly, the regulatory quality has also shown signs of decline in South Africa.

The study also undertook efficiency analysis, and several interesting findings emerge from the analysis of the efficiency of government expenditure on public goods and services. The analysis at the aggregate level reveals that public-sector spending relative to the size of the country's economy measured by gross domestic product remained below 30% for the period covering 1994 to 2022, thereby signifying a fairly prudent fiscal approach compared to European Union countries, whose total public expenditures as a percentage of GDP, in 2006, averaged 46.8 % (ranging from 32% to 56%). The analysis at a government departmental level reveal that more money is allocated to education, social protection, and health. Nevertheless, there are noticeable differences in how money is allocated across different clusters, with some sectors growing faster than others, and due to changing economic conditions and organizational priorities. Furthermore, government departmental analysis concerning average compensation per employee suggests efforts to uphold competitive compensation to draw skilled talent. Overall, positive trends are observed, correlating with positive Effective Scores in departmental performance.

The analysis of legislation and policy frameworks in influencing the productivity of the public service sector in South Africa was also undertaken. Each sector's legislation was reviewed for its potential implications on productivity, considering both the immediate impacts on the sector and broader socioeconomic effects. The analysis of legislation and policy frameworks dissected the intricate relationship between these legislative measures and the productivity levels within the public service, providing a multifaceted analysis of their impacts and offering insights into potential areas for reform. By examining various legislative and policy directives across multiple governmental departments, the analysis of legislation and policy frameworks sheds light on how these regulations serve as both facilitators and barriers to enhancing efficiency, effectiveness, and overall productivity within the public sphere. South Africa's rapid development trajectory necessitates a robust and effective public service sector, guided by pertinent legislation and policies across diverse departments including education, health, energy, public service, water and sanitation, agriculture, land reform, and home affairs.

The key findings in relation to the analysis of legislation and policy frameworks influencing the productivity of the public service sector in South Africa are as follows:

- **Impact of Legislation on Sectoral Productivity:** The findings underscore the profound influence that sector-specific legislation and policies have on the productivity of the respective sectors. (e.g., the South African Schools Act, National Health Act) and their targeted sectors' productivity. For instance, the South African Schools Act and the National Education Policy Act are pivotal for the education sector's productivity, impacting the workforce's quality and, subsequently, the country's productivity.
- **Broad socioeconomic implications:** Beyond their direct impacts, the findings highlight how these legislative frameworks have broader





socioeconomic implications, influencing areas such as workforce education quality, public health standards, and environmental sustainability. These effects underscore the interconnectedness of sectoral productivity and overall national development. For example, effective health sector legislation can lead to a healthier workforce, thereby enhancing overall productivity.

- **Challenges to implementation:** Despite the potential of legislation to enhance productivity, several implementation challenges are identified, including resource constraints, bureaucratic inertia, corruption, lack of political will and resistance to change. These obstacles underscore the complexity of effectively translating policy intentions into tangible outcomes.
- **The need for a holistic approach:** The analysis advocates for a holistic approach to understanding and enhancing public sector productivity, recognizing the interconnected impacts of legislation across different sectors and the need for coordinated policy responses to address multifaceted challenges.
- **Adaptation and continuous reform:** In light of evolving socioeconomic conditions and emerging challenges, the findings emphasize the need for continuous evaluation, adaptation, and reform of existing legislation and policies. This dynamic approach is crucial for ensuring that the public service remains responsive to the changing needs of society and the economy.

The study also examined productivity and effectiveness of service delivery in South Africa, with an eye towards comparative international benchmarks. The analysis focuses on essential government departments, namely the Departments of Home Affairs, Social Development, Education, Water and Sanitation, Police, Transport, and Cooperative Governance and Traditional Affairs, assessing their performance using a metric known as the Effective Score. This quantitative measure helps gauge the

deviation between projected performance and actual outcomes, offering insights into departmental productivity.

The macroeconomic implications of Total Factor Productivity (TFP) and its impact on the Gross Domestic Product (GDP) are explored, highlighting the critical role of productivity improvements in driving economic growth and societal well-being. The Impulse Response Function (IRF) analysis elucidates the dynamic relationship between labour productivity, TFP, and GDP, indicating potential lag effects following productivity shocks. Moreover, the analysis broadens its scope by including a comparative analysis of service delivery performance across four countries: Australia, Mauritius, Rwanda, and the United Kingdom. This international perspective aims to benchmark South African service delivery against global standards, drawing lessons from these countries and identifying areas for improvement. The analysis also delves into the theoretical underpinnings of public service and service delivery, emphasizing the importance of citizen participation and insights in enhancing service delivery outcomes. It critically examines the South African context, where dissatisfaction with service quality has been growing, and service delivery protests have become increasingly common. In addition, the Department of Public Services and Administration's Public Service Productivity Framework was reviewed, suggesting areas for further development to enhance public sector productivity comprehensively. The main findings as far as productivity and effectiveness of service delivery in South Africa is concerned are:

- **Productivity and economic impact:** The analysis confirms that increases in labour productivity and TFP have a positive impact on GDP, driving economic growth. However, the effectiveness of such improvements may be tempered by initial adjustment lags and diminishing returns over time.
- **Service delivery performance:** The effective scores for various South African departments indicate a mix of overachievement



and underperformance against projected targets. While some departments consistently meet or exceed their targets, others fall short, highlighting the need for improved organisational efficiency and strategic goal setting from the top.

- **International benchmarking:** Comparing South African departments with their counterparts in Australia, Mauritius, Rwanda, and the United Kingdom reveals that South Africa is generally on par with international standards in terms of regulatory standards. However, continuous improvement and innovation remain crucial for maintaining competitiveness.
- **Citizen participation and service delivery:** The analysis underscores the gap between government efforts and citizen satisfaction, with a particular focus on the importance of enhancing citizen engagement in the service delivery process. It points to the need for a shift towards more participatory governance models to build trust, reduce social distance, and improve service outcomes.
- **Public service productivity framework:** The review of the DPSA's framework suggests it provides a solid foundation but requires further refinement to address the complexities of public service delivery effectively. Emphasizing systems thinking, value engineering, and continuous improvement could enhance the framework's applicability and impact.

With regard to the examination of productivity in the South African public service/sector from public official's perspectives, the primary objective was to dissect the multifaceted nature of productivity in the public sector, identifying key inhibitors and enablers. By doing so, the study contributes to the broader discourse on enhancing public service delivery, with a focus on actionable insights that can drive improvements in societal welfare and national development. The research methodology is robust, featuring

qualitative analyses of data collected from senior and middle managers, as well as operational staff across ten key government departments. This approach ensures a nuanced understanding of productivity from various hierarchical perspectives within the public service. The findings offer a panoramic view of the challenges, perceptions, and determinants shaping productivity within this crucial sector. The findings are instrumental for policymakers, stakeholders, and practitioners in formulating strategies to enhance public sector efficiency and effectiveness.

The main findings from fieldwork are:

- **Multidimensional nature of productivity:** Productivity in the public sector extends beyond simple output metrics to encompass the efficiency of service delivery, its impact on societal welfare, and the achievement of wider social objectives.
- **Leadership and organizational culture:** Effective leadership and a supportive organizational culture are vital for enhancing productivity. The need for leaders who can inspire and lead, rather than merely manage, is emphasized.
- **Performance management and evaluation:** Current systems focus more on compliance and outputs rather than outcomes, highlighting the need for outcome-oriented and impact-focused evaluation metrics and independent monitoring.
- **Coordination and collaboration:** Enhanced coordination and collaboration across various levels of government are necessary to ensure cohesive and streamlined service delivery.
- **Internal and external challenges:** Key challenges affecting productivity include inadequate skills, poor working conditions, bureaucratic processes, limited performance accountability, budgetary constraints, corruption and political interference.



- Capacity Building and Skills Development: Addressing skill gaps through focused capacity building and skills development initiatives is critical for improving workforce productivity.
- Work environment and employee motivation: The physical and organizational work environment plays a significant role in influencing employee motivation and productivity, with remote work identified as a potential productivity booster.

Overall, based on review of relevant literature and various parts of the study, the productivity of the public sector/service in South Africa is mixed. In some cases, productivity is commendable (at least according to the research undertaken). In most cases, however, the productivity of the public sector/service in South Africa is poor. There are many areas requiring improvement.







# PART I

## BACKGROUND





## Overview

Public sector reforms have transitioned from traditional management approaches to New Public Management (NPM) and now to the concept of joined-up government. Increasingly, it is widely acknowledged that the post-New Public Management era offers a superior financial management framework that emphasises public accounting, as various scholars have argued. Proponents suggest that post-NPM improves efficiency and effectiveness in delivering public services while fostering transparency and accountability within governments.

In the South African context, the impact of government spending on productivity, functions, roles and responsibilities remains a topic of debate. There is a lack of consensus regarding the South African government's credibility in utilising its budget to implement public policies, align market incentives, and enhance Pareto efficiency, as outlined in a recent publication (Gumede, V, *South Africa: State and Development*, 2022).

The multi-disciplinary research team tasked with evaluating productivity in the South African public service has examined various crucial questions, including:

- How can public service productivity be measured rigorously and comprehensively?
- How does the productivity of the South African public service compare on an international scale?
- What are the primary factors and limitations influencing productivity within the South African public service?

The anticipated deliverables from the research team included:

- Conducting a literature review focused on the conceptualisation, implementation and management of productivity within the South African public service.

- Clearly outlining and defining the drivers and impediments influencing productivity levels within the public service.
- Conducting international benchmarking to identify countries known for having highly productive public services.
- Analysing a sample of legislation and policy frameworks relevant to the public service, which outline mandates, measures, and standards for managing productivity.;
- Reviewing core service delivery indicators and current data employed to assess productivity within the South African public service.
- Evaluating government expenditure on public goods and services exploring its impact on efficient service delivery.
- Undertaking fieldwork to gather insights and perspectives from government employees on public sector productivity.

The study utilized a combination of secondary and primary data. For secondary data, sources included the International Labour Organization, Penn World Table, Statistics South Africa (StatsSA), Quantec, World Bank development indicators, government reports, and other relevant references. Primary data was gathered through surveys and focus group discussions.

This research aims to enhance our comprehension and measurement of productivity within the public sector. In a 2007 report, Productivity SA highlighted that productivity in the public sector in South Africa is hindered by factors such as inadequate planning capacity, skills shortages, insufficient guidelines for developing best practices, and a lack of a culture that embraces performance measurement and innovation.

The Department of Public Service and Administration (DPSA) has recently introduced a Public Service Productivity (PSP) measurement tool, which



focuses on three core elements, Labour, Operations, and Performance. The existence of this framework is commendable as it demonstrates the willingness of the state to establish pragmatic insights into the efforts invested to create the social compact the country needs. This initiative sets a noteworthy precedent not only in Africa, but also in the global south and worldwide, emphasising the importance of evaluating progress in the providing services to communities that elect political leaders to serve them.

Although the framework was introduced in 2017, various local adaptations have occurred amidst shifting global dynamics, including challenges related to climate change, occupational health issues and the COVID-19 pandemic. These elements, whether directly or indirectly have implications that were not as prevalent at the time the framework was initially conceptualised, highlighting the evolving nature of our world.

The concept of productivity, including its definition, measurement and management is not a static construct. Views on productivity will continuously require fresh and robust insights as time progresses. This report is presented by the researchers within a specific context to offer the opportunity for deriving new insights that may not have been initially articulated by the creators of the framework.

While the DPSA approach is internally focused, this baseline report introduces new measures such as an aggregated longitudinal analysis of the performance of departments by clustering them together. This methodology brings to the fore the state of service provision from a grouped perspective rather than from a strictly singular angle. The DPSA framework primarily emphasizes the meso-level, focusing on provincial and national departments rather than the macro level. Therefore, the expert-led analysis enriches rather than detracts from the work of the DPSA. The clustered approach to productivity uncovers valuable insights into service delivery that were not as pronounced in the proposed

DPSA methodology. It is noteworthy that the framework recognises the importance of having a modern-day public service, which underscores the rational for involving an independent group of experts to provide insights into the extended performance of the state over time.

The DPSA proposed an extensive process encompassing stepwise calculations, a matrix approach, an assessment table for the matrix approach, determination of achieved, and steps to discern productivity indicators. The process also includes the development of a straightforward organisational action plan upon completion. In contrast, the expert team did not adhere to such a structured approach but rather delved into aggregated data presentation, deriving insights during clustering and aggregation of performance. The timelines for the productivity measurement exercises were also distinct, with the expert team working within limited timeframes while the DPSA has been engaging in this work over multiple years.

Although the DPSA strategy presents certain advantages, it is not devoid of limitations. One notable limitation is its heavy reliance on annual reports for productivity measurement. While these reports are beneficial for quantifiable aspects, they tend to overlook qualitative elements of public service, such as public opinions on service delivery effectiveness.

The second significant limitation of the DPSA productivity measurement approach is the perceived subjectivity in the allocation of weights to core factors, lacking transparency and credibility. The method used to assign weights to these factors is unclear, raising concerns about the credibility of the approach. Moreover, the current productivity method may not effectively measure labour efficiency within government departments.

To overcome these limitations, the baseline report aims to address some of these challenges by incorporating efficiency analysis, such as examining average compensation per employee. This approach directly tackles labour cost efficiency, providing insights into areas where labour





costs may not align with productivity levels. By integrating this labour cost efficiency dimension, the productivity method can identify discrepancies between labour costs and productivity, leading to improved human resource management practices and cost-effective service delivery outcomes.

It appears that there are overlaps in the core factors used by the DPSA to measure productivity, particularly between labour and performance factors which are intertwined in any work setting. Labour directly impacts performance within a work environment, as indicated in the literature, which highlights various factors that affect employee productivity. However, the ratio of salary cost to the total budget is not identified as a significant factor in this context.

While salaries and wages can influence productivity to some extent, other factors related to the overall working conditions in a work environment play a crucial role in determining productivity. Elements such as wellness and employee well-being are essential considerations, and if these factors are adequately addressed, salaries and wages may not have a substantial impact on productivity levels.

The Department of Public Service and Administration (DPSA) productivity measurement methodology may raise questions about whether it effectively measures productivity in the public sector. Some of the indicators used do not necessarily impact productivity. For instance, allowing employees to take leave, including sick leave, should not directly affect productivity. Even though factors like high vacancy rates and inadequate employee training can influence an organization's

functioning, they may not always correlate with productivity levels. It could be argued that the DPSA's Productivity Management Framework primarily focuses on the government's operational efficiency rather than productivity per se.

In the era of artificial intelligence, there is a growing need to develop predictive models that can assist national leaders in making data-driven decisions based on past performance and real-time information. For example, evaluating the Department of Rural Development and Land Reform's (DRDLR) productivity at 52% offers insights into its performance, but a clustering approach could reveal relationships with other closely related departments, enabling broader sector-wide improvements and enhancing state effectiveness. A fundamental question pertains to the life cycle of these analytical efforts – do they reach decision-makers to inform future decisions effectively?

A systematic approach is essential to capture data in real-time and utilize it for medium-term decision-making, ensuring that governmental entities have timely and robust information for service delivery optimization. It must also be emphasised that while data plays a critical role, human intelligence remains indispensable for interpreting and leveraging this data for decision-making processes.

Overall, the researchers anticipate that their general observations, complementary insights, and identification of limitations will significantly contribute to continuously enhancing departmental productivity and state organs' capacity to deliver quality, cost-effective services promptly and efficiently.







# PART II

## LITERATURE REVIEW



## Background

This part of the study primarily focuses on reviewing pertinent research and briefly compares the quantification of productivity in the public services of selected countries. The subsequent section of the report (Part 3) delves into international best practices concerning productivity in the public service.

A critical review of the literature serves as a foundation for a study, aiding researchers in comprehending existing research<sup>1</sup> relevant to a particular area of study<sup>2</sup> and identifying previous scholarship in a specific area of study<sup>3</sup>. Conversely, benchmarking involves seeking industry best practices that lead to superior performance. It is not a means to determine resource reductions, nor is it a one-size-fits-all solution or program. Instead, benchmarking is an ongoing management process that necessitates continual collection and evaluation of external best practices and performance to inform decision-making.

It is important to note that benchmarking is not a straightforward recipe where one simply looks up ingredients for success. Rather it is a discovery process and a continuous learning experience. It is not a passing trend but a proven strategy for success. Moreover, benchmarking represents a new approach to conducting business as it necessitates an external

view to ensure the accuracy of objective setting and performance evaluation<sup>4</sup>.

## Understanding Productivity and Related Concepts

Available literature suggests that the concept of productivity has been utilised for years, yet there is no consensus on its precise definition. Scholars such as Holzer and Seok-Hwan as cited in Linna, Pekolla, Ukko, and Melkas<sup>5</sup> assert that the concept of productivity is frequently oversimplified, misinterpreted, and misapplied. The term 'productivity' is sometimes used interchangeably with savings.

During periods when governments face financial constraints such as recessions or crises like the recent COVID-19 pandemic, they often resort to cost-cutting measures, including potential layoffs, to address budgetary challenges. However, layoffs may not inherently boost productivity; in fact, they could result in decreased productivity if essential governance improvements are not concurrently implemented. The general understanding of productivity encompasses not only outcomes but also the measurement of value creation<sup>6</sup> (Linna, P., Pekolla, S., Ukko, J., and Melkas. H. 2010). The broad conceptualisation of productivity can indeed contribute to the misunderstandings about the concept of productivity. Krawchenko (2021) concurs that there is no singular lens through which productivity can be measured<sup>7</sup>. To avoid the pitfalls of

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<sup>1</sup> Mark Saunders, Philip Lewis, and Adrian Thornhill, *Research Methods for Business Students*, Fifth Edit (New York: Pearson Educational Limited, 2009).

<sup>2</sup> Sue Greener, *Business Research Methods. [e-Book] Dr, Sue Greener and Ventus Publishing ApS. Available through:< Http://Www. Bookbon. Com> [Accessed 9 May 2011]*, 2008 <[http://gent.uab.cat/diego\\_prior/sites/gent.uab.cat/diego\\_prior/files/02\\_e\\_01\\_introduction-to-research-methods.pdf](http://gent.uab.cat/diego_prior/sites/gent.uab.cat/diego_prior/files/02_e_01_introduction-to-research-methods.pdf)>.

<sup>3</sup> Hannah Snyder, 'Literature Review as a Research Methodology: An Overview and Guidelines', *Journal of Business Research*, 104.August (2019), 333–39 <<https://doi.org/10.1016/j.jbusres.2019.07.039>>.

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<sup>4</sup> Robert C Camp, *Benchmarking* (Wisconsin: ASQC Quality Press, 1989).

<sup>5</sup> Linna, P., Pekolla, S., Ukko, J., and Melkas. H. 2010. Defining and measuring productivity in the Public Sector: Managerial perceptions. *International Journal of Public Sector Management*. 23(3): 300-350.

<sup>6</sup> Ibid

<sup>7</sup> Krawchenko, T. 2021. "Public Sector productivity: Governing at the right scale", Background paper for the OECD-EC High-Level Expert Workshop Series Productivity Policy for Places" April 18-19.





misinterpreting and misapplying productivity, this section of the study examines several perspectives in defining productivity. Productivity, in practice, results from a series of steps and processes that must be meticulously followed to achieve desired outcomes. Understanding productivity requires a comprehensive examination of the entire value chain involved in providing services to the public. Therefore, in order to grasp productivity fully, it is essential to consider related concepts in conjunction with productivity, as they all play a role in shaping the understanding and application of productivity.

According to Linna et al, “productivity is generally defined as a measure of amount of output generated per unit of input”<sup>8</sup>. Inputs consist of various elements such as money, labour, time, equipment and raw materials, depending on the context. The traditional approach to measuring productivity often revolves around physical units, where physical inputs could include hours of work while physical outputs represent the outcomes produced, or services delivered<sup>9</sup>. This tangible and concrete method of measuring productivity based on physical units provides a straightforward way to assess and track productivity levels in different settings.

According to PWC<sup>10</sup>, productivity is about three interrelated aspects:

- Cost reduction- as pointed out above, cost reduction is often a result of financial constraints.

- Modernisation-reform and restructuring are at the heart of any modernisation attempts.
- Service improvement- service improvements are about increasing efficiency and effectiveness. Improvements must be perennial and be part of the organisational culture.

In the context of the public sector, productivity is achieved when government delivers high quality services more cheaply<sup>11</sup>. Dunleavy and Carrera believe that productivity is a performance measure<sup>12</sup>. It is a calculated ratio of outputs produced divided by all inputs. Productivity entails outputs produced, and inputs used are measured over a fixed period which could be a week, month, quarter or even a year<sup>13</sup>. Productivity is about production.

Pritchard (1995) categorises definitions of productivity into three<sup>14</sup>:

- Techno-economic definition which views productivity as an efficiency measure of inputs and outputs.
- Combination of efficiency and effectiveness definition. This definition focusses on inputs, outputs + outputs and goals.
- A wider definition which focuses on anything and everything that makes a public institution function optimally.

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<sup>8</sup> Linna, P., Pekolla, S., Ukko, J., and Melkas. H. 2010. Defining and measuring productivity in the Public Sector: Managerial perceptions. *International Journal of Public Sector Management*. 23(3): 300-350.  
OECD, 2001. Measuring productivity, OECD Manual. Measurement of aggregate and industry level productivity growth.

<sup>9</sup> Linna, P., Pekolla, S., Ukko, J., and Melkas. H. 2010. Defining and measuring productivity in the Public Sector: Managerial perceptions. *International Journal of Public Sector Management*. 23(3): 300-350.

<sup>10</sup> PWC, 2014. Productivity in the Public sector: What makes a good job? Available at [www.pwc.co.uk/publicsector](http://www.pwc.co.uk/publicsector).

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<sup>11</sup> Danker, T. and Dohrmann, T. 2007. What is public sector productivity? London: McKinsey's.

<sup>12</sup> Dunleavy, P., and Carrera, L. 2013. Growing the productivity of government services. Cheltenham: Edward Elgar.

<sup>13</sup> Asian Productivity Organisation, 2019. Measuring Public Sector Productivity: A practical Guide. Japan: Asian Productivity Organization.

<sup>14</sup> Pritchard, 1995.





To further analyse the concept of productivity and align with one of the three definitions outlined earlier in this section of the report, it is essential to delve into the key concepts associated with each definition. Literature on productivity often takes a broader view of productivity by focusing on efficiency and effectiveness<sup>15</sup>.

*Effectiveness* is defined as level of politically or socially desired outcomes divided by the level of inputs used to produce services<sup>16</sup>. Effectiveness and productivity are not opposites but are viewed as mutually complementary in practice. Effectiveness is doing the right things. It is also about value creation for the recipients of the service. It is not easy to quantify and measure. It includes quality, equity, and accessibility. This definition makes the meaning of productivity more impeccable<sup>17</sup>.

*Efficiency* means doing things right. The concepts of productivity and efficiency are focused on quantitative change and presume that no qualitative changes take place in the process of producing outputs from inputs<sup>18</sup>. Efficiency is about inputs required for a given number of outputs produced<sup>19</sup>. Most importantly, efficiency is about minimising the resources used to produce outputs. Efficiency may manifest in efficiency drives

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<sup>15</sup> Krawchenko, T. 2021. "Public Sector productivity: Governing at the right scale", Background paper for the OECD-EC High-Level expert Workshop Series Productivity Policy for Places" April 18-19.

<sup>16</sup> Dunleavy, P., and Carrera, L. 2013. Growing the productivity of government services. Cheltenham: Edward Elgar.

<sup>17</sup> Ibid

<sup>18</sup> Linna, P., Pekolla, S., Ukko, J., and Melkas. H. 2010. Defining and measuring productivity in the Public Sector: Managerial perceptions. International Journal of Public Sector Management. 23(3): 300-350.

<sup>19</sup> Krawchenko, T. 2021. "Public Sector productivity: Governing at the right scale", Background paper for the OECD-EC High-Level expert Workshop Series Productivity Policy for Places" April 18-19.

such as retrenchments, and overall budget cuts. Reforms focus on cost cutting instead of quality of governance<sup>20</sup>.

## Public Sector Productivity Management Challenges

The quest to improve governance processes and ultimately productivity is often constrained by resource challenges, the will to change for the better as well as other systematic challenges. Whilst productivity is primarily concerned with saving money, a public institution however, may need financial resources in order for optimum productivity to take place. Constraints in public sector finance<sup>21</sup> is often one of the challenges when modernisation requires additional expenditure.

Information and communication technology allows reorganisation of many services and can be seen as an opportunity to improve productivity. However, in countries where unemployment is rife and a sizeable part of the community relies on government jobs, introducing technology may need careful consideration to avoid conflict with unions, employees, and voters. Similarly, the reluctance to reshape established and archaic practices may constitute a bottleneck in productivity management<sup>22</sup>. Transitioning to a "robotic state" characterized by the advancement of automation is inevitable and represents the future that governments must approach with cautious consideration. Embracing this new wave of automation requires careful planning, evaluation of potential implications,

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<sup>20</sup> Krawchenko, T. 2021. "Public Sector productivity: Governing at the right scale", Background paper for the OECD-EC High-Level expert Workshop Series Productivity Policy for Places" April 18-19.

<sup>21</sup> Linna, P., Pekolla, S., Ukko, J., and Melkas. H. 2010. Defining and measuring productivity in the Public Sector: Managerial perceptions. International Journal of Public Sector Management. 23(3): 300-350.

<sup>22</sup> Ibid



and proactive measures to harness the benefits while addressing challenges effectively.

Multifaceted factors constitute productivity<sup>23</sup>. These factors include top management support, committed employees across the organisation, performance management and measurement, rewards, community involvement, and feedback for corrective action. The overemphasis or focus on one or a few of these factors at the expense of others may result in dwindling levels of productivity.

In the public service sector, prices of goods and services produced may not always be available or reliable<sup>24</sup>. This lack of market prices in public services arises from the fact that these services are often provided free of charge or subsidised by the government. Collective goods, such as those related to policing and defence present measurement challenges as they cannot be individually consumed or priced accurately. For services like ensuring peace, safety, and security, quantifying their value in monetary terms presents significant difficulties due to the intangible nature of these outputs. Measuring these outputs is a problem. Productivity assessment relies on precise measurements of both inputs and outputs, yet in the context of national government services, where monopolies often exist, traditional market transactions for comparison are unavailable. Additionally, cross-border comparisons of productivity between different states pose significant difficulties due to varying circumstances and contexts, further complicating the evaluation process.<sup>25</sup>

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<sup>23</sup> Ibid

<sup>24</sup> Asian Productivity Organisation, 2019. *Measuring Public Sector Productivity: A practical Guide*. Japan: Asian Productivity Organization.

<sup>25</sup> Dunleavy, P., and Carrera, L. 2013. *Growing the productivity of government services*. Cheltenham: Edward Elgar.

Corruption in developing countries consumes a lot of resources through self-enrichment. Corruption diverts important economic resources from endeavours which were meant to lead to productivity. Corruption demotivates good and morally upright employees who witness corruption and are helpless as the entire system has institutionalised corruption and whistle blowers are victims of witch-hunt with dire consequences. Entrenched corruption ultimately reduces overall institutional efficiency<sup>26</sup> with negative consequences on productivity.

In the history of Public Administration and Management, the concept of red tape has been associated with bureaucracy.. Bureaucracy, often portrayed as an institution with a hierarchical structure, rigid processes, impersonal dealings with individuals, and a slow operational pace due to its intricate design, was initially intended to enhance productivity but eventually became counterproductive. This slow institution led to what is known as red tape. In practice red tape is enemy number one for productivity<sup>27</sup>. Delays stemming from practices such as requiring multiple signatures before a public official can take action are common factors that hinder the efficiency of public institutions and contribute to their unproductivity in terms of time management.

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<sup>26</sup> Singh, G., Pathak, R.D., Naz, R. and Belwal, R. 2010. E-government for improved public service delivery in India, Ethiopia and Fiji. *International Journal of Public Sector Management*. 23(3): 254-275.

<sup>27</sup> Singh, G., Pathak, R.D., Naz, R. and Belwal, R. 2010. E-government for improved public service delivery in India, Ethiopia and Fiji. *International Journal of Public Sector Management*. 23(3): 254-275.



## Benchmarking

Benchmarking is a continuous quality improvement process. It is used to identify and understand the practices exhibited by the best in their field; to adapt and improve those practices, to reach the targeted level of excellence, and then surpass it with even better practices<sup>28</sup>. The use of international benchmarking in public policy situations has become customary. It alludes to the methodical assessment and comparison of nations using a chosen set of indicators and benchmarking emphasizes comparison to the top performers in a policy field<sup>29</sup>.

International organisations of repute have provided credible programmes and models for benchmarking best practices in public service in countries worldwide (e.g. the United Nations Public Service Awards Program<sup>30</sup> and the World Bank Public Sector Comparator).

The UN public service awards program is the most prestigious international recognition for excellence in public service. It acknowledges the innovative accomplishments and contributions of public service institutions that enhance the effectiveness and responsiveness of public administration in countries worldwide. The annual competition of the UN Public Service Awards (UNPSA) aims to promote the importance, professionalism, and visibility of public service.

Furthermore, the UN Public Service Day commemorates the value and merit of public service to the community, emphasizing its role in the development process, which the General Assembly designated as 23

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<sup>28</sup> Michael J. Cole, 'Benchmarking: A Process for Learning or Simply Raising the Bar?', *Evaluation Journal of Australasia*, 9.2 (2009), 7–15 <<https://doi.org/10.1177/1035719X0900900203>>.

<sup>29</sup> Kathleen C. Dominique, Ammar Anees Malik, and Valerie Remoquillo-Jenni, 'International Benchmarking: Politics and Policy', *Science and Public Policy*, 40.4 (2013), 504–13 <<https://doi.org/10.1093/scipol/scs128>>.

<sup>30</sup> <https://publicadministration.un.org/en/UNPSA>

June through its resolution 57/277 on 20 December 2002. It also acknowledges the dedication of public servants and encourages young people to pursue careers in the public sector. Since the inaugural Awards Ceremony in 2003, the United Nations has received an increasing number of submissions from all over the world. The UNPSA's objective is to commend and promote innovation and excellence in public services by acknowledging the creative accomplishments and contributions of public institutions that enhance the effectiveness and responsiveness of public administration in support of sustainable development goals worldwide.

The Sustainable Development Goals, along with the 2030 Agenda for Sustainable Development, present a transformative plan for the entire world. As stated by Secretary-General Guterres at the TazaKoom Conference on Public Service in Bishkek, Kyrgyzstan, in June 2017, public service plays a crucial role in achieving the SDGs. To achieve sustainable development and create a just society, it is essential to instil the values and principles of the 2030 Agenda, such as equity, social justice, and partnership, in both society and development processes. This requires the public service and other public-sector institutions to undergo innovative and creative transformations, as they are critical contributors to the implementation of the 2030 Agenda in any country.

In the same vein, the World Bank Public Sector Comparator (PSC) is a tool employed by governments to determine the optimal service provider for public sector projects. Essentially, it is an approximation of the cost that the government would incur if it were to independently deliver the service.<sup>31</sup> The World Bank defines the PSC as a method used by governments to evaluate whether a private investment proposal offers value for money compared to the most efficient form of public

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<sup>31</sup> Leigland, James (2006). "Is the Public Sector Comparator Right for Developing Countries? Appraising Public-Private Projects in Infrastructure". *World Bank*. hdl:10986/10743.



procurement.<sup>32</sup> Generally, the PSC enables governments to assess the cost-effectiveness of public-private partnerships or other arrangements.<sup>33</sup> The PSC is commonly used in several countries, including the UK, Australia, Hong Kong, and Canada.<sup>34</sup>

The benchmarking process developed by Camp<sup>4</sup> comprises the following phases: planning, analysis, integration, action, and maturity which are explicitly described in **Table 1** below.

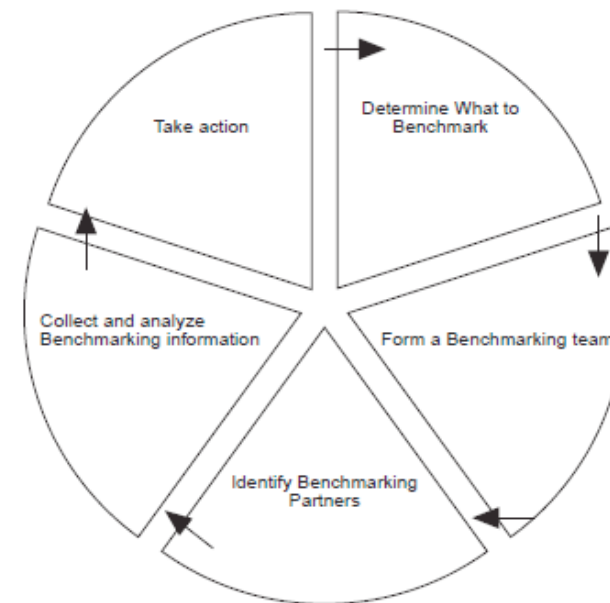
**Table 1: Benchmarking process steps**

<b>Planning</b>	Identify what is to be benchmarked
	Identify comparative companies
	Determine data collection methods and collect data
<b>Analysis</b>	Determine current performance “gap”
	Project future performance levels
	Communicate benchmark findings and gain acceptance
	Establish functional goals
<b>Action</b>	Develop action plans
	Implement specific actions and monitor progress
	Recalibrate benchmarks
<b>Maturity</b>	<ul style="list-style-type: none"> <li>• Leadership position attained.</li> <li>• Practices fully integrated into processes</li> </ul>

The benchmarking wheel depicted in Figure 1 is grounded in the theoretical underpinnings articulated in Table 1. The wheel represents a continuous process that follows a PDCA (Plan, Do, Check, and Act). The

“Plan” phase concentrates on the numerous upfront decisions, such as the selection of functions or processes to benchmark and the type of benchmarking study to embark on. The “Do” phase delves into a self-study to characterise the selected processes using metrics and documenting business practices. Furthermore, data (metrics and organisational practices) are collected on the organisation that is the benchmarking partner. The “Check” denotes the comparison of findings via a gap analysis to observe whether negative or positive gaps exist between the benchmarking organisation and the benchmarking partner. “Act” refers to the launching of projects either to close negative gaps or maintain positive gaps<sup>35</sup>.

**Figure 1: The benchmarking wheel.**



<sup>32</sup> “Public Sector Comparator for Highway PPP Projects”

<sup>33</sup> *Public Sector Comparator Policy (PDF)*. Government of Western Australia Department of Treasury. 2011

<sup>34</sup> Ismail, Kharizam; Takim, Roshana; Nawawi, Abdul Hadi (2012). “A Public Sector Comparator (PSC) for Value for Money (VFM) Assessment Tools”. *Asian Social Science*. 8 (7): 192–201. doi:10.5539/ass.v8n7p192

<sup>35</sup> Khurram S. Bhutta and Faizul Huq, ‘Benchmarking – Best Practices: An Integrated Approach’, *Benchmarking: An International Journal*, 6.3 (1999), 254–68 <<https://doi.org/10.1108/14635779910289261>>.





Bhutta and Faizul Huq<sup>36</sup> focus on an integrated approach to benchmarking best practices. Bhutta and Faizul Huq further emphasize the importance of benchmarking in continuous improvement efforts and highlight the need for a systematic approach to benchmarking. As earlier mentioned, they propose a seven-step benchmarking process that includes:

- a) identifying the process to be benchmarked,
- b) identifying benchmarking partners,
- c) collecting, and analysing data,
- d) best practices,
- e) implementing changes,
- f) monitoring progress, and
- g) recalibrating benchmarks.

Bhutta and Faizul Huq also provide a case study of a successful benchmarking project at a Canadian hospital to illustrate the benefits of an integrated approach to benchmarking.

## Metrics and Indicators for Measuring Productivity

As discussed earlier, measuring public service productivity can be challenging<sup>37</sup> because public services often have complex goals and objectives that go beyond the simple production of goods or services.

<sup>36</sup> Khurram S. Bhutta and Faizul Huq, 'Benchmarking – Best Practices: An Integrated Approach', *Benchmarking: An International Journal*, 6.3 (1999), 254–68 <<https://doi.org/10.1108/14635779910289261>>

<sup>37</sup> Productivity measurement in public services: issues and challenges: <https://www.tandfonline.com/doi/abs/10.1080/00207540701510616>

Public services are typically provided to meet social needs and objectives such as reducing poverty, improving health outcomes, or promoting environmental sustainability. As such, measuring public service productivity requires a more comprehensive approach that considers not only the number of services provided but also their quality, efficiency, timeliness, accessibility, quality, digitalization, effectiveness, transparency, sustainability, innovation, etc. These are discussed below.

1. **Outputs:** Outputs metrics are one of the simplest and most used metrics for measuring public service productivity. Outputs refer to the number of services provided or produced by a public service organization. For example, the number of patients treated by a hospital, the number of students educated by a school, or the number of passports issued by a government agency. While outputs are important, they do not necessarily provide a complete picture of public service productivity. An organization can increase its outputs without improving its quality, efficiency, or innovation.<sup>38</sup>
2. **Efficiency metrics:** Efficiency metrics can help to provide a more nuanced picture of public service productivity by measuring how well an organization is using its resources. For example, the cost per patient treated by a hospital or the cost per student educated by a school. This type of metric can help to identify opportunities for cost savings and process improvements.<sup>39</sup>
3. **Quality metrics:** Quality metrics are also important for measuring public service productivity. Quality metrics can help to measure the effectiveness of a public service organization in delivering services

<sup>38</sup> Public service productivity: measuring outputs and outcomes: <https://www.nao.org.uk/wp-content/uploads/2015/11/Public-service-productivity-measuring-outputs-and-outcomes.pdf>

<sup>39</sup> Australian National Audit Office. (2018). Measuring the efficiency and effectiveness of public sector programs. [https://www.anao.gov.au/sites/default/files/Auditor-General\\_Report\\_2018-2019\\_23.pdf](https://www.anao.gov.au/sites/default/files/Auditor-General_Report_2018-2019_23.pdf)



that meet the needs of its clients. For example, patient satisfaction scores in a hospital or student achievement scores in a school.

4. **Innovation metrics:** Innovation metrics can help to measure the extent to which a public service organization is introducing new and better ways of delivering services. In essence, innovation referred to the extent to which public services are innovative and responsive to changing needs and includes indicators such as the number of new services introduced, adoption of new technologies, and investments in research and development. For example, the number of new services introduced by a government agency, or the number of new treatment options introduced by a hospital. Innovation is important for ensuring that public services continue to meet the evolving needs of society.<sup>40</sup>
5. **Citizen engagement:** This measures the extent to which citizens are involved in public service delivery, and includes indicators such as participation rates in citizen consultations, co-design of services, and community-based monitoring.<sup>41</sup> Citizen engagement is an important indicator for measuring public service productivity as it reflects the level of involvement and participation of citizens in the decision-making process and the effectiveness of the public service in meeting their needs and expectations. Citizen engagement can be measured through various methods such as public consultations, surveys, feedback mechanisms, and participation in decision-

making processes. Studies have shown that citizen engagement can lead to better policy outcomes, improved public services, and increased trust and satisfaction among citizens (Bovaird, 2007<sup>42</sup>; OECD, 2017<sup>43</sup>).

Moreover, citizen engagement can also help to identify new and innovative solutions to public challenges by tapping into the knowledge and expertise of citizens (OECD, 2017)<sup>44</sup>. One of the key tools for measuring citizen engagement is public consultations. Public consultations provide an opportunity for citizens to provide feedback on proposed policies or projects and can help to identify potential issues or areas of concern before implementation (Bovaird, 2007)<sup>45</sup>. Surveys and feedback are mechanisms that can also be used to measure citizen satisfaction with public services and identify areas for improvement (OECD, 2017)<sup>46</sup>. In addition, citizen participation in decision-making processes such as participatory budgeting and community-based planning can also be used as an indicator of citizen engagement and can help to ensure that public services are responsive to the needs of the community (OECD, 2017)<sup>47</sup>.

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<sup>40</sup> Measuring productivity in the public sector: lessons from international experience: [https://www.oecd-ilibrary.org/governance/measuring-productivity-in-the-public-sector\\_5kg51rjw59r7-en](https://www.oecd-ilibrary.org/governance/measuring-productivity-in-the-public-sector_5kg51rjw59r7-en)

<sup>41</sup> Measuring productivity in the public sector: lessons from international experience: [https://www.oecd-ilibrary.org/governance/measuring-productivity-in-the-public-sector\\_5kg51rjw59r7-en](https://www.oecd-ilibrary.org/governance/measuring-productivity-in-the-public-sector_5kg51rjw59r7-en)

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<sup>42</sup> Bovaird, T. (2007). Beyond engagement and participation: User and community coproduction of public services. *Public Administration Review*, 67(5), 846-860.

<sup>43</sup> OECD. (2017). Citizen engagement in rulemaking: Evidence from OECD countries. OECD Publishing.

<sup>44</sup> OECD. (2017). Citizen engagement in rulemaking: Evidence from OECD countries. OECD Publishing.

<sup>45</sup> Bovaird, T. (2007). Beyond engagement and participation: User and community coproduction of public services. *Public Administration Review*, 67(5), 846-860.

<sup>46</sup> OECD. (2017). Citizen engagement in rulemaking: Evidence from OECD countries. OECD Publishing.

<sup>47</sup> OECD. (2017). Citizen engagement in rulemaking: Evidence from OECD countries. OECD Publishing.



6. **Digitalization:** This measures the extent to which public services are delivered through digital channels and includes indicators such as the number of online transactions, digital adoption rates, and digital literacy levels. Digitalization is an increasingly important indicator for measuring public service productivity. It refers to the use of digital technologies to improve the delivery of public services, increase efficiency, and enhance the user experience. One way to measure the impact of digitalization on public service productivity is by utilising e-government readiness indices, which assess a country's ability to provide digital services and information to citizens. For example, the United Nations e-Government Development Index (EGDI) measures the readiness of a country to use e-government to promote sustainable development.<sup>48</sup> It considers factors such as online service delivery, telecommunication infrastructure, and human capacity. Another indicator for measuring the impact of digitalization on public service productivity is using key performance indicators (KPIs) specific to digital services.<sup>49</sup> These might include metrics such as the percentage of services delivered digitally, user satisfaction with digital services, and the efficiency of digital service delivery. For example, the UK government measures digital service performance by utilising KPIs such as digital take-up, cost per transaction, and customer satisfaction. A third approach to measuring the impact of digitalization on public service productivity is through the utilisation of case studies as well as best practices. By examining successful digital initiatives and their outcomes, public sector organizations can identify strategies and techniques that can be

replicated in their contexts. Another example is the case study of the Estonian e-government system found that it had increased government efficiency, reduced costs, and improved citizen satisfaction.<sup>50</sup>

7. **Timeliness of service delivery:** This measures the speed and efficiency with which public services are delivered to citizens.<sup>51</sup> Timeliness is another important indicator for measuring public service productivity. It refers to the speed and responsiveness of public services in meeting the needs and demands of citizens. Timeliness is particularly critical in public services that involve emergencies, such as healthcare, disaster response, and law enforcement. Some commonly used metrics for measuring timeliness in public services include response time, turnaround time, and waiting time.<sup>52</sup> For instance, in healthcare, response time refers to the time taken to attend to a patient after they have arrived at a hospital or clinic, while turnaround time refers to the time taken to complete a medical test or procedure. Another example in healthcare is, timely access to treatment can reduce mortality rates and improve patient outcomes. In law enforcement, response time refers to the time taken to respond to a distress call, timely responses can help prevent crimes and ensure public safety. While waiting time refers to the time taken for a citizen to receive a service, such as obtaining a passport or driver's license. Improving timeliness in public services

<sup>48</sup> United Nations, Department of Economic and Social Affairs. (2021). United Nations E-Government Development Index 2020. Retrieved from <https://publicadministration.un.org/egovkb/en-us/Data-Center/eGOV-Data/United-Nations-E-Government-Survey-2020>

<sup>49</sup> Government Digital Service. (2021). Performance platform: Digital service performance. Retrieved from <https://www.gov.uk/performance/digital>

<sup>50</sup> World Bank. (2016). Digital government case study: Estonia's journey to digital transformation. Retrieved from <https://www.worldbank.org/en/topic/governance/publication/digital-government-case-study-estonias-journey-to-digital-transformation>

<sup>51</sup> OECD. (2019). Productivity in the public sector. <https://www.oecd-ilibrary.org/docserver/9789264307391-en.pdf?expires=1624916679&id=id&accname=guest&-checksum=7E48CBF347D73E56C1A9C74AEB52663E>

<sup>52</sup> Pollitt, C. (2013). Time, Efficiency and Accountability in UK Public Services: Connecting the Dots. *Public Money & Management*, 33(4), 245-252. <https://doi.org/10.1080/09540962.2013.809757>



can lead to greater citizen satisfaction, increased trust in government, and improved social outcomes.<sup>53</sup> Some studies have suggested that digital technologies can help improve timeliness in public services by reducing administrative burdens, streamlining processes, and enabling real-time data sharing and collaboration among service providers. For example, a study by the Organisation for Economic Co-operation and Development (OECD) found that digitalization in healthcare could improve timeliness by reducing wait times for appointments and test results (OECD, 2017).<sup>54</sup>

8. **Accessibility:** Accessibility is an important indicator for measuring public service productivity, which refers to the ease with which citizens can access public services.<sup>55</sup> To ensure that public services are accessible to all citizens, it is important to consider factors such as physical accessibility, availability of services, and the ability to access services online or through other digital channels.<sup>56</sup> For example, physical accessibility may involve ensuring that public buildings and facilities are designed to accommodate individuals with disabilities, while the availability of services may involve ensuring that services are available in remote or underserved areas. Digital accessibility, on the other hand, involves ensuring that citizens can access public services online or through other digital channels.<sup>57</sup>

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<sup>53</sup> Radnor, Z., Bateman, N., & Esain, A. (2012). Beyond a Tacit Understanding of Public Service Performance: An Empirical Analysis and Review of the Literature. *Public Administration*, 90(3), 723-741. <https://doi.org/10.1111/j.1467-9299.2011.01983.x>

<sup>54</sup> OECD (2017). *Health at a Glance 2017: OECD Indicators*. OECD Publishing. [https://doi.org/10.1787/health\\_glance-2017-en](https://doi.org/10.1787/health_glance-2017-en)

<sup>55</sup> World Bank. (2018). *World Development Report 2018: Learning to realize education's promise*.

<sup>56</sup> UN Department of Economic and Social Affairs, Public Administration and Development Management: Key Trends and Challenges in the Asia-Pacific Region, 2016.

<sup>57</sup> OECD, "Digital Government in Chile: Improving Public Service Design and Delivery," OECD Digital Government Studies, 2017.

Some of the key metrics used to measure accessibility in public services include the percentage of citizens who can access services online, the number of public service centres or facilities available per capita, and the average distance that citizens must travel to access public services.<sup>58</sup>

9. **Quality of service/citizen satisfaction:** This measures the level of quality of public services provided to citizens.<sup>59</sup> Customer satisfaction is a critical factor in measuring the quality of service provided by public institutions. Citizens' perceptions of the quality of public services can be measured through various tools such as surveys, feedback forms, and complaint management systems. In addition, service accessibility reflects the ability of citizens to access public services without facing any barriers such as geographical or financial constraints. Reliability and responsiveness measure the ability of public services to provide accurate and timely information and support to citizens. Subsequently, service outcome measures the impact of public services on citizens' well-being and the extent to which they have met their needs. Several studies have identified customer satisfaction as a crucial factor in measuring the quality of public services. For instance, a study conducted in China found that customer satisfaction is positively associated with the quality of public services (Liu, Chen, & Chen, 2019).<sup>60</sup> In addition, another study conducted in Turkey found that customer satisfaction is positively correlated with the efficiency of public services (Yalçın,

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<sup>58</sup> European Commission, "The European eGovernment Action Plan 2016-2020," 2016. World Bank, "World Development Report 2016: Digital Dividends," 2016.

<sup>59</sup> Schoenauer, N., & Gorgenyi, A. (2015). *Measuring public service productivity: A literature review*.

<sup>60</sup> Liu, Y., Chen, C., & Chen, X. (2019). The Impact of Public Service Quality on Customer Satisfaction: An Empirical Study of Chinese Public Institutions. *International Journal of Environmental Research and Public Health*, 16(20), 3867. <https://doi.org/10.3390/ijerph16203867>





2019).<sup>61</sup> Similarly, service accessibility has been identified as a critical factor in measuring the quality of public services. A study conducted in Malaysia found that service accessibility is positively associated with the quality of public services (Ramli, Omar, & Abd Rahman, 2021).<sup>62</sup> In addition, another study conducted in India found that service accessibility is positively correlated with citizen satisfaction with public services (Sarkar, Singh, & Kumar, 2021).<sup>63</sup>

**10. Employee engagement:** This measures the level of employee engagement and satisfaction in the public sector workforce.<sup>64</sup> Employee engagement is an important indicator for measuring public service productivity because it affects employee motivation, satisfaction, and overall job performance. Engaged employees tend to be more productive and committed to their work, resulting in higher-quality services for citizens. One way to measure employee engagement is through employee surveys, which can assess their level of job satisfaction, organizational commitment, and motivation. Other methods include examining employee turnover rates, absenteeism rates, and performance reviews. Research has shown a positive correlation between employee engagement and public service productivity. For example, a study by Desmarais and

Gamassou (2017)<sup>65</sup> found that higher levels of employee engagement were associated with improved service delivery in a Canadian public sector organization. Similarly, a study by Kim and Lee (2017)<sup>66</sup> found that employee engagement had a positive impact on job performance and customer satisfaction in a Korean public agency.

**11. Effectiveness:** This measures the degree to which public services meet their intended objectives.<sup>67</sup> Effectiveness is an important indicator for measuring public service productivity as it refers to the extent to which a public service achieves its intended outcomes or goals. It is about the degree to which public services are making a positive impact on society and delivering desired results to citizens. One way to measure effectiveness is through performance indicators, which are quantifiable measures of the output, outcomes, or impact of public service.<sup>68</sup> For instance, in healthcare, effectiveness can be measured using indicators such as mortality rates, readmission rates, patient satisfaction, and quality of care. In education, effectiveness can be measured using indicators such as graduation rates, test scores, and student retention rates. The use of performance indicators to measure effectiveness has been widely adopted by public sector organizations. For instance, the UK government uses the Public Service Agreement (PSA) targets as a way of measuring effectiveness in various policy areas, including health, education,

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<sup>61</sup> Yalçın, A. (2019). Efficiency and Customer Satisfaction of Public Services: Empirical Analysis on Turkey. *İstanbul Üniversitesi İşletme Fakültesi Dergisi*, 48(2), 390–412. <https://doi.org/10.26650/ISTEKO2021-887487>

<sup>62</sup> Ramli, M. H., Omar, M. W., & Abd Rahman, A. (2021). Service accessibility as a determinant of quality of public services: A study of Malaysian public services. *Journal of Public Affairs*, e2715. <https://doi.org/10.1002/pa.2715>

<sup>63</sup> Sarkar, S., Singh, S. P., & Kumar, A. (2021). Exploring the dimensions of public service quality and its impact on citizen satisfaction: evidence from India. *Quality & Quantity*, 55, 1883–1908. <https://doi.org/10.1007/s11135-021-01137-0>

<sup>64</sup> Public Service Commission of Canada. (2018). Employee engagement in the public service: A literature review.

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<sup>65</sup> Desmarais, C., & Gamassou, A. (2017). The relationship between employee engagement and public service performance in a Canadian context. *Canadian Journal of Administrative Sciences*, 34(2), 141-154.

<sup>66</sup> Kim, K. J., & Lee, M. Y. (2017). The effects of employee engagement on job performance and satisfaction in a Korean public agency. *Public Personnel Management*, 46(4), 394-416.

<sup>67</sup> Schoenauer, N., & Gorgenyi, A. (2015). Measuring public service productivity: A literature review

<sup>68</sup> OECD (2008). Handbook on constructing composite indicators: Methodology and user guide. OECD Publishing.



and the environment.<sup>69</sup> Similarly, the Canadian government uses the Management, Resources and Results Structure (MRRS) as a tool for measuring effectiveness in the delivery of public services.<sup>70</sup>

- 12. Transparency:** This measures the level of transparency and accountability in the delivery of public services.<sup>71</sup> Transparency is an important indicator for measuring public service productivity. It refers to the openness and accountability of government agencies in their actions, decisions, and information sharing. Transparency can enhance public trust, reduce corruption, and increase efficiency in public service delivery. Transparency can be measured through various indicators, such as the availability and accessibility of information, the frequency of public reporting, the use of open data, and the involvement of stakeholders in decision-making processes. For example, the Open Government Partnership (OGP) provides a framework for measuring transparency and accountability in public service delivery.

The OGP's Transparency and Accountability Initiative (TAI) includes a set of indicators that measure the openness and accountability of government agencies, including the availability of information, public reporting, and stakeholder engagement. The TAI indicators are used by governments and civil society organizations to monitor and evaluate transparency and accountability in public service delivery. Similarly, the World Justice Project (WJP) Rule of Law Index includes a sub-index on Open Government that measures the extent to which government agencies provide timely and accurate information,

engage with stakeholders, and allow for public participation in decision-making processes. The Open Government sub-index is used to rank countries based on their transparency and accountability in public service delivery.

- 13. Sustainability:** This measures the extent to which public services are environmentally and socially sustainable. Examples of indicators such as carbon emissions, resource efficiency, and social impact assessments constitutes sustainability.<sup>72</sup> Furthermore, sustainability is used as an indicator for measuring public service productivity, as it considers the long-term impact of public service operations on the environment, society, and the economy. Sustainable public services are those that can meet the needs of the present without compromising the ability of future generations to meet their own needs. A way to measure the sustainability of public service operations is to use the triple bottom line approach, which considers the environmental, social, and economic impact of an organization's activities. The use of renewable energy sources, the reduction of greenhouse gas emissions, and the implementation of sustainable procurement practices are examples of sustainable practices that can be measured. Another way to measure sustainability is through the implementation of sustainable development goals (SDGs) set forth by the United Nations. The SDGs provide a framework for public services to align their operations with sustainable practices and measure progress towards achieving them.<sup>73</sup>

<sup>69</sup> Mulgan, R. (2006). Measuring public value. Cabinet Office, London.

<sup>70</sup> Treasury Board of Canada Secretariat. (2013). Management, Resources and Results Structure (MRRS). Government of Canada.

<sup>71</sup> World Bank. (2018). World Development Report 2018: Learning to realize education's promise.

<sup>72</sup> United Nations. (2015). Transforming our world: The 2030 Agenda for Sustainable Development.

<sup>73</sup> United Nations Development Programme. (2019). Sustainable Development Goals. Retrieved from <https://www.undp.org/content/undp/en/home/sustainable-development-goals.html>



**14. Staff efficiency:** This can be measured through indicators such as absenteeism rates, turnover rates, and training and development programs. High staff efficiency reflects a productive workforce that is capable of delivering quality services.<sup>74</sup> Staff efficiency is another important indicator for measuring public service productivity. This indicator looks at how effectively staff members are performing their duties and how efficiently they are using their time to complete tasks. Staff efficiency can be measured in various ways, such as through the number of tasks completed per day, the time it takes to complete a task, or the amount of time spent on administrative tasks versus direct service delivery. One study that looked at staff efficiency in public services was conducted in the UK by the National Audit Office (NAO). The study analysed the efficiency of staff in the National Health Service (NHS) and found that a significant amount of staff time was being spent on administrative tasks rather than direct patient care. The NAO recommended that the NHS streamline administrative tasks to improve staff efficiency and increase the amount of time available for patient care (National Audit Office, 2016).<sup>75</sup> Another study conducted in the US by the Brookings Institution looked at the efficiency of staff in local government. The study found that staff in high-performing local governments were able to complete more tasks per day than staff in low-performing governments. The study also found that high-performing governments were more likely to use technology and other tools to streamline administrative tasks and improve staff efficiency (Lindell & Torfason,

2017).<sup>76</sup> Measuring staff efficiency can help public services identify areas for improvement and optimize the use of their resources to provide better services to their constituents.

**15. Resource utilization:** This measures the extent to which public resources, such as staff, equipment, and infrastructure, are being utilized effectively. High resource utilization rates reflect efficient and effective delivery of services.<sup>77</sup> Resource utilization is an important indicator for measuring public service productivity. It involves assessing how efficiently and effectively resources are being utilized to achieve the desired outcomes.<sup>78</sup> One way to measure resource utilization is through the analysis of budgetary data. This involves evaluating how public funds are being allocated and spent and identifying any areas of inefficiency or waste. Additionally, the analysis of staff utilization can also provide valuable insights into resource efficiency, by examining factors such as workload, productivity, and absenteeism.<sup>79</sup> Another important aspect of resource utilization is the use of technology and digital tools to optimize resource allocation and streamline service delivery. For example, the use of digital platforms for service delivery can reduce costs and improve efficiency by reducing the need for manual processing and administrative tasks.<sup>80</sup>

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<sup>74</sup> Measuring productivity in the public sector: lessons from international experience: [https://www.oecd-ilibrary.org/governance/measuring-productivity-in-the-public-sector\\_5kg51rjw59r7-en](https://www.oecd-ilibrary.org/governance/measuring-productivity-in-the-public-sector_5kg51rjw59r7-en)

<sup>75</sup> National Audit Office. (2016). Investigation into the management of health care in NHS acute hospital trusts. Retrieved from <https://www.nao.org.uk/wp-content/uploads/2016/07/Investigation-into-the-management-of-healthcare-in-NHS-acute-hospital-trusts.pdf>

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<sup>76</sup> Lindell, A. K., & Torfason, M. T. (2017). The efficiency of local public service provision: Assessing the influence of institutional and environmental factors. *Public Performance & Management Review*, 40(1), 70-94.

<sup>77</sup> Public service productivity: measuring outputs and outcomes: <https://www.nao.org.uk/wp-content/uploads/2015/11/Public-service-productivity-measuring-outputs-and-outcomes.pdf>

<sup>78</sup> OECD. (2019). *Measuring Public Sector Productivity*. OECD Publishing.

<sup>79</sup> United Nations. (2018). *Measuring and Achieving Public Sector Results*. UNDESA.

<sup>80</sup> World Bank. (2017). *World Development Report 2017: Governance and the Law*. World Bank.



**16. Outcome-based measures:** These measures assess the impact of public services on citizens and society, and include indicators such as improvements in health outcomes, crime reduction rates, and educational attainment levels.<sup>81</sup>

## Measuring productivity – formulae

Although productivity is generally defined as a ratio of the volume of output to the volume of input used (as indicated earlier), it is important to note that the productivity literature and its various applications indicate that there is no single measure or purpose for productivity.<sup>82</sup>

Table 2 provides a review of the five most widely used productivity formulae, highlighting their major advantages and drawbacks, and briefly interpreting each measure.

1.	Labour productivity, based on gross output
Definition	$\frac{(\text{Quantity index of gross output})}{(\text{Quantity index of labour input})}$
Interpretation	This section illustrates how labour productivity is measured and the factors that can affect its calculation. The time profile of labour productivity is shown as a reflection of the joint influence of various factors, such as changes in capital and intermediate inputs, technical and organizational changes, efficiency changes within and between firms, and economies of scale. Labour productivity measures do not solely depend on the personal capacities of workers or their effort intensity but also depend on the presence of other inputs. For instance, outsourcing implies a substitution of primary factors of production, including labour, for intermediate inputs, affecting the ratio between output and labour input. This substitution can lead to a rise in gross output-based labour productivity, but it does not necessarily reflect a change in workforce characteristics or efficiency. The section emphasizes that MFP (multifactor productivity) measures are required to capture efficiency gain resulting from input substitution. The section concludes by noting that labour productivity measures do not leave out any direct effects of technical change, whether embodied or disembodied, as these factors can affect labour productivity through capital goods, intermediate inputs, and production possibilities.
Purpose	Gross-output based labour productivity measures the labour needed to produce a unit of physical output and tracks the change in the labour input ratio by department, which can aid in the examination of labour requirements by industry.

<sup>81</sup> Public service productivity: measuring outputs and outcomes: <https://www.nao.org.uk/wp-content/uploads/2015/11/Public-service-productivity-measuring-outputs-and-outcomes.pdf>

<sup>82</sup> Organisation for Economic Co-operation and Development (OECD). (2008). Measuring and managing performance in public services: An international review. OECD Publishing.





Advantage	One advantage of using the gross-output measure is its ease of measurement and readability, as it only requires price indices on gross output, in contrast to the value-added based measure which requires price indices on intermediate inputs.
Drawbacks and limitation	Labor productivity is a measure of partial productivity that is influenced by various factors. However, it should not be mistaken for technical change or the productivity of individual labour force members.



2.	Labour productivity, based on value added
Definition	<i>(Quantity index of value added)</i> <i>(Quantity index of labour input)</i>
Interpretation	This section explains the time profile of how efficiently labour is utilized to produce value added. Changes in labour productivity result from a combination of modifications in capital, as well as technical, organizational, and efficiency changes within and between firms, along with economies of scale, various degrees of capacity utilization, and measurement errors. Labor productivity only partially captures the performance of individual workers in terms of their abilities or effort. The proportion of output to labour input is greatly influenced by the existence of other inputs, as stated earlier. Unlike labour productivity based on gross output, the growth rate of value-added productivity is less influenced by the intermediate inputs-to-labour ratio or the level of vertical integration. For example, outsourcing leads to a replacement of labour with intermediate inputs, resulting in a reduction in both values added and labour input. The first effect boosts measured labour productivity, while the second effect decreases it. Therefore, value-added-based labour productivity measures are typically less sensitive to the substitution of materials and services for labour than gross-output-based measures. Since labour productivity measures reflect the combined impacts of capital inputs, intermediate inputs, and overall productivity, they do not disregard any direct effects of technical change, whether embodied or disembodied. The latter operates via capital goods and intermediate inputs, influencing labour productivity, while the former generally expands production opportunities for a given set of inputs, also affecting labour productivity.



Purpose	This involves examining the relationship between micro and macro factors, including how industries contribute to both overall labour productivity and economic growth. At the macro level, value-added based labour productivity is closely linked to a commonly used measure of living standards - income per capita - since productivity has a direct impact on standards of living, factoring in changes to employment, working hours, demographics, and labour force participation rates. In terms of policy, value-added based labour productivity serves as a key reference statistic in wage negotiations.
Advantages	Ease of measurement and readability
Drawbacks and limitations	Labour productivity, which is influenced by various factors, is a partial productivity measure that can be mistaken for technical change or the productivity of individual workers. Moreover, the use of value-added measures based on double-deflation procedures with fixed-weight Laspeyres indices is fraught with several theoretical and practical limitations.



<b>3.</b>	<b>Capital-labour MFP based on value added</b>
Definition	<p><i>Quantity index of value added</i>  <math display="block">(Quantity\ index\ of\ value\ added)/(Quantity\ index\ of\ combined\ labour\ and\ capital\ input)</math></p> <p>Quantity index of combined labour and capital input = Quantity index of (different types of) labour and capital, each weighted with its current-price share in total value added.</p>
Interpretation	The capital-labour MFP indices display how efficiently the combined inputs of capital and labour generate value added over time. While capital-labour productivity is not generally an accurate measure of technical change, it does indicate an industry's potential to contribute to the overall growth of income per primary input unit in the economy. In practice, this measure reflects the combined effects of various factors, such as disembodied technical change, economies of scale, efficiency change, capacity utilization variations, and measurement errors. If the capital input measure is a composite of specific asset types, each weighted by their user cost and based on capital goods prices that consider quality change, embodied technical change effects are captured by the capital input term, while only disembodied technical change influences MFP.
Purpose	The analysis of micro-macro links involves examining the contribution of industries to the growth of economy-wide MFP and living standards, as well as the analysis of structural change.
Advantages	The ease of aggregating across industries is due to the simple conceptual link between industry-level MFP and aggregate MFP growth.
Drawbacks and limitations	<p>The measure is inadequate in capturing technology shifts at the industry or firm level, particularly when using a value added that has undergone double-deflation with a fixed weight Laspeyres quantity index, due to the conceptual and empirical limitations associated with this approach.</p> <p>Top of Form.</p>



4.	Capital productivity, based on value added
Definition	$\frac{(Quantity\ index\ of\ value\ added)}{(Quantity\ index\ of\ capital\ input)}$
Interpretation	The capital productivity index depicts how effectively capital is employed to produce value added over time. Capital productivity is influenced by factors such as labour, intermediate inputs, technical and efficiency changes, economies of scale, capacity utilization, and measurement errors. Similar to labour productivity, capital productivity measures can be based on gross-output or value-added concepts. The latter is preferred because it is less affected by processes of substitution between intermediate inputs and capital than the former. When measuring capital input, the preferred approach is to adjust the flow of services for quality changes in investment goods. This method allows embodied technical change (i.e., quality improvement in capital goods) to translate into a larger or smaller flow of constant-quality capital services, which in turn affects capital productivity. It's essential to distinguish capital productivity from the rate of return on capital. While the former is a physical, partial productivity measure, the latter is an income measure that relates capital income to the value of the capital stock.
Purpose	Changes in capital productivity can serve as an indicator of the degree to which output growth can be attained with reduced welfare costs, such as the loss of potential consumption.
Advantages	Ease of readability.
Drawbacks and limitations	Capital productivity is a measure of partial productivity that reflects the combined effects of various factors. It is important to distinguish between capital productivity and rates of return on capital, as the latter is an income measure that relates capital income to the value of the capital stock and can often be confused with the former.

5.	KLEMS Multifactor productivity
Definition	$\frac{(Quantity\ index\ of\ gross\ output)}{(Quantity\ index\ of\ combined\ input)}$
Interpretation	The KLEMS (capital-labour-energy-materials) productivity measure depicts the time trend of how combined inputs are productively employed to produce gross output. In theory, it captures the effect of disembodied technical change. In practice, it also reflects efficiency change, economies of scale, variations in capacity utilization, and measurement errors. However, when the capital and intermediate input measures represent detailed types of assets and products, each weighted by their respective share in total cost and based on prices that reflect quality change, the KLEMS productivity measure incorporates the impact of embodied technical change through the capital and intermediate input terms, and only the impact of disembodied technical change affects MFP.
Purpose	Analysis of industry-level and sectoral technical change.
Advantages	The KLEMS-MFP is the most appropriate conceptual tool to measure technical change by industry as it fully acknowledges the role of intermediate inputs in production. Aggregating the KLEMS-MFP using the "Domar" method across industries provides an accurate representation of the contributions of industries to aggregate MFP change.
Drawbacks and limitations	The availability of comprehensive data is crucial for calculating KLEMS-MFP, particularly the timely availability of input-output tables that are consistent with national accounts. The complexity of inter-industry links and the process of aggregation across industries can be more challenging to convey compared to value-added-based MFP measures.

Source: Adapted from *Measuring Productivity – OECD Manual (2001)*



## Key determinants of public sector productivity

Notwithstanding the recent surge in empirical literature on the factors contributing to public sector productivity, it is inexplicable that studies concentrating on developing nations remains limited. Though findings emerging from developed nations have yielded promising conclusions, generalizing such conclusions to developing nations is presently not advisable because some of the existing evidence from developing nations is not even consistent with those derived from their counterpart. As stated earlier, productivity in the public sector is necessary for economic development. Investigating which factors increase public sector productivity is essential for policymakers seeking to boost economic development in developing nations. This section shall briefly outline the determinants of public sector productivity, with a specific emphasis on the variables that have been shown to have the strongest impact on public productivity levels.

One of the most regular conclusions in the public sector productivity studies is that integrating incentive pay as one of the measures that may lead to enhanced productivity in the public sector should be a fundamental element of the government's efforts towards remodelling/modernizing public service and stimulating the economic activity. However, according to the incentive theory traditional incentive schemes, such as 'high-powered monetary rewards', may not produce expected results in the public sector compared to the private sector (Dixit 2002)<sup>83</sup>. Part of the reason for such an outcome can be attributed to the unique features of public sector (including, the challenges in evaluating performance, the intricacy of tasks to be performed). There is also view that the reason why incentive schemes are somewhat unsuccessful in the public sector

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<sup>83</sup> Dixit, A. (2002). Incentives and organizations in the public sector: An interpretative review. *Journal of Human Resources*, 37, 696–727.

is due to prevailing resistance from trade unions and inadequate backing by the state authorities (Burgess & Ratto 2003)<sup>84</sup>.

Empirically, some attempts have been made to investigate the usefulness of incentive pay in the public sector, with varying findings. For example, Lavy (2009)<sup>85</sup>, investigated the effect of teacher incentives and found that it enriches the performance of learners in math and English. Reaching a similar conclusion, Baiker and Jacobson (2007) in a study investigating the effect of incentives on police officers found that it markedly influenced drug-related crimes. Specifically, they found evidence to suggest that incentives yielded to a rise in heroin-related drug offenses and a rise in the price of heroin. Though encouraging, this sort of evidence is not universal. For instance, A study by Mullen et al. (2010)<sup>86</sup> observed that pay-for-performance produced negligible impact on quality of medical care. Despite contradicting findings (Burgess & Ratto 2003)<sup>87</sup> write "Empirical research on past reforms should not look for blanket verdicts on their success or failure but should relate the probability of success to specific characteristics of the agencies or organizations, and theoretical research on the design of new reforms should likewise pay attention to these specifics."

Public sector and firm-level empirical studies have broadly investigated the influence of outsourcing on productivity. The public sector studies are few and have produced consistent findings, revealing that outsourcing is positively related to productivity. For example, Domberger and Hall's

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<sup>84</sup> Burgess, S., & Ratto, M. (2003). The role of incentives in the public sector: Issues and evidence. *Oxford Review of Public Policy*, 19, 285–300.

<sup>85</sup> Lavy, Victor, "Performance Pay and Teachers' Effort, Productivity, and Grading Ethics," *American Economic Review*, 99 (5), 1979–2011.

<sup>86</sup> Mullen KJ, Frank RG, Rosenthal MB. Can you get what you pay for? Pay-for-performance and the quality of healthcare providers. *Rand J Econ* 2010; 41: 64–91.

<sup>87</sup> Burgess, S., & Ratto, M. (2003). The role of incentives in the public sector: Issues and evidence. *Oxford Review of Public Policy*, 19, 285–300.





(1996)<sup>88</sup> study that investigated early contracting practices in Australia discovered that outsourcing of public sector services caused an annual savings in the region of about 20 percent of previous spending. Similarly, Joy (2017) looked at the effects of outsourcing on organizational productivity in both private and public sector entities within Anambra State and found that outsourcing was positively associated with productivity. Although very few public sector studies have analysed outsourcing-productivity nexus, a vast amount have examined the effect of outsourcing on firms' productivity with varying results. A study by Egger and Egger's (2001b)<sup>89</sup> scrutinized outsourcing-productivity nexus of low-skilled workforce for 22 manufacturing industries in 12 European Union countries. Their results reveal that in the short-run a 1% rise in outsourcing intensity brings about a decrease of 0.18% while in the long-run increase of 0.53% in labour productivity. Contrastingly, Amity and Wei (2004b)<sup>90</sup> examined the effect of outsourcing on productivity and found conflicting outcomes when it comes to material and service outsourcing. They found that material outsourcing is not significantly related to productivity, while services outsourcing has a significant positive influence on productivity. Görg and Hanley (2003b) considered the relationship between outsourcing and labour productivity for electronics firms in the Republic of Ireland and found no clear influence on labour productivity from outsourcing of materials or services, except if the sample is split into sub-sectors of plants operating either upstream or downstream.

Notwithstanding the consensus view on the significant role of leadership in enhancing the success of various institutions, very few studies have

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<sup>88</sup> Domberger, S. and C. Hall. 1996. 'Contracting for public services: a review of antipodean experience', *Public Administration* 74, 129–47.

<sup>89</sup> Egger, H. and P. Egger (2001b), "International Outsourcing and the Productivity of Low-skilled Labour in the EU", WIFO Working Paper, No. 152 (Economic Inquiry, Vol. 44, Iss. 1, 2006).

<sup>90</sup> Amity, M. and S. Wei (2004b), "Services Outsourcing, Production and Employment: Evidence from the US", IMF Working Paper.

been conducted for the public sector (Branch *et al* 2012). In a survey of 275 nurses and midwives from five hospitals in Ghana's eastern region, Asamani *et al* 2016 examined the impact of nurse managers' leadership styles on self-reported productivity levels. Nurse managers were found to prefer a supportive leadership style over a directive leadership style. A study conducted in Ghana found a positive correlation between leadership style and productivity in public sector organizations (Bagah, 2014)<sup>91</sup>. A relation between leadership communication style and personality trait and the employee's productivity was also found by (Solaja, 2016). In her study Loke (2001) found that leadership behaviours were found to be significantly correlated with employee outcomes, and the regression analysis showed that the use of leadership behaviours accounted for 29% of job satisfaction, 22% of organizational commitment, and 9% of productivity. In a descriptive study by McNeese-Smith (1997) investigating the impact of manager behaviour on nurses' job satisfaction, commitment, and productivity, nurses identified managers as the most influential factor for job satisfaction. Research has also shown that different leadership styles can have a significant impact on productivity. Transformational and servant leadership styles tend to be associated with higher levels of productivity and employee satisfaction, while autocratic and laissez-faire leadership styles may lead to lower levels of productivity and team member engagement. Transactional leadership can be effective for short-term productivity gains but may not be sustainable in the long run.

In their study Hater and Bass (1988)<sup>92</sup> found that subordinate ratings of transformational leadership significantly distinguished top-performing managers from ordinary managers in their comprehensive study on

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<sup>91</sup> McNeese-Smith D. (1997) The influence of manager behavior on nurses job satisfaction, productivity, and commitment. *Journal of Nursing Administration* 9 (27), 47–55.

<sup>92</sup> Hater, J. J., & Bass, B. M. (1988). Superiors' evaluations and subordinates' perceptions of transformational and transactional leadership. *Journal of Applied Psychology*, 73, 695-702.



transformational leadership and objective performance criteria. The results could be attributed to the fact that transformational leaders provide a shared vision that goes beyond immediate objectives and caters to higher-order intrinsic needs (Burns, 1978)<sup>93</sup>. Brewer (1993) and Eberts and Stone (1988) found distinct features to be correlated with high school student achievement. Cullen and Mazzeo (2008) found a positive link between principal salary growth and productivity. According to Ganeshkumar, Prabhu, and Abdullah (2019), the democratic leadership style has been shown by scholars to be the most effective in promoting productivity, eliciting more contributions from followers, and fostering higher group morality.

<sup>93</sup> Burns, J. M. (1978). *Leadership*. New York, NY: Harper & Row

## Productivity in South Africa

Productivity in South Africa has been a significant challenge for the country for several decades (Bloom et al., 2020)<sup>94</sup>. According to the World Bank, South Africa's labour productivity has been relatively stagnant since the early 1990s, and the country is lagging behind other emerging markets in terms of productivity growth. Several factors are said to contribute to low productivity in South Africa (e.g. high levels of inequality, inadequate infrastructure, low levels of education and skills among the workforce, and an inefficient regulatory environment). In addition, labour market rigidities, such as inflexible labour laws, high minimum wages, and restrictive hiring and firing practices, make it difficult for firms to adjust to changing market conditions and increase productivity (Phiri and Mbaleki, 2022)<sup>95</sup>.

To address these challenges, the South African government has implemented a range of policy reforms aimed at improving productivity, such as investing in infrastructure, increasing access to education and training, and reforming labour laws to make the labour market more flexible. However, progress has been slow, and there is still a long way to go to achieve sustained productivity growth in South Africa. It is along these lines that different scholars have broadly investigated productivity in South Africa focusing on different sectors, including public sector (Phiri & Mbaleki, 2022; Makokoane, 2020; Fenizia, 2020; Habanabakize, et al., 2019; DPSA, 2017; Kumo, 2017; Zulu and Banda, 2015; Garg & Temba, 2015; Mbatha, 2013 and Aswegen et al., 2005), agricultural sector (Mathinya, 2022; Lefophane & Kalaba, 2022; Myeni, et al., 2019; Ebenezer, et al., 2019; Yokwe, 2009); manufacturing sectors (Kahn et al.,

<sup>94</sup> Bloom, N., Bunn, P., Mizen, P., Smietanka, & Thwaites, G. (2020). "The impact of COVID-19 on productivity", NBER Working Paper No. 28233, December

<sup>95</sup> Phiri, A & Mbaleki, C., (2022). Fiscal expenditures, revenues and labour productivity in South Africa, *Cogent Economics & Finance*, 10:1, 2062912, DOI: 10.1080/23322039.2022.2062912.



2022; Sibiya et al, 2021; Edwards et al., 2020; Amusa et al., 2019; Orando & Isabirye, 2018; Neingo & Tholana, 2016; Mebratie & Bedi, 2013) and service sector (Kasongo et al., 2023 and Alhassan & Biekpe, 2015). Different empirical evidence of productivity across sectors has been shown below.

The capacity of a nation to increase its output per worker determines its capacity to raise its standard of living. Therefore, looking into how this can be done, has been in the major priorities to researcher, for example, Phiri and Mbaleki (2022)<sup>96</sup> estimated the log-linearized growth model through ARDL to evaluate the role of government on labour productivity and they conclude that when the government reduces income taxes and VAT highly increased the long-run productivity in the public sector. Furthermore, Makokoane (2020)<sup>97</sup> using the Malmquist Productivity Index (MPI) contrasts the performance efficiency of Metrorail's three components over time. Their findings reveal that Metrorail subunits have varying levels of productivity. Additionally, during the analysis period, the KwaZulu-Natal constituent performed better than the other two subunits, this implies that inefficiency Metrorail should consider reducing their size to be able to optimize production and address inefficiencies.

Along the same lines, Habanabakize, et al., (2019)<sup>98</sup> examined the short- and long-term effects of real wages, labour productivity, and investment spending on South African job absorption rates. The study used an autoregressive distributed lag (ARDL) model, error correction model (ECM), and Toda–Yamamoto causality analysis to determine variable relationships and they argued that short- and long-term connections were found. According to them, real wages negatively affect long-term employment absorption rates, but investment spending and labour productivity positively affect it.

The Department of Public Service Administration (DPSA, 2017)<sup>99</sup> undertook pilot public sector productivity measurements in selected provinces. The following were studied: North West Department of Health (NWDoH), Mpumalanga Department of Basic Education (MDoBE), Limpopo Department of Cooperative Governance, Human Settlement, and Traditional Affairs (CoGHSTA), the Limpopo Department of Social Development (LDSD) as well as the Department of Rural Development and Land Reform (DRDLR).

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<sup>96</sup> Andrew Phiri & Chuma Mbaleki | (2022) Fiscal expenditures, revenues and labour productivity in South Africa, *Cogent Economics & Finance*, 10:1, 2062912, DOI: 10.1080/23322039.2022.2062912

<sup>97</sup> Makokoane, J.K. (2020). Evaluating Productivity and Efficiency Contradictions of Metrorail South Africa. *International Journal of Management Science and Business Administration*, 6, 3, pp 1-19.

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<sup>98</sup> Habanabakize, T., Meyer, D.F and Olah, J. (2019). The Impact of Productivity, Investment and Real Wages on Employment Absorption Rate in South Africa. *Social Sciences, MDPI*, 8, 330, pp: 1-15.doi:10.3390/ socsci8120330

<sup>99</sup> DPSA (2017). *Measuring Organisational Productivity in the Public Service: Selected Case Studies*. Research and Policy Analysis Branch, Department of Public Service and Administration, Private Bag X916, Pretoria, 0001



The DPSA measurement used deals with 3 core factors: Labour, Operations and Performance. It applies an assessment matrix as shown in table 3 below:

			1	2	3	4
Core Factor	Weight	Measure/Indicator	Highest Achievement			Lowest
Labour (20%)	5%	Ratio of salary cost to total budget				
	5%	Days absent				
	5%	Training of Staff (Skills Programmes)				
	5%	Vacancy rate				
		Measure/Indicator	1	2	3	4
Core Factor	Weight	Micro-factor	Highest Achievement			Lowest
Operations (40%)	10%	% score in implementing Operations Management Framework				
	10%	Workplace design (ergonomics and workflow)				
	20%	% score in citizen and employee feedback on implementation of Batho Pele standards				
		Measure/Indicator	1	2	3	4
Core Factor	Weight	Micro-factor	Highest Achievement			Lowest
Performance (40%)	10%	Total performance rewards to employees				
	5%	Number of employees on counselling and support due to work-related stress				
	5%	Number of employees disciplined				
	10%	Employee satisfaction score				
	10%	Budgetary Performance				

For the core factors, the allocation of percentages is as shown in table 4 below, and various aspects of the matrix approach are explained.





Generic factors impacting on the quality and quantity dimensions of PSP	Core factor	Description of Core factor	Indicators (Required Data)
Service demand/need. Resource availability (human and financial) Capacity of facility/current output quantity Employee competence, capability, and morale Physical working environment Operations Management Systems, Processes, and Procedures Citizen consultation Citizen expectations (quality, quantity, reliability, care & compassion, value for money) Objective service norms and standards	Labour (20%)	Labour is usually assumed to be the most important input for the delivery of public goods and services. Labour productivity have indicators which assess the cost of labour, working days of labour force, days lost due to a variety of reasons, and vacancy rates.	<ul style="list-style-type: none"> <li>• Score achieved for ratio of salary cost to total budget.</li> <li>• Score achieved for number of days absent due to various reasons (Absenteeism rate)</li> <li>• Training of Staff (Skills Programmes)</li> <li>• Organisational vacancy rate</li> </ul>
	Operational (40%)	Operational productivity measures include established organisational decision-making and implementation structures (governance), systems, processes, and procedures. It also includes measures towards the optimisation of service delivery through critical path analysis ("business process mapping"), availability of standard operating procedures for job tasks, enforcement of approved service delivery standards, citizen feedback on service delivery implementation, use of appropriate technology (including ICT), and implementation of behavioural change management programmes aimed at improving the service delivery experience like the "Batho Pele" programme	<ul style="list-style-type: none"> <li>• Score achieved in implementing sector-specific norms and standards.</li> <li>• Score achieved in implementing Operations Management Framework building blocks: service delivery model, business process mapping, standard operating procedures, service standards and charter, service delivery improvement plans.</li> <li>• Score achieved for workspace design (ergonomics)</li> <li>• Score achieved for citizen feedback on service delivery performance.</li> <li>• Score achieved on employee and citizen feedback on the implementation of the Batho Pele standards.</li> </ul>
	Performance (40%)	Performance productivity refers personnel performance in relation to set targets in a set time. It also includes measures that directly impacts on personnel performance like the leadership and management environment, and personnel morale that can be determined through regular organisational climate surveys. .	<ul style="list-style-type: none"> <li>• Total performance rewards to employees.</li> <li>• Number of employees that underwent counselling and support due to work-related stress.</li> <li>• Number of employees that were disciplined for various reasons.</li> <li>• Score achieved for employee satisfaction survey (to include self- assessment on presenteeism).</li> </ul>



The findings indicate that while the NWDoH recorded the productivity score of 43.5%, others were above 50%. For example, the CoGHSTA and the DRDLR recorded productivity scores of 55.1% and 52%, respectively. Furthermore, those that appear to be doing relatively well include the MDoBE and LDSO, with the scores ranging about 65.88% and 63.42%, respectively.

Kumo (2017)<sup>100</sup> examined factor intensity, prospective output growth, and output gap trends. Economic development was driven by the total factor of productivity. In addition, macroeconomic policies, reforms, and strong institutions increased TFP and efficiency rapidly. Zulu and Banda (2015)<sup>101</sup> on the other hand examined the impact of labour productivity on economic growth in South Africa and Mauritius. The study illustrates that investments in physical capital enhance labour productivity and, by extension, economic performance. Garg and Temba (2015)<sup>102</sup> examined productivity and job satisfaction and it revealed that Job satisfaction and efficiency are highly correlated. Mbatha (2013)<sup>103</sup> evaluated the adoption of web-based technologies in pursuit of work productivity and creativity within the public sector in South Africa and the findings suggest that the Web had enhanced productivity and innovation at work.

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<sup>100</sup> Kumo, W.L. (2017 Trends in Factor Productivity, Efficiency and Potential Output Growth in South Africa 1995- 2015, Working Paper Series N° 263, African Development Bank, Abidjan, Côte d'Ivoire.

<sup>101</sup> Zulu, J.J and Banda, B.M. (2015). The Impact of Labour Productivity on Economic Growth: The Case of Mauritius and South Africa. " Southern African Journal of Policy and Development: Vol. 2: No. 1, pp 25-41.

<sup>102</sup> Garg, A.K And Temba, K. (2015). Job Satisfaction and Productivity: An Integrated Model, A Case Of Public Sector Entity In South Africa. Corporate Ownership & Control / Volume 12, Issue 4. Pp: 540-547

<sup>103</sup> Mbatha, B. (nd). Adoption of web-based technologies in pursuit of work productivity and creativity within the public sector in South Africa. The Innovation Journal: The Public Sector Innovation Journal, 18(3), article 8, pp: 1-14

As far as the private sector is concerned, Aswegen et al., (2005)<sup>104</sup> examined the changes in a population of companies in the formal sector of the South African economy in terms of economic growth, employment, labour productivity, and remuneration and found that while labour productivity increased, it was partly due to a decrease in employment.

With regards to various economic sectors, starting with agriculture, agriculture continues to be regarded as an engine of economic growth in most developing countries, thus its importance cannot be overlooked, Wangusi and Muturi (2015)<sup>105</sup>. To this extent different scholars have tried shedding light on the extent to which the sector has been productive. For example, Mathinya (2022)<sup>106</sup> examined the small-scale crop farming constraints and productivity in the summer rainfall region and concluded that there is a productivity gap between the large and small-scale farmers, and this is due to the limited knowledge about small-scale farming in the country. The results somehow corroborate with those found by Myeni, et al., (2019)<sup>107</sup> when investigating the barriers affecting the sustainable agricultural productivity of smallholder farmers in the Eastern Free State

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<sup>104</sup> Aswegen, A. V. Steyn, B.W and Hamman, W.D. (2005). Economic Growth, Employment, Labour Productivity and Remuneration in South Africa: Evidence from Published Financial Data, Studies in Economics and Econometrics, 29:3, 137-152, DOI: 10.1080/10800379.2005.12106396

<sup>105</sup> Wangusi, C. and Muturi, W. (2015). Impact of agricultural public spending on agricultural productivity: Case study of Kenya. International Journal of Sciences: Basic and Applied Research, 24(4): 180-87

<sup>106</sup> Mathinya, V.N., Franke, A.C., Van De Ven, G.W.J and Giller, K.E. (2022). Productivity and constraints of small-scale crop farming in the summer rainfall region of South Africa. Outlook on Agriculture, Vol. 51(2) 139–154

<sup>107</sup> Myeni, L., Moeletsi, M., Thavhana, M., Randela, M and Mokoena, L. (2019). Barriers Affecting Sustainable Agricultural Productivity of Smallholder Farmers in the Eastern Free State of South Africa. Sustainability, MDPI, 11, pp: 1-18.



of South Africa. Moreover, Lefophane and Kalaba (2022)<sup>108</sup> employed the Pooled Mean Group technique to investigate the effect of ICT intensity on the labour productivity, employment, and output of agro-processing industries and their results suggest that the more ICT-intensive industries benefit relatively more compared to the yields of the less ICT intensive industries, thus increasing productivity in the ICT intensive industries. Ebenezer, et al., (2019)<sup>109</sup> investigate the effect of government spending on South African agriculture productivity.

The findings indicate a long-term association between government spending on agriculture and agricultural productivity, with a long-term positive significant effect being the sole conclusion to be drawn. Finally, Yokwe (2009)<sup>110</sup> with the use of the residual valuation method (RVM), willingness to pay (WTP) as well as the cost-based approach (CBA) analyse the productivity and value of water in two smallholder irrigation schemes and found that there is a need of training and extension to ameliorate the water productive usage for farmers with insufficient returns to cover supply cost.

Regarding the manufacturing sector, manufacturing companies are a significant generator of new jobs since they are often more productive than their counterparts in the agricultural and service industries (Kreuser

& Newman, 2018)<sup>111</sup>. The sector has a substantial impact on employment and economic growth, therefore, understanding the factors that affect its productivity is paramount. Along these lines, Kahn et al., (2022)<sup>112</sup> study the effect of technological innovation on productivity in South African manufacturing firms and the results allude to an increase in productivity driven by the introduction of new products or processes in the production value chain. Following the previous authors, Gabaocwe and Gwaindepi (2022)<sup>113</sup> examined the productivity across SMMEs in the clothing and textile sectors post Covid-19 and they found that while the labour productivity has been exhibiting some increasing patterns, this has been on the cost of employment. In the same vein, although the capital productivity has also been increasing, its growth trend for capital input has been negative. Sibiya et al (2021)<sup>114</sup> investigated the impact of the introduction of the moto-manual tools on productivity gains in KwaZulu-Natal Midlands and the findings indicate that this reduced the human workload and hence increase productivity gains, this implies that innovation can play a key role in enhancing productivity in the South African firms. Edwards et al., (2020)<sup>115</sup> analysed whether importing

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<sup>108</sup> Lefophane, M.H and Kalaba, M. (2022). Estimating effects of ICT intensity on productivity, employment and output in South Africa: an industry-level analysis, *Information Technology for Development*, 28:2, 346-371, DOI: 10.1080/02681102.2021.188236

<sup>109</sup> Ebenezer, M., Ngarava, S., Etim, N-A and Popoola, O. (2019). Impact of Government Expenditure on Agricultural Productivity in South Africa. *The Journal of Social Sciences Research*, Vol. 5, Issue. 12, pp: 1734-1742.

<sup>110</sup> Yokwe, S. (2009). Water productivity in smallholder irrigation schemes in South Africa. *Agricultural Water Management*, 96, pp: 1223-1228

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<sup>111</sup> Kreuser, C. & Newman, C. (2018) Total Factor Productivity in South African Manufacturing Firms. *South African Journal of Economics*, 86, 40–78. <https://doi.org/10.1111/saje.1217>

<sup>112</sup> Kahn, A., Sithole, M and Buchana, Y. (2022). An analysis of the impact of technological innovation on productivity in South African manufacturing firms using direct measures of innovation. *S Afr J Econ*. 90:37–56

<sup>113</sup> Gabaocwe, M and Gwaindepi, C. (2022). The role of productivity in stimulating SMME sustainable recovery from the impact of Covid-19 in the Clothing and Textile sector. *Productivity SA Private bag 235, Midrand*, 1685

<sup>114</sup> Sibiya, Z.B., Ackerman, P and Ackerman, S.A. (2021). Productivity and workload analysis between manual and motor-manual pruning of *Pinus patula* at two different lifts, *International Journal of Forest Engineering*, 32:3, 191-201, DOI: 10.1080/14942119.2021.1906568

<sup>115</sup> Edwards, L., Sanfilippo, M and Sundaram, A. (2020). Importing and Productivity: An Analysis of South African Manufacturing Firms. *Review of Industrial Organization*, 57:411–432 <https://doi.org/10.1007/s11151-020-09765-z>



influenced South African manufacturing firms' productivity, and they found evidence that importing intermediate inputs is correlated with high firm productivity levels. The results were also found by Amusa et al., (2019)<sup>116</sup> when using spatial technologies to analyse agglomeration and productivity in South Africa and they discover that intermediate inputs have the greatest influence on firm productivity. Orando and Isabirye (2018)<sup>117</sup> explored the development of construction workers' abilities as a means of increasing capacity and increasing job productivity in South Africa. Their findings show that the important factors for increasing productivity in the construction industry were educational backgrounds, attitude toward one's skill development, working environment, the organization's role in developing individual capacity, and goal setting. Neingo and Tholana (2016)<sup>118</sup> analysed the trends in productivity in the South African gold mining industry, the authors argue that the existence of challenges such as global economic shocks, gold price decline, and access to the capital led to a decrease in productivity in the gold mining sector. The introduction of the Black economic empowerment policy/act seemed to have yielded expected results in increasing employment, however, less was known about productivity. Hence, Mebratie and Bedi (2013)<sup>119</sup> examined the effect of the interaction between foreign ownership of firms and BEE on labour productivity. The authors find no spillover

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<sup>116</sup> Amusa, H., Wabiri, N and Fadiran, D. (2019). Agglomeration and productivity in South Africa. WIDER Working Paper 2019/93, ISSN 1798-7237 ISBN 978-92-9256-729-3 <https://doi.org/10.35188/UNU-WIDER/2019/729-3>

<sup>117</sup> Orando, M And Isabirye, A.K. (2018). Construction Workers' Skill Development: A Strategy for Improving Capacity and Productivity In South Africa. International Journal of Economics and Finance Studies Vol 10, No 1, 2018 Issn: 1309-8055 (Online)

<sup>118</sup> Neingo, P.N and Tholana, T. (2016). Trends in productivity in the South African gold mining industry. The Southern African Institute of Mining and Metallurgy, 2016. ISSN 2225-6253.

<sup>119</sup> Mebratie, A.D., and Bedi, A.S. (2013). Foreign direct investment, black economic empowerment and labour productivity in South Africa, The Journal of International Trade & Economic Development, 22:1, 103-128, DOI: 10.1080/09638199.2013.745287

effects and no evidence that a higher level of BEE compliance by foreign firms is associated with labour productivity.

As far as the services sector is concerned, the services sector is also crucial in the economy as it contributes a great deal to the GDP, therefore, studying its productivity is as important as the above-analysed sectors. Although little has been done, the highlight goes to Kasongo et al., (2023)<sup>120</sup> who using a three-stage econometric model, investigated how innovation affects productivity in South African service sector companies. The findings reveal that innovations, both technological and non-technological, have a favourable effect on labour productivity. Along the same vein, Alhassan & Biekpe, (2015)<sup>121</sup> employed the data envelope analysis to conduct a thorough examination of effectiveness, productivity, and returns to scale economies in the non-life insurance industry in South Africa and discovered that technological advancements were responsible for productivity gains.

## Conclusion

This part of the study focused on reviewing relevant studies and broad benchmarking thus ensuring that there is a thorough and comprehensive understanding of the relevant concepts, conceptual and measurement issues.

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<sup>120</sup> Kasongo, A., Sithole, M and Buchana, Y. (2023). Empirical analysis of innovation and productivity in services firms: The case of South Africa, African Journal of Science, Technology, Innovation and Development, 15:1, 1-13, DOI: 10.1080/20421338.2021.2001207

<sup>121</sup> Alhassan, A.L and Biekpe, N. (2015). Efficiency, Productivity and Returns to Scale Economies in the Non-Life Insurance Market in South Africa. The Geneva Papers on Risk and Insurance, 40, (493-515).







# PART III

## INTERNATIONAL BENCHMARKING





## Introduction

This part of the report analyses international benchmarking to determine countries with highly productive public services. International benchmarking is a process of comparing the performance and best practices of different countries to identify areas for improvement. In the context of measuring productivity in the South African public service, international benchmarking can be used to determine which countries have highly productive public services. This can provide valuable insights into best practices and strategies that can be adapted and implemented in the South African public service to improve productivity.

To conduct an international benchmarking analysis, the following steps were undertaken:

1. Identify the countries to be included in the analysis: This should include countries that are considered to have highly productive public services, as well as countries with similar economic and political characteristics to South Africa.
2. Gather data: Collect data on productivity in the public services of each country, using a variety of sources such as government reports, academic studies, and international organizations.
3. Analyse the data: Compare the productivity levels and performance metrics of each country and identify any patterns or trends that emerge.
4. Identify best practices: Examine the policies, strategies, and practices that are associated with high productivity levels in the selected countries and identify any that could be adapted and implemented in the South African public service.
5. Develop recommendations: Based on the findings of the analysis, develop recommendations for how to improve productivity in the South African public service.
6. Implement and evaluate the recommendations: Implement the recommendations and evaluate their effectiveness in improving productivity in the South African public service.

When evaluating the productivity of public services in different countries, it's important to consider a variety of factors, including: the indicators used to measure productivity, the data used to measure productivity, the cultural, economic, and political context of the country, the role of technology, the role of labour force, the impact of government policies and regulations, the role of public-private partnerships, the role of citizen engagement etc. These factors would be further explained below:

- i. Service quality: The quality of public services is an important aspect of productivity. High-quality services are more likely to be efficient, effective, and meet the needs of citizens.
- ii. Accessibility: Accessibility of public services is also an important factor to consider. Services that are easily accessible to citizens are more likely to be productive as they are more likely to be used.
- iii. Efficiency: Efficiency is another key factor to consider when evaluating productivity in the public services. Efficiency can be measured in terms of cost, time, and resources. Services that are delivered efficiently are more productive as they are more likely to meet the needs of citizens at a lower cost.
- iv. Innovation: Innovation is another important aspect of productivity in the public services. Countries that have the ability continuously improve and innovate their services are more likely to be productive.



- v. Economic and social context: The country's economic and social context is also important to consider when evaluating productivity in the public services. Some countries may face different challenges or opportunities that impact the productivity of their public services.
- vi. Public sector culture: The culture of the public sector is also an important factor to consider when evaluating productivity in the public services. A culture that values innovation, continuous improvement, and accountability is more likely to be productive.
- vii. Data and measurement: Data and measurement is critical in evaluating productivity in the public services, it allows for more accurate and objective analysis of the services and can inform decision making.
- viii. Citizen satisfaction: Measuring citizen satisfaction with public services can provide valuable insight into the productivity of the services. Citizens who are satisfied with the services are more likely to use them and to recommend them to others.
- ix. Employee satisfaction: Employee satisfaction is also an important factor to consider when evaluating productivity in the public services. Public sector employees who are satisfied with their work are more likely to be engaged and motivated, which can lead to increased productivity.
- x. Outcomes: Measuring the outcomes of public services can provide insight into their productivity. Outcomes can be measured in terms of the impact of the services on citizens, such as improved health or education outcomes.
- xi. Digitalization: The use of digital technologies in the delivery of public services can have a significant impact on productivity. Digitalization can improve efficiency, accessibility, and service quality.
- xii. Partnerships and collaboration: Partnerships and collaboration can also play a role in improving productivity in the public services. Collaborating with other organizations and stakeholders can lead to increased efficiencies and improved services.
- xiii. Political stability: Political stability can also play a role in productivity in the public services. Countries with stable governments are more likely to have stable public services.
- xiv. Legal and regulatory framework: The legal and regulatory framework can also play a role in productivity in the public services. Countries with a clear and efficient legal and regulatory framework are more likely to have productive public services.
- xv. Transparency: Transparency in the public sector can also play a role in productivity. Transparency can improve accountability, trust, and citizen engagement.

By considering these factors, it's possible to gain a comprehensive understanding of the strengths and weaknesses of the South African public service, and to identify areas for improvement and best practices to learn from.

There is no one-size-fits-all approach to measuring productivity in the public services, and a comprehensive analysis would need to consider the unique context, culture, and system of each country. The use of multiple methods and data sources can provide a more holistic view of productivity in the public services.





## Indexing of international best practice of countries with high productivity in the public service

International organisations of repute have provided credible programs and models for benchmarking best practices in public service in countries worldwide, viz. The United Nations Public Service Awards Program<sup>122</sup> and the World Bank Public Sector Comparator (see figure 1 to 4 for more detail).

The UN public service awards program is the most prestigious international recognition for excellence in public service. It acknowledges the innovative accomplishments and contributions of public service institutions that enhance the effectiveness and responsiveness of public administration in countries worldwide. The annual competition of the UN Public Service Awards aims to promote the importance, professionalism, and visibility of public service.

Furthermore, the UN Public Service Day commemorates the value and merit of public service to the community, emphasizing its role in the development process, which the General Assembly designated as 23 June through its resolution 57/277 on 20 December 2002. It also acknowledges the dedication of public servants and encourages young people to pursue careers in the public sector. Since the inaugural Awards Ceremony in 2003, the United Nations has received an increasing number of submissions from all over the world. The UNPSA's objective is to commend and promote innovation and excellence in public services by acknowledging the creative accomplishments and contributions of public institutions that enhance the effectiveness and responsiveness of public administration in support of sustainable development goals worldwide.

<sup>122</sup> <https://publicadministration.un.org/en/UNPSA>

The Sustainable Development Goals, along with the 2030 Agenda for Sustainable Development, present a transformative plan for the entire world. As stated by Secretary-General Guterres at the TazaKoom Conference on Public Service in Bishkek, Kyrgyzstan, in June 2017, the public service plays a crucial role in achieving the SDGs. To achieve sustainable development and create a just society, it is essential to instil the values and principles of the 2030 Agenda, such as equity, social justice, and partnership, in both society and development processes. This requires the public service and other public-sector institutions to undergo innovative and creative transformations, as they are critical contributors to the implementation of the 2030 Agenda in any country.

In the same vein the World Bank Public Sector Comparator (PSC) is a tool employed by governments to determine the optimal service provider for public sector projects. Essentially, it is an approximation of the cost that the government would incur if it were to independently deliver the service.<sup>123</sup> The World Bank defines the PSC as a method used by governments to evaluate whether a private investment proposal offers value for money compared to the most efficient form of public procurement.<sup>124</sup> Generally, the PSC enables governments to assess the cost-effectiveness of public-private partnerships or other arrangements.<sup>125</sup> The PSC is commonly used in several countries, including the UK, Australia, Hong Kong, and Canada.<sup>126</sup>

<sup>123</sup> Leigland, James (2006). "Is the Public Sector Comparator Right for Developing Countries? Appraising Public-Private Projects in Infrastructure". World Bank. hdl:10986/10743.

<sup>124</sup> "Public Sector Comparator for Highway PPP Projects"

<sup>125</sup> Public Sector Comparator Policy (PDF). Government of Western Australia Department of Treasury. 2011

<sup>126</sup> Ismail, Kharizam; Takim, Roshana; Nawawi, Abdul Hadi (2012). "A Public Sector Comparator (PSC) for Value for Money (VFM) Assessment Tools". Asian Social Science. 8 (201-192): (V. doi:10.5539/ass.v8n7p192



## Validity and Reliability of Data

This part of the report relies heavily on the data sourced from the World Bank Public Sector Comparator. The World Bank Public Sector Comparator allows the user or researcher to build sets of data for use as indicated in the previous paragraph. The validity and reliability of data often preoccupies the minds of researchers and readers of research reports. This preoccupation with validity and reliability was part of the discussion among researchers before data collection and compilation of this report hence this section is important to put the reader at ease regarding the nature of data used. The World Bank Public Service Comparator uses various sources of data and indexes to assess different countries. The use of different sources and indexes gives some comfort in the validity and reliability of assessments. In addition to measures of validity and reliability build in World Bank Public Service Comparator, the data collected is triangulated by using various scientific publications to corroborate or dispute claims made in the World Bank Public Service Comparator. In addition to scientific publications, various reports are also used to strengthen the validity and reliability of assessments.

## An Analysis of Countries with High Productivity in the Public Service

In the table 5 below, 3 countries identified in 3 continents to have high productivity in the public service are discussed in this part of the report.

North America	Asia	Africa
Canada	Singapore	Rwanda

## NORTH AMERICA: CANADA

In Canada, the government has a strong focus on innovation and the use of technology to improve productivity, as well as a focus on the development of a skilled and efficient public sector workforce. The country’s decentralized system of government allows for more flexibility and innovation in the delivery of public services, and the government has implemented several initiatives to improve productivity, such as the use of performance management systems and the implementation of digital technologies.





## An analysis of Canada's productivity in the public services

Canada's public service sector is known for its high productivity levels, which are supported by several factors, including the emphasis on employee development and engagement,<sup>127</sup> use of technology and digital tools<sup>128</sup>, positive work environment, performance management systems<sup>129</sup>, and adaptability and transparency in decision making<sup>130</sup>. These factors help to ensure that employees are motivated, engaged, and skilled, which in turn contributes to higher productivity levels.<sup>131</sup>

### 1. Strong emphasis on employee development and engagement:

The Canadian government places a strong emphasis on employee development and engagement, as evidenced by several programs and initiatives. For example, the Public Service Employee Survey (PSES) is conducted every three years to measure employee engagement, satisfaction, and motivation. The most recent survey in 2018 found that 80% of employees were engaged in their work, and 89% reported feeling a sense of pride in their work for the

government.<sup>132</sup> In addition to the PSES, the government offers several training and development programs to support employee learning and professional growth. The Canada School of Public Service (CSPS) offers a wide range of training programs on various topics such as leadership, digital skills, and project management. The CSPS also offers a mentoring program for employees at all levels, which provides opportunities for personal and professional growth.<sup>133</sup> The government also has a secondment program, which allows employees to take temporary assignments in other departments or even other countries to gain new skills and experiences. This program provides employees with the opportunity to develop new skills, broaden their perspectives, and enhance their professional networks.<sup>134</sup>

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<sup>127</sup> "Managing Canada's Public Sector: Recruitment, Retention, and Renewal," by Gabriella G. Montinola and Richard M. Bird, in *Public Personnel Management* (2011), 40(1): 67-79.

<sup>128</sup> "Digital Government Review of Canada: Accelerating the Digital Transformation of the Public Sector," by the Organisation for Economic Co-operation and Development (OECD), 2019.

<sup>129</sup> "Public Service Employee Survey 2019: Overview of Results," by the Government of Canada, 2020.

<sup>130</sup> "Leadership and Governance in Canada's Public Service," by Ian Peach, in *Canadian Public Administration* (2017), 60(2): 186-202.

<sup>131</sup> "Benchmarking – Best Practices: An Integrated Approach," by Khurram S. Bhutta and Faizul Huq, in *Benchmarking: An International Journal* (1999), 6(3): 254-268.

<sup>132</sup> Government of Canada. (2019). Public Service Employee Survey 2018: Results. <https://www.canada.ca/en/treasury-board-secretariat/services/public-service-hr/public-service-employee-survey/2018-results.html>

<sup>133</sup> Canada School of Public Service. (2021). Training and development. <https://www.cspc-efpc.gc.ca/trng/trng-eng.aspx>

<sup>134</sup> Government of Canada. (2021). Secondment program. <https://www.canada.ca/en/treasury-board-secretariat/services/staffing/secondment-program.html>



2. **Innovation and experimentation:** Canada's public service sector has a culture of innovation and experimentation, which encourages employees to come up with new ideas and solutions to improve service delivery. This is supported by utilising technology and digital tools, which help employees to work more efficiently and effectively.<sup>135136137 138</sup>

Examples of such initiatives include:

- i. The Canadian Digital Service (CDS): The CDS is a federal organization that works to improve the design and delivery of digital government services. It uses a human-centred design approach and works with departments and agencies across the government to experiment with new approaches and technologies to improve service delivery. (<https://digital.canada.ca/>)
- ii. Open Government: The Government of Canada's Open Government initiative is a platform that provides open access to government data, information, and services to promote transparency and accountability. It also includes tools and resources to support innovation and experimentation in service delivery. (<https://open.canada.ca/en>)
- iii. The Impact and Innovation Unit: The Impact and Innovation Unit is

<sup>135</sup> Government of Canada. (2018). Canada's new government-wide results and delivery approach. <https://www.canada.ca/en/privy-council/services/results-delivery/overview/canadas-new-government-wide-results-delivery-approach.html>

<sup>136</sup> Government of Canada. (2018). Blueprint 2020: Creating a culture of innovation. <https://www.canada.ca/en/treasury-board-secretariat/services/innovation/hub/blueprint-2020-creating-culture-innovation.html>

<sup>137</sup> Public Sector Digest. (2019). Public sector innovation in Canada: A primer. <https://publicsectordigest.com/article/public-sector-innovation-canada-primer>

<sup>138</sup> "Digital Government Review of Canada: Accelerating the Digital Transformation of the Public Sector," by the Organisation for Economic Co-operation and Development (OECD), 2019.

a federal organization that helps to design and test new policies and programs to address complex social and economic challenges. It uses experimental methods to test ideas and generate evidence to inform policy decisions. (<https://www.canada.ca/en/impact-innovation-unit.html>)

- iv. Service Innovation Labs: Several federal departments and agencies have established Service Innovation Labs to experiment with new service delivery models and technologies. For example, Employment and Social Development Canada's Service Canada Lab works to improve service delivery for Canadians through co-creation and experimentation. (<https://www.canada.ca/en/employment-social-development/programs/service-canada/service-innovation-lab.html>)

3. **Performance management systems:** Canada's public service sector uses performance management systems to set performance targets, monitor progress, and provide feedback to employees. This helps to ensure that employees are held accountable for their work and that they are motivated to perform at their best.<sup>139140</sup> The emphasis on employee engagement also helps to foster a positive and productive work environment. The Public Service Employee Survey (PSES) is conducted every three years to measure employee engagement in the public service. The most recent survey found that employee engagement in the public service was higher than the private sector, which is an indication of the government's effort to create a positive work environment for its

<sup>139</sup> Public Service Commission of Canada, 'Performance Management in the Federal Public Service', Government of Canada, accessed 30 April 2023, <https://www.canada.ca/en/public-service-commission/services/publications/public-service-hrm-101/performance-management.html>.

<sup>140</sup> Treasury Board of Canada Secretariat, 'Performance Management', Government of Canada, accessed 30 April 2023, <https://www.tbs-sct.gc.ca/psm-fpfm/performance-eng.html>.





employees.<sup>141</sup> <sup>142</sup> One example of the use of performance management systems in Canada's public service sector is the Performance Management Program (PMP) used by the Canada Revenue Agency (CRA) to manage employee performance. The PMP is designed to align individual performance objectives with organizational goals and values, and it includes regular performance discussions between employees and their managers, as well as ongoing feedback and coaching.<sup>143</sup> Another example is the Results and Delivery Unit (RDU) used by the Government of Canada to manage the implementation of its priorities and track progress. The RDU uses a results-based approach to performance management, which includes setting clear objectives and targets, measuring progress, and taking corrective action when necessary.<sup>144</sup>

4. **Flexibility and adaptability:** Canada's public service sector is known for its flexibility and adaptability, which allows it to respond effectively to changing demands and priorities. This is supported by a strong governance structure, which ensures that decisions are

made in a transparent and accountable manner.<sup>145</sup><sup>146</sup> <sup>147</sup> For example, during the COVID-19 pandemic, the Canadian government rapidly mobilized resources to respond to the evolving situation. This included the creation of the COVID-19 Immunity Task Force, which was tasked with tracking the spread of the virus and monitoring the effectiveness of public health measures. The government also introduced financial support programs for businesses and individuals affected by the pandemic, such as the Canada Emergency Response Benefit and the Canada Emergency Wage Subsidy.<sup>148</sup> Canada's public service sector has also demonstrated flexibility and adaptability in response to environmental challenges. For example, the government has introduced measures to support the transition to a low-carbon economy, such as the Pan-Canadian Framework on Clean Growth and Climate Change. This includes initiatives to increase energy efficiency, support renewable energy development, and invest in public transit infrastructure.<sup>149</sup> The Canadian public service sector has also demonstrated flexibility and adaptability in response to

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<sup>141</sup> "Public Service Employee Survey 2019: Overview of Results," by the Government of Canada, 2020.

<sup>142</sup> "Public Service Employee Survey 2019: Overview of Results," by the Government of Canada, 2020

<sup>143</sup> Canada Revenue Agency. (2021). Performance Management Program. Retrieved from <https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/programs-agency/performance-management-program.html>

<sup>144</sup> Government of Canada. (2018). Results and Delivery Unit. Retrieved from <https://www.canada.ca/en/privy-council/services/results-delivery-unit.html>

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<sup>145</sup> Treasury Board of Canada Secretariat. (2020). Blueprint 2020: A Vision for Canada's Public Service - Achieving Excellence in the 21st Century. <https://www.canada.ca/content/dam/tbs-sct/documents/policy-management/blueprint-2020/blueprint-2020-eng.pdf>

<sup>146</sup> Auditor General of Canada. (2021). Report 1 – Preparing the Next Generation of Auditors in the Public Sector – Office of the Auditor General of Canada. [https://www.oag-bvg.gc.ca/internet/English/parl\\_oag\\_202102\\_01\\_e\\_43769.html](https://www.oag-bvg.gc.ca/internet/English/parl_oag_202102_01_e_43769.html)

<sup>147</sup> "Leadership and Governance in Canada's Public Service," by Ian Peach, in Canadian Public Administration (2017), 60(2): 186-202.

<sup>148</sup> Government of Canada. (2021). Canada's COVID-19 Economic Response Plan. <https://www.canada.ca/en/departement-finance/economic-response-plan.html>

<sup>149</sup> Government of Canada. (2016). Pan-Canadian Framework on Clean Growth and Climate Change. <https://www.canada.ca/en/services/environment/weather/climate-change/pan-canadian-framework.html>



social and cultural changes. For example, the government has introduced measures to promote diversity and inclusion, such as the Employment Equity Act and the Accessible Canada Act. These initiatives are designed to ensure that all Canadians have equal opportunities to succeed in the workforce and participate fully in society.<sup>150</sup>

**5. International benchmarking and best practices:** Canada's public service sector is benchmarked against international best practices to ensure that it is operating at the highest level of efficiency and effectiveness.<sup>151</sup> The Canadian government regularly participates in international benchmarking and best practices exercises to ensure that it stays up to date with the latest trends and practices in the public service sector. For example: The OECD Public Governance Reviews - Canada report from 2021 provides a comprehensive analysis of the Canadian public service sector, comparing it to other OECD countries and providing recommendations for improvement. In 2019, the Canadian government participated in the International Civil Service Effectiveness (InCiSE) Index, which compares the performance of 38 countries' civil services across a range of indicators. Canada ranked 4th overall and was recognized for its high levels of public trust and effectiveness in delivering public services. The Canadian government also participates in the Commonwealth Association for Public Administration and Management (CAPAM), which provides a platform for sharing best practices and learning from other countries.

<sup>150</sup> Government of Canada. (2021). Employment Equity Act. <https://www.canada.ca/en/employment-social-development/services/labour-standards/reports/employment-equity-act-annual-report/2019.html>

<sup>151</sup> "Benchmarking – Best Practices: An Integrated Approach," by Khurram S. Bhutta and Faizul Huq, in *Benchmarking: An International Journal* (1999), 6(3): 254-268.

**6. Strong leadership:** Canada's public service sector has strong leadership at all levels, which helps to create a positive work culture and ensures that employees are clear on their roles and responsibilities. This helps to minimize confusion and ensure that tasks are completed efficiently.<sup>152</sup> One example of strong leadership in Canada's public service sector is the Treasury Board of Canada Secretariat.<sup>153</sup> The Treasury Board is responsible for providing advice and guidance to federal departments and agencies on the management of public resources, including human resources, financial management, and information technology.<sup>154</sup> They have implemented a number of initiatives to improve the efficiency and effectiveness of the public service, including the Strategic Plan for the Public Service, which sets out the priorities for the public service over a four-year period, and the Clerk of the Privy Council's Annual Report to the Prime Minister on the Public Service, which provides an overview of the state of the public service and identifies areas for improvement.<sup>155</sup> Another example is the Canadian Centre for Management Development (CCMD), which provides leadership training and development programs for public service employees. The CCMD offers a variety of programs, including the Advanced Leadership Program, which is designed for senior executives, and the Leadership Development Program, which is targeted at mid-level managers. These programs help to develop the leadership

<sup>152</sup> "Leadership and Governance in Canada's Public Service," by Ian Peach, in *Canadian Public Administration* (2017), 60(2): 186-202.

<sup>153</sup> Treasury Board of Canada Secretariat. (2021). About us. Retrieved from <https://www.canada.ca/en/treasury-board-secretariat/about.html>

<sup>154</sup> Treasury Board of Canada Secretariat. (2021). Strategic Plan for the Public Service. Retrieved from <https://www.canada.ca/en/treasury-board-secretariat/corporate/strategic-plan-public-service.html>

<sup>155</sup> Clerk of the Privy Council. (2021). Annual Report to the Prime Minister on the Public Service of Canada. Retrieved from <https://www.canada.ca/en/privy-council/corporate/clerk/publications/annual-report-2020.html>



skills of public service employees and ensure that they are equipped to lead effectively in a constantly changing environment.<sup>156</sup>

7. **Collaboration and teamwork:** Canada's public service sector places a strong emphasis on collaboration and teamwork, which helps to create a sense of shared purpose and ensures that employees are working together towards common goals. This helps to build trust and fosters a culture of mutual support and cooperation. One example of collaboration and teamwork in Canada's public service sector is the establishment of the Interdepartmental Working Group on Gender-Based Violence, which was created to address issues related to gender-based violence in a collaborative manner between different departments and agencies. The group works to coordinate and streamline efforts to prevent gender-based violence, support survivors, and advance gender equality.<sup>157</sup> Another example is the work of the Canadian Digital Service, which collaborates with other government departments and agencies to improve digital services for citizens through a user-centric approach and the use of agile methodologies. The Canadian Digital Service also promotes collaboration and teamwork within its own team, which includes designers, developers, and policy experts working together to improve government services.<sup>158</sup>
8. **Emphasis on customer service:** Canada's public service sector places a strong emphasis on customer service, which helps to ensure that the needs and expectations of citizens are met. This is

<sup>156</sup> Canadian Centre for Management Development. (2021). Programs. Retrieved from [https://www.cspc-efpc.gc.ca/About\\_us/CCMD/programs-eng.aspx](https://www.cspc-efpc.gc.ca/About_us/CCMD/programs-eng.aspx)

<sup>157</sup> Government of Canada. (2021). Addressing gender-based violence. <https://www.canada.ca/en/interdepartmental-working-group-gender-based-violence.html>

<sup>158</sup> Canadian Digital Service. (n.d.). Our approach. <https://digital.canada.ca/our-approach/>

supported by regular customer satisfaction surveys and a focus on continuous improvement, which helps to ensure that services are delivered in a timely, efficient, and effective manner. An example of Canada's emphasis on customer service in the public service sector is the Service Canada initiative, which provides a wide range of government services and benefits to Canadians. Service Canada has a strong focus on customer service, with a commitment to providing timely, accurate, and easy-to-access services to citizens. This is supported by a range of digital tools and resources, including online portals and mobile applications, which help to streamline service delivery and improve the customer experience.<sup>159</sup> In addition, the Canadian government conducts regular customer satisfaction surveys to measure the quality of services provided to citizens. For example, the Canadian Federal Client Satisfaction Survey is conducted every two years and measures satisfaction levels across a range of federal government services. The results of these surveys are used to identify areas for improvement and to inform the development of new policies and initiatives to improve service delivery.<sup>160</sup>

9. **Continuous improvement:** Canada's public service sector has a culture of continuous improvement, which helps to ensure that services are delivered in an efficient and effective manner. This is supported by regular performance monitoring and evaluation, which helps to identify areas for improvement and ensure that services are delivered in a cost-effective manner. One example of the Canadian public service's focus on continuous improvement is

<sup>159</sup> Service Canada. (2022). About Service Canada. <https://www.canada.ca/en/employment-social-development/corporate/portfolio/service-canada.html>

<sup>160</sup> Government of Canada. (2021). Federal Client Satisfaction Survey. <https://www.canada.ca/en/government/publicservice/modernizing/federal-client-satisfaction-survey.html>



the establishment of the Centre of Excellence for Public Sector Marketing (CEPSM), which provides training and support to public sector organizations in the areas of marketing and communication. CEPSM also conducts research and provides thought leadership on best practices in public sector marketing, with the aim of improving the efficiency and effectiveness of government communication and service delivery.<sup>161</sup> Another example is the implementation of Lean methodology in various Canadian public sector organizations, which aims to streamline processes and eliminate waste to improve service delivery. For instance, the Canada Revenue Agency (CRA) has adopted Lean management principles to improve the efficiency and effectiveness of its processes and services. This has resulted in improved customer service, reduced processing times, and greater employee engagement.<sup>162</sup>

10. **Technology:** Canada's public service sector has embraced technology to automate and streamline processes and improve service delivery. This includes the use of digital tools, such as online portals and mobile apps, which help to make it easier for citizens to access services and information, and to help public service employees to work more efficiently.<sup>163</sup> Some examples of digital platforms include:



- i. The Government of Canada's Digital Operations Strategic Plan sets out a roadmap for the government to modernize and streamline its digital services, including developing a new unified online platform for accessing government services and information, and improving the use of data and analytics to inform decision making.<sup>164</sup>
- ii. The Canada Revenue Agency (CRA) has implemented several digital initiatives to improve service delivery and reduce wait times for taxpayers, including an online service portal, the ability to file taxes online, and a mobile app that allows taxpayers to track the status of their refunds.<sup>165</sup>

<sup>161</sup> Centre of Excellence for Public Sector Marketing (CEPSM) - About Us. (n.d.). Retrieved April 28, 2023, from <https://www.cepsm.ca/about/>

<sup>162</sup> Government of Canada. (2019). Lean at the Canada Revenue Agency. Retrieved April 28, 2023, from <https://www.canada.ca/en/revenue-agency/services/about-canada-revenue-agency-cra/lean-management.html>

<sup>163</sup> Public Sector Digest. (2018). The Canadian public sector's focus on innovation and best practices. <https://publicsectordigest.com/article/canadian-public-sectors-focus-innovation-and-best-practices>

<sup>164</sup> <https://www.canada.ca/en/treasury-board-secretariat/services/information-technology/digital-government/digital-operations-strategic-plan.html>

<sup>165</sup> <https://www.canada.ca/en/revenue-agency/services/about-canada-revenue-agency-cra/innovating-for-the-future.html>





- iii. The Department of National Defence has implemented several digital tools to improve efficiency and effectiveness, including a digital platform to manage military operations, and a mobile app that allows soldiers to access information and communicate with their colleagues while in the field.<sup>166</sup>
- iv. The Immigration, Refugees and Citizenship Canada (IRCC) has implemented a number of digital initiatives to improve the processing of immigration applications and make it easier for applicants to access services and information, including an online application system, a mobile app that allows applicants to track the status of their applications, and the use of digital signatures to speed up the processing of documents.<sup>167</sup>
- v. These factors help to ensure that employees are motivated, engaged, and skilled, which in turn contributes to higher productivity levels. Canada's public service sector has a good reputation in the international community, which is an indicator of its productivity.

## Legislations on productivity in Canada's public service

There are several legislations in Canada that relate to productivity in the public service sector. Some of the key ones include:

1. The Financial Administration Act (FAA) is a key piece of legislation that establishes the financial management framework for the federal government in Canada. It sets out the rules and procedures for budgeting, financial reporting, and accounting, as well as

outlines the responsibilities of public service employees in relation to the efficient and effective use of public resources. The FAA also establishes the Treasury Board as the central management body for the federal public service, and it is responsible for providing advice and guidance to the government on financial management matters. The FAA also requires that all government departments and agencies prepare financial statements and have them audited annually.<sup>168</sup>

2. The Public Service Employment Act (PSEA) is a federal law in Canada that governs the recruitment, appointment, and promotion of public service employees. The act establishes the Public Service Commission (PSC) as the central staffing agency for the federal public service, and sets out the rules and procedures for staffing, including requirements for merit-based hiring, priority hiring for certain groups, and the establishment of pools of qualified candidates. The PSC is responsible for ensuring that the staffing process is fair, transparent, and objective, and that the public service is staffed with qualified, competent, and representative employees. The PSEA also outlines the roles and responsibilities of public service managers in the staffing process and provides for employee appeals of staffing decisions.<sup>169</sup>
3. The Public Service Labour Relations Act (PSLRA) regulates labour relations between the federal government and public service employees. It establishes the Public Service Labour Relations Board (PSLRB) as the independent body responsible for resolving disputes between the government and public service employees. The PSLRB is responsible for ensuring that the rights and interests

<sup>166</sup> <https://www.canada.ca/en/department-national-defence/campaigns/defence-ideas/innovation-in-action/digital-innovation.html>

<sup>167</sup> <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/publications-manuals/innovation-strategy-2019-2022/digital-transformation.html>

<sup>168</sup> Government of Canada. (2019, June 21). Financial Administration Act. <https://laws-lois.justice.gc.ca/eng/acts/f-11/index.html>

<sup>169</sup> Government of Canada. (2021). Public Service Employment Act. Retrieved from <https://laws-lois.justice.gc.ca/eng/acts/p-33.01/>



of public service employees are protected, and that the government and public service employees can resolve disputes in a fair and timely manner.<sup>170</sup>

4. The Canada Labour Code is another key piece of legislation that regulates labour relations between employers and employees in the federal sector, including the public service. It establishes the Canada Industrial Relations Board (CIRB) as the independent body responsible for resolving disputes between employers and employees. The CIRB is responsible for ensuring that the rights and interests of employees are protected, and that employers and employees can resolve disputes in a fair and timely manner.<sup>171</sup>
5. The Canada Business Corporations Act (CBCA) is a federal legislation that regulates the incorporation, organization, and management of federal corporations, including Crown corporations. It outlines the rules and procedures for the creation, operation, and governance of these corporations, and sets out the rights and responsibilities of their directors, officers, and shareholders. The CBCA also establishes the reporting and disclosure requirements for corporations and provides for the protection of shareholder rights.<sup>172</sup>
6. The country is ranked highly in international comparisons of public sector performance and governance, such as the World Bank's Government Effectiveness indicator.

<sup>170</sup> Public Service Labour Relations Act (R.S.C., 1985, c. P-33): <https://laws-lois.justice.gc.ca/eng/acts/P-33/index.html>

<sup>171</sup> Canada Labour Code (R.S.C., 1985, c. L-2). (n.d.). Department of Justice Canada. Retrieved April 24, 2023, from <https://laws-lois.justice.gc.ca/eng/acts/L-2/>

<sup>172</sup> Government of Canada. (2022). Canada Business Corporations Act. <https://laws.justice.gc.ca/eng/acts/C-44.6/>

The legislations in place such as the Financial Administration Act (FAA), Public Service Employment Act (PSEA), Public Service Labour Relations Act (PSLRA), Canada Labour Code and Canada Business Corporations Act (CBCA) all play a role in ensuring that the public service is run efficiently, transparently, and accountably. These legislations have set out the rules and procedures for budgeting, financial reporting, and accounting, staffing, and employment of public service employees, and for resolving disputes between the government and public service employees.

It can be argued that the legislations have been successful in promoting productivity and ensuring that the public service sector is delivering the best possible service to citizens. However, it would be important to conduct research and analysis to get a more accurate picture of the effectiveness of these legislations as well as to identify areas for improvement.\





## Comparing Canada and South Africa Public Service Productivity

Canada and South Africa are two very different countries with different political, economic, and social systems. However, it is possible to compare their public service productivity based on available data.

In terms of productivity, a study published by the Canadian Centre for Policy Alternatives in 2020 found that Canada's public service productivity increased by 7.2% between 2007 and 2018. The study looked at various factors, including inputs such as labour, capital, and materials, and outputs such as services delivered, and outcomes achieved. The study found that the increase in productivity was largely driven by technological improvements and increased automation.<sup>173</sup>

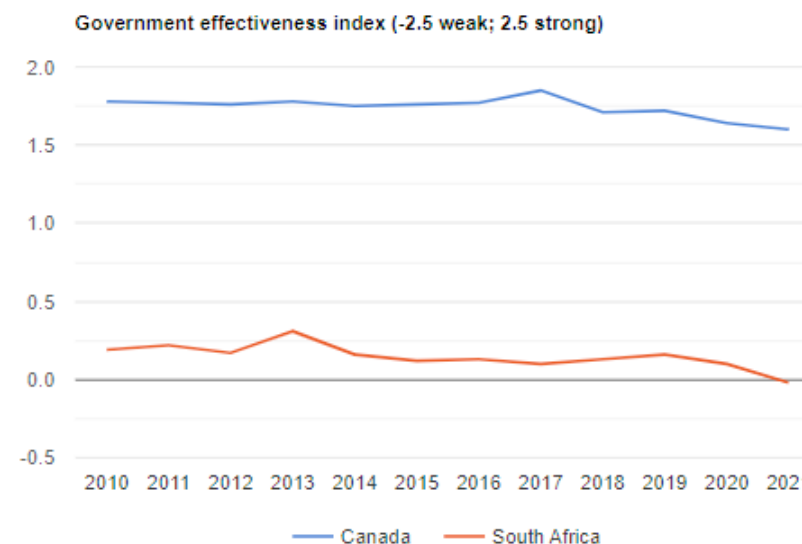
In comparison, a study by the International Labour Organization (ILO) published in 2018 found that South Africa's public service productivity had declined between 2000 and 2014. The study found that the decline was largely due to poor management practices, inadequate skills and training, and a lack of accountability and performance management.<sup>174</sup> The available data suggests that Canada has a more productive and effective public service than South Africa. However, it is important to note that these are complex issues that cannot be fully captured by simple comparisons or single indicators. Regardless, the following indicators are analysed for Canada and South Africa; government effectiveness, competitiveness, regulatory quality, voice, and accountability and presented below.

<sup>173</sup> Canadian Centre for Policy Alternatives. (2020). The State of Public Service Productivity in Canada. <https://www.policyalternatives.ca/publications/reports/state-public-service-productivity-canada>

<sup>174</sup> International Labour Organization. (2018). Public Service Productivity in South Africa. [https://www.ilo.org/wcmsp5/groups/public/---ed\\_protect/---protrav/---ilo\\_aids/documents/publication/wcms\\_634198.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---ilo_aids/documents/publication/wcms_634198.pdf)

In terms of government effectiveness, Canada ranks higher over the period 2010 to 2021 than South Africa. In the 2021 World Bank Comparator, Canada scored a yearly average of 1.5 to 2.0 out of 2.5 which indicate strong government effectiveness, while South Africa scored 0.5 out of 2.5 and trended downwards over the years.

**Figure 2:** Time series analysis of government effectiveness in Canada and South Africa public service<sup>175</sup>



**Source:** Authors' construction from the World Bank Comparator (2023) <https://www.theglobaleconomy.com/compare-countries/>

<sup>175</sup> World Bank. (2021). World Development Indicators. <https://databank.worldbank.org/source/world-development-indicators>

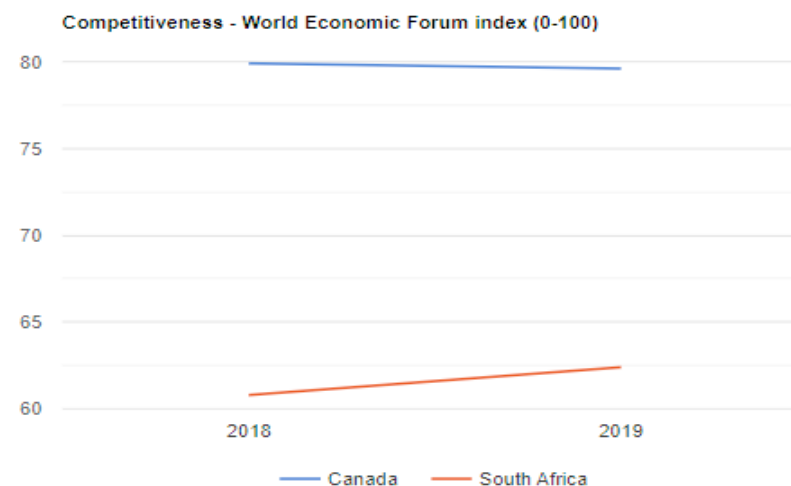


According to the World Bank's Worldwide Governance Indicators (WGI) for 2021, Canada performs significantly better than South Africa in terms of government effectiveness in public service productivity. Canada has a government effectiveness score of 0.92, which is considered very high, and ranks 7th out of 214 countries. South Africa, on the other hand, has a government effectiveness score of 0.53, which is considered low, and ranks 103<sup>rd</sup> out of 214 countries.<sup>176</sup>

The WGI government effectiveness indicator measures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.<sup>177</sup>

In terms of competitiveness, Canada average 80 out of 100 from 2018 to 2019 whereas South Africa average is 60 out of 100. Canada and South Africa are significantly different in terms of competitiveness in public service productivity. Canada has been consistently ranked as one of the top-performing countries in the world in terms of public service productivity, while South Africa has struggled to improve its public service productivity in recent years.

**Figure 3:** Time series analysis of competitiveness in Canada and South Africa public service



Source: Authors' construction from the World Economic Forum (2023): <https://www.theglobaleconomy.com/compare-countries/>

According to the Global Competitiveness Report 2019 published by the World Economic Forum, Canada was ranked 14th out of 141 countries in terms of overall competitiveness, while South Africa was ranked 60th. In terms of public sector performance, Canada was ranked 5th out of 141 countries, while South Africa was ranked 105th.<sup>178</sup>

<sup>176</sup> World Bank. (2021). Country Rankings. <https://databank.worldbank.org/source/worldwide-governance-indicators>

<sup>177</sup> World Bank. (2021). Worldwide Governance Indicators. <https://databank.worldbank.org/source/worldwide-governance-indicators>

<sup>178</sup> World Economic Forum. (2019). The Global Competitiveness Report 2019. Retrieved from <https://www.weforum.org/reports/the-global-competitiveness-report-2019>

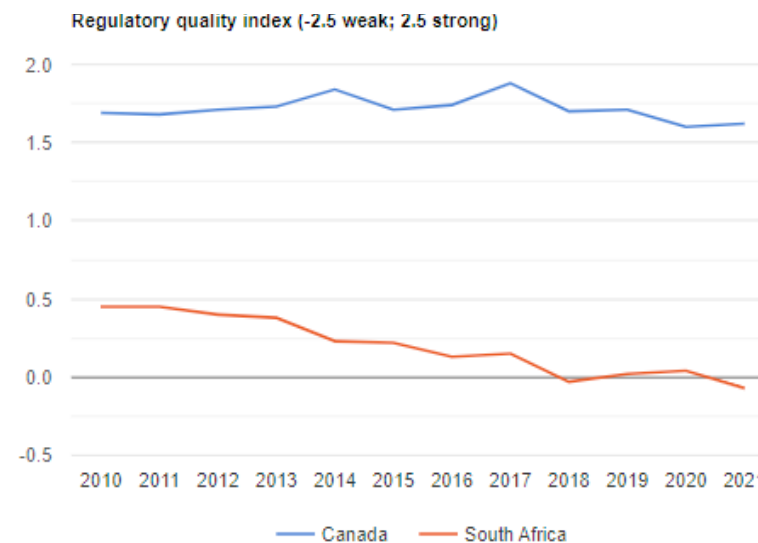
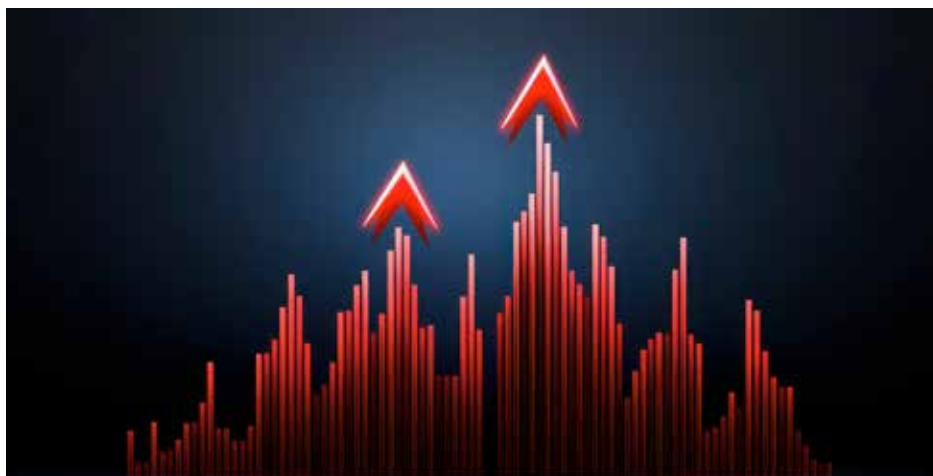




Furthermore, according to the 2021 World Competitiveness Yearbook published by the International Institute for Management Development (IMD), Canada was ranked 5th out of 64 countries in terms of government efficiency, while South Africa was ranked 50th.<sup>179</sup>

These rankings suggest that Canada's public service is significantly more competitive and productive than South Africa's. However, it should be noted that the factors influencing competitiveness and productivity are complex and multi-dimensional and cannot be reduced to a single ranking or metric.

In terms of regulatory quality, Canada ranks higher over the period 2010 to 2021 than South Africa. In the 2021 World Bank Comparator, Canada scored a yearly average of 1.5-2.0 out of 2.5 which indicate strong regulatory quality, while South Africa scored 0.5 out of 2.5 and trended downward over the years.



**Figure 4:** Time series analysis of regulatory quality in Canada and South Africa public service

Source: Authors' construction from the World Bank Comparator (2023)  
<https://www.theglobaleconomy.com/compare-countries/>

According to the World Bank's Worldwide Governance Indicators, regulatory quality refers to the ability of governments to formulate and implement sound policies and regulations that promote private sector development and economic growth, while protecting the interests of citizens.<sup>180</sup>

<sup>179</sup> International Institute for Management Development. (2021). World Competitiveness Yearbook 2021. Retrieved from <https://www.imd.org/wcc/world-competitiveness-center-rankings/world-competitiveness-yearbook-2021/>

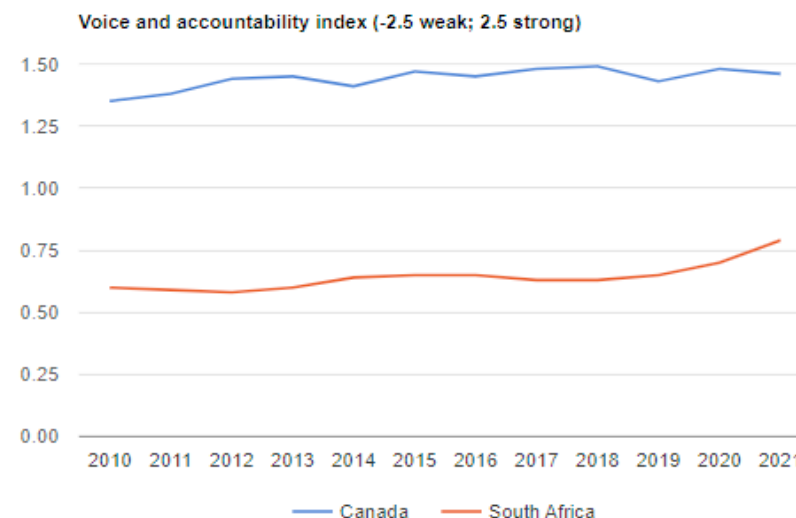
<sup>180</sup> World Bank. (2021). Worldwide Governance Indicators. Retrieved from <https://datacatalog.worldbank.org/dataset/worldwide-governance-indicators>



Canada's higher score in regulatory quality can be attributed to its strong legal and regulatory frameworks, which promote transparency, accountability, and the rule of law. Canada also has a well-established system for regulatory impact assessment, which helps to ensure that regulations are designed in a way that minimizes costs and maximizes benefits.<sup>181</sup>

In contrast, South Africa has been criticized for its complex and sometimes contradictory regulatory environment, which can create barriers to entry and impede private sector growth. Despite recent efforts to streamline regulations, South Africa still faces challenges in implementing and enforcing regulations effectively.<sup>182</sup>

In terms of voice and accountability, Canada ranks higher over the period 2010 to 2021 than South Africa. In the 2021 World Bank Comparator, Canada scored a yearly average of 1.5 out of 2.5 which indicate strong voice and accountability, while South Africa scored 0.5 out of 2.5 consistently over the years.



**Figure 5:** Time series analysis of voice and accountability in Canada and South Africa public service

Source: Authors' construction from the World Bank Comparator (2023)  
<https://www.theglobaleconomy.com/compare-countries/>

Voice and accountability refer to the extent to which citizens can participate in the selection of governments, have freedom of expression, and have access to independent media. It is an important factor that can affect public service productivity as it enables citizens to hold governments accountable for their actions.

<sup>181</sup> Business Council of Canada. (2020). Canada's Regulatory Advantage. Retrieved from <https://www.businesscouncil.ca/wp-content/uploads/2020/11/Canada-Regulatory-Advantage-Report.pdf>

<sup>182</sup> World Economic Forum. (2020). The Global Competitiveness Report 2020. Retrieved from <https://www.weforum.org/reports/the-global-competitiveness-report-2020>



The data in Figure 5 is confirmed by the World Bank's Worldwide Governance Indicators (WGI) for 2021, Canada ranks much higher than South Africa in terms of voice and accountability. Canada is ranked 6th out of 214 countries, with a score of 95.4 out of 100, while South Africa is ranked 62nd with a score of 62.1 out of 100 (World Bank, 2021).<sup>183</sup>

This difference in ranking is caused by a number of factors. Canada has a strong democratic tradition with a robust system of checks and balances, including an independent judiciary, free and fair elections, and a free press. This has helped to ensure that citizens have a voice in the selection of their government, and that they are able to hold their government accountable for its actions.

In contrast, South Africa has a more recent history of democracy, having only become a democracy in 1994 after decades of apartheid rule. While the country has made significant progress since then, there are still concerns about corruption, inequality, and political instability, which can affect citizens' ability to hold their government accountable.

In essence, the difference in voice and accountability between Canada and South Africa is likely to have an impact on public service productivity, as citizens who are more engaged and able to hold their government accountable are more likely to demand high-quality public services. The next section focuses on Singapore.

## ASIA: SINGAPORE

Singapore gained its independence in 1965. The country has the third highest GDP per capita in the World. In the fourth quarter of 2022, data on productivity in Singapore indicates that productivity was at 114.10 points. In the third quarter of the same year, productivity was at 101.70 points. Singapore's productivity was lowest in 1980. Unemployment was estimated at 98 000 people from a population of 5,64 million. The population grew by 3.4 percent from 2021<sup>184</sup>. Life expectancy of Singaporeans in 2023 is estimated at 84, 07. This figure represents a 0.16 percent increase from 2022<sup>185</sup>. Singapore's civil service has gained international reputation for being one of the best civil services in the world with several indices attesting to this impeccable track record. According to Transparency International, Singapore is one of the least corrupt countries in Asia and the World. The Country has a Corrupt Practices Investigation Bureau which employs 120 employees.

In 1995, Singapore Public Service launched Public Service for the 21 Century, commonly referred to as PS21. The aim was to inculcate positive attitude towards change and make every civil servant a change agent and activist. Through the PS21, Singapore adopted a proactive approach to change rather than being reactive<sup>186</sup>. In implementing PS21, four committees, each headed by a Permanent Secretary, were established. These Committees are:

The PS21 Staff Well-Being Committee: The Committee promotes policies and programmes that promote the well-being of all public servants.

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<sup>183</sup> World Bank. (2021). Worldwide Governance Indicators. Retrieved from <https://datacatalog.worldbank.org/dataset/worldwide-governance-indicators>

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<sup>184</sup> Singapore Department of Statistics, 2022. Population trends in 2022. Available at [www.singstat.gov.sg](http://www.singstat.gov.sg).

<sup>185</sup> Singapore life expectancy, 1950 to 2023. Available at [www.microtrends.net](http://www.microtrends.net). World Bank, life expectancy at birth, available at [www.worldbank.org](http://www.worldbank.org)

<sup>186</sup> Jean-Francois, A. 2016. Singapore: A civil service based on performance and quality. Responsive Public Management. Available at [www.economie.gouv.fr](http://www.economie.gouv.fr).



- The PS21 Quality Service Committee: This Committee promoted quality service in meeting the needs of both external as well as internal customers.
- The PS21 EXCEL (Excellence through Continuous Enterprise and Learning) Committee: This Committee was meant to foster positive attitudes towards change and an environment which supports continuous improvement, and
- The PS21 Organisational Review Committee: The fourth Committee examined organisational structures and procedures for greater effectiveness and efficiency<sup>187</sup>

Singapore government has continuously been searching for ways to improve efficiency in the Public Service. Singapore government has made commendable strides towards the improvement of productivity. The following sections provide some insights into what makes the Singapore civil service amongst the best and a productive civil service across the globe.

## Information, communication technology and automation

Singapore civil service has invested in the use of Information, Communication Technologies (ICTs) and automation. Singapore is seen internationally as one of the leaders in the use of ICTs to improve delivery of public services and goods. One such example is that Singaporeans who have successfully applied for passports can collect them from a self-service machine known as iCollect. In addition to this innovation enabling customers to collect their passports with ease at any time of the day, it also enables ICA Department to expand its service capacity without

<sup>187</sup> Public Service for the 21<sup>st</sup> Century. Available at [thecommonwealth-library.org](http://thecommonwealth-library.org).

additional human capital. Digitising behind the scenes processes offers opportunities for productivity improvement. Singapore has for example a fully digitized process of registering a company in 15 minutes<sup>188</sup>

## Organisational efficiency

The second area of innovation through which the Singapore public service is driving productivity gains is through organizational efficiency. A typical example is the Department of Public Cleanliness which has consolidated public cleanliness responsibilities for the entire Public Service. This initiative enables the Government to reap economies of scale in the procurement and administration of cleaning services and achieve better productivity in public cleanliness.<sup>189</sup>

## Training and skills development

The third area of improvement is the investment in the training and continuous upgrading of public officials' skills. All government officials in Singapore are required to take part in regular training to improve their skills and to expose them to better and new ways of working. The Civil Service College, which is the training arm of the Civil Service, constantly reviews its curriculum and training programmes to ensure relevance and seeks to bring in good trainers and course providers, to improve skills.

<sup>188</sup> McKinsey and Company, 2017. Government productivity: Unlocking the \$3.Trillion opportunity. Discussion Paper.

<sup>189</sup> Singapore Ministry of Finance, 2013. Increasing Productivity in the Public Sector. Parliamentary Replies. Available at [www.mof.gov.sg](http://www.mof.gov.sg).





## Recruitment and salaries

Recruitment in Singapore is the sole responsibility of a neutral and independent Public Service Commission (PSC). The PSC is responsible for safeguarding integrity, impartiality, and meritocracy as core values of the public service. Amongst its functions, the PSC in Singapore appoints and promotes talent<sup>190</sup>.

One indication of productivity in Singapore is the fact that the public sector's share of the total labour force in Singapore is one of the lowest internationally. Its 3.6% share in Singapore is close to that in Hong Kong (4%) and lower than in countries such as New Zealand (7%) and the UK (12%). Singapore pays its highest-ranking employees the highest salaries in the world. Overall, Singapore salaries are market competitive at all levels with no pay gap between the private and public sector. Singapore civil servants earn on average \$4 000. Directors earn between \$11 110 to \$17 370 while senior managers earn between \$7000 and \$11 470<sup>191</sup>. Bonuses of employees are based on individual and collective performance. Singapore pays monthly performance bonuses and an annual bonus. Singapore has a ratio of two government officials for every 100 inhabitants.

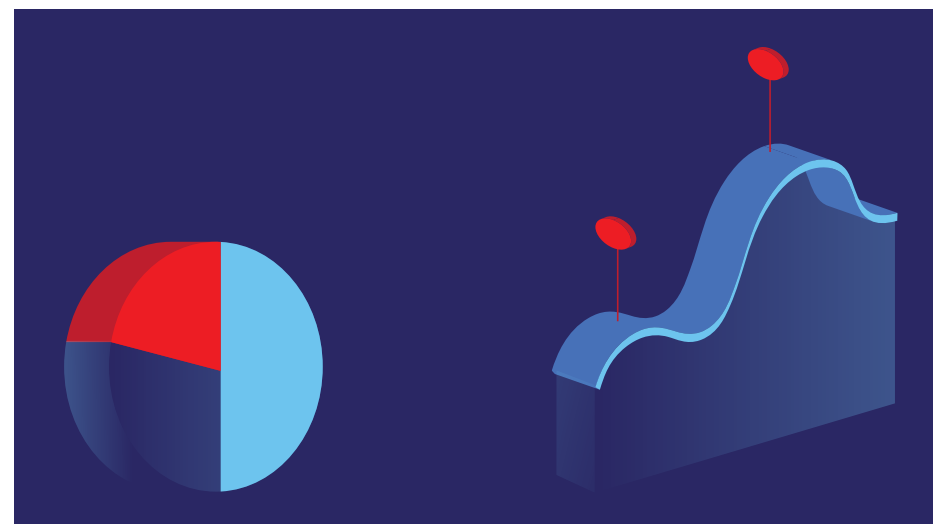
Another example of typical areas of improvement is that Singapore's Ministry of Finance has a Manpower Management Framework to restrict the number of employees in the Public Sector. The framework provides all ministries with the incentive to moderate headcount growth, except in exceptional circumstances where it is an absolute necessity to deliver better value in public service delivery.

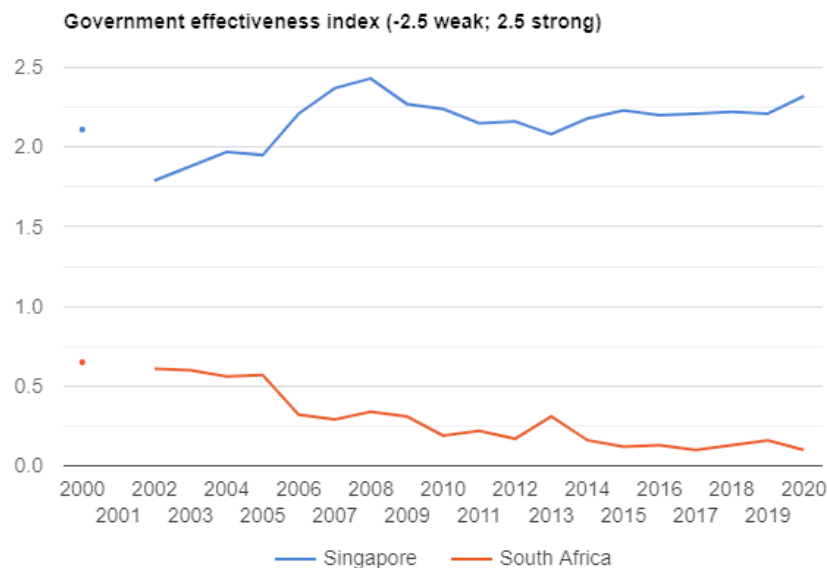
<sup>190</sup> Public Service Commission Singapore, ND. About Public Service Commission. Available at [psc.sg/aboutpsc](http://psc.sg/aboutpsc).

<sup>191</sup> Civil servants salaries in Singapore, available at [www.glassdoor.sg](http://www.glassdoor.sg).

## Comparing South Africa and Singapore

In this section, five sets of data are used to compare South Africa with Singapore on several indicators. These indicators are government effectiveness, control of corruption, competitiveness, regulatory quality, voice, and accountability index. Figure 5 below illustrate the extent to which South Africa is rated on its effectiveness in relation to Singapore. Figure 5 shows that South Africa has since 2006 been on a downward slope regarding government effectiveness. Data shows that since 2006, South Africa was rated 0,5 out of a score of 2.5. During the same period, Singapore scored above 2.0 with a peak of almost 2.4 before declining slightly while still maintaining an impressive score. As highlighted in the previous section of this Singapore's effectiveness is a result of sustained measures put in place to recruit the right talent and use its Public Service Commission to appoint public servants. The situation is different in South Africa. As the public service evolved since 1994, the recruitment powers of the South African Public Service Commission were decentralised to line function departments.





**Figure 6: Government effectiveness index**

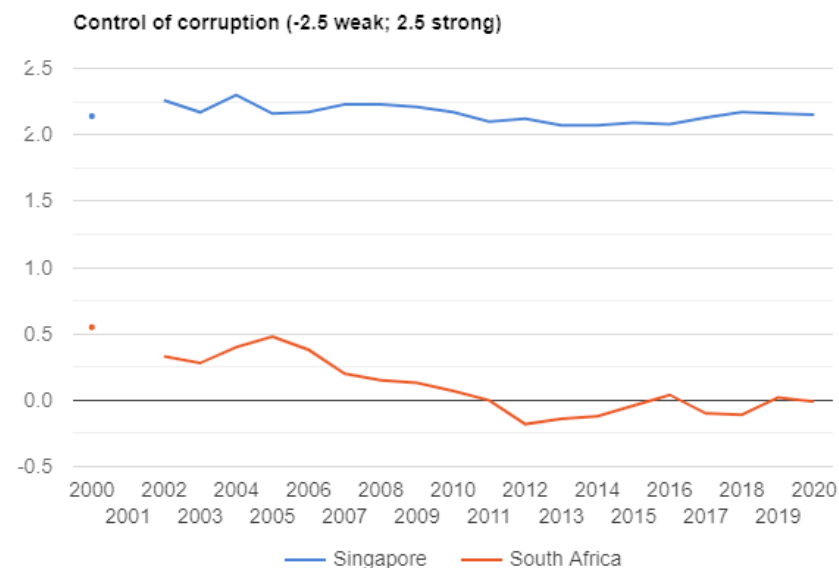
**Source:** Authors' construction from the World Bank Public Service Comparator (2023): <https://www.theglobaleconomy.com/compare-countries/>

Figure 7 on the next page suggests that between 2005 and 2012, the perception of South Africa and its ability to control corruption has been declining with minimal improvement after 2012. In 2017, it was estimated that R27 Billion was lost to corruption<sup>192</sup>. In the same 2016/17 financial year, 1150 cases of financial misconduct were reported in the South African Public Service<sup>193</sup>. The figure of 1150 excludes other forms of misconduct. Similarly, this figure excludes municipalities and state-owned

<sup>192</sup> Corruption Watch, 2018. Corruption Watch Annual Report 2017.

<sup>193</sup> Public Service Commission, 2017. Factsheet on completed disciplinary proceedings financial misconduct for the 2016/2017 financial year. Pretoria: Public Service Commission.

enterprises. This situation is indicative of a moral decay which need to be arrested before a state of anarchy prevails<sup>194</sup>. Contrary to what is observed in South Africa, data illustrate a sterling performance by Singapore. This is mainly due to zero tolerance to corruption. The Singaporean zero tolerance is more than an empty rhetoric. In South Africa, there is more talk and public commitment to fight corruption which has yet to yield positive results in the actual reduction of corruption cases.



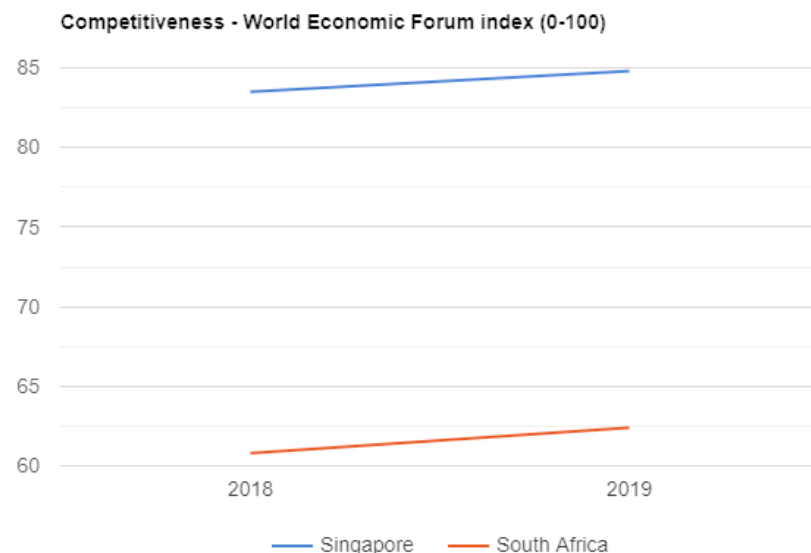
**Figure 7: Control of corruption**

**Source:** Authors' construction from the World Bank Public Service Comparator (2023): <https://www.theglobaleconomy.com/compare-countries/>

<sup>194</sup> Mello, D.M. 2020. Ethics in the Public Sector. Pretoria Van Schaik.



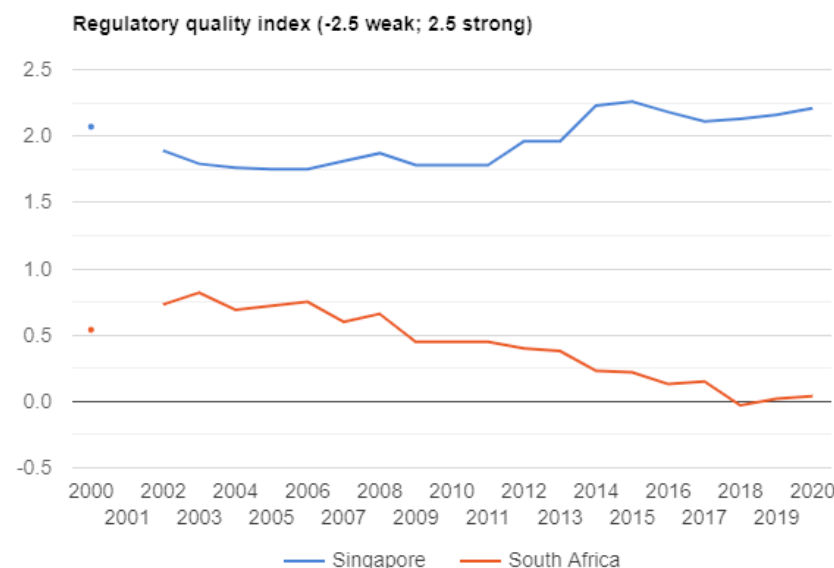
Figure 8 provides a slightly different picture of regarding South Africa's competitiveness. While South Africa's competitiveness is above average averaging above 60 out of 100, between 2018 and 2019 there was a slight improvement in the country's competitive levels. Singapore during the same period scored below 85. This is another strong indicator of the competitiveness of Singapore in relation to South Africa.



**Figure 8: Competitiveness- South Africa and Singapore**

**Source:** Authors' construction from the World Economic Forum (2023): <https://www.theglobaleconomy.com/compare-countries/>

Ability to control corruption is closely related to the strength of the regulatory framework. Between 2012 and 2020 as depicted in figure 8, South Africa and Singapore were on opposite paths regarding their regulatory quality. Singapore has seen some improvement which plateaued above 2.0. South Africa's regulatory quality declined until showing signs of stability between 2018 and 2020.



**Figure 9: Regulatory quality index**

**Source:** Authors' construction from the World Bank Public Service Comparator (2023): <https://www.theglobaleconomy.com/compare-countries/>

The set of data in figure 10 is on the comparison between South Africa and Singapore focusses on voice and accountability. South Africa has seen a sharp decline in voice and accountability between the year 2005 and 2006. In a period not exceeding two years, South Africa moved into negative territory as per data presented below. A positive sign was the recovery between 2006 and 2012. The challenge was the ability to sustain improvements with a further decline from 2013 until 2020. Singapore has again improved from below the 2.0 score to just above 2.0. Good governance cannot prevail where public and administrative accountability as well as transparency are weak<sup>195</sup>. Accountability, rule of

<sup>195</sup> Mello, D.M. 2020. Ethics in the Public Sector. Pretoria: van Schaik.



law and transparency are some of the prerequisites of good governance which need to be strengthened for South Africa to perform at the level of countries such as Singapore.



**Figure 10:** Voice and accountability index

**Source:** Authors' construction from the World Economic Forum (2023): <https://www.theglobaleconomy.com/compare-countries/>

The comparison of South Africa and Singapore on government effectiveness, control of corruption, competitiveness, regulatory quality, and voice of accountability shows that the two countries are not on the same level. Singapore is far ahead of South Africa on several indicators which suggest high productivity and good governance. While the comparison of countries in different continents may be questioned, for purpose of benchmarking, this comparison is crucial for purposes of lifting best practices which may help South Africa. The following section focuses on Rwanda, a country that is in the same country and may be said to have the almost the same conditions as South Africa.

## AFRICA: RWANDA

In a sub-region marred by armed conflicts and humanitarian disasters, Rwanda has achieved a unique degree of political stability, public safety, economic progress, and poverty alleviation. These accomplishments are especially noteworthy considering the 1994 genocide, which saw politically moderate Hutus and members of the indigenous Twa people killed during a three-month killing spree planned by extremist elements of the ethnic Hutu majority. The Tutsi refugees who had fled to neighbouring Uganda created the Rwandan Patriotic Front (RPF), which took control in the middle of 1994 and put an end to the genocide. Since then, President Paul Kagame, head of the RPF, the nation's currently dominant political party, has been widely credited with having engineered both Rwanda's "miracle" development and its dictatorial political system<sup>196</sup>.

Rwanda is globally acclaimed for all-encompassing governance and perceived as an anti-corruption 'success story'. Surveys and analysis suggest that corruption has fallen sharply in Rwanda in recent years and at a faster rate than in other countries globally, especially in Africa. Rwanda's position in the ranking of Transparency International's Corruption Perception Index improved from 83rd place in 2005 to 44th position out of 168 countries in 2015. The anti-corruption fight is seen in the context of bringing efficiency to public service and restoring a conducive economic environment for doing business. The government has been determined to cut red tape to a minimum, as seen in the example of starting and registering a business. It costs around USD 20 and takes on average three days to obtain a business licence compared to the sub-Saharan average of 34 days at over 15 times the cost<sup>197</sup>.

<sup>196</sup> Alexis Arieff, 'Rwanda : In Brief', Congressional Research Service, 11 (2021), 1–13 <<https://crsreports.congress.gov>>.

<sup>197</sup> Open Society Initiative for East Africa and Transparency Rwanda, Effectiveness of Anti-Corruption Agencies in East Africa: Rwanda (Kigali, 2017).





## INDICATORS

### The Global Economy Platform Background and Definitions

TheGlobalEconomy.com serves researchers, businesspeople, academics, and investors who need reliable economic data on foreign countries. It provides up-to-date numbers for GDP, inflation, credit, interest rates, employment, and many other indicators. The data series are updated continuously based on the release dates of individual countries. It further presents over 300 carefully selected indicators from multiple official sources such as the World Bank, the International Monetary Fund, the United Nations, and the World Economic Forum<sup>198</sup>.

These indicators include GDP and economic growth, business cycles, consumption and investment, labour market, governance and business environment, infrastructure and transport, energy and environment, money, international trade and investment, government, IMF forecasts, energy mix, banking systems and many other indicators. For this study, the governance and business environment will be considered which comprise of government effectiveness index, rule of law index, regulatory quality index, political stability index, corruption perception index, and competitiveness index.

The study further explored the fragile state index which comprised of factionalised elites index, state legitimacy index and public services index.

The following definitions explain the different indexes articulated above.

- (i) **The Government Effectiveness Index:** The index of Government Effectiveness captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.
- (ii) **The Rule of Law Index:** The index for the Rule of Law captures perceptions of the extent to which civil servants have confidence in and abide by the rules of society and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.
- (iii) **The Control of Corruption Index:** The index for Control of Corruption captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as the capture of the state by elites and private interests.
- (iv) **The Regulatory Quality Index:** The index of Regulatory Quality captures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.
- (v) **The Political Stability Index:** The index of Political Stability and Absence of Violence/Terrorism measures perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically motivated violence and terrorism.

<sup>198</sup> Global Economy; 'The Global Economy', 2023 <<https://www.theglobaleconomy.com/>> [accessed 21 April 2023].



- (vi) **The Corruption Perceptions Index:** The Corruption Perceptions Index is an indicator of perceptions of public sector corruption, i.e. administrative and political corruption. The indicator values are determined by using information from surveys and assessments of corruption, collected by a variety of reputable institutions.
- (vii) **The Global Competitive Index:** The Global Competitiveness Index is composed of 12 pillars of competitiveness: Institutions, Infrastructure, ICT adoption, Macroeconomic stability, Health, Skills, Product market, Labour market, financial system, market size, Business, dynamism, and Innovation capability.
- (viii) **Public Services Index:** The Public services indicator refers to the presence of basic state functions that serve the people. This may include the provision of essential services, such as health, education, water and sanitation, transport infrastructure, electricity and power, and internet and connectivity. On the other hand, it may include the state's ability to protect its citizens, such as from terrorism and violence, through perceived effective policing. The higher the value of the indicator, the worse the public services in the country.
- (ix) **The State Legitimacy Index:** The State legitimacy indicator considers the representativeness and openness of government and its relationship with its citizenry. The indicator looks at the population's level of confidence in state institutions and processes and assesses the effects where that confidence is absent, manifested through mass public demonstrations, sustained civil disobedience, or the rise of armed insurgencies. The higher the value of the index, the lower the country's legitimacy.

- (x) **The Factionalised Elites Index:** The factionalised elite's indicator considers the fragmentation of state institutions along ethnic, class, clan, racial or religious lines, as well as brinksmanship and gridlock between ruling elites. The higher the value, the more fragmented the institutions in the country.

## Findings of benchmarking South Africa and Rwanda

This section compares the performance of South Africa and Rwanda against the indexes articulated in the section above. Figure 11 depicts the performance of South Africa and Rwanda on the government effectiveness index, and it is demonstrated that Rwanda has been making strides from 2012 to 2021 with its notable upsurge taking place between 2015 and 2016. South Africa which was at its peak in 2013 took a downward turn between 2013 and 2014, but in 2019 took another dip and went below 0. This is a worrisome trend and points to poor perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. This assertion of TheGlobalEconomy platform is consistent with the report of the World Economic Forum<sup>199</sup> which has pointed a sluggish performance in government adaptability to change stood at 39.6 out of 100 points which is below average.

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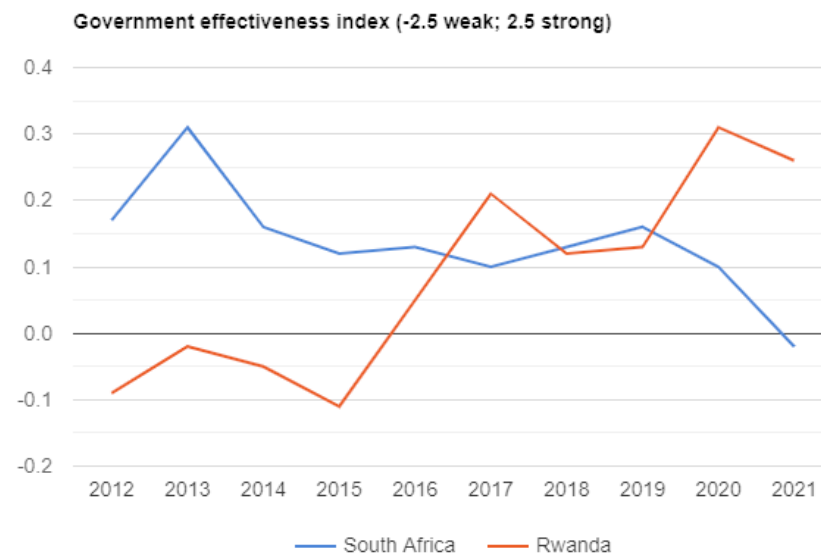
<sup>199</sup> World Economic Forum, The Global Competitiveness Report, World Economic Forum, 2019.



It is noteworthy to mention that in 2006; the <sup>200</sup>Government of Rwanda (GoR) devised a brilliant innovation or grown-home solution in the form of a public performance-based assessment for all Public Institutions, commonly known as Imihigo or Performance contract to tackle the poor service delivery, monitor and evaluate plans, programs and investments that are to be delivered for citizens at different levels of leadership. In ancient Rwanda, Imihigo consisted in publicly setting challenging targets and committing oneself to their achievement. Generally, Rwandans resorted to this cultural practice when they sought to overcome a huge societal problem requiring voluntarism and commitment from an individual, an organized group or all the citizens.

The community regarded such a commitment as an act of bravery and would expect committed individuals or groups to successfully achieve set objectives efficiently, whatever the object. Performance contract “Imihigo” included an element of evaluation done through a public ceremony where the actor or actors were given a chance to inform the community about their exploits. This ceremony called “Guhigura Imihigo” or “Kwivuga ibigwi” is a praise ceremony, where successful contenders were publicly eulogized for their bravery, or allowed to chant their bravery before the community leader, and the King at the highest degree, describing in lyrics all the stages and obstacles triumphed over. Since the introduction of Imihigo by the GoR, service delivery has been improving and further strengthening the effectiveness of the GoR to improve the quality-of-service delivery which is professed as key for both building the confidence of citizens towards public offices and magnetizing investors and encouraging spending. The quality-of-service delivery

<sup>200</sup> Ndagijimana Ibrahim, ‘Enhancing Effectiveness of Public Services Performance through Performance Contracts in Rwanda’, International Journal of Research and Innovation in Social Science (IJRISS), IV.I (2020), 94–111.



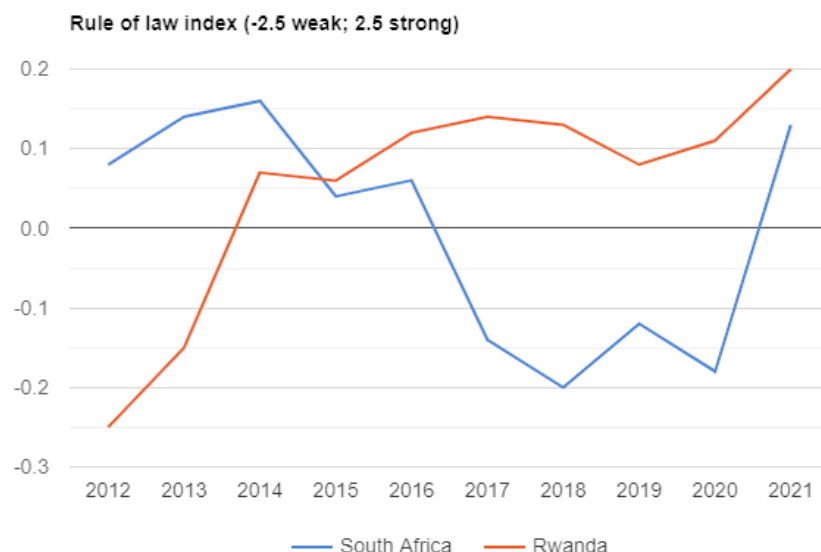
**Figure 11: The Government Effectiveness Index**

Figure 11 depicts the performance of South Africa and Rwanda on the rule of law index, and it is demonstrated that Rwanda has been making strides in this index from 2012 to 2021 with its notable upsurge taking place between 2012 and 2013 and sustained growth to 2021. South Africa which was at its peak in 2014 took a downward turn between 2014 and 2018 to below 0 but has now started to climb once again; albeit not at 2014 levels. While things are improving, an enduring trajectory towards an upsurge in the rule of law is necessary to ensure the improvements are sustained and resilient.

The GlobalEconomy report is supported by Figure 3 which depicts the <sup>201</sup>Rwanda Governance Board’s pillar 1 which represents rule of law and comprise of three indicators which are:

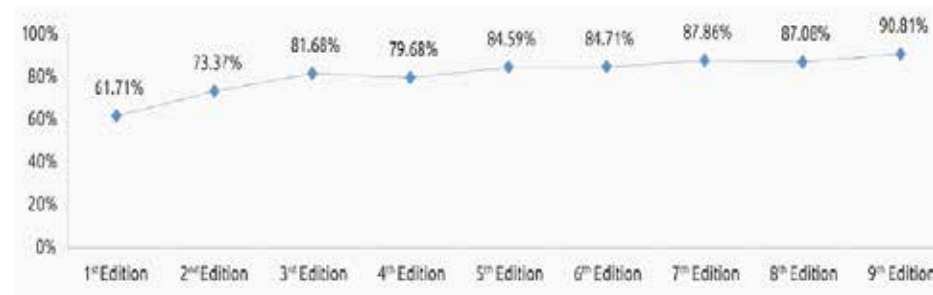
<sup>201</sup> Rwanda Governance Board; Rwanda Governance Scorecard 9 Edition (Kigali, 2022).

- (i) The performance of the judiciary,
- (ii) The performance of the prosecution, and
- (iii) Access to justice.
- (iv) In Figure 12 the first edition was launched in 2010 and the 9<sup>th</sup> edition represents 2019. This is further supported by the <sup>202</sup> Mo Ibrahim Index of African Governance which supports the assertion in Figure 2 through characterising the performance in rule of law in Rwanda as increasingly improving while South Africa is characterised as increasingly deteriorating.



**Figure 12: The Rule of law index.**

<sup>202</sup> Mo Ibrahim Foundation; 2022 Ibrahim Index of African Governance, 2023.



**Figure 13: The rule of law (Rwanda Governance Board)**

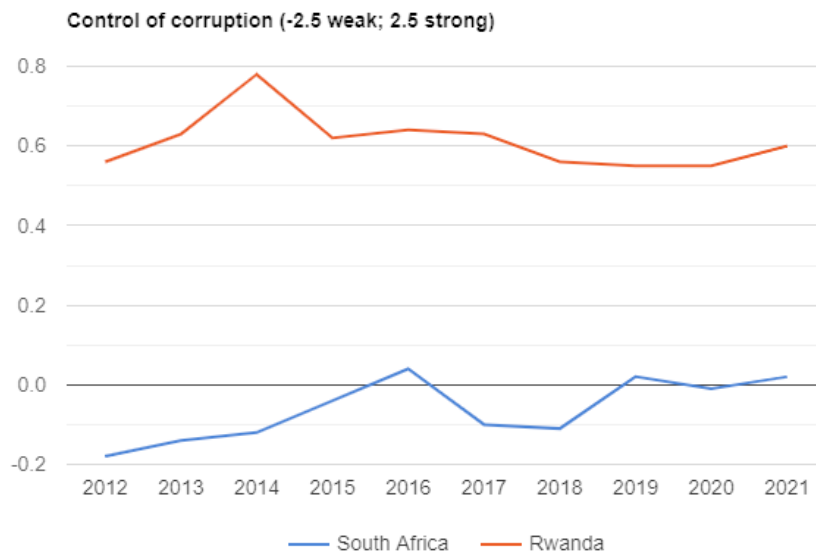
Figure 13 depicts the performance of South Africa and Rwanda on the control of corruption index and it is demonstrated that Rwanda has a notable improvement taking place between 2012 and 2014 where it almost touched the 0,8 level and experienced a slight dip in performance between 2014 and 2018, between 2019 and 2021 it experience a slight improvement and settled at 0,6. South Africa had been on the back foot performing below the 0 levels and experienced an improvement between 2012 and 2016, marginally rising above the 0 level. However, the reprieve was short-lived when the performance dipped below zero level between 2018 and marginally improved to just above the 0 levels between 2018 and 2021. Figure 5 which depicts the Rwanda Governance Board's pillar 6 which represents anti-corruption and comprise of;

- (i) Incidences of corruption,
- (ii) Anti-corruption,
- (iii) Transparency, and
- (iv) indicators correlate with the performance depicted in Figure 15.

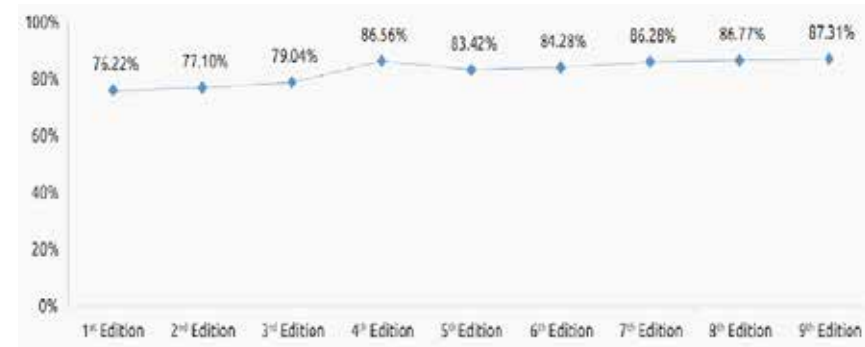




- (v) The performance of South Africa in this index is dreadful and points to perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as the capture of the state by elites and private interests. This is consistent with the findings of the State Capture Commission <sup>203</sup>. The ability of the State to render services is cut to the bone when morality takes a nose dive and corruption triumphs.



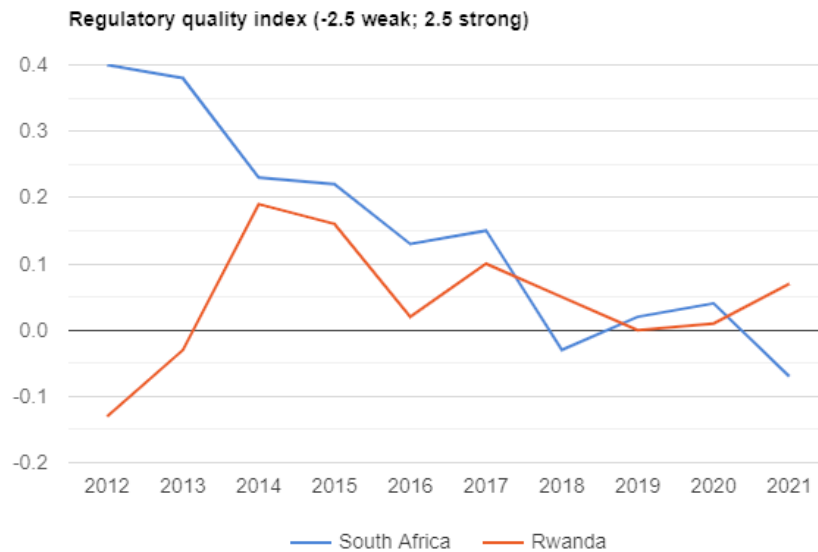
**Figure 14:** Control of corruption.



**Figure 15:** Control of corruption (Rwanda Governance Board)

Figure 15 depicts the performance of South Africa and Rwanda on the regulatory quality index, and it is demonstrated that Rwanda had a notable improvement between 2012 and 2013 improving from -0,175 to 0,9. However, it experienced a dip in performance between 2014 and 2016 as it approached 0 but slightly improved between 2016 and 2017. The improvement was short-lived with a steady decline between 2016 and 2019 where the performance reached 0 levels. The performance rose marginally between 2019 and 2021 and settled just above 0,05 but below 0,1. South Africa's performance in 2012 stood at 0,4 and eroded unabated to -0,085 in 2021. This decline points to poor perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development. This finding correlates with The Global Sustainability Index's governance pillar which incorporates business regulations, red tape and corruption which negatively affecting businesses; South Africa stood at 37,6 while Rwanda stood at 40,6 on the governance pillar of the Global Sustainability Index.

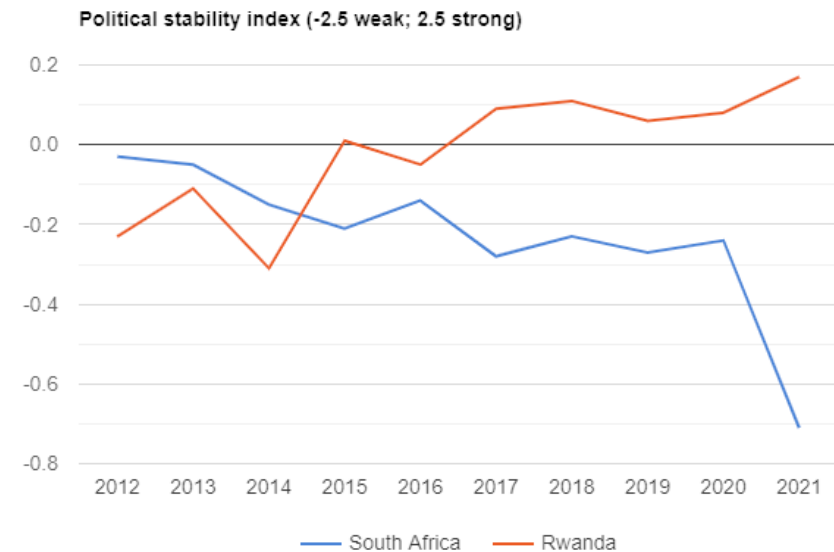
<sup>203</sup> Raymond Zondo, Judicial Commission of Inquiry into State Capture (Pretoria, 2022).



**Figure 16:** *The regulatory quality index.*



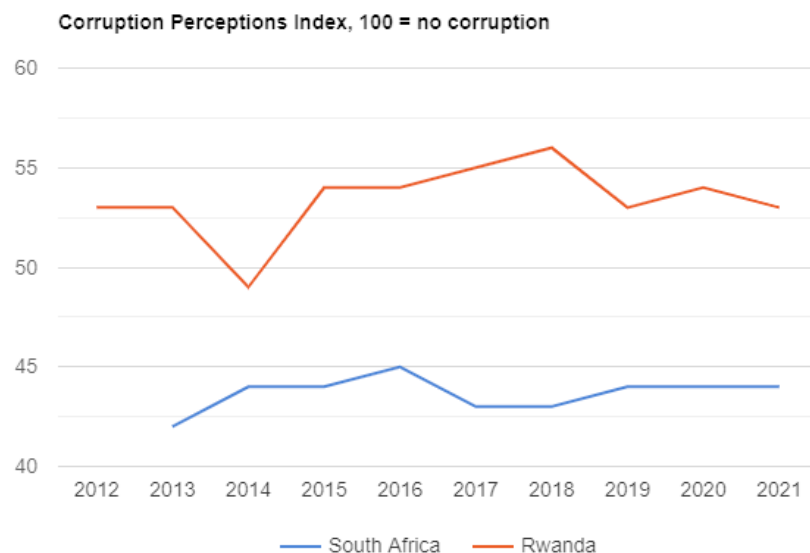
**Figure 17** depicts the performance of South Africa and Rwanda on the political stability index, and it is demonstrated that Rwanda had a notable improvement between 2014 and 2021 improving from -0,3 to 0,185. South Africa's performance in 2012 stood at -0,085 and eroded unabated to -0,72 in 2021. This decline points to poor perceptions of the likelihood that the government will be destabilised or overthrown by unconstitutional or violent means, including politically motivated violence and terrorism. The lowest point of -0,72 is consistent with the July 2021 unrests. The July 2021 unrest point to citizens who have lost patience in the delivery of service, rising poverty, inequality, and unemployment.



**Figure 17:** *The Political Stability Index.*



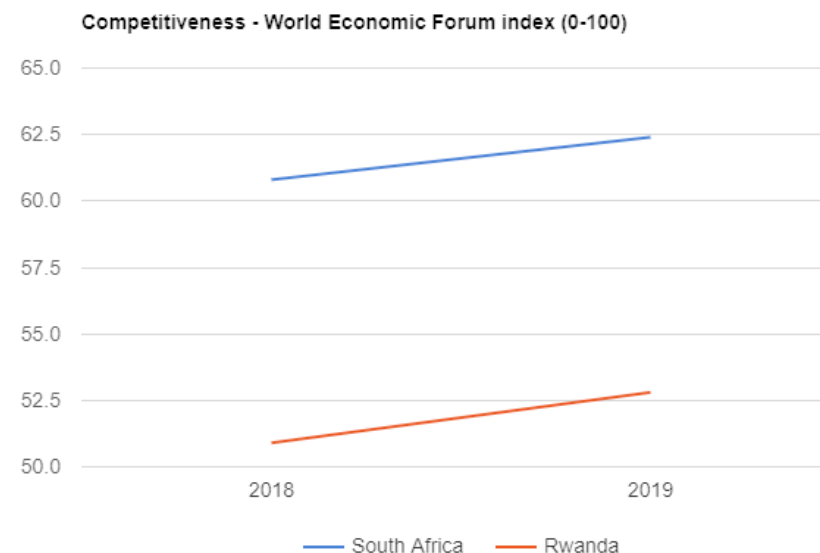
Figure 18 depicts the performance of South Africa and Rwanda on the corruption perception index, and it is demonstrated that Rwanda had a notable improvement between 2014 and 2021 improving from 48 to 53. South Africa's performance in 2013 stood at 42 and steadily rose to 45 in 2016 and slightly declined and settled at 44 in 2021. The underperformance points to poor perceptions of public sector corruption and is consistent with the performance of the control of corruption index. This finding as depicted in Figure 8 correlates with results of Transparency International's corruption perceptions index of 2021<sup>204</sup> which places Rwanda at 53 points and South Africa at 44 points.



**Figure 18:** *The corruption perception index.*

<sup>204</sup> Transparency International; Corruption Perception Index, Transparency International (Berlin, 2021) <<http://cpi.transparency.org/cpi2013/results/>>.

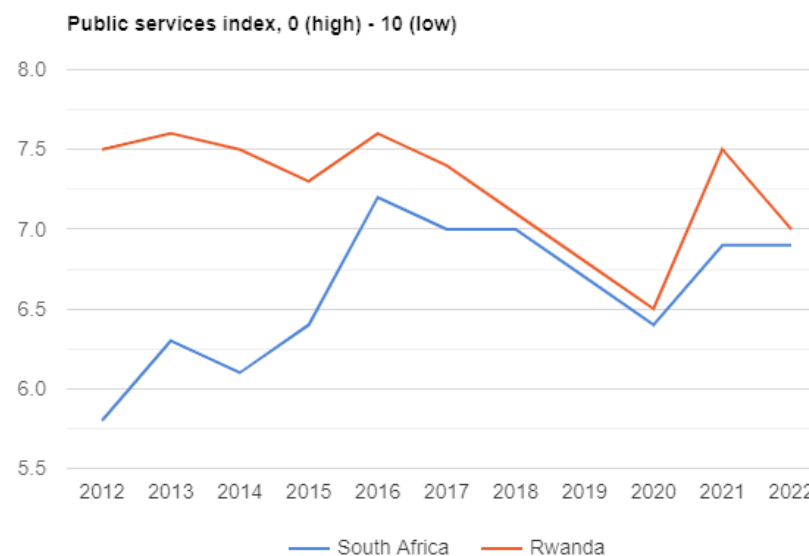
Figure 19 depicts the performance of South Africa and Rwanda on the competitiveness which is based on the World Economic Forum Index, and it is demonstrated that Rwanda had a marginal improvement between 2018 and 2019 improving from 51 to 53. South Africa's performance in 2013 stood at 61 and steadily rose to just below 62.5 in 2019. The performance of South Africa points to more than average performance in the 12 pillars of competitiveness that comprise institutions, infrastructure, ICT adoption, macroeconomic stability, health, skills, product market, labour market, financial system, market size, business, dynamism, and innovation capability. The data from the GlobalEconomy platform correlates with the World Economic Forum 2019<sup>4</sup> report which shows that South Africa has improved its competitiveness to 62.5 while Rwanda is trailing at 53 points out of a maximum of 100 points allocated.



**Figure 19:** *Competitiveness - WEF Index.*



Figure 20 depicts the performance of South Africa and Rwanda on the public service index, and it is demonstrated that Rwanda had a marginal improvement between 2013 and 2014 and slightly worsened between 2015 and 2016. The performance had a solid improvement from 2016 to 2020 improving from 7,6 to 6,5 and eroding between 2020 and 2021 to 7,5 and then experiencing another improvement to 7,0. South Africa's performance in 2012 stood at 5,6 and steadily eroded to 7,3 in 2016. The performance improved between 2016 to 2020 to 6,4; declining between 2020 and 2022 to 6,8. The index measures the capability of the State to function as a well-oiled machine, South Africa must improve this index to build a capable State. The data from the GlobalEconomy platform correlates with the World Economic Forum 2019<sup>205</sup> report which shows that the reliability of the public service in South Africa stood at 3.2 while Rwanda stood at 5 against a performance scale where 1 is worst performance and 7 is best performance.

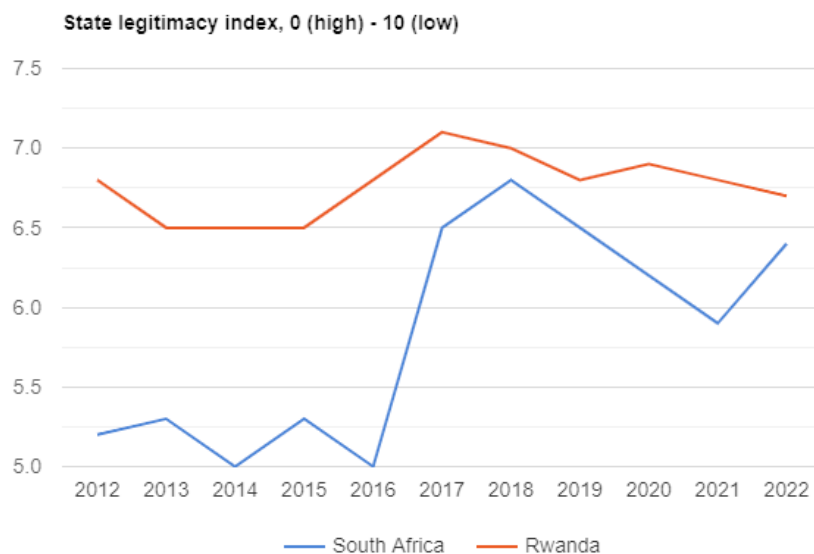


**Figure 20:** *The public services index.*



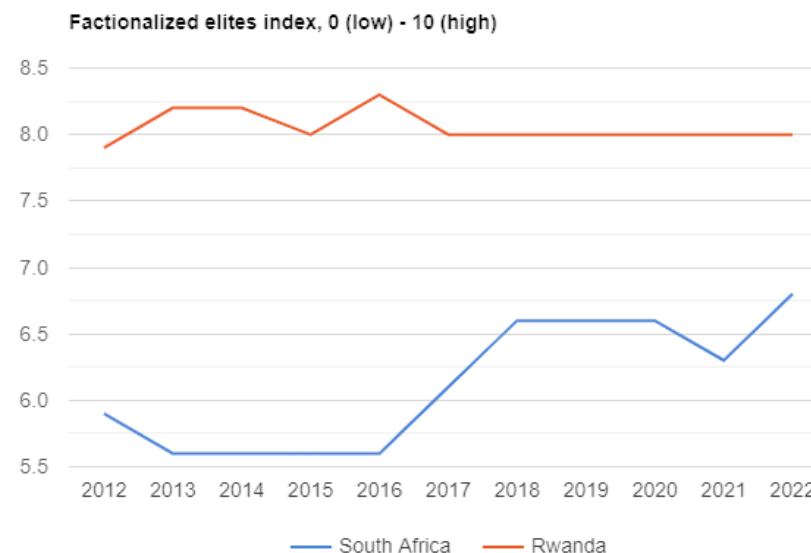


Figure 21 depicts the performance of South Africa and Rwanda on the State legitimacy index, and it is demonstrated that Rwanda had a marginal improvement between 2012 and 2015 and slightly worsened between 2015 and 2017. The performance had a slight improvement from 2018 to 2022 improving from 7,1 to 6,8. South Africa's performance in 2012 stood at 5,2 and improved to 5,0 in 2016. However, the performance worsened in 2016 reaching 6,6 and the performance improved to 5,9 in 2021 but again slightly worsened to 6,4. Government must take decisive action to improve its legitimacy in the eyes of the public.



**Figure 21:** *The State legitimacy index.*

Figure 22 depicts the performance of South Africa and Rwanda on the factionalised index, and it is demonstrated that Rwanda had a marginal improvement between 2013 and 2015 and slightly worsened between 2015 and 2016 and ultimately settled at 8,0 from 2017 to 2022. South Africa's performance in 2012 stood at 5,8 and improved to 5,6 in 2016 and was constant until 2016 when it declined to 6,6 where it remained until 2020. However, the performance improved between 2020 and 2021, reaching 6,3. However, the performance again declined to 6,8 in 2022. This points to the fragmentation of State institutions, as well as brinksmanship and gridlock between ruling elites. This is consistent with the findings of the State Capture Commission which found that State institutions were deliberately weakened. This corroborates other indexes that were deliberated on previously.



**Figure 22:** *Factionalised elites.*



Governments across the world have come under pressure from communities to respond with a sense of urgency to challenges facing communities and offer value-based service delivery, and eradicate poverty, inequality, and unemployment. The study explored benchmarking of South Africa and Rwanda from 2012 to 2022 through TheGlobalEconomy.com platform which serves researchers, businesspeople, academics,

and investors requiring reliable economic data on foreign countries. This platform provides up-to-date numbers for GDP, inflation, credit, interest rates, employment, and many other indicators. The data series are updated continuously based on the release dates of individual countries. It further presents over 300 carefully selected indicators from multiple official sources such as the World Bank, the International Monetary Fund, the United Nations, and the World Economic Forum.

The study explored the governance and business environment indicator which is comprised of government effectiveness index, rule of law index, regulatory quality index, political stability index, corruption perception index, and competitiveness index. The study further explored the fragile state indicator which comprised of factionalised elites index, state legitimacy index and public services index.

The business environment indicators and the fragile State indicators were presented in Figure 1 to Figure 10. South Africa greatly exceeds Rwanda in the competitiveness index. However, it marginally exceeds Rwanda in the public service index, the State legitimacy index, and the factionalised elites index. Rwanda all in all on a solid improvement trajectory while South Africa is gradually eroding in these indexes with problems taking grip from 2016. Rwanda outshines South Africa in the government effectiveness index, the rule of law index, the control of corruption index, the regulatory quality index, the political stability index, and the corruption perception index.

These governance and business indicators which Rwanda outperforms South Africa are the backbone of a capable State with highly efficient public servants. It is not surprising that South Africa lags behind Rwanda in these governance and business indicators as the outcome is in congruence with the State Capture Commission findings.





## Conclusion

The results of a benchmarking exercise captured in this section of the report are based on three countries in three continents, namely Canada, Singapore, and Rwanda. The overall picture painted by this exercise suggests that South Africa has consistently underperformed when compared with Canada and Singapore. Historically, South Africa has outperformed Rwanda. However, data indicates that Rwanda has either improved and/or even become better than South Africa on a number of indicators. The result of this exercise suggests that there are lessons to be learned from all countries involved in the benchmarking exercise. From the exercise the following areas may need attention in the South African public sector if productivity is to improve:

- Employee development,
- Innovation and continuous improvement,
- Use of ICTs to improve service delivery and cut on human capital costs,
- Recruitment and salaries,
- Performance management systems,
- Flexibility and adaptability,
- Leadership,
- Firm commitment to root out corruption, and
- Accountability

It is important to emphasise that the three countries included in the benchmarking exercise have different backgrounds and environmental circumstances. Areas of improvement suggested above need to be considered within context of the uniqueness of South Africa and its environment.





# PART IV

## **ANALYSIS OF THE LEGISLATION AND POLICY FRAMEWORKS APPLICABLE TO PRODUCTIVITY IN SOUTH AFRICA'S PUBLIC SERVICE**





## Introduction

In the complex landscape of public sector productivity, the role of legislation and policy cannot be overstated. Laws and regulations serve as a bedrock, guiding the functions and responsibilities of various governmental departments while shaping the framework within which the public sector operates. These pieces of legislation and policies, in turn, profoundly influence the efficacy, efficiency, and overall productivity of public sector operations. This project delves into this intricate relationship, specifically focusing on South Africa's context.

South Africa, as a rapidly developing nation, has a broad range of legislation and policies that govern different aspects of public life. These laws and regulations span numerous departments, each catering to a specific realm of public administration, be it education, health, energy, public service, water and sanitation, agriculture, land, or home affairs. The intent behind these legislations and policies is not only to streamline departmental operations but also to enhance public service delivery, foster socioeconomic development, and bolster productivity within the public sector.

The Department of Basic Education, for instance, is guided by laws such as the South African Schools Act and policies like the National Education Policy Act, both of which direct the country's education system. Similarly, the Department of Health operates within the purview of the National Health Act, the Mental Health Care Act, and other such legislation and policies, ensuring the maintenance and improvement of national health standards. The Department of Energy's operations are influenced by the National Energy Act, the Electricity Regulation Act, and numerous other pieces of legislation, all of which have a role to play in shaping the nation's energy sector.

In the same vein, other departments, such as Public Service and Administration, Water and Sanitation, Agriculture, Land Reform and

Rural Development, and Home Affairs, are guided by their respective legislative frameworks and policies. These include the Public Service Act, the National Water Act, the Subdivision of Agricultural Land Act, the South African Citizenship Act, and others.

While at first glance, it may appear that these pieces of legislation and policies primarily concern the department in question and its direct area of responsibility, their impact stretches much further. It is because these laws and regulations not only dictate the operational structure within each department but also affect the citizens' lives as well and, by extension, the nation's productivity. For instance, the efficacy of the South African Schools Act or the National Education Policy Act influences the quality of education delivered, which shapes the knowledge and skill level of the workforce, and hence, impacts the country's productivity. Similarly, the effectiveness of the National Health Act or the Mental Health Care Act determines the health of the population, which again has a direct bearing on productivity levels. Recognizing this broader impact, this project provides a detailed analysis of the legislation and policies governing various departments in South Africa, and their implications on productivity. The laws and regulations have been analysed through a multifaceted lens, considering not only their immediate departmental implications but also their broader socioeconomic impacts.

By deconstructing these pieces of legislation and policy, the project aims to offer a comprehensive understanding of the public sector's functioning in South Africa and its interplay with the country's productivity. It is hoped that such an understanding will pave the way for more informed policymaking, efficient public administration, and ultimately, enhanced public sector productivity.

In the tables that follow, there is detailed information on the main features of these regulations and their potential implications on productivity.



## 1. DEPARTMENT OF EDUCATION

The South African education sector is categorised into public and private education institutions. Although legislation establishes both private and public education sectors, the focus of this exercise is not the private sector. Within the public sector, the higher education sector is distinguished from basic education due to its limited autonomy. Basic education is also divided into the private and public sector provision. For purposes of this report, focus is on the Department of Basic Education and its legislation. The Department of Basic Education has several legislative instruments which are meant to facilitate the provision of a high standard of education. In the **table 6** below different pieces of legislation are reviewed with a specific focus on their implications on productivity.

Legislation/ policy	Main features	Potential implication on productivity
<b>South African Schools Act (1996)</b>	The Act provides for equitable access to quality education for all South African children and lays out rules for the organization, governance, and funding of schools.	By encouraging equitable access to quality education, the Act may enhance productivity by ensuring a more educated workforce. However, the productivity impact is reliant on effective implementation and sufficient resources.
<b>National Qualifications Framework Act (2008)</b>	The Act established the National Qualifications Framework (NQF), a system for setting standards and quality assurance of education and training.	If effectively implemented, the NQF could boost productivity by ensuring graduates have the requisite skills needed in the workforce.

Legislation/ policy	Main features	Potential implication on productivity
<b>Higher Education Act (1997)</b>	The Act provides for the establishment, governance, and funding of higher education institutions. It also establishes a Council on Higher Education to promote quality assurance in higher education.	This legislation could raise productivity by enhancing the quality and relevance of higher education, thereby producing more skilled graduates.
<b>Continuing Professional Teacher Development (CPTD)</b>	This is a policy requiring teachers to continually improve their professional skills through ongoing training and development.	By improving teaching quality, this policy could raise learner outcomes and productivity. However, its success is dependent on the quality of the training provided and teachers' willingness to engage with it.
<b>National Policy pertaining to the Programme and Promotion Requirements of the National Curriculum Statement Grades R – 12 (2015)</b>	This policy lays out curriculum requirements, the recording and reporting of learner achievements, and promotion requirements.	This policy can help ensure a standard level of knowledge across learners, potentially leading to higher productivity. Its impact, however, is dependent on successful implementation and support from teachers and schools.



Legislation/ policy	Main features	Potential implication on productivity
<b>Basic Education Laws Amendment Act (BELA)</b>	BELA seeks to consolidate, align, and amend the existing legislative framework relating to basic education, also enhancing the responsibilities of School Governing Bodies (SGBs) and provinces.	If implemented effectively, BELA could enhance productivity by improving the efficiency and accountability of basic education systems, potentially leading to better learner outcomes.
<b>Employment of Educators Act (1998)</b>	This Act provides for the employment of educators by the state, sets out their responsibilities and duties, and determines their remuneration and other terms and conditions of employment.	This legislation could potentially impact productivity by establishing clear expectations and employment conditions for educators, which could enhance their job performance and, in turn, student outcomes.
<b>Further Education and Training Colleges Amendment Act (2013)</b>	This Act makes provision for the regulation of further education and training, the conduct of learning programs, and the funding of further education and training colleges.	By regulating and improving the quality of further education and training, this Act could potentially lead to a more skilled and capable workforce, potentially enhancing productivity.
<b>Policy on Learner Attendance (2010)</b>	This policy outlines the roles and responsibilities of various stakeholders to ensure regular school attendance and provides procedures for dealing with learner absences.	Regular school attendance is crucial for learner performance and productivity in the long run. This policy could help ensure learners receive consistent education, which could potentially improve workforce productivity in the future.

Legislation/ policy	Main features	Potential implication on productivity
<b>The Integrated Strategic Planning Framework for Teacher Education and Development in South Africa (2011)</b>	This framework aims to guide the improvement of teacher education and development towards better teaching, learning and management of schools.	By improving the quality of teacher education and development, this framework can potentially enhance teaching quality and, in turn, learner outcomes and long-term productivity.
<b>South African Council for Educators Act (2000)</b>	The Act established the South African Council for Educators (SACE), a professional council for educators, aiming to enhance teaching profession through registration, promotion of professional development, etc.	By fostering professional standards among educators, it could potentially improve the quality of teaching and learning, thus contributing to productivity.
<b>Children's Act (2005)</b>	This Act protects children's rights, including the right to education and protection from maltreatment, neglect, abuse, or degradation.	By ensuring a safe and secure environment for children, it could increase school attendance and participation, potentially leading to improved productivity.
<b>Adult Basic Education and Training Act (2000)</b>	This Act provides for the establishment of public and private adult learning centres to provide basic education to adults who have little or no education.	By enhancing the skills and knowledge of the adult population, this Act could help improve workforce productivity.



Legislation/policy	Main features	Potential implication on productivity
<b>National Education Policy Act (1996)</b>	This Act makes provision for the determination of national education policy consistent with the provisions of the Constitution and national development goals.	A well-crafted and implemented national education policy could ensure a quality education system that produces a capable workforce, thus enhancing productivity.
<b>Language in Education Policy (1997)</b>	This policy supports the use of learners' home language or languages of choice in education, alongside the effective learning of additional languages.	By promoting multilingualism, this policy could potentially enhance learners' cognitive skills, cultural understanding, and global competitiveness, which could potentially improve productivity.
<b>Norms and Standards for School Funding (1998)</b>	This policy sets the framework for the allocation of funds to public schools in a more equitable manner.	This could potentially lead to better resources for schools and an improved learning environment, positively affecting educational outcomes and long-term productivity.
<b>Norms and Standards for Educators (2000)</b>	This policy outlines the standards expected from teachers in their practice, conduct and performance	By setting high standards for educators, this could lead to improved teaching quality, thereby impacting student outcomes and future productivity.
<b>White Paper 6 on Special Needs Education (2001)</b>	This policy provides a framework for the inclusion of learners with special educational needs in the mainstream education system.	Inclusion in education can lead to better societal outcomes, as more diverse needs are met, potentially leading to increased productivity through the utilization of a broader range of talents and abilities.

Legislation/policy	Main features	Potential implication on productivity
<b>The National Senior Certificate: A Qualification at Level 4 on the National Qualifications Framework (NQF) (2014)</b>	This policy defines the requirements for learners to obtain the National Senior Certificate at the end of their secondary education.	This could potentially lead to a more standardised and higher quality of secondary education, improving workforce readiness and thus productivity.
<b>Curriculum Assessment Policy Statements (CAPS)</b>	This policy instrument provides teachers with a detailed description of what to teach and assess per subject at each grade level.	By providing a consistent and comprehensive curriculum, CAPS can potentially lead to better learner outcomes, increasing future productivity by ensuring a uniformly prepared workforce.
<b>The General further Education and Training Quality Assurance Act 58 of 2001</b>	This legislation came into effect for purposes of improving quality in the education sector.	Adherence to this legislation will ensure quality of assessments and ultimately the productivity of the Country.

The National Education Policy, 1996 provides for the determination of national policy for education and the determination of policy, salaries, and conditions of employment of educators. Among the objectives of the Act, there is the publication and implementation of the national education policy, and the monitoring evaluation of education. The Act gives the minister powers to determine policy which has a bearing on productivity and the implementation of education. This includes amongst others, hours per day, per year, hearings, standards, relation between educators and students, organization, management, and governance of education





institutions. Section 4(n) specifically provides for the achievement of cost-effective use of education resources and sustainable implementation of education services. Furthermore, Section 8 provides for monitoring and valuation of education, provision, delivery, and performance in accordance with pre-determined standards. Subsection 6 prescribes that underperformance must be reported with a plan to remedy such underperformance within 90 days. Such a plan shall be submitted by the Minister of Education to Parliament within 21 days after commencement of a parliamentary session.



The South African Schools Act 84 of 1996 makes provision for the organization, governance and funding of schools and the provision of education for all learners. The South African Schools Act is a piece of legislation which is brought enough to cater for the administration of schools, make provision for productive discharge of duties by all concerned stakeholders and adherence to specific norms and standards. Section 5(A) makes provision for norms and standards for basic infrastructure and capacity. Section 5(A) (1) specifically focus on learning and teaching support material 2(A) a library, laboratories, and electronic connectivity 2(B) number of teachers and class size and the quality of performance of the school 2(C) provision off learning and teaching material which include equipment, technology apparatus as well as equipment. The Act entrusts the governing body and the principal with responsibilities for governance and professional management of public schools. 5(B). The principal of a school must prepare an annual report for the head of department. The annual report must include academic performance and effective use of financial resources as well as improvement plans. The principal also manages educators, support staff funds and assets of the school. The principal is responsible for discipline as well.

The governing bodies main function in relation to productivity is to support the principal educators and support staff of the school in the performance of the professional functions and recommend the appointment of educators and support staff, establish posts which are additional to the fixed establishment and budget for the salary of such positions.

The South African Council for Educators Act of 2000 establishes South African Council of Educators (SACE) and make provision for its composition and functions. The objective of the Act is to provide for registration of educators to promote their professional development as well as to set, maintain and protect ethical and professional standards for educators. The jurisdiction of the Act are all educators, lecturers, and management staff of colleges.



SACE is responsible for the registration of educator's subject to prescribed minimum criteria and their development pre-service and while in-service, promotion criteria and professionalism. SACE is further responsible for the code of conduct for educators, hearing procedures as well as sanctions which may be necessary for a specific transgression and deregistration. SECE advises the Minister of Basic Education and must submit a report to the Minister three months after the end of the financial year. The minister must table such a report to Parliament as soon as possible.

The General Further Education and Training Quality Assurance Act 58 of 2001 was promulgated and further amended to establish and make provision for composition and functions of the general and further Education and Training Quality Assurance Council. The Act further promotes quality assurance and makes provision for control over norms and standards of a curriculum and assessments. The Act also makes provision for the issue of certificates at various exit points stipulated in the national qualification framework act. The overall object of this legislation is to enhance the quality of general and further education and training.

In terms of section 15(2) and (3) the Council must submit an annual report, audited balance sheet and a statement of income and expenditure to the Minister of Education within five months after the end of the financial year. The minister has the obligation to table such reports to Parliament within one month of the sitting of Parliament.

The Council is empowered in terms of section 17 to issue directives to ensure the reliability of internal and external assessment outcomes. Assessment bodies must monitor the implementation of such directives and take reasonable measures to deal with irregularities which may occur. The Council must also assure quality of assessments at the exit point by performing external moderation of assessment bodies, adjust marks during standardization process and approve the publication of

results if it is satisfied that assessments are free from any irregularities.

The review of legislation governing basic education in South Africa, shows that the concept productivity or its measurement is hardly mentioned in different pieces of legislation and subordinate policy instruments. However, several concepts which have a bearing on productivity are used. These concepts are amongst others the following:

- Effectiveness
- Efficiency
- Cost-effectiveness,
- Performance,
- Quality
- Norms and standards
- Monitoring and evaluation

The use of these concepts does not in any way suggests that productivity in its original meaning is measured. The focus is rather on the macro and micromanagement of performance within the Department of Basic Education. Legislation by its nature must be broad hence it does not deal with operational issues. The reviewed legislation and policy instruments deal with the qualitative issues of education delivery and it does not go into detail regarding the quantitative aspects of service delivery. At a macro level, the legislation does prescribe the timeframe within which a minister must submit a report of parliament.



## 2. DEPARTMENT OF WATER & SANITATION

South Africa’s water and sanitation sector is governed by a myriad of legislative and policy frameworks. These are aimed at managing the country’s water resources sustainably, ensuring equitable access to water and sanitation services, promoting public health, and contributing to economic development. The legislation and policies range from overarching national laws and strategies to specific programs targeting quality assurance and resource management. They collectively shape the landscape of South Africa’s water and sanitation services, and their impact extends beyond service delivery to influence broader aspects like public health, economic productivity, and environmental sustainability. The following **table 7** outlines some of the key pieces of legislation and policies in the water and sanitation sector in South Africa, along with an analysis of their potential impact on productivity.

Legislation/ policy	Main features	Potential implication on productivity
<b>National Water Act (1998)</b>	The Act reallocates water rights and mandates a pricing strategy for water use charges.	The Act can enhance productivity by ensuring sustainable water usage and by promoting economic and social development.
<b>Water Services Act (1997)</b>	This Act provides the legal basis for the provision of water services.	Effective implementation of this Act can improve productivity by ensuring access to reliable water services, which is critical for both households and businesses.
<b>Water Research Act (1971)</b>	The Act provides for the promotion of research in the field of water matters.	Enhanced research can drive innovations and improvements in water management, potentially boosting productivity.

Legislation/ policy	Main features	Potential implication on productivity
<b>Drinking Water Quality Framework (2009)</b>	The Framework sets standards for drinking water quality.	Ensuring high-quality drinking water can improve public health, leading to higher productivity.
<b>National Water and Sanitation Master Plan (2018)</b>	The Plan provides a framework for water and sanitation services delivery, water resource management, and water and sanitation infrastructure.	Effective implementation of this Plan could significantly enhance productivity by improving access to and quality of water and sanitation services.
<b>National Water Resource Strategy (2013)</b>	This Strategy sets out the ways the national water and sanitation department will achieve its goals and obligations.	Effective implementation can lead to increased productivity by ensuring effective management of water resources.
<b>Water Services Infrastructure Grant</b>	This is a grant from the national government to municipalities to subsidize the costs of providing basic water and sanitation services.	By helping municipalities to afford the costs of providing these services, this grant can indirectly improve productivity by ensuring that businesses and households have reliable access to water and sanitation.
<b>Blue Drop Certification Program (2009)</b>	This program assesses the quality of drinking water services and promotes improvements in drinking water quality.	Improved water quality can lead to better public health, which in turn can improve workforce productivity.
<b>National Environmental Management Act (1998)</b>	This Act is focused on cooperative environmental governance by establishing principles for decision-making on matters affecting the environment.	The protection of water sources can indirectly influence productivity by ensuring sustainable water supply for various sectors.



Legislation/ policy	Main features	Potential implication on productivity
<b>The Water Tribunal</b>	The Tribunal adjudicates disputes regarding water usage, pollution control, and appeals against directives and decisions made by responsible authorities.	By ensuring fair and efficient dispute resolution, the Tribunal can help prevent disruptions to water supply that could affect productivity.
<b>Strategic Framework for Water Services (2003)</b>	The Framework outlines the government's plan to provide accessible, affordable, and safe water and sanitation services.	If effectively implemented, the Framework could increase productivity by improving public health and reducing time spent on water collection.
<b>National Sanitation Policy (2006)</b>	The Policy provides a framework for the provision of sanitation services.	Proper sanitation is crucial for public health and workforce productivity, so effective implementation of this Policy could potentially enhance productivity.
<b>Municipal Systems Act (2000)</b>	The Act provides for the core principles, mechanisms, and processes necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities.	By ensuring good local governance and the efficient delivery of services, including water and sanitation, this Act could enhance local productivity.
<b>Municipal Finance Management Act (2003)</b>	This Act regulates financial management in municipalities to ensure that resources are used effectively.	Effective financial management can ensure that sufficient resources are allocated to water and sanitation, which is crucial for public health and productivity.

The legislation and policies that govern South Africa's water and sanitation sector play a critical role in shaping productivity in both direct and indirect ways. While some policies aim to improve the efficiency and effectiveness of water and sanitation service delivery – a factor that has a direct impact on productivity – others have indirect but significant influences on productivity through their impacts on public health, environmental sustainability, and social development. The efficient implementation of these policies is crucial to realize their intended benefits fully. However, it's important to note that the actual impacts on productivity are subject to various factors, including the effectiveness of implementation, overall governance standards, and resource availability. Additionally, continuous updates and improvements in the legislation and policy framework are necessary to address new challenges and opportunities in the sector.







### 3. DEPARTMENT OF HEALTH

Legislation/ policy	Main features	Potential implication on productivity
<b>National Health Act (2003)</b>	The Act provides a framework for a structured health system within South Africa, including health services and establishment of public health institutions.	This Act could enhance productivity by ensuring a healthier workforce. The actual impact, however, would depend on the implementation and effectiveness of the health system.
<b>Medical Schemes Act (1998)</b>	This Act provides for the regulation of private health financing through medical schemes.	By ensuring that medical schemes operate effectively, this Act can potentially contribute to better health outcomes, thus potentially improving productivity.
<b>Choice on Termination of Pregnancy Act (1996)</b>	The Act provides for the termination of certain pregnancies by registered medical practitioners and registered midwives.	Access to safe and legal abortions can improve women's health outcomes and enhance their ability to participate in the workforce, thus potentially boosting productivity.
<b>Mental Health Care Act (2002)</b>	This Act provides a framework for mental health care and the treatment of mental health conditions.	A stronger focus on mental health can lead to better mental health outcomes, potentially improving productivity by reducing sick days and improving workers' overall performance.

Legislation/ policy	Main features	Potential implication on productivity
<b>Tobacco Products Control Amendment Act (2008)</b>	This Act further regulates smoking of tobacco products in public places, and imposes certain duties on employers, owners, licensees, and occupiers of public places.	Reducing tobacco use can lead to improved health outcomes, reducing the number of sick days and potentially improving workforce productivity.
<b>National Health Insurance Bill (2019)</b>	This Bill aims to achieve universal access to quality healthcare services in South Africa in accordance with section 27 of the Constitution.	If implemented successfully, it could lead to a healthier population, thereby improving productivity. However, the impact would depend on the effective functioning and sustainability of the National Health Insurance system.
<b>National Strategic Plan on HIV, TB and STIs (2017-2022)</b>	This plan provides a strategic framework to guide the response to the HIV, TB, and STI epidemics in South Africa.	By addressing critical health issues like HIV and TB, this plan can potentially enhance productivity by reducing disease prevalence and its impact on the workforce.
<b>Occupational Health and Safety Act (1993)</b>	This Act provides for the health and safety of persons at work and in connection with the use of plant and machinery.	By reducing workplace accidents and promoting healthier working conditions, this Act can potentially enhance workforce productivity.
<b>National Health Amendment Act (2013)</b>	This Act introduces the Office of Health Standards Compliance to monitor and enforce compliance with norms and standards.	Improved health standards can lead to better health outcomes, potentially increasing workforce productivity.



Legislation/ policy	Main features	Potential implication on productivity
<b>The Human Tissue Act (1983)</b>	This Act regulates the use of human tissue, including organ transplants.	This could potentially increase productivity by improving the health and survival rates of individuals needing transplants.
<b>The Health Professions Council of South Africa (HPCSA)</b>	The HPCSA guides and regulates health professions to protect the public and uphold professional ethical standards.	By ensuring quality health professionals, it could lead to better health outcomes and increase productivity.
<b>National Policy on Food and Nutrition Security (2013)</b>	This policy seeks to ensure the availability, accessibility, and affordability of safe and nutritious food at national and household levels.	Improved nutrition can lead to better health and cognitive development, potentially increasing productivity in the long term.

An analysis of legislation in the health sector reveals that for purposes of exercise, legislation can be categorized into two. The first category relates to legislation that focuses on the regulation of the private sector in the conduct of business and legislation that deals with rights of members of the public. The first category has minimal impact on productivity in the administration of the state hence it suffices to mention them briefly as is the case in the table above. The second category of legislation focuses on the functioning of the state hence their detailed explanation of their implication on productivity follows below.

The National Health Act 2003 provides for a structured uniform health system based on decentralization, efficiency, sound governance and internationally recognized standards of research. The National Health Act focuses more on the rights of the healthcare service clients and health practitioners. Section 21 of the National Health Act 2003 stipulates that the Director General of the Department of Health may:

issue guidelines for the implementation of the National Health policy and promote adherence to norms and standards of training of healthcare employees, identify national goals and priorities and monitor the progress of their implementation conduct health systems research in planning an evaluation of health services.

The National Health Act establishes the National Health council which is tasked with the responsibility to advise the Minister of Health regarding amongst others:

1. targets, priorities, norms and standards for the equitable provision and the financing of health
2. services.
3. efficient coordination.
4. human resource planning, production, management and development.
5. development, procurement and the use of health technology and.
6. effective referral of users as well as the integration of the private and public establishment.

This section entrusts the NHC with the responsibility to develop policy and guidelines for monitoring the provision, distribution and development, management, and utilization of human resources. This includes training on effective and efficient use, functioning, management, and support of human resources.

The Minister of Health may in terms of section 52 make regulations regarding employees in the health sector to cater for the current and future HR needs.



The review of the National Health Act leads us to the same conclusions as the health legislation regarding its relations with productivity. Concepts such as uniformity, effectiveness and efficiency, sound management, norms, and standards as well as monitoring are used to allude to the intention to promote a productive health sector. It must be pointed out that in addition to the implementation of the health legislation, the Department of health is also responsible for the implementation of the Public Service Act as well as public service regulations which are discussed earlier in this part of the report.

The second piece of legislation that requires attention is the Mental Health Care Act of 2002. Sections 7 to 17 and chapter 8 focus on the rights and duties of mental health care users. Sections 18 and 19 provides for the establishment, powers and functioning of the Review Boards in the nine provinces of South Africa for a single or a cluster of health establishments. This legislation further provides for circumstances under which the South African Police Services may be involved when dealing with mental patients as well as state patients and prisoners.

The National Health Insurance Bill was under consideration at the time when this report was prepared. The Bill seeks to make provision for provision of health care services without due regard to the socio-economic status of the individual. The bill establishes one health funds and a Board to oversee such funds. The Bill amongst others seeks to reduce costs, promote effectiveness. The Bill promises equity and efficiency.

The National Strategic Plan on HIV, TB and STI seeks to promote universal coverage as envisaged the National Health Bill. One of the principles of the NSP is substantial proportion of measurable community led and based interventions. This principle connotes measurable outputs which could be helpful in measuring productivity. Goal four of the NSP also alludes to productivity. It states that goal four seeks “To fully resource and sustain an efficient NSP led by revitalized, inclusive and accountable

institutions. The Health Professions Act regulates the registration of health care professionals. In addition to this primary purpose, chapter two of the Act deals with education, training. Educated, trained, and experienced health care professionals who attend refresher courses are likely to be more productive.

## DEPARTMENT OF AGRICULTURE AND LAND AFFAIRS

The agricultural sector in South Africa is guided by numerous pieces of legislation and policy initiatives, all of which have direct or indirect implications for productivity in the sector. These laws and policies encompass a wide range of areas, including land use and ownership, agricultural practices, marketing, research, and environmental conservation. This table presents key legislation and policies in the agriculture and land sector of South Africa and analyses their potential impacts on productivity. While these laws and policies are designed with the intention of enhancing productivity, the actual impact largely depends on the effectiveness of their implementation, the extent of compliance, the overall governance framework, and available resources. It should be noted that this list is not exhaustive and merely represents a sample of the broad legal and policy landscape that governs South Africa’s agricultural sector. The goal is to provide a snapshot of how these regulations could shape productivity in the sector.



Legislation/ policy	Main features	Potential implication on productivity
<b>Land Redistribution for Agricultural Development (2000)</b>	Aimed at providing the poor with access to land for agricultural purposes.	By providing the poor with land, it has the potential to boost productivity if appropriate support is provided.
<b>Extension of Security of Tenure Act (1997)</b>	Protects the rights of people living on agricultural land, especially farm workers and dwellers.	Stable labour relations can contribute to a more productive agricultural sector.
<b>Restitution of Land Rights Act (1994)</b>	Provides for the restitution of rights in land to persons or communities dispossessed because of racially discriminatory laws or practices.	The successful implementation can lead to improved productivity if the beneficiaries are effectively supported in their agricultural endeavours.
<b>Agricultural Debt Management Act (2001)</b>	The Act makes provisions for agricultural debt management and restructuring.	By helping farmers manage debt, this Act could reduce financial stress and allow farmers to focus on improving productivity.
<b>Marketing of Agricultural Products Act (1996)</b>	This Act provides a framework for the marketing of agricultural products.	It has potential to improve productivity by facilitating better access to markets and improving price stability.
<b>National Agricultural Marketing Council Act (1996)</b>	The Act establishes the National Agricultural Marketing Council to maintain and enhance the viability of the agricultural sector.	By providing guidance on marketing, this could potentially lead to better pricing, increased sales, and thus improved productivity.

Legislation/ policy	Main features	Potential implication on productivity
<b>The National Forests Act (1998)</b>	The Act aims to promote sustainable use and conservation of forests for the benefit of communities.	While indirectly related, forests can provide ecosystem services that are beneficial to agriculture, potentially influencing productivity.
<b>Genetically Modified Organisms Act (1997)</b>	The Act provides for measures to promote the responsible development, production, use and application of genetically modified organisms.	The use of GMOs could potentially lead to enhanced crop productivity, although it remains a topic of debate.
<b>National Policy on Food and Nutrition Security (2013)</b>	Ensures availability, accessibility, and affordability of safe and nutritious food at national and household levels.	A secure and well-nourished population is crucial for labour productivity.
<b>Agricultural Policy Action Plan</b>	The plan focuses on driving growth and creating jobs through agricultural development.	By focusing on high-growth agricultural commodities, it aims to boost agricultural productivity and employment.
<b>Comprehensive Agricultural Support Programme (CASP)</b>	Provides post-settlement support to targeted beneficiaries of land reform.	By providing support to new farmers, CASP has the potential to enhance agricultural productivity.
<b>National Development Plan 2030</b>	This plan includes increasing agricultural output and expanding agro-processing activities.	It aims to boost productivity by modernizing the agriculture sector and improving access to markets.





The agricultural and land sector in South Africa is influenced by a multitude of legislations and policies, each having its own potential impacts on productivity. These range from direct interventions, such as the Agricultural Product Standards Act and the Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, which aim to ensure the quality of agricultural products and inputs, to broader land reforms and conservation measures aimed at sustainable development and equity.

The actual impacts of these regulations on productivity are shaped by various factors, including their effective implementation, adherence to the regulations, the resources available, and the broader governance context. It is essential to note that while these policies and legislations aim to boost productivity and address issues of land ownership and usage, their effectiveness may vary, and in some cases, may even inadvertently create challenges for productivity.

Therefore, continuous monitoring, evaluation, and where necessary, reform of these policies and legislations, is necessary to ensure they are contributing positively towards the growth and sustainability of the agricultural sector. Furthermore, successful outcomes will likely depend on a holistic approach that integrates these diverse areas and considers the interconnected impacts on agricultural productivity.



### 5. DEPARTMENT OF ELECTRICITY

Legislation/ policy	Main features	Potential implication on productivity
<b>Electricity Regulation Act (2006)</b>	This Act provides for the rationalisation of the electricity supply industry, establishes a national regulatory framework, and an independent regulator.	A well-regulated electricity sector can ensure stable supply, contributing to sustained economic productivity. Disruptions, however, could have negative effects.
<b>Integrated Resource Plan (2019)</b>	This is South Africa's energy plan for the period up to 2030, outlining the projected energy demands and the proposed mix of energy sources to meet the demand.	This plan can potentially boost productivity by ensuring a stable and sustainable energy supply, which is critical for industrial, commercial, and residential activities.
<b>National Energy Regulator Act (2004)</b>	The Act established the National Energy Regulator of South Africa (NERSA), responsible for regulating the electricity, piped gas, and petroleum pipeline industries.	NERSA's regulatory role can contribute to stability in the energy sector, indirectly promoting productivity by facilitating reliable energy supply.
<b>National Energy Efficiency Strategy (2005, updated 2016)</b>	The strategy sets a national target for energy efficiency improvement and provides strategic guidance on achieving energy efficiency in the country.	Improvements in energy efficiency can potentially increase productivity by reducing energy costs, thus freeing resources for other productive uses.



Legislation/ policy	Main features	Potential implication on productivity
<b>Renewable Energy Independent Power Producer Procurement Programme (REIPPPP)</b>	This program was designed to contribute towards the target of 3 725 MW to be delivered by independent power producers.	This could boost productivity by diversifying and increasing the energy supply, reducing reliance on a single or limited number of sources.
<b>National Nuclear Regulatory Act (1999)</b>	The Act provides for the protection of persons, property, and the environment against nuclear damage through the establishment of safety standards and regulatory practices.	This Act could ensure the safe and effective use of nuclear power, potentially enhancing electricity supply and thus productivity.
<b>Gas Act (2001)</b>	This Act provides for the promotion of efficient use and consumption of gas, the regulation of piped-gas activities and safety matters.	An efficient and safe gas industry can potentially diversify and enhance energy supply, promoting productivity.
<b>Integrated Energy Plan (2016)</b>	The IEP provides a roadmap of the future energy landscape for South Africa which guides future energy infrastructure investments and policy development.	This plan could ensure a sustainable and diverse energy mix, potentially stabilising the energy supply and contributing to productivity.

Legislation/ policy	Main features	Potential implication on productivity
<b>Carbon Tax Act (2019)</b>	This Act imposes a tax on the carbon dioxide (CO <sub>2</sub> ) equivalent of greenhouse gas emissions and is part of the government's efforts to reduce greenhouse gas emissions.	While it could increase costs for high-emission electricity producers, it could also drive investment in cleaner, renewable sources of energy, leading to a more sustainable electricity sector, with potential long-term benefits for productivity.
<b>Electricity Pricing Policy (2008)</b>	This policy provides a framework for the determination of prices throughout the electricity supply chain.	This could potentially lead to predictable electricity prices, providing stability for businesses and possibly increasing productivity.
<b>Biofuels Industrial Strategy (2007)</b>	This strategy aims to develop a sustainable biofuels industry to contribute towards energy security, rural development, and job creation.	By diversifying the energy mix, this could potentially improve energy security and productivity.
<b>National Energy Act (2008)</b>	This Act ensures that diverse energy resources are available, in sustainable quantities and at affordable prices, to meet the energy needs of the South African economy.	By enhancing the availability and affordability of diverse energy resources, this could contribute to energy stability and potentially boost productivity.
<b>The National Green Economy Strategy (2010)</b>	This strategy aims to guide the transition of South Africa to a low carbon, resource efficient and climate resilient economy.	By promoting green technologies, including renewable energy, it could potentially lead to a more sustainable electricity sector, which could have long-term benefits for productivity.



Legislation/ policy	Main features	Potential implication on productivity
<b>Electricity Act, 1987 (Act 41 of 1987)</b>	This legislation provides the basis for generation and supply of electricity in South Africa.	Electricity supply is currently interrupted in SA. This suggests that this legislation and other supporting policy documents have not been able to bring about productivity.
<b>Eskom conversion Act, 2001 [act 13 of 2001]</b>	This Act converts Eskom into a public company.	While the initial intentions of converting Eskom into a public Company was for it to function on private sector principles and be effective and productive, productivity has evaded Eskom despite the good intentions of this legislation.

Electricity Act, 1987 makes provision for the continued existence of the Electricity Board and for the control of generation and supply of electricity. The object of the Board is to ensure generation and efficient supply of electricity. Section 4 of the act give Eskom the power to issue licenses for electricity generation and settle disputes regarding pricing. The main purpose of Eskom Conversion Act 2001 is to convert Eskom into a public company having a share capital in accordance with the Companies Act of 1973 (Act 61 of 1973). The Act makes the state is the main and only shareholder.

The objectives of the Electricity Regulation Act 2006 are amongst others to achieve the efficient, effective and sustainable and orderly development and operation of electricity supply infrastructure in South Africa, ensure that the interests and needs of the present and future electricity customers and end users are safeguarded and met. The act also facilitates universal access to electricity. Section 4 of the Electricity Regulation Act of 2006 gives the regulator the power to consider

applications for licensing and issue licenses 4 generation, transmission, and distribution of electricity its import and export, trading and regulation of prices and tariffs. The regulator is also tasked with the responsibility to enforce the performance and compliance where performance is found wanting takes appropriate steps. The National Energy Regulator of South Africa is established for purposes of regulating electricity, piped, gas and petroleum pipeline industries. the National Energy Regulator of South Africa performs its functions in terms of the Electricity Act as well as the Electricity Regulation Act. While Eskom's failure to be productive may be a result of several factors some of which may not fall within the terms of reference of this report, the failure of the power utility points to practices which are counterproductive. The analysis of legislation in the electricity sector reveals the same pattern of using concepts which invoke productivity without necessarily applying its qualitative and qualitative aspects.

## 6. DEPARTMENT OF TRANSPORT

The National Department of Transport has approved legislation and policies in different transport sectors. These sectors include Aviation, maritime, rail and roads. This section focusses on legislation in these sectors. In addition to the legislation tabulated below, the Department has approved several regulations which were mainly intended to ensure that there is continuity in each of the transport sectors during the COVID-19 pandemic. With the lifting of lockdown and its alert levels, these regulations were also no longer enforced hence they do not form part of the analysis below on table 10.



Legislation/ policy	Main features	Potential implication on productivity
<b>Aviation</b>		
<b>International Air Services Act 1993 (Act 60 of 1993)</b>	The international Air Services Act, 1993 establishes the international Air Services Council, regulates and control international air services. Amongst others, the Act deals with licencing, competition, and safety. For purposes of processing applications, the Act specifies number of days within which decisions must be made. The Council must publicise an application for licencing within 21 days to allow members of the public to make representations within 28 days. Representations, if any, must be referred to the applicant within 14 days. The decision to award a licence should be made within 120 days.	This legislation has a bearing on South Africa and its relations with other countries. Quick turnaround time decisions will impact on both the productivity of the department and the sector.

Legislation/ policy	Main features	Potential implication on productivity
<b>Air Services Licencing Act, 1990 (Act 115 of 1990)</b>	This Act establishes the Air Services Council, licensing, and control of domestic air services. The Council is required to submit an annual report to the Minister of Transport by 31 March for tabling in Parliament. Applications for licensing shall within 21 days be forwarded to the Commissioner for Civil Aviation, publish in government gazette. Representations shall be made within 21 days. Such representations shall within 7 days be forwarded to the applicant and the Commissioner for civil Aviation. Council shall decide on the awarding of a licence within 120 days.	Oversight role of the Minister and Parliament provided in this law ensures set timelines are adhered to thereby improving productivity.
<b>International Air Services Regulations, 1994</b>	Regulations are issued by the Minister of Transport after consultation with the International Air Services Council. Regulation deal with classes and types of air services, categories of aircrafts and licencing.	Regulations provide details regarding the implementation of laws. Their clarity on procedures will improve productivity.





Legislation/ policy	Main features	Potential implication on productivity
<b>Domestic Air services Regulations 1991</b>	These regulations are issued by the Minister of Transport after consultation with the Air Services Licensing Council. Regulation deal with classes and types of air services, categories of aircrafts and licencing.	Domestic Air Services Regulations are a catalyst to an efficient domestic air services if they are well conceived and implemented.
<b>Maritime</b>		
<b>National Ports Act, 2005 (Act 12 of 2005)</b>	National Ports Act establishes the National Ports Authority, Ports Regulator and provides for administration of ports. Its objectives are to promote effective and productive SA ports for economic growth. Promote efficiency and performance in the management and operation of ports. Section 13 (1) a-c emphasises effective management, effective oversight, coordination of performance and administration as well as avoidance of duplication of functions.	Establishing oversight bodies can promote productivity if such bodies are led by people with the right skills and take decisions a prescribed by law.

Legislation/ policy	Main features	Potential implication on productivity
<b>Merchant Shipping: Training, Certification, and Safe Manning Regulations, 2021</b>	The Regulations prescribes conditions to be met, age, standards required as well as competence for issuing various classes of certificates. Regulations further prescribes pass marks for engineering, navigation, and care of persons on board at 60% and 50% for all other subject areas. Regulations also deal with training, medical examination, and fitness standards. Most importantly, Regulations deal with hours of work and the dangers of fatigue, amongst seafarers. Regulations prescribes 10 hours of rest every 24 hours and 77 hours of rest in a 7-day period with a breakdown in rest periods.	Regulations provides clear norms and standards which must be adhered to. Specifying hours of work, ensures that employees are performing at their peak and avoid accidents.



Legislation/ policy	Main features	Potential implication on productivity
<b>Rail</b>		
<b>The National Railway Safety Regulation Act 16 of 2002</b>	This Act establishes the Railway Safety Regulator and make provision for safety regulation. One of the objects of the Act is to promote improved safety performance of the railway transport industry. Monitor compliance promote collaboration. The Act seeks to promote efficient transportation, effective overseeing as well as efficient regulatory regime. Transport Regulator reports to the Minister who must in turn table the report to Parliament within 14 days. The Act also makes provision for the appointment of transport inspectors.	Adherence to safety regulations is crucial for effective performance and avoidance of injuries as well as losses. Nonadherence to safety regulations can lead to an accident which may have ripple effects on productivity in several sectors in the economy.
<b>Legal Succession to the South African Transport Services Act 9 of 1989</b>	This law establishes the South African Rail Commuter Corporation Limited, a company which succeeds the South African Transport Services. The Act proposes a share scheme for employees.	Incentives, of any form serve as motivators. A share scheme may give employees a sense of ownership thereby promoting their productivity.

Legislation/ policy	Main features	Potential implication on productivity
<b>Roads</b>		
<b>National Land Transport Regulations, 2009</b>	The National Land Transport Regulations establishes transport regulators at National, Provincial and Local Spheres of government. Regulations provides that applications for operating licences should be considered within 60 days. Furthermore, a permit may be converted to an operating licence if it has been in operation for more than 180 days. From the date of application, 21 days are prescribed for comments and representations. Regulations further provides for curtesy services, tourist transport services, as well as the transportation of scholars, students, teachers, and lecturers.	Stating the number of days within which operating licences can be issued and adhering to the set number of days provides clear indicators for performance and thereby impacting on productivity.
<b>Administrative Adjudication of Road Traffic Offenses Amendment Act 2019</b>	The Act amends the Road Traffic Act of 1998. It makes provision for serving of documents to the infringer, functions of the road traffic infringement authority, rehabilitation programs, penalties, and Appeal Tribunal. The act also establishes the national traffic offenses register.	The Act focuses on correcting behaviour, reducing accidents, and minimising financial impact of roads accidents on the taxpayer and the economy.



Legislation/ policy	Main features	Potential implication on productivity
<b>The South African National Roads Agency Limited and National Roads Act, 1998</b>	The South African National Roads Agency provides a mandate for development, management, maintenance, and rehabilitation of road system. The functions of the agency emphasize competence of the agency and performance of the network. Furthermore, the Act provides for expropriation of land, a demerit system for people who refuse or fail to pay for toll fees.	A good road network will have positive spinoffs for both public sector and private sector productivity.
<b>Road Accident Fund Act, 1996 (Act 56 of 1996)</b>	The act establishes a Road Accident Fund for compensation of loss or damage cost on the road by motor vehicles. It also deals with the procedure for applications. It states that an application must be rejected within 60 days and that it must be finalized within 120 days.	The Act has an effect on members of the public who have been adversely affected by accident. Its effective implementation will ensure that families of deceased breadwinners are not left destitute.

Legislation/ policy	Main features	Potential implication on productivity
<b>The National Road Traffic Act 1996 (Act 93 of 1996)</b>	The Act seeks to promote uniformity regarding road traffic in South Africa. The Act prescribes minimum requirements for inspector, licenses, examiner of vehicles and driving licenses. The Act also provides for registration and licensing of vehicles, the fitness of drivers and vehicles, licensing and cancellation of licenses, roadworthiness, and road safety.	The National Road Traffic Act prescribes standards which ensures that there is order on South African Roads. Strict adherence and enforcement of provisions of this law will drastically reduce accidents. A single accident in the morning or any time during the day has implications on time and productivity if employees in arrive late in their offices.
<b>South African Transport Services Conditions of Service Act 1998 (Act 41 of 1998)</b>	The Act provides for conditions of service of employees of the South African Transport Services and establishes a Labour Council. The Act further categorises employees in the sector into casual, temporary, permanent or on contract. The Act stipulates that salary adjustments must be based on amongst others, productivity.	Disagreements in bargaining Councils have the potential to result in a strike which in turn have dire consequences for productivity in all sectors of society.



The transport sector appears to have more legislation. This is due to the fact that it has a number of sectors that are within the jurisdiction of the National Department of Transport and its entities. The cross-border nature of the transport sectors necessitates interoperability with other countries and thereby adhering to standards that are also international in nature. The transport sector has an impact on the productivity of all sectors and South Africa's international trading partners. While productivity is important in all departments, a drop in productivity within the transport sector will lead to an underperforming economy, late delivery of goods for exports and subsequent loss of confidence in South Africa as a trading partner. It is for this reason that it is essential to underscore the importance of pro-productivity legislation in the transport sector.

An assessment of the policy framework of the department of transport shows that various pieces of legislation reviewed for purposes of this exercise generally do not explicitly mention the word productivity. The South African Transport Services Conditions of Service Act 1998 (Act 41 of 1998) is the exception as indicated in the preceding table in this section. The choice of words in most of the legislation alludes to the intention to promote productivity. The first evidence of leaning towards productivity are words that are associated with productivity. These words include but not limited to effectiveness, efficiency, economy, and performance. The second and very strong indicator of the will to incorporate productivity is the inclusion of timelines within which decisions must be made. The third indicator of leaning towards productivity is reference to the need to cooperate with other sectors, departments, and entities as well as the presence of oversight bodies which can objectively regulate standards and improve productivity.

## 7. DEPARTMENT OF HOME AFFAIRS

The Department of Home Affairs in South Africa plays an integral role in administering crucial civil functions, ranging from the management of citizenship, immigration, and asylum procedures to the maintenance of vital records and the provision of identification services. The department's efficiency, and the legislation it enforces, can have significant indirect impacts on the productivity of the country. This is both at an individual level, such as the ability of citizens and residents to work, travel, and participate in the economy, and at an institutional level, through the influence on labour mobility, population dynamics, and societal stability.

In the following table, we will be examining several key pieces of legislation and policies within the purview of the Department of Home Affairs, outlining their main features and analysing their potential impact on productivity. It's essential to remember that the actual impact of these laws and policies depends on various factors, including their implementation, the resources available, and the wider social, economic, and political environment.

Legislation/ policy	Main features	Potential implication on productivity
<b>The South African Citizenship Act (1995)</b>	This act governs the acquisition, loss, and resumption of South African citizenship.	Clear rules around citizenship can influence immigration patterns, which can impact the labour force and thus overall productivity.
<b>Immigration Act (2002)</b>	This act controls the admission of foreign nationals to South Africa, their residence, and departure.	This act influences labour mobility. Controlled immigration can bring in needed skills and labour, but overly restrictive rules can impede business productivity.





Legislation/ policy	Main features	Potential implication on productivity
<b>Refugees Act (1998)</b>	This act regulates the rights and services available to asylum seekers and refugees.	Depending on how effectively it's managed, this can impact the productivity of public services, and of the labour market if refugees are able to work.
<b>Identification Act (1997)</b>	This act governs the issuing of national ID cards to South African citizens and permanent residents.	Reliable identification is essential for everything from voting to opening bank accounts, with wide-ranging impacts on productivity.
<b>Passport Act (1994)</b>	This Act governs the issuing of passports.	Facilitating international travel can affect productivity by promoting business, tourism, and cultural exchange. A well-managed passport system can contribute to such productivity.
<b>Civil Union Act (2006)</b>	This Act legalizes and regulates civil unions and same-sex marriages.	As with the Marriage Act, the stability of households can indirectly impact productivity. It also promotes equality and social inclusivity, potentially enhancing societal well-being.
<b>Children's Act (2005)</b>	This Act provides for the care and protection of children, including regulations around child identity and status.	By promoting the well-being and development of children, the future workforce's productivity could be indirectly affected.

Legislation/ policy	Main features	Potential implication on productivity
<b>Prevention and Combating of Trafficking in Persons Act (2013)</b>	This Act provides measures to prevent and combat human trafficking.	By ensuring social stability and protecting human rights, it can indirectly influence productivity.
<b>Counterfeit Goods Act (1997)</b>	This Act provides measures for preventing the trade in counterfeit goods.	Effective implementation can protect businesses, consumers, and the economy, potentially enhancing overall productivity.
<b>Green Paper on International Migration (2017)</b>	This policy aims to manage international migration effectively and strategically.	It can impact productivity by managing the inflow of foreign labour, attracting skills needed for the economy, and addressing security concerns.
<b>White Paper on e-Government (2001)</b>	It encourages government departments, including Home Affairs, to digitize their services.	It can streamline operations, reduce processing times, and improve service delivery, all of which could enhance overall productivity in the public sector and economy.



The legislation and policies under the Department of Home Affairs in South Africa significantly influence the country's productivity, though these impacts are often indirect and interconnected with a wider array of socio-economic factors. The ability of the department to efficiently manage citizenship, immigration, and other civil matters can substantially influence the country's labour mobility, population dynamics, and societal stability.

Moreover, it's apparent that productivity is not merely a question of policy but also a matter of effective implementation, adequate resources, and the ability to adapt to changes in the broader social, economic, and political environment. Therefore, while laws and policies set the framework for operations, their true impact on productivity is realized through their practical application and the resultant effects on people's lives.

It's crucial to continue evaluating these laws and policies, making necessary adjustments to meet the changing needs of the country and its people.

## POTENTIAL CHALLENGES IN IMPLEMENTATION OF THESE LEGISLATION AND POLICIES IN PRACTICES

There are several challenges that can arise when implementing policies and programs aimed at improving productivity in the South African public service. Some of these challenges include:

- **Limited resources:** Implementing policies and programs to improve productivity can be costly and require significant investments in technology, training, and infrastructure. Limited resources, such as budget constraints, can make it difficult to implement these initiatives effectively.

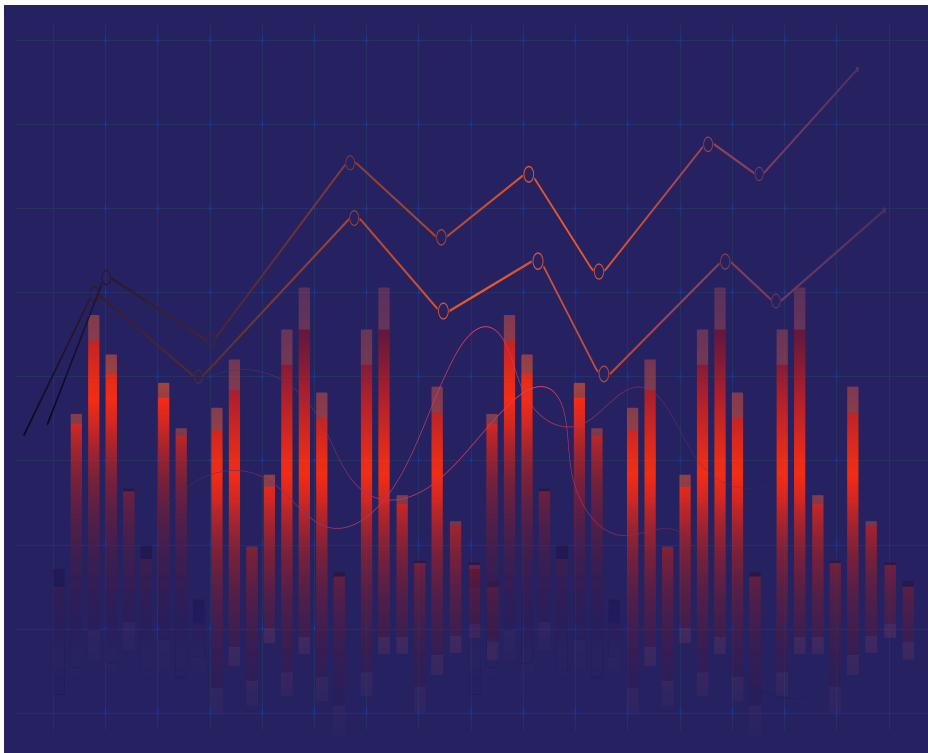
- **Bureaucratic and administrative barriers:** The public service in South Africa is known for its bureaucracy, which can make it difficult to implement change and new initiatives. This can include complex rules and regulations, lack of standardization, and a lack of coordination between different departments and agencies.
- **Resistance to change:** Public servants may be resistant to change, particularly if they are not consulted or involved in the development of new policies and programs. Resistance to change can include lack of buy-in from public servants, lack of understanding of the benefits of new initiatives, and concerns about job security.
- **Lack of oversight and accountability:** The implementation of policies and programs to improve productivity can be hindered by a lack of oversight and accountability. Without effective monitoring and evaluation systems in place, it can be difficult to assess the impact of initiatives and make necessary adjustments.
- **Corruption:** Corruption is a significant challenge in South Africa's public service. It can undermine the implementation of policies and programs aimed at improving productivity by diverting resources and creating opportunities for fraud and misuse of public funds.
- **Inadequate infrastructure and technology:** The lack of adequate infrastructure and technology can also be a challenge, particularly in rural and remote areas. This can make it difficult to implement e-government initiatives, such as online portals and mobile apps, and can limit access to services for citizens.
- **Inequalities:** Inequalities and disparities can limit the effectiveness of the policies and programs, particularly those related to capacity building and technology. It's important to consider the digital divide and ensure that policies and programs are inclusive and equitable for all citizens.



- **Lack of skilled workforce:** The public service in South Africa is facing a shortage of skilled and experienced workers. This can make it difficult to implement new policies and programs, particularly those that require specialized skills and knowledge.
- **Poor communication:** Effective communication is crucial when implementing new policies and programs. Poor communication can lead to misunderstandings, confusion, and resistance to change.
- **Limited data and information:** Implementing policies and programs requires access to accurate and up-to-date data and information. A lack of data and information can make it difficult to identify the root causes of problems and to design effective solutions.
- **Inadequate monitoring and evaluation:** Without effective monitoring and evaluation systems in place, it can be difficult to assess the impact of initiatives and make necessary adjustments. This can also hinder the ability to measure the performance of the public service and identify areas that need improvement.
- **Limited public-private partnerships:** Public-private partnerships are a key strategy to improve productivity in the public service. But limited partnerships can be a challenge, as private sector may not be willing to invest in the public service or may not have the capacity to deliver the required services.
- **Resistance to new technologies:** The implementation of new technologies can be a challenge, particularly if public servants are not comfortable with using new tools and systems. This can be addressed by providing training and support, but it can still slow down the implementation process.
- **Lack of coordination and collaboration:** Coordination and collaboration between different departments and agencies is crucial when implementing policies and programs aimed at improving productivity. However, lack of coordination and collaboration can lead to duplication of efforts, confusion, and delays.
- **Cultural and language barriers:** South Africa has a diverse population, with different languages and cultures. These cultural and language barriers can make it difficult to communicate effectively with citizens and to implement policies and programs that are inclusive and equitable.
- **Limited citizen engagement:** Public service delivery is ultimately for the benefit of citizens. Limited citizen engagement can make it difficult to understand the needs and priorities of citizens and to design policies and programs that are responsive to their needs.
- **Limited capacity:** Many public service providers in South Africa lack the capacity to deliver services effectively. This can be due to factors such as lack of training, lack of resources, and lack of infrastructure. This can limit the ability to implement policies and programs aimed at improving productivity.
- **Limited transparency and accountability:** The lack of transparency and accountability can make it difficult to implement policies and programs aimed at improving productivity. This can lead to a lack of trust and cooperation between citizens, public servants, and other stakeholders.
- **Limited access to information:** Access to information is essential for effective policy and program implementation. Limited access to information can make it difficult to identify problems and design effective solutions.



- **Limited monitoring and evaluation:** Without effective monitoring and evaluation systems in place, it can be difficult to assess the impact of initiatives and make necessary adjustments. This can also hinder the ability to measure the performance of the public service and identify areas that need improvement.
- **Limited technology and digital infrastructure:** The lack of adequate technology and digital infrastructure can also be a challenge, particularly in rural and remote areas. This can make it difficult to implement e-government initiatives, such as online portals and mobile apps, and can limit access to services for citizens.



## Conclusion

Upon an extensive examination of a multitude of laws and policies that govern South Africa's various governmental departments, it is apparent that legislation plays a pivotal role in shaping the productivity of the public sector. Not only do these laws and policies dictate the operational structure within each department, but they also have far-reaching effects that permeate into various facets of socioeconomic life, thus influencing overall productivity.

Each sector – be it education, health, energy, public service, water and sanitation, agriculture, land, or home affairs – has its unique legislative framework that guides its functions and helps meet its specific goals. These laws and policies not only shape the sector's productivity but also have wider impacts on the economy and society. For instance, the National Education Policy Act affects not only the education sector's productivity but also influences the skill level of future employees, impacting the productivity of all sectors where these individuals would eventually work.

Simultaneously, it's apparent that the impact of these laws and policies is multifaceted and interconnected. The successful implementation of the National Health Act, for instance, can ensure better health for the nation's workforce, resulting in reduced sick days, better work performance, and increased productivity. Moreover, these laws and policies' cumulative effect transcends departmental boundaries and contributes to overall public sector productivity and national development.





However, the effectiveness of these legislations and policies is heavily dependent on several factors. These include adequate resource allocation, efficient implementation strategies, robust compliance mechanisms, and the ability to adapt to changes in the broader socioeconomic and political environment. Despite the well-intentioned nature of these laws, their true impact on productivity is realized only through their practical application.

This part of the report also underscores the importance of constant re-evaluation and adjustment of these laws and policies to meet the

evolving needs of society and the economy. Furthermore, it is necessary to conduct more specific, in-depth analyses to identify strengths and weaknesses within each sector and develop targeted strategies to improve productivity.

In addition, this part of the report affirms the significant role of legislation and policy in shaping public sector productivity in South Africa. It serves as a reminder of the interconnectedness of sectors, the cascading impact of policies, and the constant need for adaptation in the face of change.





# PART V

## **ANALYSIS OF CORE SERVICE DELIVERY INDICATORS AND DATA USED TO MEASURE PRODUCTIVITY IN SOUTH AFRICA**





## Introduction

Governments across the world are faced with pressure from society to provide effective and efficient services to citizens, and South Africa finds itself in a peculiar situation to reduce debt while collecting taxes effectively and efficiently to cater for the ever-growing needs of citizens. South Africa has experienced its fair share of community protests to demand the provision of basic services enshrined in the Constitution of the Republic of South Africa. Such protests have regularly turned violent as communities lose patience due to perceptions of being unheard by the three spheres of government.

The analysis that follows takes a three-pronged approach in order to contextualise and analyse service delivery indicators from a macro perspective which analysed productivity and its effect on the economy. Concepts such as Total Factor Productivity, Gross Domestic Product, and Impulse Response Function are explored. The second layer involved contextualising productivity through the computation of effective scores to specific key performance indicators for the Department of Home Affairs, Department of Social Development, Department of Education, Department of Water and Sanitation, Department of Police, Department of Transport and Department of Cooperative Governance and Traditional Affairs. The effective scores provide great insights in terms of how effectively these departments are in meeting their targets. The last approach, which followed the computation of the effective score, was further adopted to analyse four departments in four countries; Australia, Mauritius, Rwanda, and the United Kingdom to undertake a comparative benchmark of how these countries are doing and how South Africa is doing on a common productivity calculation of effective score percentage.

## 5.1 Productivity and its effect on the economy

Total Factor Productivity (TFP) is an economic measure that captures the efficiency and effectiveness with which inputs, such as labour and capital, are transformed into output. It represents the residual or unexplained portion of output growth that cannot be attributed to changes in the quantity of inputs alone. In general, an increase in labour productivity and Total Factor Productivity are expected to have a positive impact.

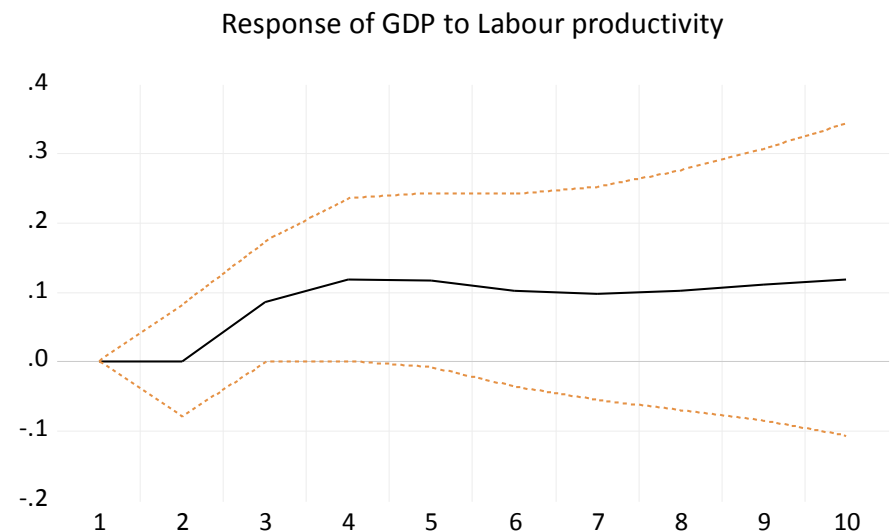
Total Factor Productivity is an economic measure that captures the efficiency and effectiveness with which inputs, such as labour and capital, are transformed into output. It represents the residual or unexplained portion of output growth that cannot be attributed to changes in the quantity of inputs alone. In general, an increase in labour productivity and Total Factor Productivity are expected to have a positive impact on GDP (Gross Domestic Product), driving economic growth and contributing to improved societal welfare. However, the specific dynamics and outcomes can vary depending on the unique characteristics and circumstances of each economy.

To understand the dynamic relationship between labour productivity, Total Factor Productivity, and GDP; impulse response function (IRF), a statistical tool used in economic analysis to study the dynamic relationship between variables in response to a shock or impulse, was used. IRF is an important tool to use as it can provide insights into how changes in labour productivity, Total Factor Productivity affect the trajectory of GDP over time.

When there is a positive shock to labour productivity, Total Factor Productivity, such as technological advancements or improvements in production efficiency, the IRF can illustrate the subsequent impact on GDP. Initially, there may be a lag in the response as the economy adjusts to the shock. However, as the effects of the shock propagate through the system, GDP is expected to increase. Similarly, if there is a catastrophic

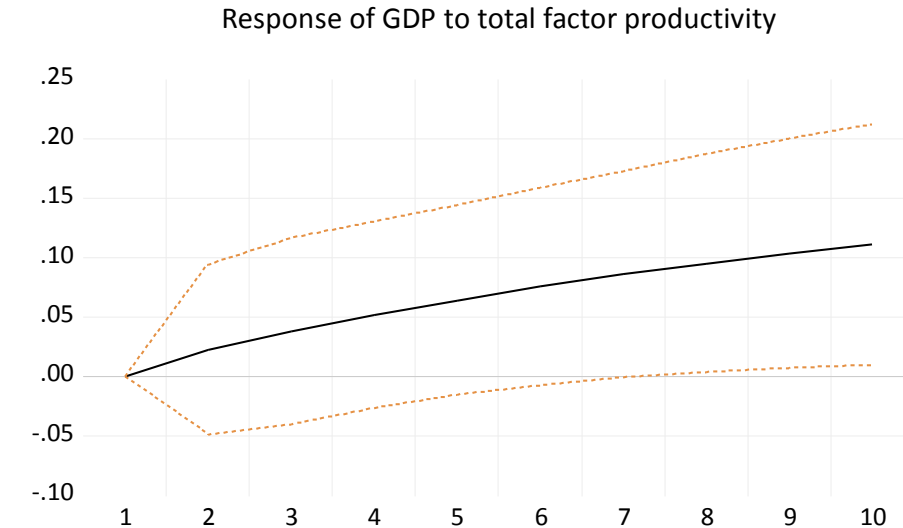


shock e.g. a global pandemic, natural disaster that brings about disruption to the economic infrastructure will result in GDP decline with a congruent lag in the response.



**Figure 21:** Response of GDP to Labour Productivity

**Notes:** Solid Line represents the expected behaviour of the GDP in response to a change in TFP The dashed lines represent the confidence intervals or bands around the average response.



**Figure 22:** Response of GDP to Total Factor Productivity

**Notes:** Solid Line represents the expected behaviour of the GDP in response to a change in TFP The dashed lines represent the confidence intervals or bands around the average response.

The Impulse Response Functions (IRF) analysis (see Figure 1) illustrates that the response of GDP to labour productivity shocks initially remains constant, then rises and eventually tapers off, suggesting a particular pattern of the relationship between the two variables. The initial constant response could imply that it takes some time for the impact of increased labour productivity to translate into higher economic output. There might be lags in the adjustment process, such as firms requiring time to adopt new technologies or implement productivity-enhancing measures. Rising response as time progresses suggests that the positive effects of increased labour productivity begin to have a more substantial impact on economic output. In other words, the economy may start benefiting from improved efficiency, higher production levels, and increased competitiveness. Finally, the tapering-off response indicates that the effect of additional



increases in labour productivity becomes less significant over time. It could be due to diminishing returns to labour productivity improvements or the saturation of the capacity of the economy to absorb productivity gains.

A similar pattern is observed when assessing the response of GDP to Total Factor Productivity (TFP) shocks. The magnitude of GDP response exhibits a diminishing trend-- the response of GDP to TFP shocks displays an increasing trend, albeit at a decelerating rate. This observation signifies that in the initial stages of TFP shocks, the positive effect on GDP growth is pronounced and robust. The enhanced productivity resulting from TFP shocks stimulates economic expansion, leading to an acceleration in GDP growth. However, as TFP shocks persist and accumulate, the incremental impact on GDP growth gradually diminishes. It indicates that there might be limits or diminishing returns to the benefits of TFP enhancements on economic output. By analysing the IRF, policymakers and researchers can gain insights into the short-term and medium-term effects of changes in Welfare-relevant TFP on GDP. This information can inform decision-making processes and help design policies that promote productivity growth and economic development.

## **5.2 Analysis of Core Service Delivery Indicators: South African Context**

This section used information that was already collected by the South African government (i.e., contained in the Estimates of National Expenditure electronic reports). National treasury gathers data on how money is spent and what activities different government departments are involved in. We focused on four government departments and looked

at their financial information, like how much money they spent each year, as well as other details about their work. We used data from 2015 onwards because older reports did not have the kind of information we needed. To choose which departments to study, we picked four of them at random from different groups within the government. We employed effectiveness analysis, utilising the metric of Effective Score, to assess the productivity of four South African government departments based on their Key Performance Indicators (KPIs) for the period from 2015 to 2022. The Effective Score is employed as a proxy for productivity, providing a quantitative measure of the deviation between projected and actual performance. Effectiveness analysis allows for an evaluation of the degree to which the selected South African departments have successfully achieved their intended goals and objectives. By analysing their KPIs, including targets achieved, this study provides valuable insights into the effectiveness of these government departments in fulfilling their mandates. The Effective Score, derived from the comparison of projected and actual performance, serves as a metric to gauge the accuracy and success of the departments' performance projections. It quantifies the variance between anticipated and realised outcomes, providing an indicator of performance management and goal attainment. To provide a broader context and enable comparative analysis, a similar methodology of effectiveness analysis is employed for other countries. By benchmarking the productivity of the South African departments against departments in countries like Australia, this study offers a comparative perspective as articulated in 3.3. This facilitates the identification of best practices, evaluation of performance relative to international standards, and exploration of potential areas for improvement.





**Table 5.1: The Department of Home Affairs<sup>206</sup>**

KPI	2015/16			2016/17			2017/18			2018/19			2019/20			2020/21			2021/22		
	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff Score	Proje- ction	Perfor- mance	Eff score
KPI <sub>1</sub>	90%	96%	6.67%	90%	105,5%	17.22%	90%	106,6%	18.44%	90%	91,2%	1.33%	90%	95%	5.55%	70%	94%	34.28%	90%	88%	-2.22%
KPI <sub>2</sub>	70%	84,70%	21%	85%	98%	15.29	90%	97%	7.78	85%	95,1%	11.88%	85%	95,8%	12.70	60%	43,7%	-27.16%	85%	85,6%	0.70%
KPI <sub>3</sub>	85%	79,80%	6.1%	94%	94%	0	90%	89%	1.1%	90%	97,9%	8.78%	90%	98,2%	9.11	90%	83%	-7.78	90%	89,2%	0.89
KPI <sub>4</sub>	70%	79,80%	14%	75%	75%	0	80%	89%	11.25	85%	88,5%	4.12%	85%	86,7%	2	82%	91%	10.98	85%	57,2%	-0.33

**Notes:** KPI<sub>1</sub>=Percentage of machine-readable adult passports (new live capture process) per year issued within 13 working days (within South Africa), KPI<sub>2</sub>=Percentage of permanent residence applications per year adjudicated within eight months (collected within South Africa); KPI<sub>3</sub>=Percentage of business and general work visa applications per year adjudicated within eight weeks (processed within South Africa); KPI<sub>4</sub>=Percentage of critical skills visa applications per year adjudicated within four weeks (processed within South Africa)

Tables 5.1 and 5.2 provide effective scores which represent the deviation between projected performance and actual performance of a department over seven years (2015-2021). These scores, calculated using the formula provided, offer insights into the Department's productivity performance to initial expectations. The positive scores observed in most of the years (2015, 2016, 2017, and 2018) indicate that the two departments (The Department of Home Affairs and the Department of Social Development) consistently outperformed their projected performance. These scores suggest that the Department was able to achieve higher levels of productivity than initially anticipated. This could be attributed to various factors, such as efficient resource allocation, effective processes, skilled workforce, or successful strategic initiatives. Notably, the scores for 2016 and 2017 show significant positive deviations, implying substantial overachievement in productivity during those years.

However, the score for 2021 stands out as a negative deviation for the Department of Home Affairs, indicating that the Department's actual performance fell short of the projected performance. This negative score suggests a decline in productivity compared to the initial expectations. These scores offer valuable insights into the Department's productivity trends over time. The positive scores in multiple years imply a consistent track record of surpassing projected performance, indicating a high-performing department. However, the negative score in 2021 raises concerns about the Department's ability to sustain its productivity levels and calls for further analysis and corrective actions.

<sup>206</sup> National Treasury; Estimates of National Expenditure 2010, Estimates of National Expenditure 2023 (Pretoria, 2023).



**Table 5.2: The Department of Social Development<sup>207</sup>**

KPI	2015/16			2016/17			2017/18			2018/19			2019/20			2020/21			2021/22		
	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff Score	Proje- ction	Perfor- mance	Eff score
KPI <sub>7</sub>	65%	71,%	9.23%	70%	86,%	22.86%	80%	96,6%	20.75	90%	98,6%	9.56	75%	97%	29.33	80%	95%	18.75	80%	98%	22.5
KPI <sub>8</sub>	85%	99,%	16.47	99%	97%	2.02	100%	100%	0	100%	100,0%	0	100%	98%	-2	30%	44%	46.67	98%	98%	0

**Notes:** KPI<sub>7</sub>= Percentage of appeals per year adjudicated within 90 days of receipt; KPI<sub>8</sub>= percentage of non-profit organisation registration applications processed within two months of receipt

Tables 5.3 and 5.4 provide effective scores for the Department of Basic Education and the Department of Cooperative Governance and Traditional Affairs. The scores suggest a high level of accuracy in the projections made by these departments. What stands out is that the actual performance almost perfectly aligns with the projected performance, indicating a meticulous and precise understanding of the factors influencing productivity. This accuracy reflects a strong ability to forecast and estimate outcomes, demonstrating proficiency in goal setting and expectation management. Furthermore, zero effective scores indicate a consistent and stable performance trend over the specified period. The departments exhibit a reliable track record of meeting their productivity targets with little deviation from the initial projections. This stability reflects the Department's ability to maintain a consistent level of performance and indicates a deep understanding of its capabilities and limitations.

However, the absence of any deviation may also imply limited room for improvement. If the departments consistently achieve zero effective scores, it suggests a lack of significant growth or progress in productivity. While stability is desirable, it is equally important to strive for continuous improvement and enhanced efficiency. This could prompt a re-evaluation of strategies, processes, or resource allocation to identify opportunities for further advancement.

**Table 5.3: The Department of Basic Education<sup>208</sup>**

KPI	2015/16			2016/17			2017/18			2018/19			2019/20			2020/21			2021/2022		
	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff Score	Proje- ction	Perfor- mance	Eff score
KPI <sub>5</sub>	100%	100%	0	100%	100,0%	0	100%	100,0%	0	100%	100%	0	100%	100%	0	100%	100%	0	100%	100%	0
KPI <sub>6</sub>	100%	100%	0	100%	100%	0	100%	100%	0	100%	100%	0	100%	100%	0	100%	100%	0	100%	100%	0

**Notes:** KPI<sub>5</sub>=Percentage of appeals per year adjudicated within 90 days of receipt; KPI<sub>6</sub>=Percentage of non-profit organisation registration applications processed within two months of receipt

<sup>207</sup> National Treasury;

<sup>208</sup> National Treasury.



**Table 5.4: The Department of Cooperative Governance and Traditional Affairs<sup>209</sup>**

KPI	2015/16			2016/17			2017/18			2018/19			2019/20			2020/21			2021/22		
	Projection	Performance	Eff score	Projection	Performance	Eff score	Projection	Performance	Eff score	Projection	Performance	Eff score	Projection	Performance	Eff score	Projection	Performance	Eff Score	Projection	Performance	Eff score
KPI <sub>9</sub>	—	92%	--	100%	100%	0	100%	100%	0	100%	100%	0	100%	100%	0	100%	100%	0	100%	100%	0

**Notes:** KPI<sub>9</sub> Percentage of municipalities spending on municipal infrastructure grant per year

Tables 5.5 and 5.6 provide effective scores for the Department of Water & Sanitation and the Department of Police. In general, the effective score of KPI<sub>ws1</sub> is positive with some data missing for the last two years of analysis and negative in 2016. The positive scores demonstrate a general improvement as the targets set were exceeded in the respective years. This is commendable as water services are a human right and exceeding the set targets demonstrates the departments' determination to deliver on services rendered to the population, however, the data that was not available in the assessed reports does not reflect well on the demonstration of consistency in performance and the improvement in productivity. The negative performance in the 2016 financial was promptly dealt with in improvements in 2017, the swiftness with which this downward trend is resolved is commendable and such practices need to be revisited by the department to improve productivity further. The percentage of water monitoring network implementation strategy was rated prior to 2015 and continued until 2016, this is a good sign of the completion of the project though the data is not available. However, there is a need to investigate this phenomenon further as the monitoring of water networks needs to be consistently continued to ensure the services the department renders are of the expected standard.

The lack of a specific trend in productivity could have implications on the department's need to strengthen and buttress its policies, systems, and human capital to ensure there is delivery on the mandate of the department.

**Table 5.5: The Department of Water and Sanitation<sup>210</sup>**

KPI	2015/16			2016/17			2017/18			2018/19			2019/20			2020/21			2021/22		
	Projection	Performance	Eff score	Projection	Performance	Eff score	Projection	Performance	Eff score	Projection	Performance	Eff score	Projection	Performance	Eff score	Projection	Performance	Eff Score	Projection	Performance	Eff score
KPI <sub>ws1</sub>	80%	91%	14%	80%	68,00%	-15%	80%	96,00%	20%	80%	81%	1%	80%	88%	10%	80%	--	--	80%	--	--
KPI <sub>ws2</sub>	--	60%	--	100%	--	100%	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

KPI<sub>ws1</sub> -Percentage of water use authorisation applications finalised as per the water use authorisation guidelines per year; KPI<sub>ws2</sub> - Percentage of the water monitoring network implementation strategy completed per year 3.

<sup>209</sup> National Treasury.

<sup>210</sup> National Treasury;



The Department of Police has a critical role to play in ascertaining safety for the country. The effectiveness and over performance that is done on national key points is a significant performance that needs to be reflected upon and replicated as an approach to productivity regarding the other measures. The detection rate of serious crimes per year ( $KPI_{P2}$ ) was never on a positive note when considering the effective score, this illustrates the challenge citizens face on a daily basis as the productivity of the entire economy is closely linked to the ability of labour to access employment opportunities in a safe manner. Though there are some projections in the last three years of the analysis there was no performance data available from the source referred to as it seems the department changed focus to report on other parameters. Trail-ready case dockets for a serious crime ( $KPI_{P3}$ ) and trial-ready case dockets for serious commercial crime ( $KPI_{P4}$ ) had an incremental and sinusoidal trend on the effective score which raises interest for the data to follow as there was an abrupt stop. The great increase in the effective score of productivity in 2016 needs consented attention especially given this was the greatest improvement in the chosen KPIs for the department.

**Table 5.6: The Department of Police<sup>211</sup>**

KPI	2015/16			2016/17			2017/18			2018/19			2019/20			2020/21			2021/22		
	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff Score	Proje- ction	Perfor- mance	Eff score
$KPI_{P1}$	100%	100,50%	0,50%	100%	100,00%	0%	100%	100,00%	0%	--	100,00%	--	100%	100%	0%	100%	100%	0%	100%	100%	0%
$KPI_{P2}$	41%	36,90%	-10%	41,07%	36,20%	-12%	41%	36%	-12%	--	37%	--	37,25%	--	---	37,50%	--	---	38%	--	---
$KPI_{P3}$	69%	70%	1%	69%	84,21%	22%	69%	--	--	--	84%	--	84%	--	---	85%	--	---	85%	--	---
$KPI_{P4}$	53%	59%	11%	53%	66%	53%	53%	70%	32%	--	53%	--	65%	--	---	65%	--	---	65%	--	---

$KPI_{P1}$ -Percentage of national key points evaluated in compliance with the National Key Points Act (1980) per year;  $KPI_{P2}$ -Detection rate for serious crimes per year;  $KPI_{P3}$ -Percentage of trial-ready case dockets for serious crimes per year;  $KPI_{P4}$ -Percentage of trial-ready case dockets for serious commercial crime.

Mobility is a critical dimension for the measurement and assessment of national productivity and this task needs to embrace the effective score of the Department of Transport as a key enabler to better productivity. The effective score was generally negative for the first three years of measuring metro rail customer satisfaction ( $KPI_{T1}$ ). Given that approximately 2,3 million use this transport system daily as a safe, reliable, and affordable means of transport this has dire consequences on the productivity of the country. Since 2019 there has been a realisation of a positive effective score which has positive implications for the productivity of the country. This is commendable and the continuous improvement and reflecting on lessons learnt over the analysed seven years will result in sustained productivity into the future. The trains running on time as a percentage of scheduled trains ( $KPI_{T3}$ ) depict a very weak positive trend on the effective score with the rest of the scores being negative. The failure to achieve the targets set by the department and its implementing agencies needs to be given serious attention to realise the aspirations of transport for all as this has dire consequences for the work lives and social lives of the citizens. Regarding the smooth travel exposure ( $KPI_{T2}$ ) that relates to road travel, a weakly positive outlook was demonstrated

<sup>211</sup> National Treasury;





throughout the seven years of analysis. Given this positive trend, this has implications for the migration from the rail to road which is the opposite of the plan of the Department of Transport. Given that the climate change impact is better with rail transport the trend is a worrying one as this has implications for the countries' sustainability and access to the green markets due to the perception that may be created of being environmentally unfriendly.

**Table 5.7: The Department of Transport<sup>212</sup>**

KPI	2015/16			2016/17			2017/18			2018/19			2019/20			2020/21			2021/22		
	Projection	Performance	Eff score	Projection	Performance	Eff score	Projection	Performance	Eff score	Projection	Performance	Eff score	Projection	Performance	Eff score	Projection	Performance	Eff Score	Projection	Performance	Eff score
KPI <sub>T1</sub>	72%	57%	-21%	72%	57,00%	-21%	72%	52,00%	-28%	65%	69%	6%	69%	95%	38%	72%	95%	32%	75%	95%	27%
KPI <sub>T2</sub>	95%	96%	1%	95%	97%	2%	95%	97%	2%	95%	95%	0%	95%	96%	1%	95%	95%	0%	95%	95%	0%
KPI <sub>T3</sub>	80%	81%	1%	81%	71%	-12%	82%	64%	-22%	83%	81%	-2%	85%	62,30%	-27%	88%	56,40%	-36%	91%	70%	-23%

*KPI<sub>T1</sub> Metrorail customer satisfaction rating per year; KPI<sub>T2</sub> Smooth travel exposure: Percentage of travel undertaken each year on national roads with roughness less than 4.2 on the international roughness index; KPI<sub>T3</sub> Trains running on time as a percentage of trains scheduled per year.*

### 5.3 Analysis of core service delivery indicators: Australia, The United Kingdom, Mauritius, and Rwanda

This section is a continuation of the effectiveness analysis, utilising the metric of Effective Score, to assess the productivity of four foreign government departments based on their Key Performance Indicators (KPIs) for the period from 2015 to 2022, where data is available. Where data is lacking, only the period in which data is available is used. The Effective Score, as articulated in 3.2 used as a proxy for productivity, providing a quantitative measure of the deviation between projected and actual performance. As previously alluded to in the previous section, effectiveness analysis permits an evaluation of the degree to which the selected foreign government departments have efficaciously accomplished their envisioned goals and objectives.

Table 5.8 depicts the Key Performance Indicators, projections (target), and the effective score for the Department of Health (NHS) in the United Kingdom for the period 2017 to 2021.

**Table 5.8: The Department of Health (NHS): The United Kingdom<sup>213</sup>**

KPI	2017/18			2018/19			2019/20			2020/21			2021/22			2022/23		
	Projection	Performance	Eff score	Projection	Performance	Eff score	Projection	Performance	Eff score	Projection	Performance	Eff score	Projection	Performance	Eff Score	Projection	Performance	Eff score
KPI <sub>1</sub>	100%	77%	-23%	100%	75%	-25%	100%	80%	-20%	100%	70%	-30%	100%	72%	-28%	No data		%
KPI <sub>2</sub>	85%	80%	-5.89%	85%	80%	-5.89%	85%	75%	-11.76%	85%	70%	-17.64%	85%	73%	-14.11%	No data		%

<sup>212</sup> National Treasury;

<sup>213</sup> Nick Hoddinott, Stuart; Davies, Performance Tracker 2022/23: Spring Update - Adult Social Care (London, 2023) <<https://www.instituteforgovernment.org.uk/performance-tracker-2022-23/adult-social-care>>.



**Table 5.9** depicts the Key Performance Indicators, projections (target), and the effective score for the Department of Health in Mauritius for the 2021-2022 financial year. The challenge with data from Mauritius is that the KPIs vary over the years on the annual reports; as a result, only the 2021/22 financial year will be considered as it met the requirements to calculate the effective score. KPI 1 represents the percentage of the eligible population vaccinated against COVID-19, the projection was set at 60%, and performance stood at 77%, which translated to an effective score of 28%. The effective score of 28% means that the Department has exceeded its targets. KPI2 represents the percentage completion of the National Non-Communicable Diseases (NCD) screening Survey 2021, the target was set at 80%, and performance stood at 100%, which translated to an effective score of 20%. The effective score of 20% means that the Department has exceeded its target. KPI3 represents the percentage of work completed for the New Cancer Centre, the target was set at 100%, and performance stood at 97%, which translated to an effective score of -3%. The effective score of -3% means that the Department did not meet its target.

**Table 5.9: The Department of Health (Mauritius)<sup>214</sup>**

KPI	2017/18			2018/19			2019/20			2020/21			2021/22			2022/23		
	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff Score	Proje- ction	Perfor- mance	Eff score
KPI <sub>1</sub>	No data		%	No data		%	No data		%	No data		%	60%	77%	28%			%
KPI <sub>2</sub>	No data		%	No data		%	No data		%	No data		%	80%	100%	20%			%
KPI <sub>3</sub>	No data		%	No data		%	No data		%	No data		%	100%	97%	-3%			%

Table 5.10 depicts the Key Performance Indicators, projections (target), and the effective score for the Department of Justice in Rwanda for the period of 2020-2022. KPI 1 represents the percentage of backlog cases in the judiciary, the projection was set at 21.3%, and performance stood at 62.65%, which translated to an effective score of 194% for the 2020/2021 financial year. The target for the same KPI in 2021/2022 the target was set at 19.3%, while the performance stood at 40.21%, which translates to an effective score of 108%. Lastly, for the 2022/2023 financial year, the projection was set at 17.30%, while performance stood at 32.04%. The effective score stood at 87.28%, and the Department has met all its targets. It is noteworthy to indicate that the targets appear to be very low, and as a result, some of the targets were exceeded by more than 100%, which might result in complacency.

KPI 2 represents the percentage of backlogs processed. The projection was set at 100%, and performance stood at 94%, which translated to an effective score of -4% for the 2020/2021 financial year. The target for the same KPI in 2021/2022 the target was set at 99%, while the performance stood at 100%, which translates to an effective score of 1%. Lastly, for the 2022/2023 financial year, the projection was set at 99%, while performance stood at 100%. The effective score stood at 1%; the Department has met and exceeded its targets for the 2021 and 2022 financial while it underperformed by 4% during the 2020/2021 financial year.

<sup>214</sup> Prime Minister's Office, Annual Report on Performance for Financial Year 2019-2020 (Port Louis, 2020).



KPI 3 represents the percentage of criminal cases processed; the projection was set at 99%, and performance stood at 100%, which translated to an effective score of 1% % for the 2020/2021 financial year. The target for the same KPI in 2021/2022 the target was set at 99%, while the performance stood at 100%, which translates to an effective score of 1%. Lastly, for the 2022/2023 financial year, the projection was set at 99%, while performance stood at 100%. The effective score stood at 1%, and the Department has met and exceeded its targets for the period 2020 to 2022 financial year.

KPI 4 represents the percentage of Gender Based Violence (GBV) processed. The projection was set at 99%, and performance stood at 100%, which translated to an effective score of 1% % for the 2020/2021 financial year. The target for the same KPI in 2021/2022 the target was set at 99%, while the performance stood at 100%, which translates to an effective score of 1%. Lastly, for the 2022/2023 financial year, the projection was set at 99%, while performance stood at 100%. The effective score stood at 1%, and the Department has met and exceeded its targets for the period 2020 to 2022 financial year.

KPI 5 represents the percentage of convicted cases against cases submitted to courts, the projection was set at 100%, and performance stood at 90%, which translated to an effective score of -10% % for the 2020/2021 financial year. The target for the same KPI in 2021/2022 the target was set at 94%, while the performance stood at 98.94%, which translates to an effective score of 5.26%. Lastly, for the 2022/2023 financial year, the projection was set at 94%, while performance stood at 95.85%. The effective score stood at 1,97%; the Department has met and exceeded its targets for the period 20 to 2022 financial year and underperformed by 10% for the 2020 financial year.

**Table 5.10: The Department of Justice (Rwanda)<sup>215</sup>**

KPI	2017/18			2018/19			2019/20			2020/21			2021/22			2022/23		
	Projec- tion	Perfor- mance	Eff score	Projec- tion	Perfor- mance	Eff score	Projec- tion	Perfor- mance	Eff score	Projec- tion	Perfor- mance	Eff score	Projec- tion	Perfor- mance	Eff Score	Projec- tion	Perfor- mance	Eff score
KPI <sub>1</sub>	No data		%	No data		%	No data		%	21.3%	62.65%	194%	19.3%	40.21%	108%	17.30%	32.04%	87.28%
KPI <sub>2</sub>	No data		%	No data		%	No data		%	100%	96%	-4%	100%	100%	%0	100%	100%	%0
KPI <sub>3</sub>	No data		%	No data		%	No data		%	99%	100%	1%	99%	100%	1%	99%	100%	1%
KPI <sub>4</sub>	No data		%	No data		%	No data		%	99%	100%	1%	99%	100%	1%	99%	100%	1%
KPI <sub>5</sub>	No data		%	No data		%	No data		%	100%	90%	-10%	94%	98.94%	5.26%	94%	95.85%	1.97%

Table 5.11 depicts the Key Performance Indicators, projections (target), and the effective score for the Department of Health in Australia for the period of 2017-2021. KPI 1 requires that the immunisation rates for children at five years of age are increased and maintained at the protective rate of 95%. The projection (target) was set at 95%, and the performance stood at 94.4%, which translates to an effective score of -0.63%, which indicates that the Department negligibly missed its target. The target for the same KPI for 2018 was 94.9%, while performance stood at 95%; this translated to an effective score of 0.001% which indicates that the Department marginally exceeded its target. The target for 2019 was set at 94.77%, with the actual performance reaching 95%, translating to an effective score of -0,24% which indicates that the Department did not reach the set target marginally.

<sup>215</sup> Rwanda Governance Board; Rwanda Governance Scorecard 9 Edition (Kigali, 2022).



The target in 2020 was set at 100%, and actual performance stood at 95.18%, which translates to an effective score of -4.87%, which means that the Department fell short of its target. Finally, in 2021 the target was set at 95%, while performance reached 94.54% and translated to an effective score of -0.48%, which means the Department marginally failed to meet its target.

KPI 1 requires that the immunisation rates for children at five years of age are increased and maintained at the protective rate of 95%. The projection (target) was set at 95%, and the performance stood at 94.4%, which translates to an effective score of -0.63%, which indicates that the Department negligibly missed its target. The target for the same KPI for 2018 was 94.9%, while performance stood at 95%; this translated to an effective score of 0.001% which indicates that the Department marginally exceeded its target. The target for 2019 was set at 94.77%, with the actual performance reaching 95%, translating to an effective score of -0.24% which indicates that the Department did not reach the set target marginally. The target in 2020 was set at 100%, and actual performance stood at 95.18%, which translates to an effective score of -4.87%, which means that the Department fell short of its target. Finally, in 2021 the target was set at 95%, while performance reached 94.54% and translated to an effective score of -0.48%, which means the Department marginally failed to meet its target.

KPI 2 requires that the immunisation rates for Aboriginal and Torres Strait Islander children 12–15 months of age be increased to close the gap. The projection (target) was set at 94%, and the performance stood at 92%, which translates to an effective score of -2% which indicates that the Department negligibly missed its target. The target for the same KPI for 2018 was 94%, while performance stood at 92.4%; this translated to an effective score of -2.12%, which indicates that the Department did not meet its target. The target for 2019 was set at 94%, with the actual performance reaching 93.4%, translating to an effective score of -0.63%

which indicates that the Department did not reach the set target, albeit marginally. The target in 2020 was set at 94%, and actual performance stood at 93.36%, which translates to an effective score of -0.68% which means that the Department fell short of its target. Finally, in 2021 the target was set at 94%, while performance reached 91.55% and translated to an effective score of -2.63%, which means the Department did not meet its target.

KPI 3 represents the percentage of eligible children accessing essential dental health services through the Child Dental Benefits. The projection (target) was set at 41%, and the performance stood at 38.54%, which translates to an effective score of -6% which indicates that the Department missed its target. The target for the same KPI for 2018 was 41%, while performance stood at 39.4%. This translated to an effective score of -3.9 % which indicates that the Department did not meet its target. The target for 2019 was set at 41%, with the actual performance reaching only 33.8%, translating to an effective score of -17.56% which indicates that the Department did not reach the set target and fell far short of the target. The target in 2020 was set at 41%, and actual performance stood at 42.1%, which translates to an effective score of 2.68% which means that the Department exceeded its target. Finally, in 2021 the target was set at 41% while performance reached 35.4% and translated to an effective score of -13.65%, which resulted in the Department not meeting its target with a bigger gap between performance and target but just below the 2019 performance which was the worst performance for the period under review.

KPI 4 represents the percentage of respondents to the annual National Diabetes Services Scheme registrant survey who indicate their needs are being met. The projection (target) was set at 95%, and the performance stood at 95%, which translates to an effective score of -0.63%, which indicates that the Department met its target for 2017. The target for the same KPI for 2018 was 90%, while performance stood at 91%; this



translated to an effective score of 1,1% which indicates that the Department marginally exceeded its target. The target for 2019 was set at 90%, with the actual performance reaching 91%, translating to an effective score of 1,1% which indicates that the Department exceeded its target marginally. The target in 2020 was set at 90%, and actual performance stood at 89%, which translates to an effective score of -1.1%, which means that the Department marginally failed to meet its target. Finally, in 2021 the target was set at 90%. However, there was no data available on the performance, which made it impossible to calculate the effective score.

KPI 5 requires maintenance efficiency of My Aged Care assessments as demonstrated by the percentage of high-priority comprehensive assessments completed within ten calendar days of referral acceptance for a community setting. The projection (target) was set at 90%, and the

performance stood at 88.5%, which translates to an effective score of -1.67% which indicates that the Department missed its target. The target for the same KPI for 2018 was 90%, while performance stood at 88.5%; this translated to an effective score of -1.67%, which indicates that the Department did not meet its target. The target for 2019 was set at 90%, with the actual performance reaching 92.78%, translating to an effective score of 2.78% which indicates that the Department exceeded its set target. The target in 2020 was set at 90%, and actual performance stood at 99.2%, which translates to an effective score of 10.56% which means that the Department exceeded its target by a good margin. Finally, in 2021 the target was set at 90% while performance reached 95.5% and translated to an effective score of 6.11% which means the Department exceeded its target by a good margin.







KPI 6 requires maintenance efficiency of My Aged Care assessments as demonstrated by the percentage of high-priority comprehensive assessments completed within five calendar days of referral acceptance for a hospital setting. The projection (target) was set at 90%, and the performance stood at 95%, which translates to an effective score of 5% which indicates that the Department exceeded its target. The target for the same KPI for 2018 was 90%, while performance stood at 95%; this translated to an effective score of 5% which indicates that the Department exceeded its target. The target for 2019 was set at 90%, with the actual performance reaching 98.8%, translating to an effective score of 9.8% which indicates that the Department exceeded its set target. The target in 2020 was set at 90%, and actual performance stood at 99.2%, which translates to an effective score of 10.22% which means that the Department exceeded its target by a good margin. Finally, in 2021 the target was set at 90%, while performance reached 97% and translated to an effective score of 7.78% which means the Department exceeded its target by a good margin.

KPI 7 requires efficiency of My Aged Care assessments as demonstrated by the Percentage of High-priority home support assessments completed within ten calendar days of referral acceptance. The projection (target) was set at 90%, and the performance stood at 93.3%, which translates to an effective score of 3.33% which indicates that the Department exceeded its target. The target for the same KPI for 2018 was 90%, while performance stood at 93.3%; this translated to an effective score of 3.33% which indicates that the Department exceeded its target. The target for 2019 was set at 90%, with the actual performance reaching 97%, translating to an effective score of 7.78% which indicates that the Department exceeded its set target. The target in 2020 was set at 90%, and actual performance stood at 97.2%, which translates to an effective score of 7.89% which means that the Department exceeded its target by a good margin. Finally, in 2021 the target was set at 90% while performance reached 97.1% and translated to an effective score of 7.89% which means the Department exceeded its target by a good margin.

**Table 5.11: The Department of Health (Australia)<sup>216</sup>**

KPI	2017/18			2018/19			2019/20			2020/21			2021/22		
	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff score	Proje- ction	Perfor- mance	Eff Score
KPI <sub>1</sub>	95%	94.4%	-0.63%	95%	94.9%	0.001%	95%	94.77%	-0.24%	100%	95.18%	-4.82%	95%	94.54%	-0.48%
KPI <sub>2</sub>	94%	92%	-2.12%	94	92.4%	-2.12%	94%	93.4%	-0.63%	94	93.36%	-0.68%	94	91.53%	-2.63%
KPI <sub>3</sub>	41%	38.54%	-6%	41%	39.4%	-3.9%	41%	33.8%	-17.56%	41%	42.1%	2.68%	41%	35.4%	-13.65%
KPI <sub>4</sub>	90%	90%	0	90%	91%	1.1%	90%	91%	1.1%	90%	89%	-1.1%	90%	No data	
KPI <sub>5</sub>	90%	88.5%	-1.67%	90%	88.5%	-1.67%	90%	92.5%	2.78%	90%	99.5%	10.56	90%	95.5%	6.11%
KPI <sub>6</sub>	90%	95%	6%	90%	95%	5.56%	90%	98.8%	9.78%	90%	99.2%	10.22%	90%	97%	7.78%
KPI <sub>7</sub>	90%	93.3%	3.67%	90%	93.3%	3.33%	90%	97%	7.78%	90%	97.2%	7.89%	90%	97.1%	7.89%

<sup>216</sup> Productivity Commission, Report on Government Services 2023 Approach to Performance Reporting (Part A) (Canberra, 2023).



## 5.4 Citizens Insights on Service Delivery

### 5.4.1 Theoretical underpinnings

#### 5.4.1.1 Defining the concepts of public service and service delivery

A critical evaluation of the literature provides context for a study, aids researchers in grasping the body of knowledge pertinent to a given field of study and identifies prior research on a subject of interest<sup>217</sup>. The theoretical underpinnings of service delivery, as well as the citizen's participation and perception of service delivery, are articulated in this study.

Under Section 152 of the South African Constitution of 1996, the local government is the engine of basic service delivery. Local government is charged, among other things, with ensuring the provision of services to communities in a sustainable manner, promoting social and economic development, and promoting a safe and healthy environment<sup>218</sup>.

<sup>217</sup> Mark Saunders, Philip Lewis, and Adrian Thornhill, *Research Methods for Business Students*, Fifth Edit (New York: Pearson Educational Limited, 2009).

<sup>218</sup> S Nkomo, 'Public Service Delivery in South Africa Councillors and Citizens Critical Links in Overcoming Persistent Inequities', *Afrobarometer Policy Paper*, 42, 2017, 1–17 <[https://media.africaportal.org/documents/ab\\_policypaperno42\\_local\\_service\\_delivery\\_in\\_southafrica.pdf](https://media.africaportal.org/documents/ab_policypaperno42_local_service_delivery_in_southafrica.pdf)>....", "author": [{"dropping-particle": "", "family": "Nkomo", "given": "S", "n on-dropping-particle": ""}, {"parse-names": false, "suffix": ""}], "container-title": "Afrobarometer Policy Paper", "id": "ITEM-1", "issue": "42", "issued": {"date-parts": [{"2017"}]}, "page": "1 - 17", "title": "Public service delivery in South Africa Councillors and citizens critical links in overcoming persistent inequities", "type": "article-journal", "uris": [{"http://www.mendeley.com/documents/?uuid=4ea2861a-c0bf-46d3-8f29-5f873d095a10"}], "mendeley": {"formattedCitation": "S Nkomo, 'Public Service Delivery in South Africa Councillors and Citizens Critical Links in Overcoming Persistent Inequities', <i>Afrobarometer Policy Paper</i>, 42, 2017, 1–17 <[https://media.africaportal.org/documents/ab\\_policypaperno42\\_local\\_service\\_delivery\\_in\\_southafrica.pdf](https://media.africaportal.org/documents/ab_policypaperno42_local_service_delivery_in_southafrica.pdf)>.", "plainTextFormattedCitation": "S Nkomo, 'Public Service Delivery in South Africa Councillors and Citizens Critical Links in Overcoming Persistent Inequities', <i>Afrobarometer Policy Paper</i>, 42, 2017, 1–17 .", "previouslyFormattedCitation": "S Nkomo, 'Public Service Delivery in South Africa Councillors and Citizens Critical Links in Overcoming Persistent Inequities', <i>Afrobarometer Policy Paper</i>, 42, 2017, 1–17 <[https://media.africaportal.org/documents/ab\\_policypaperno42\\_local\\_service\\_delivery\\_in\\_southafrica.pdf](https://media.africaportal.org/documents/ab_policypaperno42_local_service_delivery_in_southafrica.pdf)>.", "properties": {"noteIndex": 13}, "schema": "https://github.com/citation-style-language/schema/raw/master/csl-citation.json"}]

The public service in any country of the world represents the machinery of government through which public policies are formulated and implemented. Public service achieves this function by converting government policies and programs into tangible goods and services for the consumption of the citizenry<sup>219</sup>. Public service means the activities and services done in any government capacity in the interest of the public domain and for the benefit of the public, while service delivery refers to the extent to which the services provided by the public service meet or exceed the expectation of the citizens<sup>220</sup>; and can further be described as the provision of public activities, products, benefits, to satisfy the citizens; service delivery can either be tangible (products) or intangible (services)<sup>221</sup>.

Public services are intended, not to meet the objectives or preferences of consumers or producers, but to further objectives that policymakers consider desirable. Public services are a key determinant of quality of life that is not measured in per capita income. They are also an important element of any poverty reduction strategy. Public access to good services indicates that society is well-governed and enables the political leadership to draw continued support for its programme. Throughout Africa, governments have been entrusted to finance and provide basic services such as health, education, telecommunications, safe drinking water, and modern sanitation. Adequate access to these services

<sup>219</sup> Afeez Kolawole Shittu, 'Public Service and Service Delivery', *Global Encyclopedia of Public Administration, Public Policy, and Governance*, October, 2016 <<https://doi.org/10.1007/978-3-319-31816-5>>.

<sup>220</sup> Shittu.

<sup>221</sup> IH Fox, W; Meyer, *Policies for Public Service Transformation* (Cape Town: Creda Press, 1995).



enhances development. Thus, improving public service delivery is one of the biggest challenges worldwide, the characteristics of public service are defined as<sup>222</sup>:

- The services are thought necessary for the public good.
- They are available to and utilized by the public.
- They are generally provided through relatively rigid institutional arrangements by the public
- sector or regulated private monopolies with high fixed investment.
- Prices of services (fees) are not set in the market and some services are provided at zero
- marginal cost to the consumer. If a public service charges for its services, the charge is not intended to be proportionate to the benefit.
- Prices (fees) often do not allow recovery of fixed costs and may not cover variable costs.
- The total cost to the consumer may be constant per unit of time and independent of the
- quantity consumed.
- Public services are redistributive, in the sense that those who pay are not necessarily those who receive.

<sup>222</sup> Oludele A. Akinboade, Mandisa Putuma Mokwena, and Emilie C. Kinck, 'Understanding Citizens' Participation in Service Delivery Protests in South Africa's Sedibeng District Municipality', *International Journal of Social Economics*, 40.5 (2013), 458–78 <<https://doi.org/10.1108/03068291311315331>>.

The public sector is, collectively, the world's largest service provider. Any incremental improvement in public services positively impacts millions of people. The first step to delivering the customer promise is to know your customers and their needs. Delivering on the customer promise is grounded on five strategic enablers<sup>223</sup> which are:

- Understand your customer – Customer centricity.
- Pull down the walls – Connected government.
- Empower your institution – Build capacity.
- Realise benefits – Deliver on the promise.
- Continuously improve – Innovate.

These strategic enablers are key to overcoming public service efficiency challenges to deliver on the promise made to citizens. This concludes the review of public services and service delivery concepts, trailed by a review of the concept of citizens' participation and insights which plays a key role in the governance of service delivery to citizens and their involvement and feedback.

#### **5.4.1.2 Defining the concept of citizens' participation and insights**

**5.4.1.3** Arnstein (1969), proposes a level of public participation that is close to the ideal through her model, the 'ladder' of participation model, which can be utilised as a guide to observing who has power when important decisions are made in municipal service delivery. Participation of the governed in their government is, in theory, the cornerstone of democracy, a revered idea that is vigorously applauded by virtually everyone. Citizen participation is a categorical term for citizen power, it is

<sup>223</sup> Charles Oosterom, Wim; Varma, Nilaya; Pierre, Philippe, Ratan, Neel, de Montfort, Roger, Lloyd, *The Road Ahead for Public Service Delivery - Delivering on the Customer Promise*, Public Sector Research Centre, 2007 <[www.psrc-pwc.com](http://www.psrc-pwc.com)>.



the redistribution of power that enables the have-not citizens, presently excluded from the economic processes, to be deliberately included in the future. It is the strategy by which the have-nots join in determining how information is shared, goals and policies are set, tax resources are allocated, programs are operated, and benefits like contracts and patronage are parcelled out. In short, it is how they can induce significant social reform which enables them to share in the benefits of the affluent society<sup>224</sup>. The ladder of participation model is depicted in Figure 3.

According to this conceptual framework, there are eight levels of participation, with the first and second being highly similar, three broad tiers can be distinguished from the eight levels on the ladder of participation. The bottom tier entails circumstances of non-participation where decisions are made from the top and handed down to citizens. The second tier is associated with circumstances where participation is through informing and consulting citizens without giving them assurances that their contributions will be considered for decision-making purposes. The third tier, which is more ideal, consists of a wholesome involvement of citizens in decision-making processes. At this third tier, citizens become partners in making decisions and can directly influence policy formulation and implementation<sup>225</sup>.

- **Manipulation:** At this level, although public participation is pronounced, there is no participation in practice. The decision-making process is manipulative and is imposed on citizens to achieve an outcome that municipalities have already decided.

- **Therapy:** In this context, public participation is a “feel-good” exercise (therapy) meant to cure or educate the participants. In the context of service delivery, both manipulation and therapy can be viewed as mere public relations exercises by municipalities to secure citizens’ support.
- **Informing:** This can be viewed as potentially a first step to legitimate participation if applied to municipal service delivery. However, this level underscores a one-way flow of information and there is no provision for channels of feedback.
- **Consultation:** The consultation level is characterised by processes such as attitude surveys, neighbourhood meetings and public enquiries but remains a weak form of participation and is often another window-dressing exercise.
- **Placation:** The power holders retain the right to judge the legitimacy or feasibility of advice from participants although they allow, for example, the co-option of hand-picked ‘worthies’ onto committees.

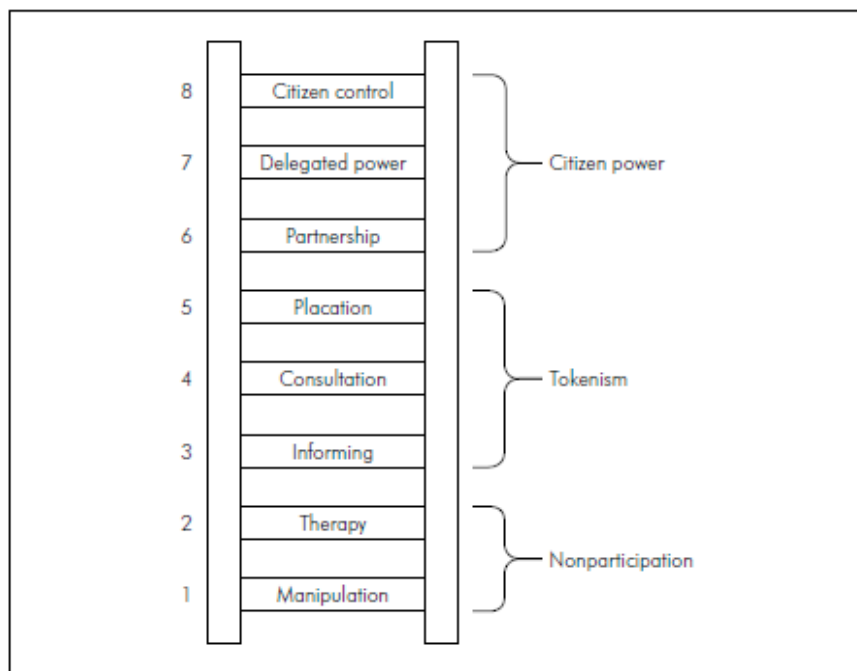


<sup>224</sup> Sherry R. Arnstein, ‘A Ladder Of Citizen Participation’, *Journal of the American Planning Association*, 35.4 (1969), 216–24 <<https://doi.org/10.1080/01944366908977225>>.

<sup>225</sup> Akinboade, Mokwena, and Kinck.



- **Partnership:** The power is redistributed through negotiation between citizens and power holders. Planning and decision-making responsibilities are shared, for example, through joint committees.
- **Delegated power:** This is where citizens hold most seats on committees with delegated powers to make decisions. At this level, the citizens now have the power to ensure accountability of the programme to them.
- **Citizen Control:** Have-nots manage the entire task of planning, policymaking and administering a programme, for example, a neighbourhood corporation with no intermediaries between it and the source of funds.



**Figure 26:** *The ladder of citizen participation*

Public participation implies that individuals should be accorded an opportunity to influence municipal decisions. Municipalities are expected to afford citizens or communities as clients and stakeholders the opportunity to actively participate in municipal policy processes, that is; express their views before, during and after the policy development process to ensure that policy implementation reflects community preferences as far as possible<sup>226</sup>.

Public participation in South Africa in terms of the interface between local government and communities has taken a nosedive<sup>227</sup>, triggering a wave of violent service delivery protests as communities feel that they are not heard<sup>228</sup> and there is a pervasive perception in communities that municipal policies do not adequately address the needs and values of communities, particularly the poor and disadvantaged sections; planning, including budgets and Integrated Development Plans (IDPs), are seen as not being sufficiently representative of community requirements<sup>229</sup>. These protests could be characterized as a symptom of the inertia that local government should overcome as it changes gears from no or less participation or tokenism to true citizen power which builds trust between the communities and local government.

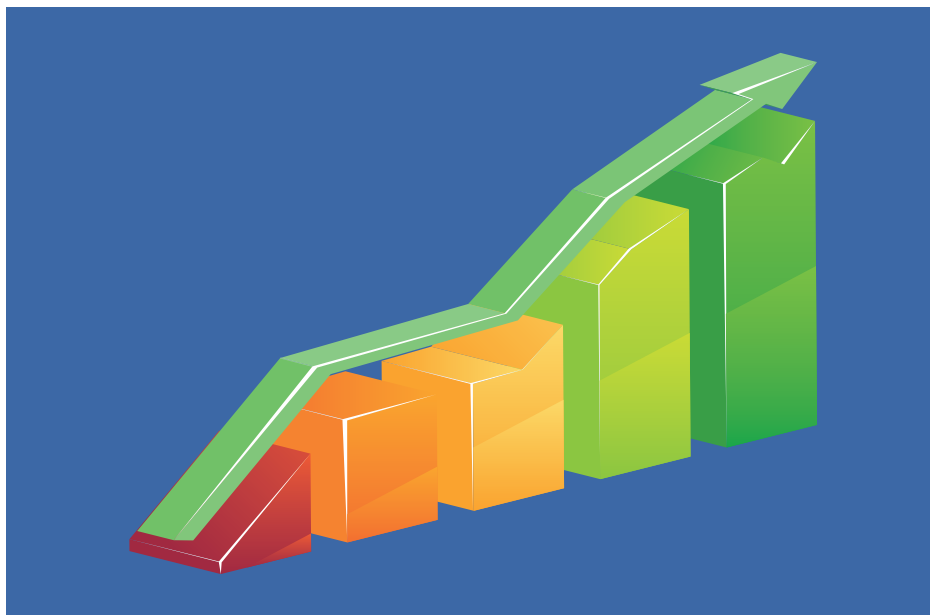
<sup>226</sup> T Masiya, Y D Davids, and A Mazenda, 'Effective Public Participation in Municipal Service Delivery', *Administratio Publica*, 27.3 (2019), 27–47.

<sup>227</sup> S. L. Sithole and Ntsako S. Mathonsi, 'Local Governance Service Delivery Issues during Apartheid and Post-Apartheid South Africa', *Africa's Public Service Delivery and Performance Review*, 3.3 (2015), 5 <<https://doi.org/10.4102/apsdpr.v3i3.87>>.

<sup>228</sup> Bontle Mokgohloa, Kgabo; Tladi, 'Value and Values Dynamics in Service Delivery: A Systems Approach', in *SAIIE32 Proceedings (Mogale City: Southern African Institute of Industrial Engineering, 2021)*, pp. 496–510.

<sup>229</sup> Thanyani S. Madzivhandila and Caswell M. Maloka, 'Community Participation in Local Government Planning Processes: A Paramount Step towards a Successful Service Delivery', *Mediterranean Journal of Social Sciences*, 5.16 (2014), 652–57 <<https://doi.org/10.5901/mjss.2014.v5n16p652>>. planning for service delivery mandate has been strategically shifted from a centralised (national





## 5.4.2 Citizen insights

### 5.4.2.1 Customer centricity

Driven by growing customer expectations, the efficiency and effectiveness of public service delivery are increasingly seen as key metrics of public sector performance. Addressing this issue is therefore a stated priority in most countries. Many countries have undertaken public sector reforms to improve the quality of public service delivery. However, while the demand for better services is a common factor, the spectrum of expectations varies from country to country. Hoped-for improvements in customer experience and outcomes span seven key areas<sup>230</sup>:

- **Speed:** The time taken to deliver a service should be the shortest possible for both the customer and the organisation delivering the service, right the first time every time.
- **Engagement:** How services are delivered should be seen as customer-centric (i.e. participatory and trustworthy with the customer's needs at the core).
- **Responsive:** There should be an 'intelligent' mechanism in place to address any variation in meeting service levels and drive changes in the service delivery organisation.
- **Value:** The customer needs to believe that the service delivery mechanism is cost-effective, and value is driven by customer outcomes, not organisational processes.
- **Integration:** The service delivery mechanism should be integrated. There should be no 'wrong door' policy for the customer.
- **Choice:** There should be multiple channels for service delivery, so that customers can have 'channels of choice', depending on specific needs at specific times.
- **Experience:** Personalization of service is necessary to ensure that customers' experiences are on par with what they are used to receiving from the private sector.

Citizen's insights are key to responding to a flux of factors that are at play in a dynamic setting to get a grip on service delivery. The seven key areas articulated above are central to a customer-centric public service.

<sup>230</sup> Oosterom, Wim; Varma, Nilaya; Pierre, Philippe; Ratan, Neel, de Montfort, Roger, Lloyd.



### 5.4.2.2 Customer Insights from South African Citizens

The 2017 Statistics South Africa General Household Survey established that most South Africans were less satisfied with the quality of the services they receive, and that the dissatisfaction trend had been growing since 2005. The 2015 South African Social Attitude Survey (SASAS) data revealed that a large proportion of South Africans distrust/strongly distrust (49.2%) their local government and about a third (34.8%) trust or strongly trust the local government with the delivery of basic services<sup>231</sup>. Since 2004, many South African municipalities have experienced a rise in service delivery protests; these protests have become increasingly violent, often destroying private and public property and in certain instances injuries and loss of life<sup>232</sup> with an average of 96 service delivery protests per day recorded between 2004 and 2016<sup>233</sup>.

Figures 24 to 26 depict the various service satisfaction or dissatisfaction outcomes captured by the 2017 Statistics South Africa General Household Survey. Figure 24 depicts the level of satisfaction with government services in urban and rural areas. Notably, there is a bigger gap in the level of satisfaction with government services between urban and rural

areas in the provision of public housing, with rural areas polling a lower level of satisfaction, 67.5% while urban areas polled 79.5%. This could mean that there is a perception that the government is building more “RDP” houses in urban areas than in rural areas. There is a high level of satisfaction with the provision of social security services in both rural (90.8%) and urban (95.7%) areas.

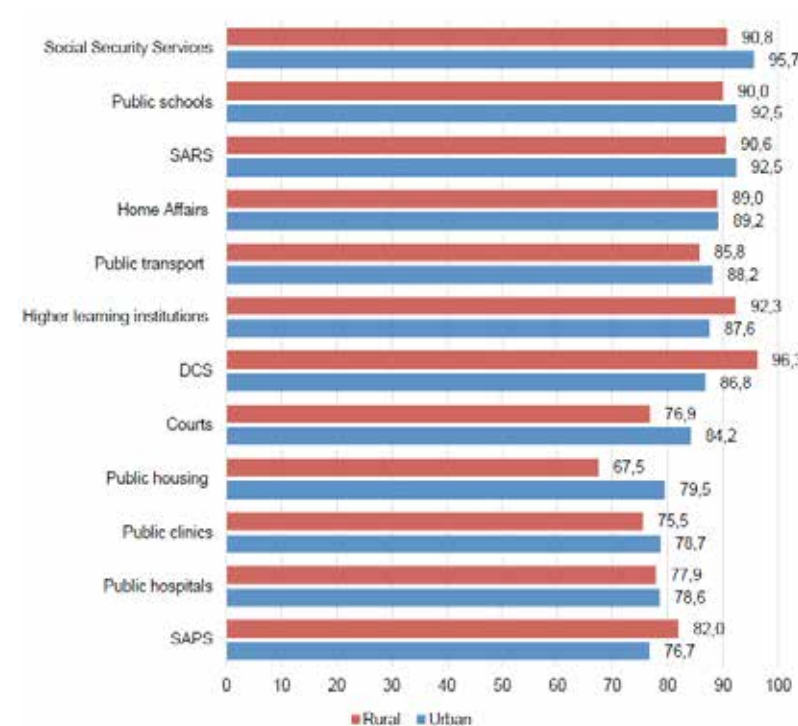


Figure 24: Levels of satisfaction with government services.

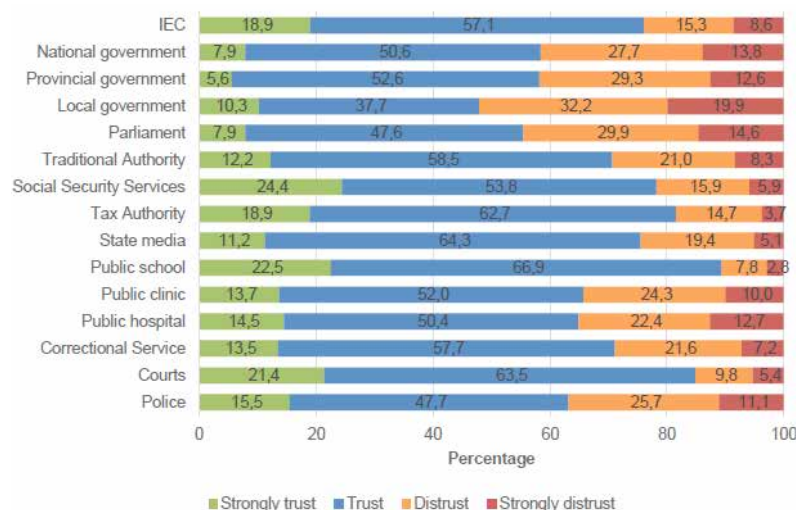
<sup>231</sup> Masiya, Davids, and Mazenda.

<sup>232</sup> Masiya, Davids, and Mazenda.

<sup>233</sup> Nkomo...,"author":{"dropping-particle":"","family":"Nkomo","given":"S","non-dropping-particle":"","parse-names":false,"suffix":""},"container-title":"Afrobarometer Policy Paper","id":"ITEM-1","issue":"42","issued":{"date-parts":["2017"]},"page":"1 - 17","title":"Public service delivery in South Africa Councillors and citizens critical links in overcoming persistent inequities","type":"article-journal"},"uris":["http://www.mendeley.com/documents/?uuid=4ea2861a-c0bf-46d3-8f29-5f873d095a10"]},"mendeley":{"formattedCitation":"Nkomo.","plainTextFormattedCitation":"Nkomo.","previouslyFormattedCitation":"Nkomo."},"properties":{"noteIndex":28},"schema":"https://github.com/citation-style-language/schema/raw/master/csl-citation.json"}]

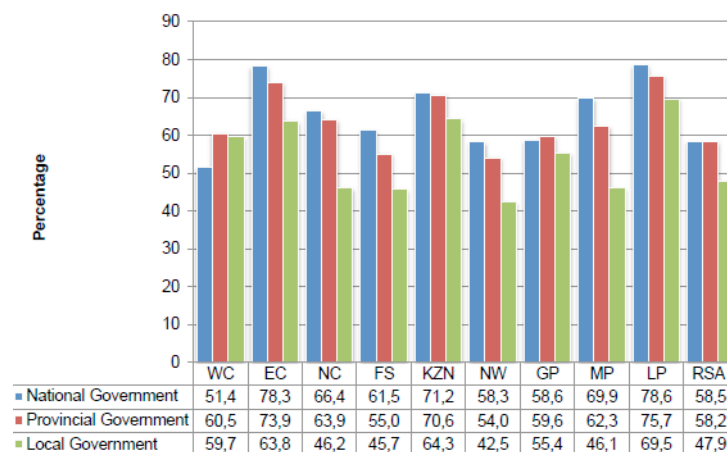


Figure 25 depicts the percentage of people aged 16 years and older by the level of trust in the government and public institutions and the results illustrate that most people aged 16 and older trust the government and public institutions with the public school's category scoring the highest level of trust at 89.4% and followed by the courts at 84.9%. The most mistrusted public institutions are local government which stands at 52.1% followed by Parliament which stands at 44.5%. Local government is at the coalface of service delivery, and it is a sphere of government which citizens interact with daily, the level of mistrust is alarming, and the government must take fundamental steps to repair this image.



**Figure 25:** Percentage of people aged 16 years and older by the level of trust in the government and public institutions.

Figure 26 depicts the percentage of persons aged 16 and above who trusted national, provincial, and local governments by province. The results illustrate that Limpopo polled the highest among people aged 16 and older who trust the national government (78.6%), followed by Eastern Cape (78.3%) while the lowest was Western Cape at 51.4%. Limpopo polled the highest among people aged 16 and older who trust the provincial government (75.7%), followed by Eastern Cape (73.9%) while the lowest was Northwest (54%). Limpopo polled the highest among people aged 16 and older who trust the local government (69.5%), followed by Eastern Cape (63.8%) while the lowest was Northwest (42.5%).



**Figure 26:** Percentage of persons aged 16 and above who trusted national, provincial, and local governments by province.

## 5.5 Department of Public Services and Administration Public Service Productivity Framework

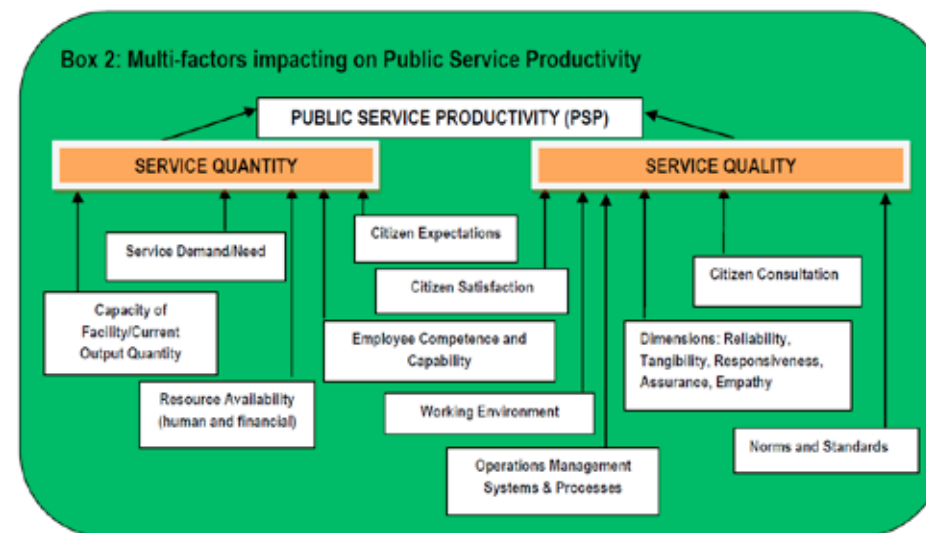
The Department of Public Service and Administration developed the Public Service Productivity (PSP) Framework<sup>234</sup> which is aimed at strengthening public accountability and enhancing organisational efficiency and effectiveness. Figure 27 depicts the multi-factors impacting Public Service Productivity. The inputs multi-factors that impact can be classified under two dimensions, service quality and service quantity. The service quantity dimension is comprised of:

Capacity of facilities/current output quantity.

- (i) Service demand/need.
- (ii) Employee competence and capability, and
- (iii) Citizen expectations.

The service quality dimension is comprised of:

- (i) Citizen satisfaction.
- (ii) Working environment.
- (iii) Operations management systems and processes.
- (iv) Reliability, tangibility, responsiveness, assurance, and empathy.
- (v) Norms and standards, an
- (vi) Citizen consultation.



**Figure 27: The DPSA Public Sector Productivity Framework<sup>235</sup>**

The DPSA Public Sector Productivity Framework provides a good foundation towards improving efficiencies and effectiveness in the public service. The two dimensions of service quality and service quantity play a significant role in meeting the expectations of the public in the provision of public services. The PSP Framework emphasises that productivity can be defined as the sum of effectiveness and efficiency (Productivity = Efficiency + Effectiveness), it is notable that the framework does not go into depth to define operations management systems and processes which include the concepts of effectiveness and efficiency. Further, the concept of citizen consultation which is part of the multi-factors that drive service quality; suggests that on the 'ladder' of the participation model, the government is still operating on level 4 (see Figure 26) which falls under the tokenism dimension according to the ladder of participation model. The factors impacting on public service productivity are a broad

<sup>234</sup> DPSA; Productivity Management, Public Service Productivity Management Framework (Pretoria, 2017) <<https://doi.org/10.1097/00004010-198424000-00007>>.

<sup>235</sup> DPSA;



range of aspects that need detailed attention to improve public sector productivity. There are elements in this framework that are covered by the investigation provided in this report e.g. resource availability (financial and human), regarding the service quantity of the framework and on the service quality arm e.g. citizen satisfaction has been covered. It is also clear that a vast range of elements of the framework have not necessarily been addressed in this report due to time constraints and the recommendation will be that a system is put in motion by the DPSA to prepare these on an ongoing basis these reports so they are available for the policymakers, political leadership, investors in state projects and the citizenry at large as this would assist in driving the continuous improvement of productivity in South Africa forward

## 5.6 Conclusion

The macro perspective of the effect of productivity on the economy was presented, and it is concluded that by analysing the IRF, policymakers and researchers could gain insights into the short-term and medium-term effects of changes in Welfare-relevant TFP on GDP. This information can inform decision-making processes and help design policies that promote productivity growth and economic development. From the micro perspective, the departments of Transport, Police, Water and Sanitation, the Department of Home Affairs, the Department of Social Development, the Department of Cooperative Governance and Traditional Affairs, and the Department of Basic Education were subjected to productivity determination using the effective score calculation, which compares the target (projection) against the actual performance. Though there are some of these departments that are underperforming at varying degrees, it can be concluded that from the numbers on the Estimates of Government Expenditure for the years under review, it seems that generally, Departments can meet their set targets. This, however, could put innovation in the public service in jeopardy because of complacency

and inertia that could set in as targets are met yearly; the targets may need to be reviewed to set ambitious and stretchy targets that will stimulate “creative tension”. The gap between a vision (stretched goal) and current reality is a source of creative energy that can be characterised as creative tension and is the foundation of innovation. The principle of continuous improvement is another transformational dimension that state entities at national, provincial and all spheres of the state need to be investing in to deliver beyond the bare minimum. Another question that needs to be given attention is the integration of activities to generate better levels of global GDP improvement, sadly current analysis approaches are not categorically addressing the silo mentality that tends to inhibit the attainment of great growth leaps in GDP, a systems thinking approach can leverage great gains to the productivity of the country and engagement of these expertise needs to be given serious consideration by the leadership at all levels.







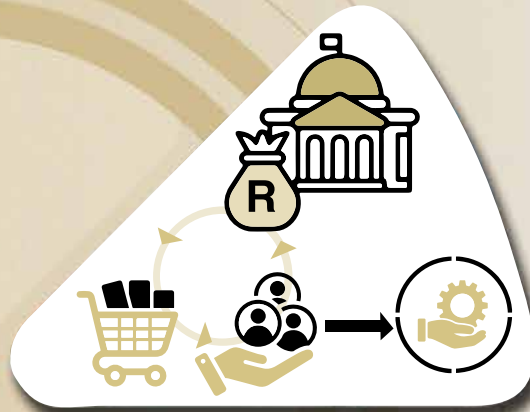
Four international government departments were also subjected to the effective score approach to comprehend how they performed against their set targets; Rwanda's Department of Justice, the UK's Department of Health (NHI), Australia's Department of Health, and Mauritius's Department of Health were explored. It is noteworthy to point out that these Departments, 80% of the time, meet or exceed their set targets just like their counterparts in South Africa and as a result, South Africa is faring well with its international peers in terms of service delivery indicators that were explored. A lens that may have given insights time would have been to have a longitudinal study focusing on the elements of the various citizens' satisfaction in those nations as this will ensure drawing deeper insights on the contrasts and the parallelisms.

The DPSA Public Sector Productivity Framework was explored, it is noteworthy to point out that while the PSP Framework is an excellent start; it requires solidification in the areas of systems thinking, value engineering, operations management, design thinking, and data analytics to ensure that the framework possesses both scope (extensiveness) and depth (complexity) as public service is a complex phenomenon with dynamic interplay between a multiplicity of variables. Public service should urgently change gears and move away from the tokenism dimension of the ladder of participation model to the citizen power dimension which begins with partnership at level 6, progressing to delegated power at level 7 and reaching the summit of citizen participation which is citizen power at level 8. This is a journey that will need concerted, persistent, and collaborative approaches to realise significant improvements in the productivity of the state and thus realise the needed social compact.



# PART VI

## **EFFICIENCY ANALYSIS OF GOVERNMENT EXPENDITURE ON PUBLIC GOODS & SERVICES AND ITS RELATION TO EFFICIENT SERVICE DELIVERY**





## Introduction

In an age of scarce resources and multiplicity of community demands governments are faced with the difficult reality of meeting the needs of their populations while containing their excesses in expenditures. The South African government is cognisant of the fact and has in their analysis reflected on the critical role executive leaderships contributes to this regard<sup>236</sup>. Efficiency in governments is also a global concept as acknowledged from the research in Japan wherein varying degrees of efficiency were dictated across various hierarchies in government and with different financing approaches to projects<sup>237</sup>. Productivity being a function of inputs and outputs as well as the associated processes to deliver the outputs, an analysis of the expenditure of government on services and goods delivered is an important reflection opportunity. It will on one hand assist policy makers plan better for the future but at the same allow governments to learn from the productive sectors of the state and use these learnings to deliver better products and services to populations.

The International Monetary Fund (IMF) recognises that efficiency in public investment is a key driver to socio-economic high impact activities, the authors consider the public capital as an input in comparison with the infrastructure coverage and quality as an output<sup>238</sup>. The IMF study puts forward the Public Investment Management Assessment Approach (PIMA) and argues that countries with stronger Public Investment Management (PIM) have more predictable, credible, efficient, and

productive investments. Albassam<sup>239</sup> proposes a model for assessing the efficiency of government expenditure, the authors uses partial least squares structural equation modelling (PLS-SEM) and develops a prediction model to project the structure of spending of governments. In another study authors use the Data Envelope Analysis and the associated Bootstrapping models to analyse the efficiency of spending in Africa revealing the inefficiencies in health and education spending<sup>240</sup>. The deficiency in pro-poor spending in some sectors is describe by the Asian Development Bank using the utilisation rates and benefit incidence<sup>241</sup>. In their paper the Asian Bank argues that government needs benchmarking tools to be able to provide incentives to induce these units to perform better. As an example, expenditure on a department per capita is taken as an input and the output is then defined per identified parameter such as population percentage completing primary schooling for the education department and life expectancy as an example for the health department. This report is divided into four sections, in the next section an aggregated analysis of government expenditure will be provided followed by an overview of departmental expenditure and the efficiency allocation, the fourth section is then a discussion which then precipitates in conclusions by the researchers.

<sup>236</sup> Budget Analysis Manual, Parliament of the Republic of South Africa, Research Unit, Finance and public accounts cluster, <https://www.parliament.gov.za/storage/app/media/BusinessPubs/BudgetAnalysisManual.pdf>, Accessed 4 July 2023.

<sup>237</sup> Keigo Kameda, Zhenkun Lu, Masaki Fukui, Comparison of the productivity of public capital by project type: Central-government, subsidized-local, and unsubsidized-local projects in Japan, *Japan & The World Economy* 61 (2022) 101119.

<sup>238</sup> International Monetary Fund, June 2015, Making public investments more efficient.

<sup>239</sup> Albassam, *Cogent Economics & Finance* (2020), 8: 1823065 <https://doi.org/10.1080/23322039.2020.1823065>

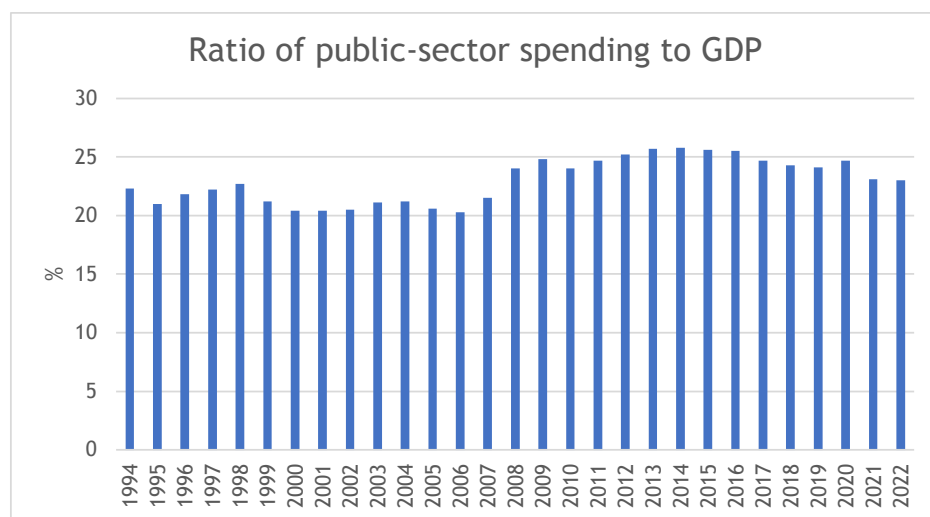
<sup>240</sup> Isaiah Sikayena, Isaac Bentum-Ennin, Francis K. Andoh & Richard Asravor (2022) Efficiency of public spending on human capital in Africa, *Cogent Economics & Finance*, 10:1, 2140905, DOI: 10.1080/23322039.2022.2140905

<sup>241</sup> Rouselle F. Lavado and Gabriel Angelo Domingo (2015) Public Service Spending: Efficiency and Distributional Impact – Lessons from Asia Asian Development Bank, No. 435.



## Aggregated Analysis - Composition of Consolidated Government Expenditure

Generally, the performance of the public sector is affected through several levels of service delivery, but at the aggregated level, it is the composition of public expenditures that has an impact on the public sector output and its economy-wide outcome<sup>242</sup>. Furthermore, when considering the efficiency and effectiveness of public sector spending it is important to identify both large and small spending items, because they all can impact output and economic performance<sup>243</sup>. For this reason, this section looks at the composition of government expenditure. Informed by the scope of the project, the next discussion focuses on consolidated government expenditure.

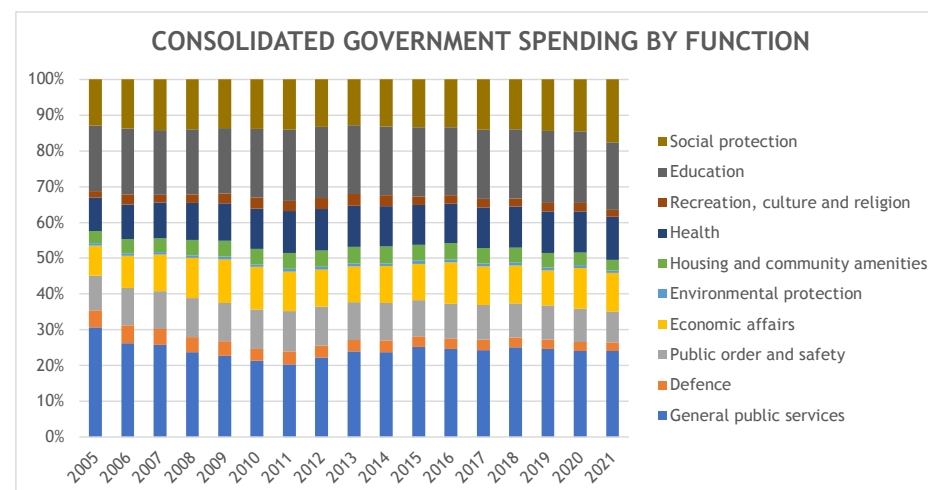


**Figure 28:** Total public-sector spending as a percentage of GDP (Source: South African Reserve Bank)

<sup>242</sup> Mandl, U., Dierx, A. and Ilzkovitz, F. (2008) The Effectiveness and Efficiency of Public Spending. Economics Papers, 301, European Commission.

<sup>243</sup> Mandl, U., Dierx, A. and Ilzkovitz, F. (2008) The Effectiveness and Efficiency of Public Spending. Economics Papers, 301, European Commission.

Firstly, we look at South Africa's public-sector spending relative to the size of the country's economy measured by gross domestic product (GDP). Figure 28 shows that the ratio of public-sector spending to GDP was below 25% from 1994 to 2011. From 2012 to 2014 the ratio showed an upward trend. However, it started going down thereafter. Generally, throughout the period covering 1994 to 2022 the ratio of South Africa's public-sector spending to GDP remains below 30%. This is relatively low compared to European Union (EU) member countries whose total public expenditures as a percentage of GDP, in 2006, averaged 46.8 % (ranging from 32% to 56%).

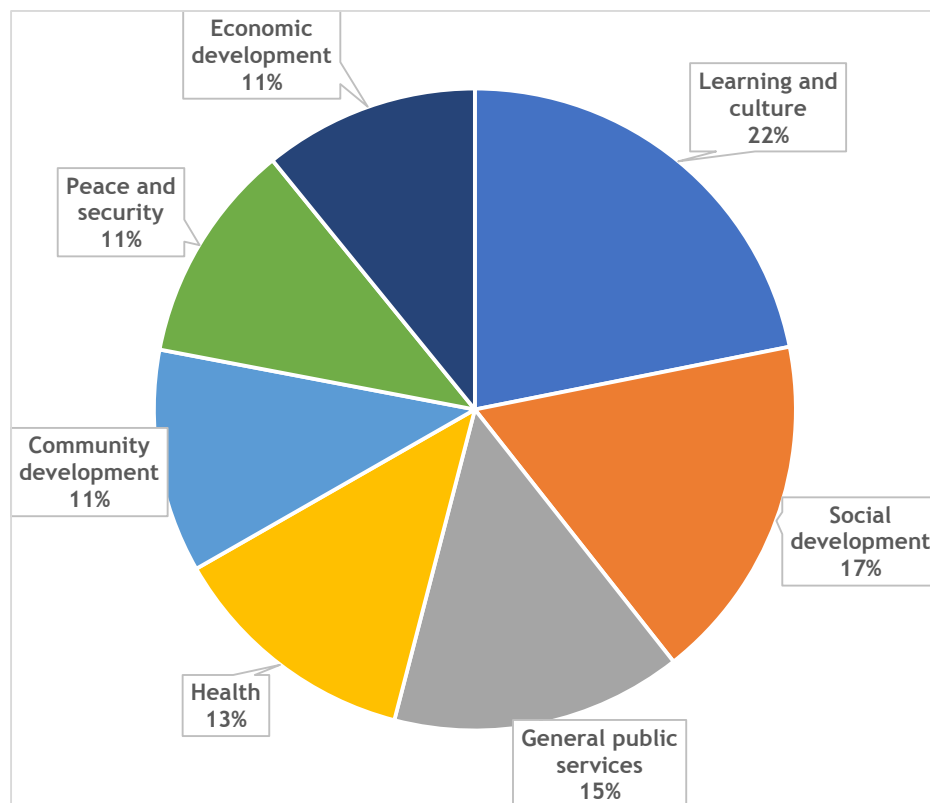


**Figure 29 -** Composition of public spending by function. (Source: Statistics South Africa)

Next, we looked at the consolidated government spending by function to reveal the priority setting of South Africa's government expenditure. In other words, this analysis allows us to check whether public spending is directed to key policy areas. At first glance of Figure 29 the function on public service has a higher share of consolidated government expenditure, but of note is that the spending on public service as shown in Figure 29 includes public debt service costs. For instance,

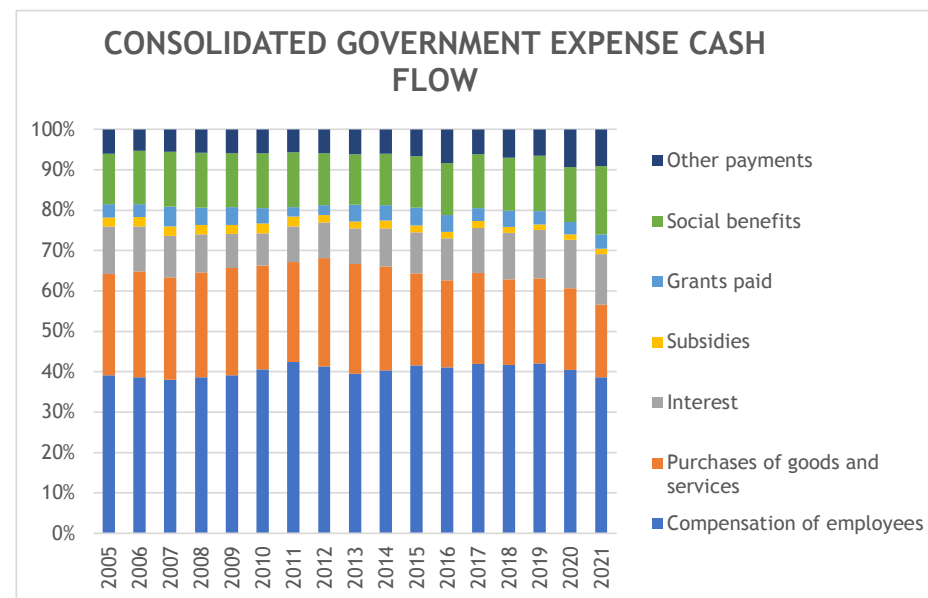


in 2021 public debt service costs amounted to 46% of public service spending. Even though this is telling of how much government spends servicing debt. However, when the debt-service costs are not taken into consideration, education followed by social protection constitute a higher share of consolidated government spending. Notably, health has the 4<sup>th</sup> highest share of the consolidated government spending. The function on environmental protection, recreation, culture, and religion are the smallest spending items.



**Figure 30:** Breakdown estimated public expenditure (excluding debt-service costs) by function for 2022/23 financial year (Source: National Treasury, 2023 Budget Review)

Figure 30 also illustrates a breakdown of public expenditure by function to analyse whether South Africa's estimated expenditure goes together with essential policy areas. Of note is that the estimates presented in Figure 30 exclude debt-service costs and thus only capture allocated estimated expenditure. Again, education followed by social protection are shown to be given a higher priority in the estimated government expenditure; and health has the 4<sup>th</sup> highest share of estimated government spending for the 2022/2023 financial year. Whereas, community development, peace and security, and economic development have the lowest estimated expenditure.



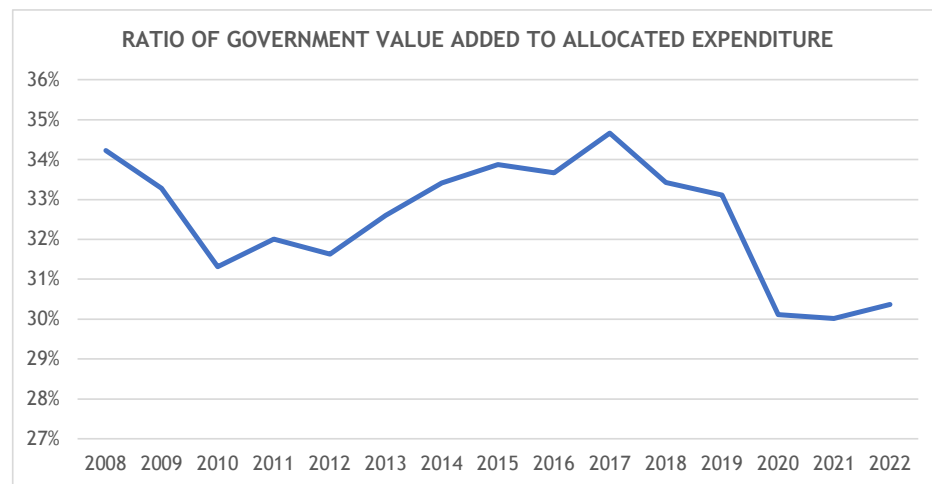
**Figure 31:** Government expense cash flow (Source: Statistics South Africa)

We also looked at the items that require cash outflow from the budget of government for the public sector to function or to deliver on its mandate. Figure 31 points out that the salaries and wages (i.e., compensation of employees) constitutes a high share of the consolidated government expenditure cash flow. To be noted is that the 'Grants' expense cash flow





item shown in Figure 4 is made up of non-compulsory current or capital transfers from one government unit to another government unit or an international organisation.



**Figure 32:** *Ratio of government value added to allocated expenditure.* (Source: National Treasury and Statistics South Africa)

Thus, to assess how well the government has been utilising its expenditure, we looked at allocated expenditure (*total expenditure less debt-service costs*) in relation to government's value added to GDP at basic prices. This input-output ratio is the most basic approach when measuring efficiency<sup>244</sup>. Figure 32 shows that throughout the period covering 2008 to 2022 the percentage of government's value add in relation to the allocated expenditure was below 35%. Between 2008 and 2010 there was a drastic decline in the ratio, however, not withstand the spasmodic fluctuations a general increase is witnessed between 2010 and 2017. Thereafter, leading to the COVID period a drastic decline in

<sup>244</sup> Aristovnik, Aleksander (2012): The impact of ICT on educational performance and its efficiency in selected EU and OECD countries: a non-parametric analysis. Published in: The Turkish Online Journal of Educational Technology, Vol. 3, No. 11 (1 July 2012): pp. 144-152.

government's value add in relation to the allocated expenditure is noticed - from which the efficiencies are still to recover.

## Government Spending Patterns and Efficiency: A Cluster-Based Analysis in South Africa

### Government Spending Patterns

This section presents a comprehensive analysis of government spending trends in South Africa from 2015/2016 to 2021/2022, utilizing a cluster-based<sup>245</sup> approach grounded in a robust dataset sourced from government annual reports. In addition to identifying unique spending patterns in various clusters, in the study we examined the efficiency in spending. Special attention is given to the upward trends observed in each cluster and the significant downturn in spending around 2019, potentially linked to the COVID-19 pandemic's impact. By combining spending patterns and efficiency measures, in this research we seek to provide valuable insights into the effectiveness or weakness thereof of South Africa's fiscal decisions.

The first cluster (cluster for economic sectors, investment, employment and infrastructure) portrayed in Figure 36 exhibits a consistent upward trend in government spending, primarily directed towards cooperative governance, public enterprises, transport, national treasury, water and sanitation, trade industry & competition, energy, forestry and fisheries, international relations, tourism, labour, and small businesses development, women youth & persons with disability, presidency and independent police. The sustained increase in public expenditures in this cluster signifies South Africa's commitment to investing in long-term developmental projects and enhancing socio-economic well-being. The

<sup>245</sup> <https://www.gov.za/faq/guide-government/what-are-government-clusters-and-which-are-they> Accessed 31 July 2023.



expenditure pothole for the energy expenses also does resonate with the current worsened load shedding reality. Similarly, the sharp decline in water expenditure from 2018 gives hindsight context to the water challenges reported in various municipalities. It is even more concerning when considering the COVID period around which this accelerated decline occurred. Welcome growth trends within this cluster are those demonstrated by the small business development which experienced almost 300% growth over a six-year period. A similar exponential growth is witnessed with Trade Industry and Competition- the congruent socio-economic impact needs undivided attention in a further study.





Fig 1. Cluster for economic sectors .investment, employment and infrastructure: Actual Expenditure (R'000)



Figure 33: Departmental cluster for economic sectors, investment, employment, and infrastructure – Actual Expenditure (R '000)



In contrast to Cluster 1, the second cluster (cluster for social protection, community, and human development) depicted in Figure 33 displays a more moderate upward trend in government spending, with a focus on basic education, higher education and training, science, and innovation, as well as health. There is a slight acceleration in expenditure during the pandemic period for health, further insights in a more detailed analysis will provide much depth into the impact of the acceleration. From a science and innovation perspective the decline during COVID in expenditure needs serious reconsideration to reflect science driven problem solutions in South Africa.

The immediate recovery in 2021 that surpassed pre-COVID periods is commendable as an economy that aspires to have science as the driver to solutions in the economy. The spending allocation in this cluster may reflect South Africa's commitment to addressing health challenges and promoting education, as well as science and innovation. The third cluster (justice, crime prevention and security) illustrated in Figure 7 shows an increased spending in both social development and home affairs sectors, indicating the government's recognition of the significance of these areas in promoting citizens' well-being, social cohesion, and domestic stability. The significant downturn in spending observed across most clusters around 2019 is indicative of a crisis response, likely due to the COVID-19 pandemic. During this period, departments directly involved in pandemic management, such as healthcare, would have witnessed heightened spending to address the emergency.





Fig 2. Cluster for Social protection, community and human development : actual Expenditure (R'000)

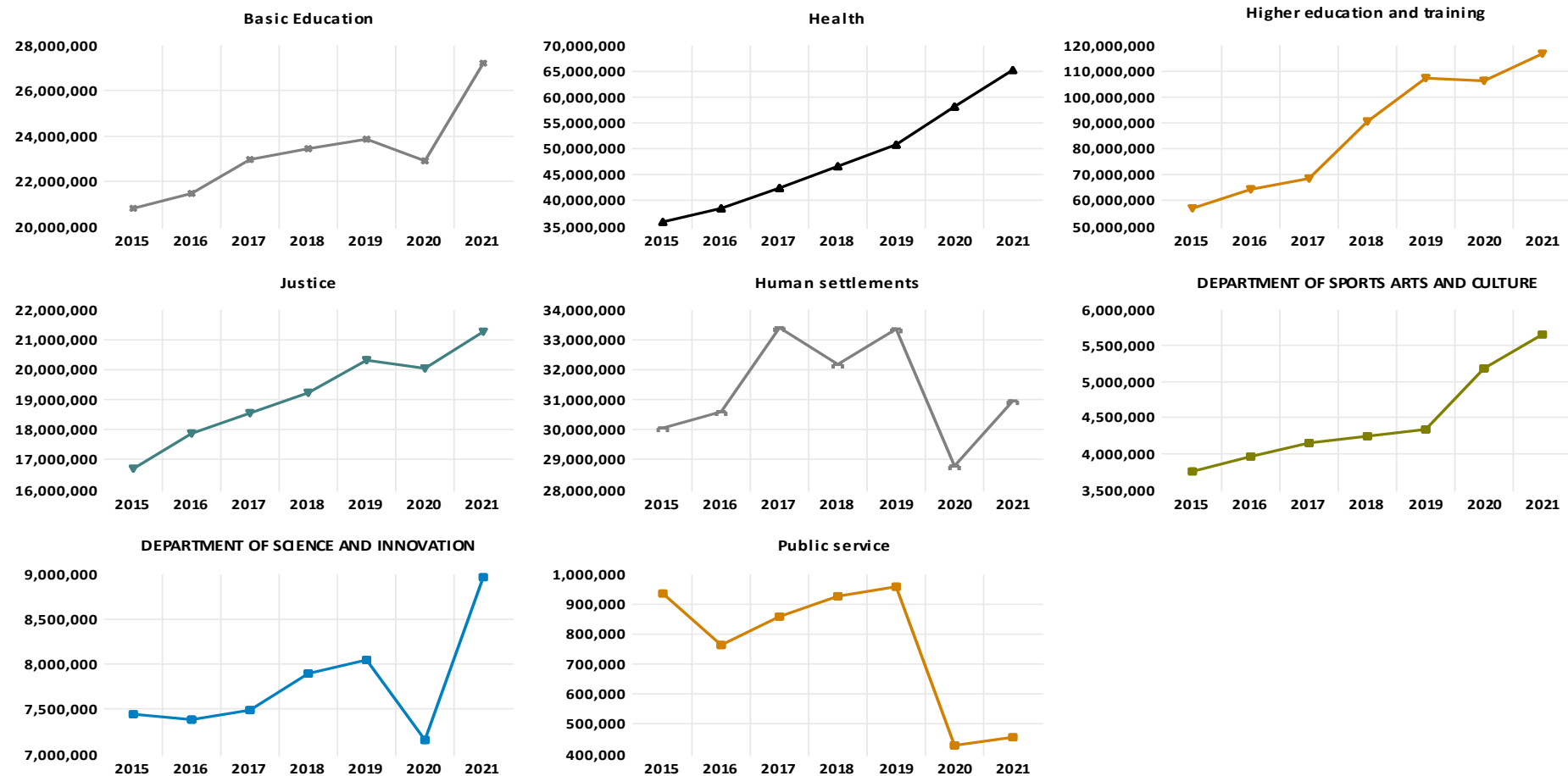


Figure 34: Departmental cluster for social protection, community, and human development – Actual Expenditure (R '000)





## Compensation Trends and their Implications for Departmental Efficiency

In this section, we delve into the analysis of average compensation per employee within the government departments across various clusters represented in Figure 8 to 10. We calculated the average compensation per employee by analysing various forms of compensation, such as salaries, benefits, and bonuses, and then divided the total by the number of employees within each department. The focus is to understand the trends in employee compensation and how it contributes to departmental efficiency. In most clusters, some departments showed positive growth in average compensation per employee, but the trend appeared to be more fluctuating. The fluctuations may have been influenced by various factors, such as departmental reconfiguration, budget constraints, changes in economic conditions, or shifting organizational priorities.





Fig4. Cluster for economic sectors. investment, employment and infrastructure: Resource allocation

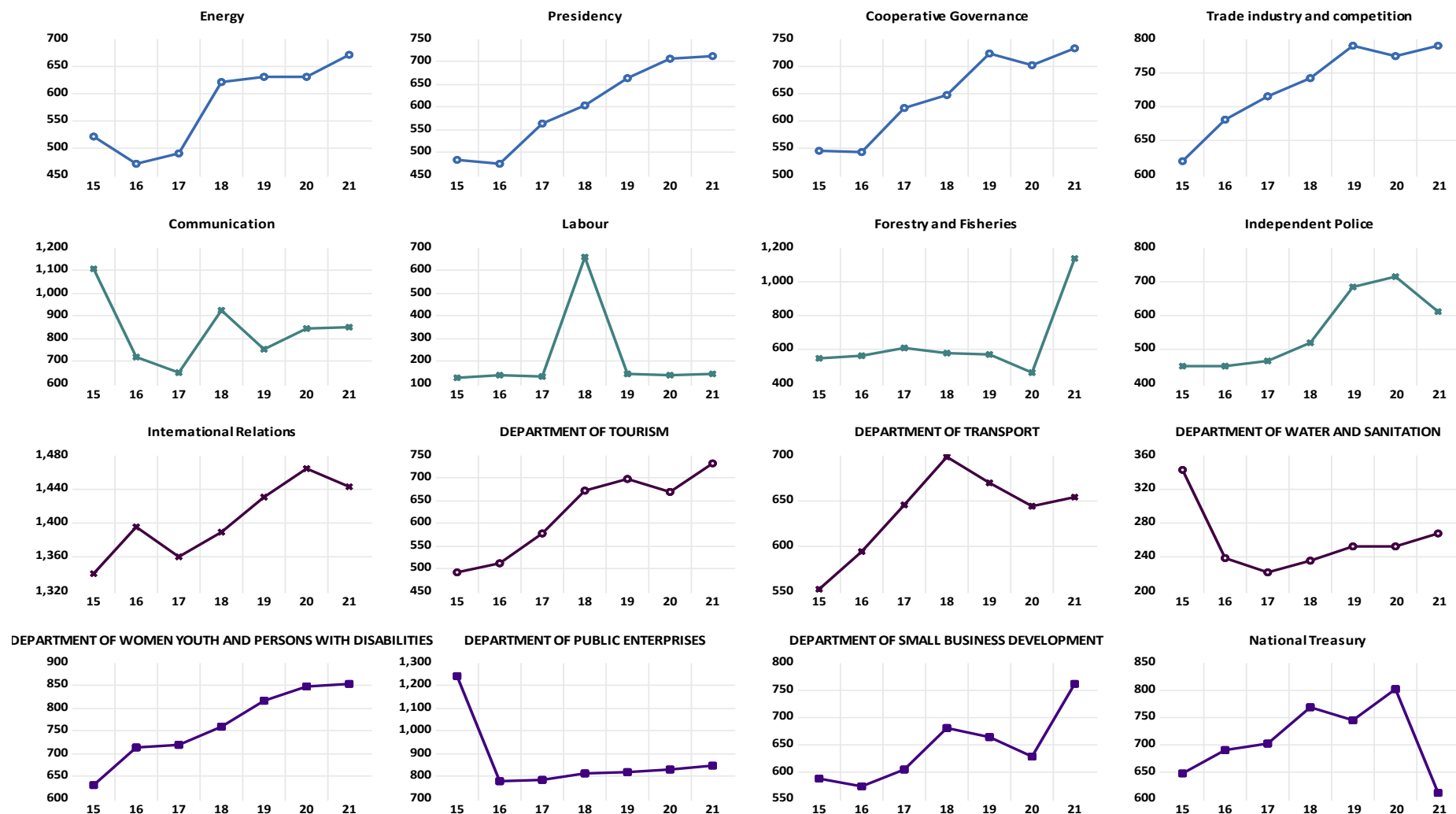


Figure 35: Departmental cluster for economic sectors, investment, employment, and infrastructure – Resource Allocation

Despite the fluctuations, the overall positive trend still indicates that these departments have recognized the significance of competitive compensation in attracting and retaining skilled talent. Although the growth may not have been as consistent, it is a positive sign that these departments are making efforts to adjust compensation to remain competitive in the labour market.



Fig 5. Cluster for Social protection, community and human development: Resource allocation

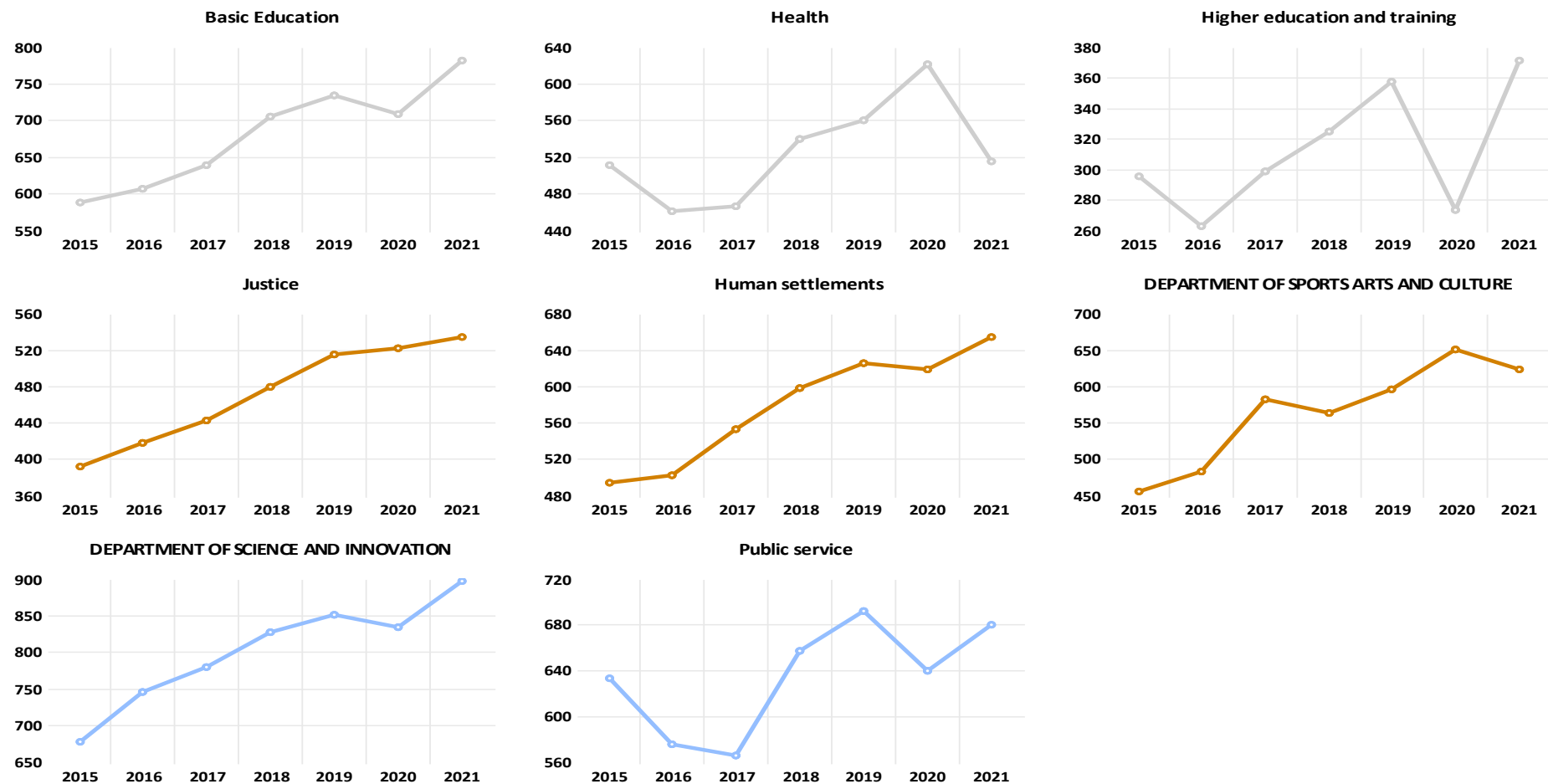


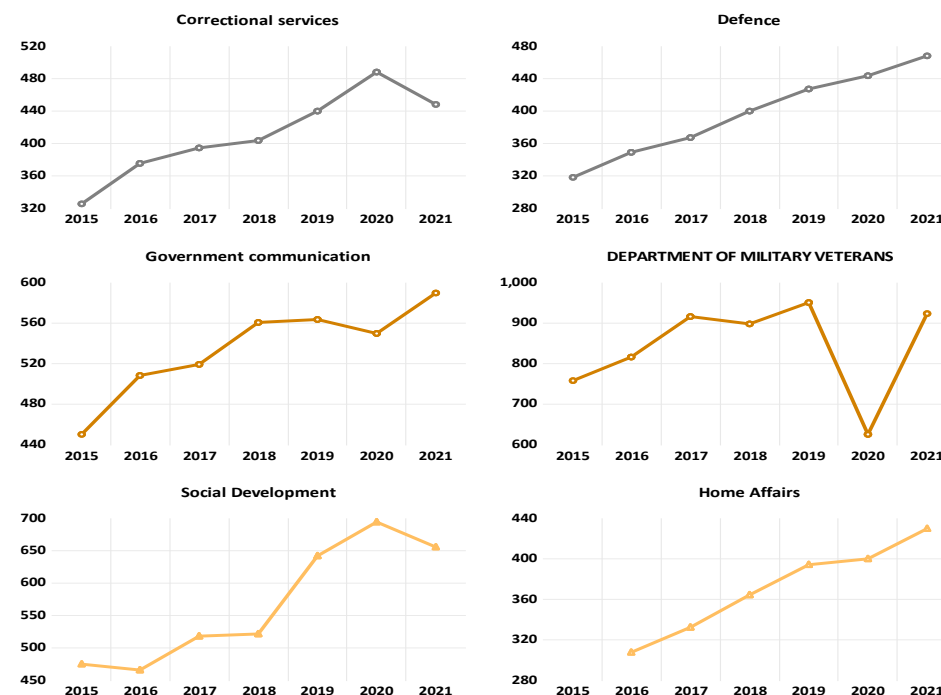
Figure 36: Departmental cluster for social protection, community, and human development – Resource Allocation



Among the critical questions that need attention is whether there a relationship between positive average compensation per employee trends and positive Effective Scores in government departments. In the previous section we provided an in-depth analysis of Effective Scores in government departments. We explored how Effective Scores serve as a metric to gauge the accuracy and success of the departments' performance projections. The section highlighted the significance of positive Effective Scores in indicating successful goal achievement and efficient resource allocation. By setting realistic targets and consistently outperforming projections, government departments demonstrate effective planning, performance management, and adaptability. In this section, an attempt is made to shift the focus to examine the relationship between positive average compensation per employee trends and positive Effective Scores in government departments. The aim is to understand how these two factors are interrelated and how they collectively contribute to efficiency in departmental operations. Remembering that the Effective Scores in the previous chapter were derived by comparing projected performance with actual performance for key performance indicators (KPIs). We believe that positive average compensation per employee trends indicated that government departments offered competitive salaries and benefits. This should lead to a motivated and engaged workforce that demonstrated higher levels of commitment and productivity. As a result, departments with motivated employees achieved better performance outcomes, leading to positive Effective Scores. The positive correlation between Effective Scores and compensation trends demonstrated that performance was rewarded within the government departments. Employees were incentivized to align their efforts with departmental objectives, fostering a culture of efficiency. The link between incentives and performance created a stronger motivation for employees to contribute their best efforts, leading to higher Effective Scores. Positive compensation trends, combined with positive Effective Scores, demonstrated cost-effectiveness and value for money

in departmental operations. The government departments achieved their desired outcomes while utilizing resources efficiently. This responsible financial management enhanced efficiency and demonstrated a prudent use of taxpayer funds.

Fig 6 Cluster for justice, crime prevention and security: Resource allocation



**Figure 37:** *Departmental cluster for justice, crime prevention and security – Resource Allocation*



## Discussion

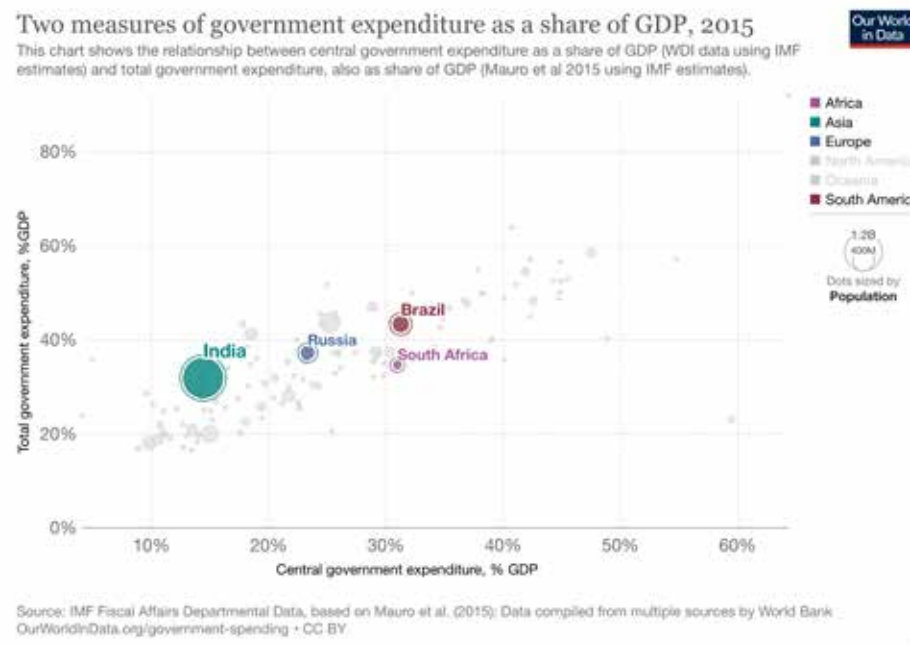
The literature is clear on the importance of need for efficiency analysis as presented in the introductory section. A range of analyses abound in the literature however an aggregated analysis and the cluster-based approach that considers the South African government classification of departments has also been presented. A general upward trend in expenditure is observed across the clusters as well as in the human resource allocation through without a significant increase in staff per department. These trends are positive as they provide a protection from inflation erosion of financial capacity while ensuring the retaining of critical skills to deliver the desired social and economic compact. The 2020-2021 citizens report from the Auditor General provides interesting insights regard the lagging of key economic cluster departments despite the observed upward trends<sup>246</sup>.

A picture of a state that has taken a conservative stance when it comes to state expenditure compared to the gross domestic product especially when compared with the European economies. Though they may be valid reasons for this trend it is important to revisit in line with the developmental agenda to enhance productivity further. The significant percentage of compensation portions in comparison to the GDP needs to be given attention given the infrastructural needs that range from technological needs in the age of the fourth industrial revolution while not neglecting the basic services infrastructure investments such as water, energy, and digital infrastructure. The robust transport infrastructure when it comes to road connectivity as an example is aligned to the department being of the top three spenders in comparison to the relatively lower expenditures in water, communication, and energy whose current performance is not performing as desired by the citizens through media and publication evidence<sup>247</sup>.

<sup>246</sup> The citizens report, auditor-general, South Africa, 2020-2021.

<sup>247</sup> Cornelius Ruiters; Joe Amadi-Echendu (2022), Investment models for the water infrastructure value chain in South Africa: investment measures, needs and priorities, Water SA vol.48 n.4, <http://dx.doi.org/10.17159/wsa/2022.v48.i4.3852>.

It is equally important to express the weaknesses in the approaches taken such as the recognition that the compensation scales in various departments were not considered. This may result in over generalisation thus missing specific aspects in the analysis. It is also important to recognise that the poor service delivery that is reported widely in media may not necessarily correlate with the observed increase in resource allocation and the effectiveness of the use demonstrated by departments. The setting of targets by departments needs further scrutiny to unveil the seemingly good achievement of targets while the expectations of the population<sup>248</sup> give a picture of a general lack of satisfactory performance by the various state departments.



**Figure 38: BRICS total government expenditure vs central government expenditure**

<sup>248</sup> Citizens talk report, a citizen satisfaction survey report, Public Service Commission, July 2011





Authors<sup>249</sup> give us insights in Figure 38 on the performance of global states contrasting the total expenditure to the central expenditure. India's central and total government expenditure is lowest for the represented BRICS countries in the data set and South Africa has the second highest central expenditure though the total expenditure relative to GDP is the second least. Mauro<sup>250</sup> et al's data demonstrates interesting global data trends where in general the western nations have a higher percentage expenditure as a share of the GDP whereas much conservatism among some of the medium and low-income nations is generally observed.

## Conclusion

Some recommendations that are derived from the efficiency analysis are as follows:

1. The need for further detailed studies to analyse what is happening in individual departments especially those that have to do with the provision of the basic services to the citizens. Attention needs to be given to ensuring an upward trend in the efficiency of delivery of services through better attention to the basic enablers.
2. The development of technological tools that can provide information at the tip of the fingers to various echelons of the public administration to visualise promptly the impact of decisions taken in order to inform planners and policy makers better on budget allocation efficiency.
3. Integrated planning that is considerate of long-term aspirations while being cognisant of current evolving dynamics will be critical in dealing with issues of the risk of failed basic services in the short to

medium term due to the inadequate resources to deliver services and products.

4. Talent is a critical enabler for a technologically advanced economy which builds up on being a knowledge-based economy. The investment in the basic education system as a driver in preparing the workforce the nation needs given rapid technological acceleration and the vast discrepancies in quality of basic education in rural areas in contrast to urban areas needs to be relooked at to revive the development of the young people for future and present opportunities. An appropriate mix of technological, commercially, social, and other key skills in the country are drivers of productivity and efficiency in the optimal functioning of the government thus much attention needs to be invested in that.

<sup>249</sup> Esteban Ortiz-Ospina and Max Roser (2016) - "Government Spending". Published online at OurWorldInData.org. Retrieved from: '<https://ourworldindata.org/government-spending>' [Online Resource]

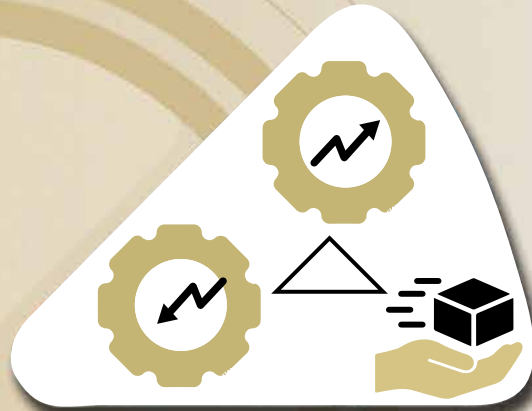
<sup>250</sup> Mauro, P., Romeu, R., Binder, A., & Zaman, A. (2015). A modern history of fiscal prudence and profligacy. *Journal of Monetary Economics*, 76, 55-70.





# PART VII

## IDENTIFICATION OF THE DRIVERS & CONSTRAINTS ON PRODUCTIVITY IN THE SOUTH AFRICAN PUBLIC SERVICE





## Introduction

The role of public service in shaping a nation's trajectory is undeniable. The essence of a productive and effective public service system lies in its ability to deliver services that meet the aspirations and needs of its citizenry. In South Africa, the public service has been central to efforts aimed at addressing the historical disparities and inequities inherited from the apartheid era, as well as catalysing national development in the post-apartheid period. However, the performance of the South African public service remains a topic of debate, with both commendations and criticisms echoing in academic and policy circles.

The complexity of South Africa's socio-political landscape amplifies the importance of a productive public service. The nation's history of racial segregation, economic inequality, and political exclusion left a legacy that necessitates robust public intervention (Makulilo, 2012). Thus, the productivity of the public service is not merely a matter of efficiency; it is intertwined with the broader aspirations of nation-building, reconciliation, and socio-economic transformation (Chipkin & Lipietz, 2018).

In recent years, studies have consistently highlighted the need to evaluate the drivers and constraints affecting productivity in the South African public service (Cloete, 2010; Bhorat et al., 2016). Such an understanding is essential to inform policy interventions, optimize service delivery, and cultivate a culture of excellence within the public sector.

The South African public service's productivity landscape is shaped by a myriad of drivers and constraints. While initiatives like leadership development, capacity-building, and technology adoption can spur productivity, challenges like bureaucratic red tape, corruption, and resource constraints often hamper these efforts. Addressing these constraints while harnessing and amplifying the drivers is crucial for a more efficient, effective, and responsive public service.

This part of the study deals with (1) the review of relevant studies as a comprehensive exploration of the predominant drivers and constraints on productivity in the South African public service and (2) an empirical analysis focusing on the determinants of public sector productivity in South Africa.

## Drivers of productivity in the South African public service

The South African Public Service is a pivotal instrument in the nation's march towards a more equitable and progressive society. Its effectiveness and efficiency directly impact the realization of national developmental goals. Understanding the drivers of productivity in this realm can shed light on pathways for improvement and optimization. The following are notable drivers that have been identified:

### Leadership and Management Practices: Steering the South African Public Service towards Excellence

Effective leadership is a cornerstone of productivity in any organization, including public service. Leadership practices that prioritize inclusivity, innovation, and vision set a conducive environment for productivity (Ngcobo & Muthien, 2011). Effective leaders also emphasize ethical governance and foster a culture of public service excellence. Moreover, strategic management processes, such as planning, coordination, and evaluation, have been found to enhance productivity when implemented correctly (Davids, 2013).

Leadership and management practices remain crucial in driving productivity in public services across the world, with the South African context being no exception. In the complex tapestry of public administration, leadership and management practices emerge as the threads that weave together



the varied elements of service delivery, policymaking, and community engagement. This is particularly evident within the South African Public Service (SAPS), where the twin challenges of history and contemporary development intersect. A nuanced understanding of leadership and management practices is, thus, not just desirable but imperative for effective governance.

## The Paradigm of Transformational Leadership

Transformational leadership, as conceptualized by Bass & Riggio (2006), speaks to the heart of inspiration and motivation. Leaders who embody this style not only set a direction but also galvanize their teams towards a shared vision. In the context of the South African Public Service, transformational leadership has the potential to foster a sense of purpose, especially given the nation's history of apartheid and the pressing need for social cohesion. By focusing on ideals such as justice, equality, and community development, transformational leaders can create a public service that resonates with the aspirations of its people.

## Transactional Leadership: The Anchor of Structure

While inspiration is paramount, it needs to be tethered to structure and order, which is where transactional leadership, as elucidated by Burns (1978), comes into play. Here, the emphasis is on clarity, rewards, and consequences. For the vast machinery of the South African Public Service, which deals with varied functions, such a structured approach ensures consistency, accountability, and predictability. By setting clear guidelines and employing reward systems, transactional leaders ensure that the public service machine operates efficiently, balancing the dynamism of transformational leadership with structured stability.

## Participative Leadership: Fostering Inclusivity

South Africa's history underscores the importance of inclusivity and representation. Participative leadership, as highlighted by Choi (2007), resonates deeply with this ethos. By involving employees in the decision-making process, leaders foster a sense of ownership and collective responsibility. Such an approach not only bolsters morale but also ensures that policies and strategies are reflective of diverse perspectives, an aspect crucial for a nation as diverse as South Africa.

## Ethical Leadership: The North Star

Public service, by its very definition, requires an unwavering commitment to the public good. Men & Stacks (2014) emphasize the role of ethical leaders in embedding a moral compass within the organization. In the South African Public Service, where leaders are custodians of public trust and resources, ethical leadership ensures accountability, transparency, and a focus on genuinely benefiting the community.

## Strategic Management: Charting the Course

Beyond leadership styles lies the realm of strategic management. Poister (2010) advocates for a clear delineation of objectives, a thorough analysis of the competitive environment, and a deep evaluation of organizational design. For the South African Public Service, strategic management provides the roadmap, ensuring that the vast resources at its disposal are aligned with the broader objectives of national development and societal wellbeing.

In conclusion, the South African Public Service stands as a testament to the nation's resilience, aspirations, and potential. Leadership and management practices, thus, are not merely administrative tools but the





very lifeblood that determines its efficacy, direction, and impact. As South Africa continues its journey, the role of astute, ethical, and inclusive leadership will be the beacon guiding its path.

## **Training and Capacity Building: Strengthening the Pillars of the South African Public Service**

In today's rapidly evolving global landscape, training and capacity building stand out as pivotal facets in bolstering public service productivity and efficacy, particularly in South Africa. The nation, with its unique socio-political history and developmental trajectory, requires a public service that is not only skilled but also adaptable and responsive to its dynamic environment.

Investment in human capital through comprehensive training and capacity-building initiatives is essential for productivity. Continual skills development and training align public servants with contemporary global best practices (Chitiga-Mabugu et al., 2014). Furthermore, specialized training programs equip civil servants with the necessary skills to address South Africa's unique socio-economic challenges, thereby driving productivity and effectiveness.

### **Training: A Foundational Imperative**

At the core of an efficient public service is a well-trained workforce. Training, as McGregor (2011) posits, ensures that employees are equipped with the essential competencies related to their specific job functions. These competencies range from understanding policy frameworks and utilizing modern technologies to interpersonal communication and service delivery techniques. Such training helps to bridge the gap between theoretical knowledge and its practical application, ensuring seamless service delivery. As the demands on the South African Public Service intensify,

continuous training initiatives become more indispensable. For instance, Watson (2007) underscores the potential of e-learning platforms in offering an avenue for uninterrupted learning. Such technological integrations not only make training more accessible but also cater to a younger, tech-savvy workforce, ensuring that skill acquisition is in tandem with global advancements.

### **Capacity Building: A Holistic Vision**

While training provides the necessary skills, true institutional strength is realized through holistic capacity building. Potter and Brough (2004) aptly describe capacity building as encompassing individual skill development, enhancing team dynamics, and fortifying institutional structures. In this context, capacity building translates to creating an environment where individual skills are honed, teams' function cohesively, and the organization, at large, is resilient and adaptive. Such a perspective is particularly relevant to the South African Public Service, which is tasked with addressing diverse societal needs ranging from healthcare and education to infrastructure and social welfare. A robust capacity-building framework ensures that departments can effectively navigate these multifaceted demands. Furthermore, Matsiliza (2012) emphasizes the need to institutionalize capacity building within the South African Public Service, ensuring that it becomes an ingrained aspect of the organizational culture rather than a sporadic initiative.

### **Continuous Evolution through Monitoring and Feedback**

For training and capacity building to maintain their relevance, there must be a mechanism to assess their efficacy. Kirkpatrick and Kirkpatrick (2006) provide a compelling framework, suggesting a multi-level evaluation approach, encompassing immediate feedback to evaluating the long-



term impact on organizational goals. Such an approach provides the South African Public Service with insights into the tangible outcomes of their training initiatives, facilitating necessary recalibrations.

In conclusion, the South African Public Service stands at a critical juncture, where the demands of a developing nation intersect with the aspirations of a globally connected society. In navigating this intricate path, training and capacity building emerge as the twin pillars, providing the necessary foundation and resilience. As the nation progresses, investing in these facets will not just enhance service delivery but also cement the role of the public service as a catalyst for national development.

## Technological Advancements: Reshaping the Modern Landscape of Public Service

The exponential rise of technological advancements in the 21st century has not only altered how we perceive the world but also fundamentally transformed how societies operate, communicate, and develop. The realm of public service, traditionally considered to be lagging in rapid adaptation, is no exception. As nations strive to deliver effective, efficient, and equitable services, the integration of cutting-edge technologies has become a pivotal determinant of success.

Digital transformation and the adoption of technology have become indispensable drivers of productivity. E-governance, modernized data management systems, and digital service delivery platforms improve efficiency and reduce operational bottlenecks (Bhorat et al., 2016). The integration of technology in the South African public service has streamlined processes, enabling faster decision-making and efficient service delivery.

## The Digital Revolution and Public Service

The digital revolution, epitomized by the Internet, mobile technology, and cloud computing, has democratized information access and

dissemination. Tapscott & Williams (2006) contend that these digital tools have ushered in an era of unparalleled transparency, collaboration, and public participation. For public services, this means an imperative shift from bureaucratic silos to interconnected, responsive, and agile systems. The adoption of e-government platforms, for instance, has streamlined administrative processes, ensuring that services are delivered swiftly and efficiently.

## Big Data: Informing Policy and Decision Making

Big Data, characterized by its volume, velocity, and variety, offers an unprecedented opportunity for evidence-based policymaking. Mayer-Schönberger & Cukier (2013) suggest that the vast amounts of data generated can be harnessed to gain insights into public needs, preferences, and challenges. By employing sophisticated algorithms and machine learning tools, public service agencies can forecast trends, optimize resources, and personalize services.

## Artificial Intelligence (AI) and Automation

With the advent of AI, tasks that once required human intervention are now being automated, leading to increased efficiency and accuracy. Bostrom & Yudkowsky (2014) explore the transformative potential of AI in revolutionizing service delivery. For instance, chatbots in customer service departments of public agencies can answer queries around the clock, while predictive AI models can optimize traffic management in congested urban areas.

## Internet of Things (IoT) and Smart Cities

IoT, the interconnected web of devices, has profound implications for urban planning and management. Townsend (2013) delves into the concept of



‘smart cities,’ where real-time data from sensors can manage everything from waste collection to energy consumption. Such integrated systems lead to sustainable, liveable, and efficient urban spaces, highlighting the symbiotic relationship between technology and public service.

## Challenges and Ethical Considerations

While technological advancements offer myriad benefits, they also pose challenges. Pasquale (2015) raises concerns about the ‘black box’ nature of algorithms, which might lack transparency. Additionally, issues of data privacy, cybersecurity, and digital inequality need to be addressed to ensure that the integration of technology into public service remains ethical, inclusive, and secure.

In conclusion, the interplay of technology and public service paints a picture of a future where governance is not just about administration but also innovation. As public service entities globally embrace the myriad technological tools at their disposal, the promise is of a world where services are not just delivered but are anticipatory, personalized, and efficient. In this journey, the onus lies on ensuring that technology remains a tool for societal betterment and not exclusion.

## Performance Management Systems: Refining Effectiveness in the Modern Workplace

Performance Management Systems (PMS) have become an indispensable tool in the organizational landscape. Anchored in the quest for efficiency, excellence, and continuous improvement, PMS not only quantify employee contributions but also align individual aspirations with organizational objectives. Amid rapid technological advancements and evolving business paradigms, the significance of these systems in ensuring that organizations remain agile, competitive, and innovative cannot be overstated.

An effective performance management system is crucial for maintaining accountability and driving productivity. Van der Westhuizen and Steyn (2015) found that aligning individual performance goals with broader institutional objectives drives commitment among public servants. Moreover, regular feedback and evaluations incentivize improved performance, directly impacting productivity.

## Conceptualizing Performance Management Systems

At the heart of any PMS is the dual aim of facilitating employee development and advancing organizational productivity. As defined by Aguinis (2009), performance management is a “continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization.” Thus, it isn’t just about assessment; it is about alignment, growth, and evolution.

## Components of an Effective PMS

A robust PMS is characterized by several key components. According to Armstrong and Baron (2005), it includes goal setting, continuous feedback, performance appraisal, and employee development. While goal setting provides a roadmap, continuous feedback ensures that course corrections can be made promptly. Performance appraisals, when executed effectively, offer both a retrospective analysis of achievements and a prospective view on areas of development. Lastly, employee development initiatives, informed by insights from the PMS, ensure that employees are equipped with the necessary skills and knowledge to excel in their roles.

## The Evolving Nature of PMS

With the advent of technology, traditional models of performance management are undergoing profound transformations. Pulakos et al. (2015) note the increasing trend of organizations shifting from annual reviews to real-time feedback systems. This transition is facilitated by sophisticated software that allows for continuous tracking, instant feedback, and collaborative goal setting. Such a dynamic approach aligns with the fast-paced nature of modern businesses and caters to the aspirations of the millennial workforce, which values immediacy, transparency, and collaboration.



## Challenges and Critiques

However, like any system, PMS is not without its challenges. DeNisi and Murphy (2017) highlight potential pitfalls, including the subjectivity of evaluations, the challenge of differentiating between effort and outcome, and the risks associated with overemphasis on quantifiable metrics at the expense of qualitative contributions. Moreover, there's the inherent challenge of ensuring that performance reviews are constructive rather than punitive, fostering a culture of growth rather than fear.

In conclusion, Performance Management Systems, when conceptualized and executed effectively, offer organizations a strategic tool to harness the full potential of their workforce. In an era characterized by rapid changes, increasing competitiveness, and the blurring of geographical boundaries, PMS stands out as a beacon guiding organizations towards effectiveness, innovation, and excellence. However, it remains essential for organizations to continuously refine and recalibrate their PMS to ensure they remain relevant, fair, and truly reflective of both individual and organizational aspirations.

## Stakeholder Engagement and Citizen Participation: Foundations of Democratic Governance

Stakeholder engagement and citizen participation stand at the forefront of contemporary discussions surrounding governance, public policy, and organizational success. As pillars of democratic systems, they epitomize the ethos of “by the people, for the people,” ensuring that the diverse voices of a society inform, influence, and validate the direction of its institutions. The importance of these principles has only magnified in the digital age, where access to information, avenues of expression, and tools of mobilization are more widespread than ever before.

Engaging with stakeholders and encouraging citizen participation can provide feedback that drives productivity in the public service. Transparent communication mechanisms allow for the identification of areas that require attention, ensuring that service delivery remains relevant and timely (Mafunisa & Xaba, 2018).

## Understanding Stakeholder Engagement

Stakeholder engagement, as described by Freeman (1984), refers to the processes by which organizations interact with and involve individuals or groups who have an interest in, or are affected by, their decisions and activities. This could range from shareholders

in a corporation, local communities impacted by development projects, to global entities concerned about environmental sustainability. The essence is two-fold: recognizing the interdependence between entities and building relationships based on trust, transparency, and mutual respect.

## Citizen Participation: Beyond Voting

While voting remains a fundamental democratic right, true citizen participation encompasses much more. Arnstein (1969) presents a “ladder of citizen participation,” which scales from non-participation to tokenism and, finally, to citizen power. In this framework, optimal participation means that citizens not only have a voice but also the means to influence decision-making and hold institutions accountable. Initiatives such as public hearings, participatory budgeting, and community consultations exemplify this principle in action.

## The Digital Facet: E-Governance and Online Participation

The rise of the internet has revolutionized the dynamics of engagement and participation. Macintosh (2004) highlights the transformative potential of e-governance, where digital platforms are employed to facilitate interaction between governments and citizens. Online surveys, public forums, and social media channels amplify voices, making it possible for a larger segment of the population to engage in discussions, provide feedback, and even co-create solutions.

## The Imperative of Inclusivity

However, for stakeholder engagement and citizen participation to be truly effective, they must be inclusive. Cornwall (2008) emphasizes the significance of ensuring that marginalized and traditionally underrepresented groups are brought into the fold. Whether it is gender, socioeconomic status, ethnicity, or disability, the tapestry of participation should be as diverse as the society it represents.



## Challenges and the Way Forward

Despite its merits, the path of authentic engagement is laden with challenges. Ingraham (2003) points out potential pitfalls such as tokenistic engagement, information overload, and the danger of excluding those not digitally savvy. Overcoming these challenges necessitates continuous introspection, adaptability, and a genuine commitment to the principles of democratic participation.

In conclusion, stakeholder engagement and citizen participation are not mere buzzwords but foundational principles that determine the efficacy, legitimacy, and success of democratic institutions. In an age characterized by information, connectivity, and heightened aspirations, these pillars serve as compasses guiding societies towards a future that is collaborative, responsive, and truly representative.

## Interdepartmental Collaboration: A Synergy for Organizational Success

In an increasingly complex and interconnected business landscape, the era of departments that operate in siloes functioning independently within organizations has given way to a more integrated approach: inter-departmental collaboration. The intertwining of varied departmental expertise and knowledge is no longer just an ideal but a necessity for fostering innovation, expediting processes, and enhancing organizational performance.

This siloed approach to public service delivery often hinders productivity. Makhubela (2017) posits that fostering inter-departmental collaboration and communication can break down barriers, allowing for the sharing of best practices and optimizing resource utilization.

## Understanding Interdepartmental Collaboration

Inter-departmental collaboration can be understood as the process wherein different departments within an organization, each with its unique function and specialization, actively cooperate and communicate to achieve shared or intersecting objectives. D'Amour et al. (2005) frame it as an inter-professional approach, where the blending of varied skills creates a synergy that drives collective outcomes greater than the sum of individual departmental efforts.

## The Value Proposition

The benefits of such collaboration are manifold. O'Leary and Bingham (2009) point out that by bridging the knowledge gaps between departments, organizations can foster a culture of continuous learning, drive efficiency, and unlock innovative solutions. For instance, a collaborative project between a product development team of an organisation and the marketing department can ensure that the final product not only meets technical specifications but also aligns with market demands and trends.

## Technology as an Enabler

The digital revolution has played a pivotal role in facilitating inter-departmental collaboration. Tools and platforms, from enterprise resource planning (ERP) systems to collaboration software like Slack and Microsoft Teams, have streamlined communication and project management across departments (Leonardi & Treem, 2012). These tools have dismantled physical and geographical barriers, allowing real-time sharing of data, insights, and feedback.





## Challenges to Effective Collaboration

However, collaboration across departments is not without its challenges. Turf wars, differing departmental objectives, and misaligned incentives can hinder effective collaboration (Pinto et al., 1993). Moreover, the integration of varied departmental cultures and work methodologies can pose initial teething challenges. It becomes imperative for organizational leadership to establish clear protocols, foster open communication, and ensure that the collaboration aligns with the overarching organizational objectives.

## Fostering a Collaborative Culture

A truly collaborative environment doesn't emerge overnight. It requires deliberate efforts, from top leadership to frontline employees. Kanter (1994) suggests that organizations need to foster a culture where collaboration is celebrated and rewarded. This could manifest in the form of cross-training sessions, inter-departmental team-building exercises, or recognition systems that celebrate collaborative achievements.

In conclusion, Inter-departmental collaboration, while challenging to achieve, offers immense potential for organizations striving to navigate the complexities of the modern business landscape. By leveraging the diverse expertise and knowledge present within its walls, an organization can unlock solutions, innovations, and efficiencies that would remain inaccessible in a siloed approach. In the era of rapid change and uncertainty, the collaborative synergy of departments might just be the compass guiding organizations towards sustainable success.

## Constraints on Productivity

### Bureaucratic Red Tape: Impediment to Efficiency and Progress

At the confluence of public administration and organizational discourse lies the multifaceted concept of bureaucratic red tape. While bureaucracies are ostensibly designed to ensure order, efficiency, and equity in public (and often private) institutions, they are frequently criticized for their intricate processes and procedural hurdles. We delve into the phenomenon of bureaucratic red tape, its implications, and the perpetual tension between the quest for regulation and the need for agility.

Numerous scholars (Cloete, 2010; Sindane and Kloppers, 2013) have identified bureaucratic procedures as one of the primary constraints on productivity. The overly complex administrative procedures, while intended to maintain checks and balances, often impede the swift delivery of public services.

The term 'red tape' often conjures images of paper-bound stacks, tedious forms, and laborious procedures. Bozeman (2000) defines bureaucratic red tape as rules, regulations, and procedures that remain in place and are perceived as impediments rather than tools to facilitate effective organizational functioning. In essence, it represents bureaucracy's excesses, which, rather than streamlining operations, hinder progress.

Bureaucracies, as outlined by Weber (1922), originated with the intention of ensuring fairness, consistency, and accountability in administrative systems. By standardizing processes and creating explicit guidelines, bureaucracies aimed to eliminate favouritism, discretion, and inefficiencies. However, over time, these very systems, in certain contexts, grew increasingly convoluted, leading to the emergence and proliferation of red tape.



The ramifications of bureaucratic red tape are vast and varied:

**Efficiency Concerns:** Lengthy approval processes and repetitive procedures can lead to delays and inflated costs. As Moynihan (2008) notes, red tape can slow decision-making, thwart innovation, and impede service delivery.

**Employee Morale:** Excessive red tape can erode employee morale. According to Rainey et al. (1995), employees operating in highly bureaucratic environments often express diminished job satisfaction and decreased motivation, feeling stifled by unnecessary procedures.

**Stymieing Innovation:** In the fast-paced modern era, agility is of paramount importance. Red tape, by its inherent nature, can inhibit flexibility and responsiveness, making it challenging for organizations to adapt to changing scenarios (Kaufmann & Feeney, 2014).

## Potential Justifications

Despite its pitfalls, some argue that certain aspects of red tape are necessary. Bureaucratic procedures can prevent arbitrariness, ensure accountability, and safeguard against potential malfeasance (Pandey & Scott, 2002). In sectors where precision is paramount, like aerospace or healthcare, stringent checks, and balances, even if perceived as red tape, can prevent catastrophic errors.

## The Path Forward

Addressing bureaucratic red tape necessitates a nuanced approach. Simplification, digitization, and deregulation can be instrumental in streamlining processes. Additionally, fostering a culture of continuous improvement and feedback, where employees are empowered to highlight and address inefficiencies, can mitigate the build-up of unnecessary procedures (Kernaghan, 2000).

In conclusion, bureaucratic red tape, with its labyrinthine procedures, stands as a testament to the challenges of institutional evolution. While it symbolizes the unintended consequences of well-intentioned systems, it also beckons administrations to introspect, reform, and rejuvenate. In the balance between regulation and progress, the challenge lies in ensuring that bureaucracy serves as a facilitator, not an impediment.

## Corruption and Lack of Accountability: Erosion of Institutional Integrity

The age-old vice of corruption and the evasive spectre of unaccountability have perennially haunted institutions, governments, and corporations worldwide. Tainting the very fabric of society, these maladies compromise not just the economic prospects but also erode public trust and moral values. We seek to elucidate the symbiotic relationship between corruption and the lack of accountability, their implications, and the pressing need for systemic reforms.

According to Naidoo (2016), corruption is a severe impediment to productivity in the public service. Corruption not only diverts resources but also breeds mistrust and undermines public confidence. The lack of accountability further compounds this challenge.

## Defining Corruption and Lack of Accountability

Corruption, as defined by Transparency International, encompasses the abuse of entrusted power for private gain. It manifests in various forms – bribery, embezzlement, nepotism, and more. In a parallel manner, lack of accountability denotes an environment where individuals or institutions can evade scrutiny for their actions, escaping repercussions or responsibility (Philp, 2009).



## The Interplay

Corruption and lack of accountability often exist in a reinforcing loop. A system devoid of stringent checks and balances is rife for corrupt practices. Once corruption is entrenched, it further exacerbates the lack of transparency and accountability, creating a vicious cycle. Rose-Ackerman (1999) articulates that corruption thrives when institutions are weak and opportunities for illicit gains are abundant.

## Consequences of Corruption and Lack of Accountability

- **Economic Implications:** Corruption often leads to resource misallocation, discourages investment, and fosters inefficiencies (Mauro, 1995). For countries, it translates to diminished foreign direct investment and stunted economic growth.
- **Social Repercussions:** Corruption and unaccountability undermine the societal contract. When public officials are perceived as corrupt, trust in institutions diminishes, leading to cynicism and disengagement among citizens (Rothstein & Eek, 2009).
- **Distortion of Policy and Governance:** Corrupt practices often influence policymaking, not for public welfare but for the interests of a select few, thereby skewing priorities and resources (Bardhan, 1997).

## Addressing the Menace

- **Strengthening Institutions:** Robust institutions with clear mandates and oversight can significantly deter corrupt practices. As Klitgaard (1988) posits, corruption can be viewed as a function of monopoly, discretion, and lack of accountability. By reducing monopolistic

powers, curtailing undue discretion, and bolstering accountability, corruption can be curtailed.

- **Transparency Initiatives:** Technologies, including block chain and e-governance portals, can usher in transparency, making processes traceable and reducing opportunities for malfeasance (Grimmelikhuijsen et al., 2013).
- **Whistle-blower Protections:** Protecting and incentivizing whistle-blowers can be a potent tool in unearthing corrupt practices and holding perpetrators accountable (Near & Miceli, 1985).

Corruption and lack of accountability are not just phenomena restricted to governance or public offices. Their tentacles spread across sectors, maligning the very ethos of fairness and justice. While the battle against these vices might seem Sisyphean, with concerted efforts, technological advancements, and societal awareness, it is a battle that can, and must, be won.

## Skills Mismatch and Vacancies: Addressing the Paradox of Employment

The modern labour market is characterized by a plethora of dynamics, but one of the most glaring yet intricate issues is the paradox of skills mismatch and vacancies. While employers lament vacant positions due to a lack of qualified candidates, numerous job seekers face unemployment or underemployment. We looked at the conundrum of the skills mismatch, its manifestations, implications, and the strategies to bridge this gap here.

Mabaso and Dlamini (2017) argue that the public service often grapples with a mismatch between required skills for a position and the incumbent's actual skills. This discrepancy, coupled with prolonged vacancies in key positions, hampers productivity and the delivery of essential services.



## Skills Mismatch and Vacancies: Addressing the Paradox of Employment

### Understanding Skills Mismatch and Vacancies

At its core, a skills mismatch arises when there's a disparity between the skills that workers can offer and what employers need. It can manifest in several forms (McGuinness, 2006):

**Vertical Mismatch:** When a worker is overeducated or undereducated for a job.

**Horizontal Mismatch:** When a worker's field of education or training does not align with their job.

**Skills Gap:** When the skills workers possess are different from those employer's demand.

The persistence of vacancies, especially in industries or roles vital to the economy, while facing a skills mismatch, is a telling sign of systemic issues in the labour market.

### Implications of the Mismatch

**Economic Efficiency:** A persistent skills mismatch can reduce economic efficiency. Unfilled vacancies imply untapped potentials, leading to loss of productivity and output (Brunello & Wruuck, 2019).

**Wage Disparities:** Those in mismatched jobs often earn less than their counterparts in matched jobs, exacerbating income inequalities (Chevalier, 2003).

**Job Satisfaction and Turnover:** Mismatched employees might experience lower job satisfaction and are more likely to change jobs, leading to higher turnover rates (Allen & Van der Velden, 2001).

### Exploring the Root Causes

Several factors contribute to the emergence and perpetuation of skills mismatches and vacancies, namely:

**Rapid Technological Advancements:** The pace of technological change has led to the obsolescence of certain skills and the emergence of new ones, often catching the educational system off guard (Bessen, 2019).

**Inefficient Labor Market Information:** Inadequate information about available jobs and required skills can result in job seekers not acquiring the necessary competencies.

**Educational System Disparities:** There might be a disconnect between what the educational system offers and what the labour market demands (Cedefop, 2010).

### Strategies to Bridge the Gap

**Responsive Education Systems:** Educational curricula should be revamped to respond to changing labour market needs. Partnerships between educational institutions and industry can ensure that students acquire relevant skills (OECD, 2016).

**Lifelong Learning:** Promoting continuous learning can help workers upgrade their skills, adapting to the evolving demands of the labour market.

**Improved Labour Market Intelligence:** Efficient platforms that provide real-time data on vacancies, skills in demand, and training opportunities can guide job seekers and policymakers alike.

In conclusion, the conundrum of persistent skills mismatch with the available vacancies underscores the need for a multifaceted response,



involving stakeholders from the educational sector, industry, and policymakers. By proactively addressing this challenge, societies can pave the way for more robust economic growth, equitable wage distribution, and enhanced job satisfaction.

## Lack of Resources: Implications, Causes, and Strategies for Addressing the Deficit

The lack of resources – whether they be tangible assets like funds and raw materials, or intangible assets like human capital and technology – remains a critical challenge in various sectors and regions globally. From public institutions to private enterprises, the resource constraint poses significant hurdles to development, efficiency, and progress. Here we seek to understand the dynamics of resource scarcity, its repercussions, underlying causes, and potential solutions.

While the public service might be committed to delivering on its mandate, the scarcity of necessary resources, both human and financial, restricts its capacity to doing so. Pooe and Mafunisa (2013) emphasize that inadequate budget allocations and resource constraints often result in project delays and sub-optimal service delivery.

## Defining Lack of Resources

Resource scarcity refers to the insufficient availability of assets or means to achieve certain objectives or satisfy specific needs (Stern, 2007). It is essential to differentiate between absolute scarcity, which implies a complete depletion, and relative scarcity, denoting a shortfall relative to the demand.

## Repercussions of Resource Scarcity

**Economic Impediments:** Lack of critical resources can hinder productivity and growth, leading to stagnation, unemployment, and economic downturns (Dasgupta & Heal, 1974).

**Social Strains:** Inadequate resources, especially in public sectors like health or education, can exacerbate inequalities and lead to societal tensions (Collier & Venables, 2011).

**Innovation and Progress Stagnation:** Without necessary resources, research, innovation, and progress in critical fields may suffer a slowdown (Mokyr, 1990).

## Root Causes of Resource Scarcity

Scarcity is as a result of a varying number factors that are however interrelated, namely:

**Economic Constraints:** Limited financial resources, stemming from budgetary constraints or economic downturns, can lead to scarcity (Barro, 1991).

**Population Growth:** Rapid population growth can outstrip the available resources, leading to increased demand and subsequent scarcity (Ehrlich & Holdren, 1971).

**Mismanagement and Corruption:** Inefficient utilization or misappropriation of resources can result in artificial scarcity even when resources are nominally adequate (Mauro, 1995).

**Environmental Factors:** Natural resource depletion due to overuse, climate change, or natural disasters can also contribute to scarcity (Meadows et al., 1972).





## Strategies to Address Resource Scarcity

**Efficient Resource Allocation:** Adopting methods to ensure that resources are utilized where they yield the most significant benefits can alleviate scarcity impacts (Arrow et al., 2004).

**Innovation and Technology:** Technological advancements can offer solutions that reduce resource demand or find alternatives, mitigating scarcity concerns (Romer, 1990).

**Public-Private Partnerships (PPP):** Collaborative efforts between public and private entities can pool resources to address critical needs effectively (Iossa & Martimort, 2015).

**Sustainable Practices:** Embracing sustainability can ensure that resources are used judiciously, ensuring their availability for future generations (Daly, 1990).

In conclusion, lack of resources, a seemingly intractable challenge, requires a multi-dimensional approach that combines economic, technological, and policy-driven solutions. As the world grows more interconnected, a collaborative stance, emphasizing sustainability, innovation, and efficiency, can chart the path forward, turning constraints into opportunities.

## Cultural and Organizational Challenges: Navigating the Complexities of Modern Workplaces

In an era of globalisation, diverse workforces, and technological revolution, organizations are frequently confronted with both cultural and structural challenges. From traditional businesses to emerging start-ups, no entity is immune to the complexities arising from cultural differences and organisational dilemmas. We will unpack the intricacies of cultural and organisational challenges, their manifestations, implications, and

potential strategies for resolution.

The legacy of apartheid has left deep-seated organizational and cultural challenges in the South African public service. As noted by Madue (2015), these challenges manifest as racial tensions, mistrust, and a lack of cohesion among staff, which in turn affects productivity.

## Defining Cultural and Organisational Challenges

Cultural challenges refer to issues arising from variations in beliefs, values, customs, and behaviours among members of different cultures within a workspace (Hofstede, 1980). Conversely, organisational challenges relate to the structure, processes, and dynamics within an organization, which might hinder its effective functioning (Mintzberg, 1979).

## Empirical analysis

This section provides an empirical analysis focusing on the determinants of public sector productivity, which plays a pivotal role in the overall economic and social development of a country. When governments operate efficiently and effectively, they can allocate resources more wisely, provide better public services, and stimulate economic growth. Investigating the determinants of Government Effectiveness, which is a proxy for Public Sector Productivity, helps identify areas where improvements can lead to enhanced public sector productivity.

This section uses three models progressively to refine and expand the analysis, offering policy makers insights into different sets of factors that influence Government Effectiveness. While **Model 1** establishes the baseline, **Model 2** and **Model 3** introduce refinements and additional variables to provide a more nuanced understanding of the relationships between these factors and government performance.



The following variables are estimated in the regression models:

- **Government effectiveness:** Perceptions of the quality of public services, the quality of the civil service and the degree to which it is independent from political pressure, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.
- **LGDP** = Real GDP at constant 2017 national prices (in mil. 2017US\$)
- **LGOVTSP** = Share of government (GDP) consumption at current PPPs
- **LPOP** = Population (in millions)
- **Regulatory quality:** Perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.
- **Voice and accountability:** Perceptions of the extent to which a country's citizens can participate in selecting their government, as well as freedom of expression, association, and the media.
- **Control of corruption:** Perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as 'capture' of the state by elites and private interests.

**Table 1: Below presents summary statistics for the variables used in the empirical analysis.**

	LGE	LGDP	LGOVTSP	LPOP	REG QUALITY	COC	VOICE AND AC-COUNTABILITY
Mean	-1.321340	13.33963	-1.735228	3.933072	0.467927	0.116151	0.628335
Median	-1.211672	13.36116	-1.695055	3.928794	0.413757	0.095410	0.637443
Maximum	-0.497858	13.49533	-1.514460	4.043222	0.804242	0.483857	0.715737
Minimum	-2.301146	13.09076	-1.989374	3.831917	0.211844	-0.184171	0.570503
Std. Dev.	0.595720	0.132591	0.146198	0.068040	0.183362	0.211618	0.044383
Skewness	-0.036492	-0.601750	-0.139794	0.118875	0.335815	0.223552	0.366162
Kurtosis	1.851429	2.109597	1.733355	1.762690	1.912400	1.808431	2.191249
Jarque-Bera	0.883029	1.494155	1.121705	1.058308	1.089307	1.079826	0.793584
Probability	0.643062	0.473749	0.570722	0.589103	0.580043	0.582799	0.672474

**Model 1**, presented in Table 2 below, is the benchmark model used to estimate the determinants of government effectiveness. The positive and highly significant coefficient of GDP suggests that economic growth plays a vital role in enhancing Government Effectiveness.



**Table 2: Estimates of the determinants of government effectiveness (COC)**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LGDP	1.652672	0.013962	118.3696	0.0000
LGOVTSP	1.326110	0.013542	97.92906	0.0000
LPOP	-5.448281	0.042051	-129.5646	0.0000
COC	3.563918	0.005305	671.8086	0.0000
R-squared	0.423500	Mean dependent var		-1.440049
Adjusted R-squared	0.290462	S.D. dependent var		0.566778
S.E. of regression	0.477420	Sum squared resid		2.963088
Long-run variance	5.20E-06			

As the economy grows, there is a substantial increase in government efficiency and effectiveness. This suggest that policymakers should prioritize policies that foster economic growth, as it can lead to better government performance and service delivery. The share of government consumption has a positive and highly significant coefficient for Government Effectiveness, suggesting that a higher proportion of government consumption as a percentage of GDP is associated with increased Government Effectiveness. This means that allocating a larger share of national consumption to government programs and services can contribute to improved government effectiveness.

Policymakers should therefore consider increasing investment in essential public services to enhance governance outcomes. On the other hand, population growth has a negative and highly significant coefficient, indicating that as the population of a country increases, Government Effectiveness tends to decrease. This confirms what we already know about the challenges associated with larger populations, such as providing public services and maintaining governance effectiveness,

becomes increasingly important as countries grow in size. Lastly, in this model is the Control of Corruption Index is positive and a highly significant coefficient which underscores the critical role of anti-corruption measures in improving Government effectiveness. Enhancing control of corruption leads to better government performance and public service delivery. Policymakers should prioritize anti-corruption efforts, strengthen transparency, and enforce accountability mechanisms within the public sector.

**Model 2**, as seen in Table 3 below, excludes the Control of Corruption variable, but includes Regulatory Quality variable.<sup>236</sup> The positive coefficient on GDP in Model 2 suggests that economic growth remains an important factor in enhancing Government Effectiveness. An increase in GDP is associated with an improvement in Government Effectiveness. In Model 1, the coefficient for the share of government consumption was positive and highly significant.

**Table 3: Estimates of the determinants of government effectiveness (REGULATORY\_QUALITY)**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LGDP	1.487517	0.585023	2.542664	0.0273
LGOVTSP	0.045872	0.700230	0.065510	0.9489
LPOP	-5.612596	1.761297	-3.186626	0.0087
REGULATORY QUALITY	2.081255	0.389763	5.339801	0.0002
R-squared	0.874612	Mean dependent var		-1.376239
Adjusted R-squared	0.840415	S.D. dependent var		0.573206
S.E. of regression	0.228984	Sum squared resid		0.576773
Long-run variance	0.006032			

<sup>236</sup> This decision was guided by the principle of avoiding multicollinearity in our statistical analysis. Multicollinearity occurs when two or more independent variables in a regression model are highly correlated with each other. When multicollinearity is present, it can create challenges in interpreting the individual effects of each variable and can make coefficient estimates unstable. Unit root tests are in the appendix.



However, in Model 2 as shown in Table 3 above, it is not significant, indicating that the effect may not be robust in this model. Similar to Model 1, the negative coefficient on population in Model 2 suggests that as a country's population increases, Government's effectiveness tends to decrease. This means that policymakers should consider the challenges that are associated with population growth when designing governance strategies. The positive and highly significant coefficient on Regulatory Quality in Model 2 indicates that an improvement in regulatory quality is strongly associated with higher Government effectiveness. This indicates that strengthening regulatory quality within a country contributes significantly to better government performance and service delivery.

**Model 3** continues with the exploration of the factors influencing Government Effectiveness, building upon the previous models (Models 1 and 2). In Model 3 as shown in Table 4 below, the Voice and Accountability variable is introduced - replacing Control of Corruption and Regulatory Quality to address multi collinearity concerns. This adjustment allows us to capture a broader spectrum of governance-related factors and their impact on Government effectiveness.

**Table 4: Estimates of the determinants of government effectiveness (REGULATORY\_QUALITY)**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LGDP	3.674815	1.464488	2.509282	0.0290
LGOVTSP	-0.204926	1.116193	-0.183594	0.8577
LPOP	-13.47167	4.664065	-2.888396	0.0147
VOICE_AND_ACCOUNTABILITY	3.619613	1.338832	2.703560	0.0205
R-squared	0.828365	Mean dependent var		-1.376239
Adjusted R-squared	0.781555	S.D. dependent var		0.573206
S.E. of regression	0.267905	Sum squared resid		0.789507
Long-run variance	0.015517			

The positive coefficient on GDP in Model 3 suggests that economic growth remains a significant factor in enhancing Government effectiveness. An increase in GDP is associated with a notable improvement in Government effectiveness. Similar to Models 1 and 2, the share of government consumption is not a significant factor affecting Government Effectiveness in Model 3. The coefficient for population is consistent with the negative relationship observed in Models 1 and 2. The positive and statistically significant coefficient on Voice and Accountability in Model 3 indicates that an improvement in the voice of citizens and accountability mechanisms is strongly associated with higher Government effectiveness. Strengthening these aspects of governance contributes significantly to better government performance and service delivery. In a nutshell, Model 3 emphasizes the importance of Voice and Accountability as a strong driver of Government effectiveness, complementing the findings related to Model 1 and 2.

## Conclusion

This part of the study has dealt with (1) the review of relevant studies as a comprehensive exploration of the predominant drivers and constraints on productivity in the South African public service and (2) an empirical analysis focusing on the determinants of public sector productivity in South Africa.









# PART VIII

## **FIELDWORK: PRODUCTIVITY IN SOUTH AFRICA'S PUBLIC SERVICE**



## Introduction

This part deals with analysis of the transcripts of the in-depth interviews that were conducted with government officials on the intricacies of productivity within the South African public sector. This investigation draws upon the perspectives and experiences of a diverse array of participants, including senior managers, middle managers, and operational staff, across a wide spectrum of 10 government departments that include Basic Education, Water and Sanitation, Health, Home Affairs, Transport, Trade and Industry, Agriculture and Rural Development, Energy, Cooperative Governance and Traditional Affairs and Treasury. Through this meticulous analysis, the report unravels the complex web of perceptions, challenges, and determinants of productivity as encountered in the daily operations of the South African public service.

The study's objectives were to dissect and understand the multi-dimensional aspects of productivity in the public sector from public officials. By doing so, it seeks to contribute to the ongoing discourse on public service efficiency, with an eye towards identifying and implementing actionable strategies that can enhance service delivery and impact positively on societal welfare.

This investigation is timely and significant, given the critical role of the public sector in driving national development and delivering essential services to the populace. Productivity within this sector directly influences the government's ability to meet its obligations to its citizens, making this study not only relevant but necessary for the formulation of policy and the enhancement of public sector management strategies.

The introduction sets the stage for a deep dive into the qualitative data collected through in-depth interviews with public officials during the study, preparing the reader for a nuanced findings and discussion of findings that reveal both the challenges and opportunities for enhancing productivity in the South African public service. As we proceed, the document will

illuminate the paths that can lead to a more efficient, effective, and responsive public sector, ultimately contributing to the betterment of society as a whole.

## Findings from senior level managers' interview transcript

The foreword to this collection of senior-level management interviews explores the multifaceted perception of productivity in the public sector. Interviews were conducted with senior managers from ten government departments: Treasury, Cooperative Governance and Traditional Affairs, Energy, Basic Education, Water and Sanitation, Health, Home Affairs, Transport, Trade and Industry, Agriculture and Rural Development, and Energy.

In this context, productivity moves beyond the straightforward bottom-line measures typical of the private sector, becoming a multifaceted phenomenon with multiple stakeholders with often conflicting interests. While attempting to maximize outputs despite resource limitations, this intricate evaluation considers the efficacy and efficiency of public service delivery, its influence on societal welfare, and the accomplishment of more general social goals. This guarantees the provision of services that are fair, easily accessible, and of the greatest value.

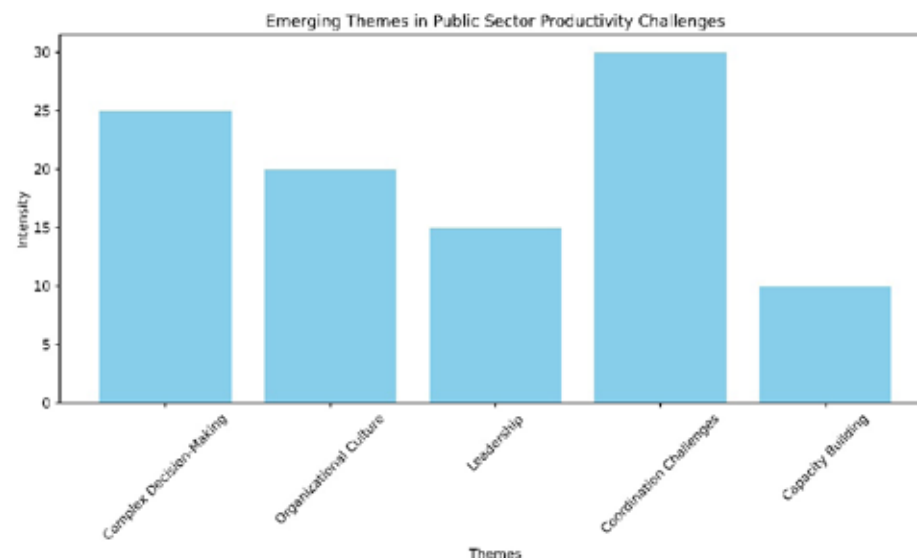
This explorative study illuminates the complex duties performed by senior managers in different government departments. These duties include motivation, leadership, productivity enhancement, and skill in overcoming organizational obstacles. Middle managers see themselves as essential linkages in their organizations, serving as a vital conduit between the strategic directives of upper management and the day-to-day implementation by frontline personnel.



In this context, productivity is defined as performing effectively and efficiently to fulfil predetermined goals and objectives within a budget, quality, and performance. Senior managers perceive both internal and external factors as drivers of poor levels of productivity. Internal factors perceived by senior managers include poor skill levels, poor working conditions, siloed working, appointing wrong people, lack of communication, and employee issues such as lack of commitment amongst the public servants, absenteeism, poor work ethic and poor leadership within the public service. External factors that affect productivity in the public service include poor funding of the public service by the National Treasury due to austerity measures adopted resulting in budget cuts, and political interference by political principals in the operational day-to-day running of respective departments.

## Emerging themes from senior level managers' interviews

Figure 1 depicted below, articulates the key themes identified from the analysis of senior managers' interviews, illustrating their significance. These themes highlight the assorted perspectives of the senior managers, covering aspects such as challenges of productivity in the public sector, comparison of productivity in the public and private sector, the role of leadership and organizational culture, and measurement and evaluation of productivity. These themes intermingle indicating the complex interplay of productivity inhibitors and enablers at play in a dynamic setting.



**Figure 39:** *Emerging themes from the senior manager's interview transcript.*

## Complex decision making

The findings from senior manager interviews shed light on a myriad of challenges that hinder productivity within the public sector. These challenges encompass the lack of well-defined roles and responsibilities across national, provincial, and local government levels, the prevalence of excessive bureaucracy and red tape in decision-making processes, the insufficiency of robust performance management and accountability systems, the prevalent misalignment between planning and implementation strategies, and the persistent shortage of skills coupled with a high turnover rate among senior managers. Addressing these multifaceted challenges calls for a holistic approach that focuses on enhancing coordination, streamlining processes, fostering accountability, promoting strategic alignment, and investing in talent development and



retention strategies to propel the public sector towards greater efficiency and effectiveness.

This quote underscores the impediment to public sector productivity caused by bureaucratic processes relating to decision-making, a senior manager elaborates below:

*“The long route of decision-making processes is frustrating, for example, something which is very urgent at the time when you propose it is not viewed as urgent, and by the time when it gets to be discussed for approval, the situation has even changed by the time when you get approval the situation has worsened”.*

**(Quote from a senior manager).**

## Comparison of productivity in the public sector and private sector

Analysis of the senior manager’s transcripts highlights the perception amongst senior managers, that the private sector outshines the public sector in terms of productivity. This superiority can be attributed to several key factors. Firstly, the private sector’s emphasis on performance and accountability is notably greater, driving employees to strive for excellence. Secondly, the stronger incentive structures and consequences for non-performance in the private sector serve as powerful motivators for employees to deliver results consistently. Additionally, the private sector’s decision-making and resource management processes are often more effective and efficient, allowing for quicker and more agile responses to challenges. Lastly, the private sector fosters a culture of innovation and continuous improvement, encouraging employees to think outside the box and constantly seek ways to enhance operations. These factors collectively contribute to the private sector’s reputation for higher productivity levels when compared to the public sector.

The quote below highlights senior managers’ perceptions of productivity in the public sector relative to the private sector:

*“In the private sector, you are often required to work for your money, however in the public sector whether you meet the target or not, you still go home with your salary every month. You know that there is no incentive to be productive, I think it is not there”.*

**(Quote from a senior manager).**

## The role of leadership and organisational culture

The insightful analysis of senior manager interviews underscores the indispensable influence of leadership and organizational culture on driving productivity within the public sector. The presence of strong leadership and a culture of accountability is pivotal in ensuring optimal productivity levels, as the absence of these qualities can significantly undermine organizational efficiency. Moreover, fostering an organizational culture that values innovation, collaboration, and continuous improvement has been proven to be instrumental in enhancing productivity. Additionally, empowering and developing junior staff members are key factors that can contribute to heightened productivity levels. In essence, the alignment of effective leadership, a positive organizational culture, and investment in staff empowerment are essential components in achieving and sustaining high productivity in the public sector.

The quote below expresses senior managers’ perception of the critical role that leaders play in inspiring officials rather than managers who manage rather than lead:

*“The emphasis should be about leadership and not management, this is because the manager manages while the leader guides, coaches and leads the officials in their environments”.*

**(Quote from a senior manager).**





## Measurement and evaluation of productivity

The insights gained from senior manager interviews underscore the pressing necessity for the enhancement of performance management and evaluation systems within the public sector. The analysis reveals that existing systems predominantly emphasize compliance and output-based targets, rather than prioritizing outcomes and impact assessment. Furthermore, a notable deficiency in clear service delivery standards and performance indicators has been identified, indicating a gap in measuring the effectiveness and efficiency of public sector initiatives. Moreover, the interviews point towards a lack of independence and objectivity in the monitoring and evaluation functions, suggesting the need for greater impartiality and transparency in assessing organizational performance. Addressing these key issues can lead to the development of more robust and meaningful systems that can drive improved outcomes and enhance public sector accountability and effectiveness.

The quote below expresses senior managers' insights on the need for a clear productivity performance measurement and evaluation system in the public sector:

*"There must be a very clear understanding of the mandate of every government department and this clarity must be accompanied by very clear performance standards, with clear measurement criteria, linked to the quality of the service to be rendered".*

**(Quote from a senior manager).**

## Coordination and collaboration across government

The analysis of senior manager interviews underscores the critical necessity of fostering effective coordination and collaboration among various government departments and spheres of government. The interviews shed light on several challenges impeding this collaborative

effort. Firstly, the presence of duplication of functions and a lack of clear delineation of roles and responsibilities creates confusion and inefficiencies within the governmental structure. Secondly, insufficient information sharing and a deficit in joint planning between departments hinder the seamless flow of communication and coordination necessary for cohesive decision-making. Lastly, the challenges in holding provincial and local governments accountable for national priorities further exacerbate the need for enhanced coordination and collaboration strategies to ensure alignment and progress towards shared goals. Addressing these challenges is paramount in achieving effective governance and maximizing the impact of governmental initiatives.

The quote below expresses senior managers' lamentation of poor coordination and collaboration between various structures of government:

*"There is a clear lack of coordination and poor collaboration between various structures of government this is evident in misalignment of expectations among structures of government".*

**(Quote from a senior manager).**

## Capacity building and skills development

The critical findings from the analysis of senior manager interviews in the public sector. The interviews have underscored the urgent necessity for targeted capacity building and skills development initiatives to enhance productivity within the organization. One key observation was the prevalent overreliance on senior management, coupled with a noticeable lack of investment in the professional growth of junior-level staff. This highlights a crucial imbalance in skills development and suggests the need for a more inclusive approach to talent development. Moreover, the interviews have accentuated the significance of coaching, mentoring, and on-the-job training over traditional training programs. This shift in





focus towards more personalized and experiential learning methods is essential for fostering continuous growth and improvement among employees.

Additionally, the challenges in retaining skilled personnel due to high turnover rates and limited career progression opportunities have been identified as major obstacles to organizational success. Addressing these retention issues and providing clear pathways for career advancement are imperative for attracting and retaining top talent. Overall, the insights gleaned from the senior manager interviews reinforce the importance of strategic investment in capacity building and skills development to drive sustainable productivity and growth in the public sector.

The quote below expresses senior managers' lamentation of the results of the lack of capacity building and skills development and its impact on productivity:

*"If we train junior staff about accountability, complex issues around service delivery, legislative requirements, the junior staff for example in Taung will understand that if for example, I write a falsified ID number in a form; the consequences will be dire and will impact the entire department".*

**(Quote from a senior manager).**

### Reflection from the senior-level manager's analysis of findings.

The interview transcripts from senior managers shed light on the intricate and multifaceted nature of productivity challenges within the public sector. It became evident that addressing these challenges requires a comprehensive and holistic approach that encompasses various key elements. Leadership emerged as a crucial factor, emphasizing the need for strong and visionary leaders who can inspire innovation and drive performance improvements. Organizational culture was identified

as another vital aspect, underscoring the importance of fostering a culture of accountability, transparency, and continuous improvement. Effective performance management systems were deemed essential for tracking progress and ensuring accountability at all levels. Furthermore, enhancing coordination and collaboration between different departments was highlighted as critical for streamlining processes and avoiding duplication of efforts. Lastly, investing in capacity building through training and development programs was recommended to equip employees with the necessary skills and knowledge to meet the evolving demands of the public sector. By implementing these recommendations and taking a holistic approach that considers leadership, organizational culture, performance management, coordination & collaboration, and capacity building, the public sector can pave the way for improved productivity and efficiency across all levels of government.

### Findings from middle managers interview transcript/ textual data.

The interviews with middle-level managers delves into the nuanced understanding of productivity within the public sector. Middle managers were interviewed from 10 departments of government to include Basic Education, Water and Sanitation, Health, Home Affairs, Transport, Trade and Industry, Agriculture and Rural Development, Energy, Cooperative Governance and Traditional Affairs and Treasury.

Here, productivity transcends the straightforward metrics of profit and loss characteristic of the private sector, evolving into a more layered concept that includes both qualitative and quantitative evaluations. This complex assessment encompasses the efficiency and effectiveness of public service delivery, its impact on societal welfare, and the fulfilment of broader social objectives, all while striving to optimize outputs despite resource constraints. This ensures that services remain equitable, accessible, and of the highest quality.

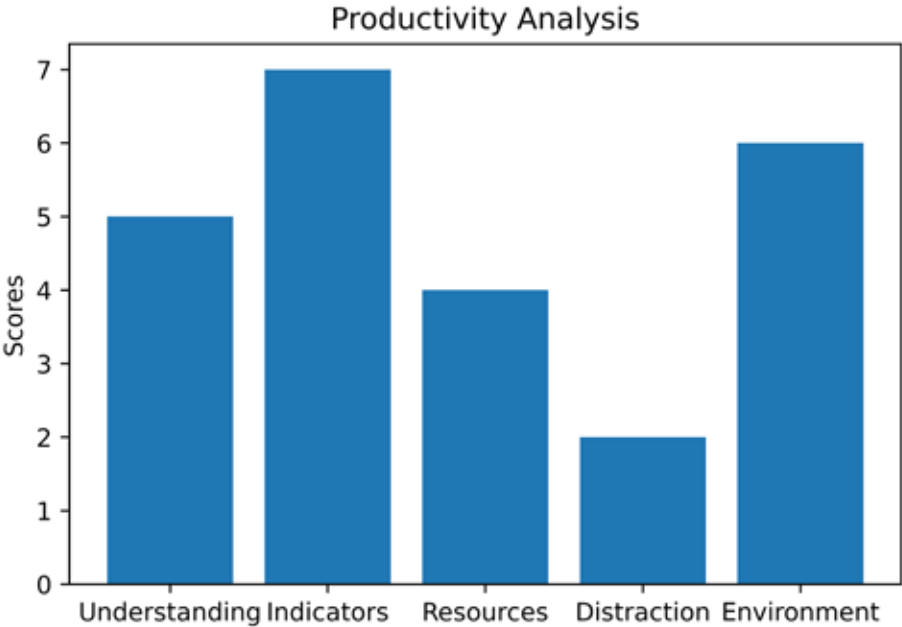


This exploration sheds light on the intricate responsibilities shouldered by middle managers in various departments of government, which span leadership, motivation, productivity enhancement, and adeptness at navigating organizational challenges. Middle managers position themselves as indispensable linchpins within their organizations, crucial for connecting upper management's strategic directives with the practical execution by frontline staff.

Productivity, within this context, is understood as the accomplishment of predefined objectives and goals within a set timeframe, executed both effectively and efficiently. Middle managers rely on various key performance indicators, such as the number of advocacy sessions held to gauge productivity levels. Influential factors affecting productivity are identified, including employee engagement, interpersonal relationships, inter-departmental support, and resource limitations. Additionally, the potential for remote work to bolster productivity by minimizing workplace distractions is acknowledged.

**Emerging themes from middle level managers' interviews.**

Figure 43 presented below outlines the key themes identified from the analysis of middle management interviews, showcasing their prevalence or significance. These themes underscore the diverse viewpoints of middle managers, covering aspects such as the comprehension of productivity, metrics for assessing productivity, the influence of resources, obstacles to productivity, and the effects of the work environment. Each theme is interwoven, demonstrating the intricate strengths and challenges within a constantly evolving workplace.



**Figure 40:** *Emerging themes from middle level managers interview transcript.*

**Emerging themes**

As indicated above figure 43 provides a simplified analysis across different themes related to productivity, showcasing scores for each theme to illustrate the concept. Additionally, each theme is linked with a relevant quotation to deepen the understanding and provide insights into the theme's significance. See sections below for detail discussion of each theme.



## Understanding of productivity

This theme explores the conceptual grasp middle managers have regarding productivity. In the intricate landscape of organizational management, middle managers play a crucial role in bridging the gap between high-level strategic goals and their practical implementation on the ground. Their understanding of productivity transcends the mere completion of tasks; it encompasses the effective and efficient translation of organizational visions into tangible outcomes. This conceptual grasp of productivity is not only about achieving targets but also ensuring that every action is purposefully aligned with the organization's broader objectives. One middle manager encapsulates this perspective, stating:

*"Productivity for me would mean...being aware of how we are expected to implement the vision into reality? And also, not only just implementing it to its reality, but also as we implement, we are quite considerate of the effectiveness and the efficiency of implementation."*

**(Quote from a senior manager).**

This quote highlights a nuanced understanding of productivity that balances the need for action with the importance of thoughtful execution, emphasizing effectiveness and efficiency in equal measure. Building on this foundational view of productivity, another manager reflects on the challenges inherent in work that addresses social issues, revealing,

*"In terms of the work that I'm doing. Look, the work that I am doing involves. It's work that deals with social ills, prevention of social ills. Right. And in that instance, it is not always easy for some of us as officials to actually see the positive Impact that one would like to make because there's emotions involved there is perceptions involved. There are beliefs involved"*

**(Quote from a senior manager).**

This statement underscores the complex, often intangible nature of productivity in contexts where success is not easily quantified, pointing to the emotional, perceptual, and belief systems that influence both the process and the evaluation of productivity.

These insights illuminate the multifaceted concept of productivity as understood by middle managers. They reveal that productivity, particularly in the context of addressing social ills, involves navigating emotional landscapes and challenging perceptions, in addition to managing resources and tasks efficiently. The discourse suggests that solutions to enhance productivity should encompass support systems that acknowledge the emotional and perceptual dimensions of the work, training programs that equip managers with skills to deal with these complexities, and frameworks for measuring success that capture the nuanced impacts of their efforts.

Thus, enhancing productivity in such environments necessitates a comprehensive approach that includes emotional intelligence training, the development of more nuanced performance indicators that capture the qualitative impacts of work, and fostering a culture that supports inter-departmental collaboration and employee engagement. By addressing these aspects, departments can better support middle managers in their pivotal role, ensuring that the vision of the department is realized effectively and efficiently, while also acknowledging the human elements that underpin their work.

## Indicators of productivity

This theme focuses on the measurable aspects that signal productivity levels, such as, quality of work, motivation, and achievement of objectives. In the realm of public service, middle managers play a pivotal role in fostering productivity by focusing on tangible outcomes and personal motivation derived from the impact of their work. They see themselves as



catalysts for motivation within their teams, often in environments where formal recognition is scarce. This dual focus on achieving measurable objectives and personal satisfaction from impactful work drives them to overcome challenges and persist in their efforts.

For instance, a respondent emphasizes the significance of achieving and publicly communicating matriculation pass rates, stating, this highlights the value placed on clear, measurable indicators of success that not only fulfil departmental objectives but also maintain transparency with the public.

*“Departmentally, I want to assume that because we are basic education and we have. This high expectation that we have to meet in terms of providing for the matric results and keeping the nation aware of how we have done in a particular year as a department in terms of the passes and the different passes that we have. That for me is one that at least I know, and I am certain that at least we are consistent with it.*

**(Quote from a senior manager).**

Interjecting into this conversation about productivity and motivation, another manager reflects on handling complex social issues like abuse cases. They share,

*“Once that case gets to a closure, and that particular learner has been given justice that they deserve, that for me is how I then see, and this is for me now as a person. I’m not talking the department right and because I am a person who then is directly involved with these cases. So, for me one case out of millions of cases. One case out of the many that gets to its finality and the job example, not just finality, but if justice has been served. Then for me that says thank you, I’m happy.”*

**(Quote from a senior manager).**

This personal account underscores the deep sense of contentment that is derived from achieving justice in individual cases, illustrating how the closure of even a single case can serve as a powerful motivator, highlighting the personal investment and the emotional aspect of their work.

These conversations reveal a nuanced approach to productivity in the public sector, where success is measured not only by achieving specific, tangible outcomes like matriculation pass rates but also by the resolution of complex social issues that contribute to societal well-being. Middle managers navigate these challenges by drawing motivation from the broader impacts of their work and the realization of their essential role in advancing organizational goals. This dual focus requires a balance between striving for measurable achievements and recognizing the intrinsic value of work that contributes to the greater good, even in the absence of formal recognition. The discussion illuminates the need for supportive frameworks within public sector organizations that recognize and value both tangible outcomes and the personal dedication of employees to motivate and retain talented managers.

## Impact of resources

This theme underscores the critical influence of resource availability, quality, and management on productivity outcomes within the public sector. Middle managers play a pivotal role in navigating the economic challenges that may hinder employee productivity, they emphasize the importance of resourcefulness and motivation in achieving organizational objectives despite external pressures. Acknowledging that resources, whether time, tools, or financial, are often limited, middle managers also emphasis shifts to maximizing existing resources to achieve goals. As one middle manager insightfully noted, the perception has evolved to focus on what can be achieved with the available resources, embracing the mindset of:



*“Resources are never enough and I don’t think they will never be enough. But I am at a point where I have realised where I say let me do what I can do with what is available.”*

**(Quote from a senior manager).**

In addition, middle managers are tasked with advocating for critical protocols, such as those addressing sexual abuse and harassment in schools, as highlighted by a respondent. This advocacy is essential for ensuring that the entire system, across various levels of the departments, understands and implements these protocols, thereby contributing to a safer and more productive educational environment.

*“We work with UNESCO, there is a protocol that is called management of sexual abuse and harassment in schools, right? So, part of what, we have to do on a continuous basis. Advocating for this protocol for the system to understand, and when I say the system, I mean within the department in different levels.*

**(Quote from a senior manager).**

The availability of financial, human, and technological resources is acknowledged as a determinant of productivity. Adequate funding is crucial for providing the necessary infrastructure, equipment, and supplies for service delivery. The human element, encompassed by the skills, motivation, and workforce size, is directly linked to service delivery quality and efficiency. Technological resources, including digital government platforms, offer the potential to streamline operations and enhance service accessibility, albeit requiring significant investment and maintenance.

To address these challenges, solutions include fostering a culture of innovation and efficiency within the public sector, where the focus is on leveraging and optimizing existing resources. Encouraging continuous professional development and adopting technology-driven solutions can

help maximize productivity. Furthermore, engaging in effective advocacy and protocol implementation plays a vital role in enhancing organizational culture and ensuring a conducive work environment. Through such strategies, public sector managers can navigate the complexities of resource management, ultimately contributing to improved productivity outcomes.

### **Distraction to productivity**

According to the findings, distractions to productivity in the workplace, particularly among middle-level managers in the public sector, stem from a variety of sources, including but not limited to workplace interruptions, personal issues, and technological disruptions. These managers often face the daunting task of navigating complex social issues, such as handling abuse cases with no clear measurable outcomes, which significantly hampers productivity. Moreover, their reliance on other departments can further slow progress, creating bottlenecks that impede efficient workflow. A notable concern is the lack of employer sensitivity towards employee needs, especially regarding support for remote work arrangements, which has become increasingly crucial. Economic challenges faced by employees, such as financial insecurity, not only affect their personal well-being but also their ability to perform optimally at work. As one middle-level manager poignantly highlighted, the economic strain on employees often goes unnoticed by employers, yet it profoundly impacts workplace morale and productivity.

*“Because of our economic situation, colleagues are crying to you as a supervisor saying I don’t have money...And those are the things for me that I’m seeing, but the employer probably doesn’t even think about me as the employee.”*

**(Quote from a senior manager).**





Addressing these distractions requires a multifaceted approach. Employers must foster an environment that minimizes interruptions and promotes focused work, possibly by adopting flexible work schedules and encouraging a culture of respect for dedicated work time. Implementing comprehensive support systems that address both professional and personal challenges faced by employees can significantly enhance productivity. This includes offering financial counselling, mental health support, and facilitating a more empathetic management approach that recognizes and addresses the economic and social pressures affecting employees. Additionally, the middle manager highlights that enhancing cross-departmental collaboration can streamline processes, reducing delays and inefficiencies. By acknowledging and addressing these distractions head-on, employers can create a more conducive work environment that not only boosts productivity but also improves employee satisfaction and well-being.

## Impact of work environment

This theme delves into how the physical and cultural work environment influences middle manager's productivity, covering aspects like office layout, remote work, organizational culture, and employee well-being. Middle managers are acutely aware of the challenges they face. Challenges such as the employer's lack of sensitivity towards employee needs, including support for working from home, are navigated by advocating for their teams and seeking to balance organizational goals with employee well-being.

This is because, middle managers perceive their role as requiring adaptability to navigate these challenges successfully. The work environment, including the physical space and the organizational culture, plays a crucial role in either facilitating or hindering productivity. One manager succinctly captures the essence of workplace distractions, stating:

*"Here at work, you get distracted. A colleague comes to you. They want this and phone calls. What you can do in 5 minutes is a paragraph that you can write in five minutes. You end up writing in three hours."*

**(Quote from a senior manager).**

This highlights the significant impact of seemingly minor interruptions on productivity, transforming a task that should take a mere five minutes into a prolonged three-hour endeavour. Another manager brings to light an additional layer of complexity by emphasizing the lack of employer sensitivity to employee needs. They express a critical perspective, noting:

*"Some other things that may be critical for me. It's also just a sense of realising that the employer is not sensitive enough to your needs. as an employee and I'll make an example on this."*

**(Quote from a senior manager).**

This statement underscores a disconnect between employee expectations and employer accommodations, particularly in recognizing and addressing the unique work conditions conducive to individual productivity. Echoing and expanding upon these sentiments, a third manager shares a personal observation that reinforces the argument for more flexible work environments. They advocate for remote work as a way to enhance productivity, explaining,

*"Employees are much more productive when they work at home than here at work. That's just my own opinion. I've seen it. I've seen it with me. Like, because, you do not have a distraction. Therefore, you do not have distractions of other employees talking to you. I mean, not in a bad way. Right. But I mean, a part of my work. I sit, I read. I need to conceptualise and write. And I'm not that one who can listen to someone talking and writing. And no, I'm not that one. Now, if I have to write, it has to be quiet. My mind must focus and my thoughts. So here at work you get distracted. A colleague comes to you. They want this and phone calls."*



*(Quote from a senior manager).*

This manager's experience brings a personal perspective to the broader discourse, illustrating how the work-from-home model can significantly reduce distractions, thereby allowing for a more focused and productive work environment.

Together, these conversations underscore the complex relationship between workplace distractions, employer sensitivity to employees' needs, and the potential for remote work to offer a solution. They highlight the necessity for employers to foster a more understanding and adaptable work culture that acknowledges and addresses the diverse needs of their employees to optimize productivity.

Embracing a versatile leadership style is essential for middle managers to effectively address the diverse obstacles they encounter. Middle managers highlight the importance of implementing adaptable work practices, such as the option for telecommuting and flexible scheduling, to enhance employees' work-life balance and satisfaction. This adaptability in leadership, alternating between democratic and autocratic methods based on the situation, enables them to respond to fluctuating conditions and guide their teams successfully through various challenges.

Furthermore, the influence of the work environment on productivity within the public sector cannot be overstated. Beyond the physical aspects of the workplace, elements like organizational culture, leadership quality, employee engagement, and the balance between work and personal life are pivotal. Cultivating a work environment that encourages respect, teamwork, and opportunities for professional growth can boost employee motivation and, as a result, productivity. On the other hand, negative work environments marked by disrespect, poor collaboration, and lack of support can lead to increased employee turnover, absenteeism, and a decline in morale, all of which detrimentally affect productivity.

## Reflection from the middle-level manager's analysis of findings

Creating a supportive work environment in the public sector is essential for maximizing productivity and employee satisfaction. Middle level managers play a pivotal role in this process, as they must exhibit flexibility in their leadership styles, switching between democratic and autocratic approaches as situations demand is essential for organisational growth. Their emphasis on collaboration and information sharing is crucial for fostering a culture of productivity. A supportive work environment is characterized by several key factors, including the effective and efficient implementation of the organization's vision, optimization of available resources, minimization of distractions, and the cultivation of a physical and organizational environment that promotes collaboration, respect, and continuous improvement.

Distractions in the workplace, particularly those that are technology-related, such as constant notifications and emails, pose significant challenges to productivity. This research indicates that distractions can dramatically extend the time required to complete tasks, increase cognitive load, leading to decreased work quality, and contribute to stress and reduced job satisfaction. Furthermore, the myth of multitasking as an efficient way to work has been debunked, with studies showing that it can reduce productivity by up to 40% (Mark, Gudith, and Klocke (2008).

To combat these challenges, strategies such as implementing designated quiet times during the workday, optimizing workspace design to minimize noise and interruptions, managing technology use by limiting notifications, and training employees in mindfulness and time management techniques have been suggested. These approaches can help minimize distractions and enhance focus, thereby improving productivity.

In summary, the role of senior managers in shaping a supportive work environment that leads to productivity cannot be overstated. By



focusing on strategic leadership, resource management, minimizing distractions, and fostering a positive organizational culture, departments of government can significantly enhance their productivity. Implementing targeted strategies to address specific productivity barriers, such as workplace distractions, further supports the creation of an environment where employees can thrive and perform at their best.

## Findings from operational staff focus group discussion (FGD) data

This part of the report presents the analysis of data gathered using focus group discussions. Five national government departments were sampled and participated in focus group discussions. The five sampled national government departments are: Department of Education, Department of Cooperative Governance and Traditional

Affairs, National Treasury, Department of Transport, and Department of Health. These focus group interviews were conducted by research assistants who were trained on data collection using interviews and focus group discussions as instruments.

Focus groups consisted of between five and ten participants. These participants willingly and knowingly consented to taking part in this study. In accordance with established research protocols, the identities of all participants were protected hence the use of numbers for each participant. Participants in each focus group responded to 17 questions. A summary of responses to the 17 questions is captured in table 1 below. As is evident in the table which follows, focus groups chose not to answer certain questions. The worst-case scenario is a question where only one focus group responded.





**Table 1: Summary of responses to focus group discussions.**

RESEARCH QUESTIONS	DEPT OF EDUCATION	DEPT COPARATIVE GOVERNANCE & TRATIONAL AFFAIRS	NATIONAL TREASURY	DEPT OF TRANSPORT	DEPT OF HEALTH
1. What is your opinion on the importance of productivity in the workplace?	According to Official number 1; focus group (1) provided that: <i>"The importance of productivity is what drives the achievement of the organisational goals. Furthermore, it enhances people at workplace to achieve what the organisation intends to achieve."</i>	According to Official 1; focus group (2) stated that: <i>"Carrying the job description as tasked by the department and ensure that institution's aim and objectives are met successfully."</i> Official 3; focus group (2) added that: <i>"Going extra mile or beyond what is outlined in your contract agreement and responsibilities proves productivity."</i>	According to Official 1; focus group (3) stated that: <i>"Productivity is very important in the workplace to enable the department to achieve its mandate."</i>		Official 1; focus group (5) explained that: <i>"This precisely mean that I will be able to execute all my key performance areas as expected."</i>
2. How effectively do you think your performance is managed in your department? How can this be improved? Please elaborate.	Official 4; focus group (1) explained that: <i>"It is difficult for me to determine an overall performance because there are dynamics in each unit in the department, the management styles vary. However, it can be improved by the availability of resources, embarking on introspection of the challenges and set goals /timeframe of where you want to see the department in the next 5-10 years."</i>	Official 2; focus group (2) stated that: <i>"Having your functions and role clearly identified assists in keeping track of my performance. Having regular discussions concerning where one can do better have a better chance of improving future performance levels."</i>	Official 1; focus group (3) explained that: <i>"It is managed adequately. It can be improved by bringing back the monetary incentives as motivation to improve productivity."</i>	Official 5; focus group (4) asserted that: <i>"One needs to be well organised; hence, we must begin with basic principles of management, planning, leading, organising and control. Therefore, if one is not organised at high level then the hierarchy will be fragmented and consequently compromise productivity."</i>	



RESEARCH QUESTIONS	DEPT OF EDUCATION	DEPT COPARATIVE GOV-ERNANCE & TRATIONAL AFFAIRS	NATIONAL TREASURY	DEPT OF TRANSPORT	DEPT OF HEALTH
3. How do the benefits that you offered by the department supporting your productivity? Please elaborate.		<p>Official 1; focus group (2) said:</p> <p><i>"The benefits we receive are in a form of skills development, this is to ensure that we produce desirable outcomes in our responsibilities."</i></p>	<p>Official 2; focus group (2) stated:</p> <p><i>"Having access to benefits such as being part of a medical aid scheme and getting assistance with contributing towards retirement gives me peace of mind. This allows me to operate from a place of comfort in knowing that I'll be taken care of if ever I do not feel well enough to work and my retirement is somehow secured."</i></p>	<p>Official 6, focus group (4) explained that:</p> <p><i>"In terms of training and development, the department is doing very well. It is offering bursary scheme, training, and development. There are colleagues as proof of reference who went to London for a short course to study maritime which will therefore, enhances their productivity in the department."</i></p>	<p>Official 1; focus group (5) stated that:</p> <p><i>I benefit through bonus and performance incentives; in other instances, you will overhear some colleagues in the corridor saying that they have been in the department however; they never had benefits to support productivity."</i></p>





RESEARCH QUESTIONS	DEPT OF EDUCATION	DEPT COPARATIVE GOVERNANCE & TRATIONAL AFFAIRS	NATIONAL TREASURY	DEPT OF TRANSPORT	DEPT OF HEALTH
4. What is the overall reward system of your department? How satisfied are you with it? Please elaborate.	<p>Official number 6, focus group (1) admitted that:</p> <p><i>"I am not aware of any rewards system; we only get S &amp; T's when travelling for work purposes."</i></p>	<p>Official 1; focus group (2) stated that:</p> <p><i>"On my side there is a 1.5 % of performance rewards that is received annually."</i></p> <p>Official 3; focus group (2) explained that:</p> <p><i>"An annual assessment is done and the rewards are received by qualifying individuals which is determined by the fiscal availability."</i></p>			
5. How motivated are you to do your job? What would make you more motivated please elaborate.		<p>Official 3; focus group (2) stated that:</p> <p><i>"The task that has been bestowed to me was carried with commitment. Therefore, motivation come from executing my duties successfully."</i></p> <p>Official 6; focus group (2) explained that:</p> <p><i>"As a young civil servant, I feel privileged to be able to give my inputs on national policy documents, writing policies that effectively change the way this country is being ran. Therefore, that is also a good motivation."</i></p> <p>Official 4; focus group (2) admitted that:</p> <p><i>"Understanding your role and how you fit into the entire organisation in terms of your role that on its own provides motivation."</i></p>		<p>Official 3; focus group 4 stated that:</p> <p><i>"In my unit, one is given the opportunity to come up with initiatives. We engage our manager on a weekly basis. We meet with the chief director whereby we are given an opportunity to voice out our dissatisfactions."</i></p>	<p>Official 1; focus group (5) explained that:</p> <p><i>"I am motivated because I am comfortable with the responsibilities I am given; however, what demotivates me is that one will be stuck in the same level, I do not know until when."</i></p>



6. How do you communicate your ideas, concerns and suggestions to your managers? Can you do this openly and freely?		<p>Official 5; focus group (2) (henceforth) stated that:</p> <p><i>"I think in my space the working environment is quite free to communicate ideas, concerns and suggestions in a holistic manner for the development of the unit. In addition, in my team, we have regular meetings whereby we share sorts of challenges."</i></p>		<p>Official 6; focus group (4) stated that:</p> <p><i>"Well, in my unit one is given an opportunity to come up with initiatives that are going to accelerate the work in the unit. We engage our manager on a weekly basis, we are also given an opportunity to express our dissatisfaction and or raise issues."</i></p>	<p>Official 5; focus group (5) explained that:</p> <p><i>"Yes, we do share ideas and suggestions with our managers; however, there is no implementation. Ideas, concerns and suggestions may be discussed however, implementation may be compromised."</i></p>
7. Do you feel comfortable sharing your ideas, concerns and suggestions with your managers? Can you provide an example of a time when your manager acted upon your feedback?			<p>Official 2; focus group (3) admitted that:</p> <p><i>"I feel comfortable sharing my opinions and views with my managers. There was a time when discussions were had regarding the topic to be covered for Money Smart Week South Africa (MSWSA) and the chosen topic was picked due to my supporting argument for it. Other instances include the time when we were analysing a data spreadsheet, I found some inconsistencies with the data and how it was presented. My manager was able to raise those issues with the service provider and corrections were made accordingly."</i></p>	<p>Official 3; focus group (2) provided that:</p> <p><i>"In my unit, we have an open communication, the directors are always willing to listen to us in terms of suggestions or advice that we bring to the table. Hence, we also share any sort of advice in any platforms and communicate with them freely. Well, there are times where we need to sit and try to bring the same level of understanding."</i></p>	



<p>8. How do your managers and department support your career growth?</p>	<p>Official 6; focus group (2) stated that:  <i>"On my side, I have been given the opportunity as a young person in the department to attend things like policy development workshops and it really accelerate my professional growth. It as well exposes me to many different stakeholders' environment; it assists with high level of discussions."</i></p> <p>Official 2; focus group (2) provided that:  <i>"Any progressions come in a form of career growth. Otherwise, we are exposed in different conferences. We are given restrictions in furthering our studies, the department cannot sponsor with bursaries for masters and doctoral degrees, that is based on my experience."</i></p>		<p>Official 2; focus group (3) explained that:  <i>"They support it by constantly suggesting short courses where one can improve one's abilities and growth. They always ensure that I am aware and included in almost all the projects that are currently ongoing."</i></p>	<p>Official 7 focus group (4) explained that:  <i>"The department is offering bursaries to everyone, once the unit supervisor has authorized, considering the course in other words the relevancy of the programme to the unit it is covered. Subsequently, when you are experienced and in possession of the relevant qualifications once a post is advertised you may be considered if you are the suitable candidate. Precisely, the department is doing well in that regard."</i></p>	<p>Official 2; focus group (5) said that:  <i>I can say through training; however, there is no actual support or there are slim opportunities.</i></p>
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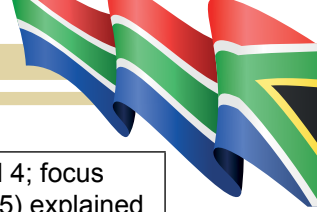


9. What specific training and development opportunities have you been provided with in the past year? Are there any additional areas of training that you believe would enhance your productivity and performance?		<p>Official 1; focus group (2) explained that: <i>"I have not received any form of training."</i></p> <p>Official 4; focus group (2) stated that: <i>"Having an expanded knowledge of how to deal with data interpretation, having an expanded knowledge of interpreting data through excel."</i></p>		<p>Official 2; focus group (3) stated that: <i>"They support it by constantly suggesting short courses where one can improve one's abilities and growth. They always ensure that I am aware and included in almost all the projects that are currently ongoing."</i></p>	<p>Official 1; focus group (5) mentioned that: <i>"In my case I have been attending trainings and it has assisted a lot in improving their service."</i></p>
10. How realistic are your manager's expectations of you at work? Please elaborate.			<p>Official 3, focus group (3) explained that: <i>"Quite realistic with an understanding that experience is obtained from lessons learned from both successes and failures. My managers always push me to do better at all given tasks and that is done in a positive manner that ensures that it is received positively as well."</i></p>	<p>Official 5; focus group (4) explained that: <i>"The stuffing is inadequate; in my unit we are short stuffed yet we have a lot of projects. Therefore, we basically do not have capacity and that on its own affects' productivity of course."</i></p>	



11. How do your managers support and motivate you to perform your work? Please elaborate.				Official 7; focus group (4) stated that: <i>"We have weekly meetings, where we interact with our chief director as a team. Therefore, that on its own makes' productivity of the team even better and flexible. Moreover, they help us in any way they can."</i>	Official 3; focus group (5) explained that: <i>"There is an assistant director who got a promotion, the other colleague just retired. The post is not yet filled. Therefore, we are sharing the work of the vacant posts which is strenuous."</i>
12. How would you characterize the management style in your department? (Autocratic, democratic, laissez-faire, visionary, servant leadership, other)		Official 2; focus group (3) stated that: <i>"I am not sure, as we have a hierarchy which influences decisions that affect departmental objectives, however, those that are (team based, there is autonomy within the team to decide how they want to drive their objectives to achieve growth."</i>		Official 6; focus group (4) explained that: <i>"In my unit, it is a democratic style we have a democratic chief director whereby suggestions and initiatives are welcome. There is an open-door policy, there are times where one will wake up on the wrong side of the bed which is normal. Above all we are in a workable environment."</i>	





13.How does the management style influence your motivation and productivity as a front-line staff member?				<p>Official 4; focus group (4) admitted that: <i>"I was in the entry level at work hence I did not qualify for a laptop, as a result I couldn't be productive after hours and then COVID-19 came through I couldn't have online meetings because I did not have a laptop. I did not have an option but to go to the office which was not safe and it was really challenging. The department then realised we needed laptops because we had many online meetings. Productivity was going to be adequate if we had laptops on time".</i></p>	<p>Official 4; focus group (5) explained that: <i>"They allow us to express ourselves and be creative or innovative. This on its own will enhance productivity."</i></p>
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14. Are there any specific tools or processes that you feel are hindering your productivity? How do you think these tools or processes can be improved or replaced?			Official 1; focus group (3) stated that: <i>"Maybe ICT, we may use more of automation in the line of work we do, we are also moving towards a hybrid system, this may aid well in that process. We also need separate offices as sometimes open plans may affect productivity in employees who have certain personalities."</i>	Official 6; focus group (5) explained that: <i>Whenever a post is being advertised, let them consider a candidate with knowledge and practical background. I've been working for the department for many years however, when they fill a post, they consider people from outside that do not have an idea of what is happening in the national department of health.</i>
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15. How effectively do you think the operations in your department are managed? How can this be improved?			Official 3; focus group (3) stated: <i>"Well managed, National Treasury is a highly professional department and operations are imperative to efficiency and productivity especially in the budget office."</i>	Official 5; focus group (4) explained that: <i>"In the department of transport, we are dealing working together with the department of public enterprise and we cannot just command or inform Transnet on what to do. Transnet does not report to transport; therefore, it is difficult, I have realized that we are running circles annually. For example, one of our entities which is PRASA we are aware of how it was before and the status quo, so it is difficult to manage operations because when we go through the reports and do oversight it is two different things."</i>	
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16. What business processes and standard operating procedures do you use to execute your tasks? Are these effective?			<p>Official 2; focus group (2) stated explained that:</p> <p><i>“Being an ethical public servant, strive to adhere to the constitutional rules that govern us, also the public servant’s policy and code of conduct stipulated. I also remind myself that I am a civil servant first even outside the office territory, the manner I present myself affects my department.”</i></p>		
17. If you had the authority to make one change or improvement within the department to boost productivity, what would it be?			<p>Official 3; focus group (3) stated that:</p> <p><i>“I would ensure that all policies are supported by an implementation strategy that is executable and measurable over time.”</i></p>	<p>Official 7; focus group (4) explained that:</p> <p><i>“I will involve every employee irrespective of their levels at work.”</i></p>	<p>Official 4; focus group (5) claimed that:</p> <p><i>“To improve on turnaround schedules, especially and on the development of guidelines and policies because it takes forever for implementation.”</i></p>



## Analysis of Focus Group Discussion findings

In this section of data collection and analysis, responses to each question are analysed separately.

### Question 1: What is your opinion on the importance of productivity in the workplace?

Four out of five focus groups responded to question one. Responses reveal that the participants hold the view that productivity drives achievement of organizational goals, mandate, aims as well as objectives. Productivity rallies people around set organizational goals. It is about going the extra mile, performing according to the job description and key performance areas.

### Question 2: How effectively do you think your performance is managed in your department? How can this be improved? Please elaborate.

Four focus groups responded to question two. Respondents believe that effective performance management depends on management styles and dynamics inherent in each group as well as an organizational unit. Respondents believe that productivity is managed effectively. To manage performance effectively, basic principles of management, namely, planning, leading, organizing must be in place. In answering the second part of the question on how productivity can be improved, respondents stated that there is a need to avail resources, to do introspection regarding challenges faced in relation to goals. Regular performance meetings are also seen as being helpful in improving productivity. Furthermore, clarity on roles and responsibilities is viewed as important. The lack of incentives is raised as a concern. It is believed that the return of incentives will make a difference in the management of productivity. The response which recommends the return of incentives suggests that there are no

other effective non-monetary incentives which are available in the South African public service.

### Question 3: How do the benefits that are offered by the department supporting your productivity? Please elaborate.

For question three, one focus group did not answer. The responses from those who have answered indicate that benefits such as skills development help in achieving outcomes. Furthermore, bursaries and fringe benefits such as medical aid and pension fund contribution give employees a peace of mind and thereby enhancing productivity. Furthermore, performance bonuses and overall benefits are seen as enhancers of productivity.

### Question 4: How motivated are you to do your job? What would make you more motivated? Please elaborate.

Responses to question four show that three focus groups did not respond. 1 focus group answered that there are no motivators. Another focus group mentioned 1.5% of the performance reward based on availability of funds.

### Question 5: How motivated are you to do your job? What would make you more motivated please elaborate.

One focus group did not respond to this question. Generally, respondents are motivated to do their work. They are motivated by work itself, leadership, and rule clarification. A concern exists regarding stagnation in one position or level with no career pathing or certainty about the prospects for promotion.





**Question 6: How do you communicate your ideas, concerns, and suggestions to your managers? Can you do this openly and freely?**

For question six, two departments did not respond. It is believed from participants who responded that one-on-one sharing of ideas and meetings on weekly basis seem to work. The challenge raised by respondents is that not all ideas shared are implemented.

**Question 7: Do you feel comfortable sharing your ideas, concerns, and suggestions with your managers? Can you provide an example of a time when your manager acted upon your feedback?**

For question 7, three focus groups did not respond. The two focus groups which responded reported that they are comfortable sharing ideas and concerns as there is open communication on various platforms.

**Question 8: How do your managers and department support your career growth?**

In responding to the question how your managers and department support your career growth, participants from the four focus groups which responded mentioned the availability of opportunities to attend workshops, short courses to improve their skills as well as training as some of the initiatives to stimulate growth. Participants further mentioned that training is not available to all. Inclusion in projects is also another avenue to support growth among employees. Bursaries for studies that are relevant to departments are also offered. However, bursaries are not available for Masters and PhD studies.

**Question 9: What specific training and development opportunities have you been provided within the past year? Are there any additional areas of training that you believe would enhance your productivity and performance?**

Two focus groups did not answer question 9. Answers to question 9 corroborate the response given in question 8 which suggest that not everyone has received training. Some responses were broad enough to include development which is not necessarily aligned to formal training.

**Question 10: How do your managers support and motivate you to perform your work? Please elaborate.**

Responses to question 10 exclude three focus groups which did not attempt to answer this question. Employees believe that manager's expectations are realistic, and they get support and motivation to perform their work. In responding to this question, participants further mentioned that there are instances where some departments have higher workload which exceeds the number of staff available. As a result, employees are overstretched with adverse consequences for levels of productivity.

**Question 11: How do your managers support and motivate you to perform your work? Please elaborate.**

Three focus groups did not respond to question 11. The response is received points to weekly team meetings which are used to support and motivate employees. Volumes of work due to vacancies militate against efforts to support employees to perform. In this case, work that was to be performed by an employee who left the organization is shared amongst those who are still in the organization.



**Question 12: How would you characterize the management style in your department? (Autocratic, democratic, laissez-faire, visionary, servant leadership, other)**

Like question 11, for question 12 three focus groups did not respond. There were no clear-cut answers to this question. Respondents mentioned that there is no certainty as organizational hierarchy of leaders who may be different in terms of leadership styles. However, at a team level or the level of a directorate a democratic style of leadership is evident as most leaders or managers have an open-door policy.

**Question 13: How does the management style influence your motivation and productivity as a front-line staff member?**

The pattern of three focus groups not responding continues into question 13. Responses reveal that initial decision was that no laptop would be allocated to employees at entry levels hence they could not be productive during COVID-19 and could not do extra work after hours. This has fortunately changed. However, delays in changing the status quo points to the need for timely decision making during a crisis. Respondents believe that ability to express oneself and space to be innovative enhances productivity.

**Question 14: Are there any specific tools or processes that you feel are hindering your productivity? How do you think these tools or processes can be improved or replaced?**

Like the previous three questions, in question 14 only two responses were recorded. Respondents mentioned Information and Communication Technology as an enabler and a hindrance if automation is to happen without the required tools. Respondents also hinted to physical structural issues in terms of the ability to be productive. Open plan is perceived as a hindrance to productivity due to different personalities amongst employees. Another hindrance and a demotivating aspect are the

appointment or non-appointment on merit. Participants believe that appointments should be on merit and internal staff should be considered first instead of appointing external people who are clueless about a specific department.

**Question 15: How effectively do you think the operations in your department are managed? How can this be improved?**

In question 15, three focus groups did not respond. Amongst the responses received, professionalism and effectiveness are seen as characterizing the operations of departments and their management. However, there appear to be difficulties when dealing with external public entities which are supposed to be monitored by departments.

**Question 16 What business processes and standard operating procedures do you use to execute your tasks? Are these effective?**

Question 16 received the least responses of all questions. Only one focus group attempted to respond. The focus group which responded believes that business processes and standard operating procedures that can be used in executing tasks should have adherence to rules and a code of conduct as a foundation.

**Question 17: If you had the authority to make one change or improvement within the department to boost productivity, what would it be?**

In question 17 two focus groups did not respond. Focus groups that responded indicated that policies need to have an implementation strategy that is practical and can be measured over time. Furthermore, all employees need to be involved meaningfully irrespective of the level in the hierarchy.



## Implication and recommendations

The results of the study reveal that employees at entry level understand what productivity entails and its importance. There is a general perception that productivity is managed well. However, there are limitations. Availability of resources are some of the limitations in managing productivity effectively. Respondents believe that performance meetings which reflect on challenges could go a long way in improving productivity.

The absence of incentives seems to have a negative impact on productivity. There is also confusion amongst different focus groups regarding the existence of incentives. The one focus group mentioned the absence of incentives while the other identifies the existence of 1.5% of salary as a motivator. This confusion highlights the likelihood of inconsistent application of policies on rewards across the public service. While incentives are seen by respondents in monetary terms, suggesting that monetary rewards are likely to have a major effect on productivity, performance rewards need to be expanded beyond the narrow focus on monetary rewards. Inclusion of non-monetary rewards the performance management system will help the public service to have sustained optimum levels of productivity in times of public service resource constraints. It is recommended that alternative non-monetary ways of acknowledging and rewarding performance be investigated and implemented in the public service.

Respondents in the study suggest that education and skills are important in promoting productivity. This finding further suggests that there is a need for continuous investment in relevant education and training through bursaries and short learning programmes offered by universities and the National School of Government. While on-the-job training does not come out clearly from the responses received, its importance in honing the skills of public officials cannot be underestimated.

Employees are mostly motivated to do their work. However, promotions and uncertainty regarding career pathing seem to militate against motivated employees. Coupled with this finding is the perception that internal employees are ignored when filling vacancies. These perceptions cannot be ignored as they have implications on any attempt to improve productivity. It is for this reason recommended that in addition to performance meetings, supervisors must have career meetings with employees reporting to them. While recruitment for available vacancies cannot always be in-house, in cases where an employee inside the department applies for a position and he/she is not shortlisted or appointed, efforts should be made to give such employee feedback so that he/she can improve on weaknesses identified during the selection process.

Imbalances in workload amongst employees in departments is a concern amongst participants. This is related to vacancies and the time it takes to fill vacancies. In instances where the filling of a vacancy takes longer than three months, employing interns must be considered to alleviate pressure emanating from the vacant position. Apart from alleviating pressure, the department will also be contributing towards the broader national agenda of skills development. To manage productivity and performance effectively, workload norms may need to be established per occupational class.

The study suggests that better communication, its frequency, openness, honesty in incorporating ideas from subordinates and involvement of all employees irrespective of their levels in decision making seem to be preferable amongst participants in the study. Most importantly, the essence of timely decision making is emphasised. It can be inferred from this finding that a democratic style of leadership is preferable although not feasible in all situations.



The impact of having tools of trade on productivity is also highlighted by participants in the study. In this era of the fourth industrial revolution, access to technological tools of the trade should be prioritised for employees at all levels on a need basis. This will not only improve productivity, but the knock-on effect on service delivery will be felt by customers.

## Acknowledgements of the researchers

***Dr Bangani Ngeleza, Consultant: Nantso Holdings (PTY) Ltd***

**The National School of Government Research Team:**

Dr Johnny Pietersen and Ms Sinelisiwe Thwala.

***The Presidency (Policy and Research Services) Team:***

Ms Pulane Kole, Mr Sibusiso Masuku, Ms Martie Venter, Ms Gaynore MacMaster, Ms Nompumelelo Makamu, Mr Pfarelo Madzhuta, Ms Yasmeen Ismail, Ms Fortunate Setati and Ms Sanyane Kgobe.





## Conclusion

The purpose of this enquiry was to measure productivity in the South African Public Service.

In attempting to achieve this task the study

Conducted a literature review focusing on the conceptualisation, implementation as well as

- a) The management of productivity within the South African public service.
- b) Clearly outlined and defined what factors drives and in contrast impede productivity levels
- c) Within the public service.
- d) Performed benchmarking against international counterparts in order to identify countries that
- e) Are known for having highly productive public services.
- f) Conducted an analysis through sampling some legislation and policy frameworks that bear
- g) Relevance to the public service, that also outline mandates, measures, and standards for managing productivity.
- h) Undertook a review of core service delivery indicators as well as current data employed in
- i) The assessment of productivity within the South African public service.
- j) Conducted a thorough evaluation of government expenditure with regards to public goods
- k) And services and an exploration of the impact that it has on efficient

service delivery. Undertook credible fieldwork in order to gather insights as well as perspectives and views of

- l) Government employees on public sector productivity.

In terms of benchmarking, South Africa is currently underperforming in relation to it peers such as Singapore and Canada. Also, in Africa, in relation to Rwanda, which South Africa had historically done better than, the study found that recently Rwanda has in fact surpassed South Africa in productivity levels. Some of the identified drawbacks are employee development levels, performance management systems, entrenched and endemic corruption, etc.

In terms of legislation and policies that govern productivity, South Africa fairs well comparatively. The challenge is, however, in the implementation and enforcement of these regulations, as well as lack of interconnectedness; and as such successfully implementing or failing to implement one bears a ripple on other facets that affect productivity.

It is clear that despite the efforts, South Africa still has somewhat a considerable amount of ground to cover in order to achieve the desirable levels of productivity. Factors such as corruption, lack of quality education and poor skills development are some of the critical factors that he country needs to address in striving to attain its goals. In improving productivity to desirable and envisaged levels will also ensure that Government gets to do good on its social contract with its citizens by providing high value good and services.





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UNIT ROOT TEST TABLE (PP)						
	At Level					
		LGE	LGDP	LGOVTSP	LPOP	REGULATORY_QUALITY
With Constant	t-Statistic	-1.4700	-7.1617	-1.2943	1.6155	-0.4549
	Prob.	0.5239	0.0000	0.6070	0.9988	0.8752
		n0	***	n0	n0	n0
With Constant & Trend	t-Statistic	-2.8013	-0.2638	-2.7820	-2.3258	-3.8177
	Prob.	0.2153	0.9844	0.2213	0.3999	0.0455
		n0	n0	n0	n0	**
Without Constant & Trend	t-Statistic	0.7579	3.7595	-7.2788	27.4946	-1.7434
	Prob.	0.8682	0.9996	0.0000	0.9999	0.0772
		n0	n0	***	n0	*
	At First Difference					
		d(LGE)	d(LGDP)	d(LGOVTSP)	d(LPOP)	d(REGULATORY_QUALITY)
With Constant	t-Statistic	-6.8569	-1.8013	-4.4708	-1.3980	-7.4025
	Prob.	0.0000	0.3664	0.0035	0.5568	0.0000
		***	n0	***	n0	***
With Constant & Trend	t-Statistic	-11.1494	-3.6092	-4.1801	0.1642	-7.2895
	Prob.	0.0000	0.0616	0.0233	0.9948	0.0003
		***	*	**	n0	***
Without Constant & Trend	t-Statistic	-4.9474	-1.1675	-2.7739	0.1317	-4.9839
	Prob.	0.0001	0.2111	0.0088	0.7103	0.0001
		***	n0	***	n0	***
UNIT ROOT TEST TABLE (ADF)						
	At Level					



UNIT ROOT TEST TABLE (PP)						
	At Level					
		LGE	LGDP	LGOVTSP	LPOP	REGULATORY_QUALITY
With Constant	t-Statistic	-1.5494	-3.8068	-1.1861	1.0334	-0.7289
	Prob.	0.4854	0.0117	0.6548	0.9944	0.8100
		n0	**	n0	n0	n0
With Constant & Trend	t-Statistic	-3.1662	-0.7645	-2.9906	-6.7949	-3.8226
	Prob.	0.1237	0.9491	0.1642	0.0005	0.0452
		n0	n0	n0	***	**
Without Constant & Trend	t-Statistic	0.3212	1.2441	-4.0104	1.5662	-1.4426
	Prob.	0.7667	0.9379	0.0005	0.9636	0.1337
		n0	n0	***	n0	n0
	At First Difference					
		d(LGE)	d(LGDP)	d(LGOVTSP)	d(LPOP)	d(REGULATORY_QUALITY)
With Constant	t-Statistic	-5.2603	-1.8590	-3.9228	-4.1300	-7.4187
	Prob.	0.0008	0.3412	0.0100	0.0088	0.0000
		***	n0	***	***	***
With Constant & Trend	t-Statistic	-5.2765	-3.3891	-3.7466	-2.2366	-7.0420
	Prob.	0.0035	0.0882	0.0489	0.4341	0.0003
		***	*	**	n0	***
Without Constant & Trend	t-Statistic	-4.9382	-1.3770	-2.7739	-0.2095	-5.3094
	Prob.	0.0001	0.1500	0.0088	0.5928	0.0001
		***	n0	***	n0	***
<b>Notes:</b> (*) Significant at the 10%; (**) Significant at the 5%; (***) Significant at the 1%. and (no) Not Significant						
*MacKinnon (1996) one-sided p-values.						



## Appendix 2: Senior managers interview questions

### Purpose:

This study is intended to collect basic data on your understanding, as Senior Manager in the public Service, of Public Service Productivity. The DPSA has developed the Public Service Productivity Framework to measure levels of productivity in government. In this regard, productivity is determined by various factors impacting on the three (3) inter-linked dimensions, namely (1) Labour; (2) Operations; and (3) Performance. This survey aims to probe further dimensions pertinent to Public Service Productivity to enable the Presidency to review and compliment work already accomplished in this area and for the National School of Government (NSG) to identify any contribution of training and development on productivity.

### Scope:

Ten (10) National departments have been randomly selected to participate in this baseline study.

### Declaration:

The data that is collected shall be used to compile a report that will be shared with relevant stakeholders and will provide feedback to the departments concerned. Information will be presented as percentages and statistics and no individual respondents will be identified.

## SECTION A: PROFILE OF RESPONDENTS

### A1. Gender

1	Male	
2	Female	
3	Other	

### A2. Race

1	Black	
2	Coloured	
3	Indian	
4	White	
5	Other	

### A3. Age

1	Below 25 years	
2	Between 26-35 years	
3	Between 36-45 years	
4	Between 46-55 years	
5	Between 56-65 years	

### A4. Working experience

1	Below 5 years	
2	Between 6-11 years	
3	Between 12-15 years	
4	Between 16-20 years	
5	Between 21-30 years	
6	Above 30 years	

A5. The highest level of qualification \_\_\_\_\_  
\_\_\_\_\_



A6. Profession/position \_\_\_\_\_

A7. Directorate/Branch/Unit \_\_\_\_\_

A8. Position \_\_\_\_\_



## SECTION B: PERCEPTIONS ABOUT PRODUCTIVITY IN THE PUBLIC SECTOR

1. How would you describe productivity in the South African government?

2. What is your view of productivity in your department?

3. How would you compare levels of productivity in your department to government as a whole?

4. How does your department contribute to productivity in government?



5. What is your view of productivity in your branch/section/directorate/unit?

6. How would you compare levels of productivity in the public sector versus the private sector?



**SECTION C: FACTORS INFLUENCING PRODUCTIVITY IN THE PUBLIC SECTOR**

1. Below are various areas that are usually listed as constraints to service delivery. Please indicate your views by choosing an appropriate answer for the question.

Legend:  
1= Strongly Disagree; 2= Disagree; 3= Undecided; 4= Agree; 5= Strongly Agree.

5.1 Shortage of skills

1	2	3	4	5

5.2 Lack of commitment

1	2	3	4	5

5.3 Poor leadership

1	2	3	4	5

5.4 Political interference

1	2	3	4	5

5.5 Insufficient funds

1	2	3	4	5





5.6 Other – please specify.

--

2. Below are various factors that are usually mentioned as affecting productivity in the public sector. Please indicate your views by choosing an appropriate answer for the question.

Legend:

1= Strongly Disagree; 2= Disagree; 3= Undecided; 4= Agree; 5= Strongly Agree.

1	2	3	4	5

6.1 Absenteeism

1	2	3	4	5

6.2 Poor working conditions

1	2	3	4	5

6.3 Salary & wages not commensurate with amount of work

1	2	3	4	5

6.4 Discouraged/unhappy employees

1	2	3	4	5

6.5 Fights/disagreements among employees

1	2	3	4	5

6.6 Long periods of suspension

1	2	3	4	5

6.7 Other – please specify.

--



## SECTION D: RECOMMENDATIONS

1. How can productivity be measured in the public sector?

2. What can be done to (further) improve productivity in the public sector?

3. If you are familiar with how DPSA measures productivity in the public sector, do you have an opinion about how DPSA measures productivity in the public sector?

4. Is there anything else you would like to say regarding productivity in the public sector?

## Appendix 3: Middle managers interview questions

### Purpose:

This study is intended to collect basic data on your understanding, as a Middle Manager in the public Service, of Public Service Productivity. The DPSA has developed the Public Service Productivity Framework to measure levels of productivity in government. In this regard, productivity is determined by various factors impacting on the three (3) inter-linked dimensions, namely (1) Labour; (2) Operations; and (3) Performance. This survey aims to probe further dimensions pertinent to Public Service Productivity to enable the Presidency to review and compliment work already accomplished in this area and for the National School of Government (NSG) to identify any contribution of training and development on productivity.

### Scope:

Ten (10) National departments have been randomly selected to participate in this baseline study.

### Declaration:

The data that is collected shall be used to compile a report that will be shared with relevant stakeholders and will provide feedback to the departments concerned. Information will be presented as percentages and statistics and no individual respondents will be identified.



## Section 1: Personal Information

1. Please state your position/role in the public service .....  
.....  
.....
2. How many years have you been working in the public service?  
.....  
.....

## Section 2: Understanding of Productivity

How do you define productivity in the context of your team/department?

1. Can you provide examples of activities or results that you consider as indicators of high productivity in your department? What key performance indicators (KPI's or metrics do you use to measure productivity, and how do you track and analyse them?

2. How does this feedback process affect productivity?

## Section 3: Work Environment

Can you describe how the work environment affects productivity in your department?

1. How do the available resources or lack thereof affect your department's productivity?

2. Could you provide examples of any distractions or obstacles in the workplace that may affect productivity

3. How do you ensure that your team's productivity aligns with the overall goals and strategies of the organisation?

4. How have crises or unforeseen circumstances affected your team's productivity?



### Section 4: Employee Engagement and Motivation

5. How would you assess the level of employee engagement in your department?

6. How does this level of engagement affect productivity

7. How do you motivate your team members to increase their productivity levels

### Section 5: Leadership and Management Styles

How does your management style contribute to the productivity of your team?

8. What role does effective communication play in the productivity of your team?

9. How do you foster collaboration and effective communication among team members to enhance productivity

### Section 6: Work Processes and Systems

How effective are the existing work processes and systems in your department in facilitating productivity?

10. Are there any specific processes or systems that you believe hinder productivity? If so, what changes would you suggest?

### Section 7: Training and Skills Development

11. In what ways do training and skills development initiatives within your department impact overall productivity?

12. Are there any skills gaps that, if filled, could improve productivity? If so, what are they?



13. How do you promote a culture of continuous improvement and learning within your team to boost productivity

### Section 9: Future Outlook

What steps are you taking to enhance productivity in your department?

14. What obstacles or challenges do you foresee in improving productivity, and how are you planning to overcome them?

### Section 10: Innovation and Creativity

How does innovation contribute to productivity in your department

15. Can you share instances where creativity/ innovation & technology has led to increased productivity?

16. How do you encourage and foster a culture of innovation within your team

### Section 11: Work-Life Balance

17. How does work-life balance impact productivity in your department?

18. What initiatives are in place to promote work-life balance and how do they affect productivity

19. How do you balance the need for productivity with the well-being and work life balance of your team





**Section 12: Diversity and Inclusion**

How does diversity and inclusion in your department impact productivity

20. Are there specific strategies you have put in place to enhance productivity through promoting diversity and inclusion

**Section 13: Ethical Practice and Integrity**

21. How do ethical practices and integrity within your department relate to productivity?

22. Could you share any instances where ethics and integrity have influenced productivity in your department?

**Section 14: Customer (Citizen) Centricity**

23. How does the focus on customer (citizen) centricity impact productivity?

24. Can you provide examples where efforts to improve customer service resulted in increased productivity?



## 6.3 Appendix 3: Focus Group Discussion (FGD) operational staff

### PRESIDENCY AND NATIONAL SCHOOL OF GOVERNMENT STUDY

#### Productivity in the South African Public Sector

##### Focus Group Discussion Interview Guide for Operational Staff

###### Purpose:

This study is intended to collect basic data on your understanding, as a civil servant in the public Service, of Public Service Productivity. The DPSA has developed the Public Service Productivity Framework to measure levels of productivity in government. In this regard, productivity is determined by various factors impacting on the three (3) inter-linked dimensions, namely (1) Labour; (2) Operations; and (3) Performance. This survey aims to probe further dimensions pertinent to Public Service Productivity to enable the Presidency to review and compliment work already accomplished in this area and for the National School of Government (NSG) to identify any contribution of training and development on productivity.

###### Scope:

Ten (10) National departments have been randomly selected to participate in this baseline study.

###### Declaration:

The data that is collected shall be used to compile a report that will be shared with relevant stakeholders and will provide feedback to the departments concerned. Information will be presented as percentages and statistics and no individual respondents will be identified.

Department Name: \_\_\_\_\_

Number of interviewees:

Males: \_\_\_\_\_ Females: \_\_\_\_\_ Other: \_\_\_\_\_

## SECTION 1: GENERAL

1.1 Which function(s) within the department are represented in this group?

1.2 What is your individual designations?

1.3 How long has each of you worked for this department?

1.4 What is your opinion on the importance of productivity in the work place?

## SECTION 2: REWARDS

How effectively do you think your performance is managed in your department? How can this be improved? Please elaborate.



**1.1** How do the benefits that you are offered by the department supporting your productivity? Please elaborate.

**1.2** How is the overall reward system of your department? How satisfied are you with it? Please elaborate.

### SECTION 3: PEOPLE

**1.1** How motivated are you to do your job? What would make you more motivated? Please elaborate.

**1.2** How do you communicate your ideas, concerns and suggestions to your managers? Can you do this openly and freely

**1.3** Do you feel comfortable sharing your ideas, concerns, and suggestions with your managers? Can you provide an example of a time when your manager acted upon your feedback?

**1.4** How do your managers and department support your career growth

**1.5** What specific training and development opportunities have you been provided with in the past year? Are there any additional areas of training that you believe would enhance your productivity and performance?

**1.6** How does the staffing of the department affect your productivity? Do you think staffing is adequate? Please elaborate.



## SECTION 4: STYLE

- 1.1** How realistic are your manager's expectations of you at work? Please elaborate.

- 1.2** How do your managers support and motivate you to perform your work? Please elaborate.

- 1.3** How would you characterize the management style in your department? (Autocratic, democratic, laissez-faire, visionary, servant leadership, other)

- 1.4** How does the management style influence your motivation and productivity as a front line staff member?

## SECTION 5: SYSTEMS

- 1.1** Are there any specific tools or processes that you feel are hindering your productivity? How do you think these tools or processes can be improved or replaced?

- 1.2** How effectively do you think the operations in your department are managed? How can this be improved

- 1.3** What business processes and standard operating procedures do you use to execute your tasks? Are these effective?

## SECTION 6: CONCLUSION

- 6.1** If you had the authority to make one change or improvement within the department to boost productivity, what would it be?

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