

Contract System Pertaining to the Employment of Senior Public Service Officers in Botswana

This chapter presents and analyses the first country case study – Botswana. The chapter (and subsequent chapters) provides empirical data based on interviews of key informants and document sources to examine the contract system of employment of senior public service officers in Botswana. The aim is to understand the Botswana reforms and to gather evidence as to the success or otherwise of the implementation of contract employment as part of the new public management experiment in developing countries. The chapter examines the background to the Botswana case and then proceeds to analyse the contract systems introduced under new public management (NPM) reform, management models underpinning the performance agreement system and the impact of the performance agreement on the working conditions and environment of management in the economy.

Background to the Botswana case

Botswana has been touted as the success story in African governance and there are several reasons why that country qualifies for this accolade. It was a poor country at independence from British rule in 1966, and like others in its category at that time its viability as a state was in doubt. Initially, it was development co-operation and aid that kept alive the country's chances of survival (Henderson, 1991). International aid finance formed a greater aspect of the development budget of some of these states. Henderson (1991) argued that Botswana and Gambia achieved independence without being able to balance their recurrent budget from domestic resources. The UK guaranteed to provide grant-in-aid to such countries until they were able to balance their recurrent budgets from domestic resources. Sir Seretse Khama is said to have achieved domestic financing after seven years of independence, thanks to the discovery of diamonds in Botswana and the exercise of effective democratic and economic leadership that ensured a sound foundation for state-building – 'the process through which states enhance their ability to function' (Whaites, 2008).

Botswana is one of the few countries in Africa that has maintained the Westminster democratic traditions uninterrupted since independence. The country has also maintained a system of development planning which was associated with most of the new post-independence governance in Africa. In the development literature, Botswana is hailed as one among a dozen countries in the world that has broken 'the resource curse'. The resource curse is a reference to the ability of a country to use revenues from a mainstay extractive resource like minerals (e.g. oil, gold, diamonds) in the effective development of its nationals. In the 1980s, Botswana maintained an average growth rate of 8 per cent, while its counterparts like Ghana, Uganda and Zambia were compelled to undertake structural adjustment with associated conditionalities for retrenching expenditure in the social sector.

Contract systems introduced under new public management (NPM) reform

As a result of globalisation and other factors, including an increasingly demanding citizenry, the Government of Botswana decided to introduce administrative reforms and programmes within its public service. This was with the aim of competing more effectively, a competition based on speed, quality, deliverability, cost-effectiveness and efficiency. The reform initiatives include decentralisation of human resources functions, performance management, team building and the computerisation of personnel management systems to facilitate its appropriate adaptability to the on-going globalisation. The reforms are government's attempt to undertake structural, institutional, policy and strategic re-alignment to the global imperatives.¹ The driving force behind the pursuit of these new efficiency objectives is the permanent secretary.

The government made a decision to place permanent secretaries at the centre of change management and to be supported in this effort by the Directorate of Public Service Management (DPSM) which is part of the Office of Cabinet and Public Service President. The government is revamping the Public Service Act and has made a provision for introducing contracts for senior public service officers from directors upwards. The permanent secretaries still operate under the permanent and pensionable conditions of employment for public servants. However, they have been required to enter into a performance agreement since 1998. The performance agreement is signed between the permanent secretary (PS) of a particular ministry and the public service president (PSP)/cabinet secretary.² Congruently, to ensure unity of purpose, the minister of the same ministry also signs a performance agreement with the Vice President of Botswana. Similarly, to ensure personal responsibility throughout the public service, officers from the deputy PS and below also sign a performance agreement. This arrangement could therefore represent a system-wide application of performance management in the governance of Botswana, and it is now underpinned by a new management tool – the 'balanced scorecard'.

Within the balanced scorecard framework, the performance agreement of the permanent secretary takes its point of departure from the Annual Performance Plan (APP) of the ministry, a short-term system of planning that has been in use since April 2001. The performance agreement of the permanent secretary is based on choosing about six to eight commitments (priority areas) of the ministry's APP, including breakthrough areas and customer satisfaction objectives and list of outputs the permanent secretary will be responsible for delivering in the next twelve months, in relation to the key priority areas. Aside from this, where relevant, outputs are expected to include those that the permanent secretary wants to achieve in the medium term. Priority areas are related to the services the ministry provides to its clients, policy development and the personal contribution of the permanent secretary to overall management of the public service.³

A typical performance agreement for the permanent secretary includes key result areas shown in Table 1.

Explained in fairly simple terms, the performance agreement (PA) is a permanent secretary's commitment for the financial and development year in view. It starts at the level of the permanent secretary and is cascaded down the ministry to deputy permanent secretaries and directors, and the rank and file civil servants align to it.

It was noted from the fieldwork that reporting is upwards or vertical in relation to seniority in the hierarchy. From the deputy director downwards, every employee has his/her performance development plan, reviewed on a quarterly basis. The permanent secretary reviews, on a quarterly basis, the work of the deputy PS to find out whether the targets outlined for the year are being achieved and, if not, what the issues are. The deputy PS also reviews the work of the directors, and the directors in turn review the staff at the lower level. The review is on a one-on-one basis, and it looks at what the commitments were in relation to the outputs produced. There is a Guide from the Office of the President to help in setting measures, targets and activities. To make the system fool-proof, a unit for the co-ordination of performance has been established in each ministry/department of government, thus ensuring effective reporting.

With regard to a probe into whether a sanctions and rewards system exists for lack of performance, it was revealed in the interview with a co-ordinator of performance at the Ministry of Trade and Industry (MTI) that the only negative reward a responsible officer receives is for that performance gap to be closed. If it is a case of lack of capacity, the ultimate sanction could be applied after several sessions of training and attempts to rectify the situation, and then there could be demotion or exit. Alternatively, for good performance, a thirteenth salary – a bonus – has been instituted. The chain of reporting is purportedly taken very seriously by the cabinet secretary/PSP, very business-like in the way he noted that the sanctions and reward system was being applied in the strictest sense, on a quarterly basis.

Table 1. Example of key result areas in a performance agreement

<i>Key Result Areas</i>	<i>Commitments (1 to 3 per commitment)</i>	<i>Performance Measures</i>
Visionary Leadership	<ul style="list-style-type: none"> • Achieve public service productivity 	(C1) <ul style="list-style-type: none"> - Level of customer satisfaction - Net output per employee
	<ul style="list-style-type: none"> • Achieve employee engagement and commitment 	(C2) <ul style="list-style-type: none"> - Level of employee motivation - Level of talent retention - Level of implementation of performance-based reward system (PBRs) including 13th cheque
Financial Management	<ul style="list-style-type: none"> • Optimise use of resources 	<ul style="list-style-type: none"> - Percentage expenditure - Vacancy rate - Level of maintenance of facilities - Performance rate of internal processes: <ul style="list-style-type: none"> √ Response time √ Terminal benefits √ Recruitment √ Payment to suppliers √ Sourcing of suppliers/services
Implementation and Co-ordination	<ul style="list-style-type: none"> • Achieve efficiency and effectiveness of delivery in HR services 	<ul style="list-style-type: none"> - Compliance rate to service standards - Level of improvement (resulting from re-engineering, restructuring, legal frameworks and procedural changes, decentralisation) - Level of completion of outsourcing recruitment of scarce skills
Human Resource Management	<ul style="list-style-type: none"> • Develop public service leadership capability • Enhance employee competencies 	<ul style="list-style-type: none"> - Leadership pipeline ratio - % Improvement in leadership competencies - % Number of ministry or DPSM staff trained - % Change in employee performance (evidence based)
Information Management & Communication	<ul style="list-style-type: none"> • Integrated Human Resource Information Management System 	<ul style="list-style-type: none"> - Level of data reliability - Level of data integration

Note: In the Performance Agreement and Review Instrument (which is six pages long), there is a fourth column to this table which indicates the Output/Results Achieved; and two pages for comments and narrative assessment, one page explaining the performance rating adopted and the final page reserved for Recommendations by the Supervisor (cabinet secretary/public service president). In this final page a row each for Reward, Development Required, Permanent Secretary's Comments, PSP's Comments and the signature of both PS and PSP. A 13th cheque refers to end-of-year bonus paid to the PS in recognition of achievement.

Because of the review system in place and the tradition of maintenance of the development planning system since the 1960s, ministries hardly operate in silos, according to the co-ordinator of performance at the MTI. For instance, economic growth is the mandate of the MTI, a responsibility emanating from the Vision 2016, the national development plan, and the mission of the ministry. Thematic working groups have been formed to deliver on economic growth, including the ministries responsible

for finance, land and labour. A tool that has been used to assist and thus promote joined-up working arrangements is the balanced scorecard, which has been added to the performance management system since 2005.

Management models underpinning the performance agreement system

Before the balanced scorecard, a general model of performance management system (PMS) had been installed. The PMS was expected to be rolled out in 2004 to all ministries and independent departments. The PMS is a change and quality management process that facilitates a comprehensive management of performance at all levels in an organisation. Its major objectives are: to improve individual and organisational performance in a systematic and sustainable way; to provide a planning and change management framework which is linked to the budgeting and funding process; to enhance government capacity; and to inculcate the culture of performance and accountability to management at higher levels of productivity so as to provide efficient delivery of services.

According to the Performance Management System Philosophy Document of the Government of Botswana,⁴ the structure of the model (PMS) involved coming up with a vision, a mission, and value statements that will guide the whole public service. The essence of the new philosophy was captured in the 'Botswana Public Service Vision Statement', which notes that:

... the Botswana Public Service will provide a world class service that is efficient, effective, caring and responsive to local and global challenges.⁵

The implementation of PMS involves the setting of target outputs and agreements between the supervisor and those being supervised. This is to be followed by regular progress reviews by supervisors to ascertain areas of problems so that actions could be taken in a timely manner. The result should enhance productivity and inculcate a keen interest in the job.

The need for performance management system (PMS)

The necessities underlying the implementation of PMS as outlined in the philosophy document are:

- The system will address previous fragmented 'one-shot' productivity improvement initiatives such as Organisation and Methods (O&M), Job Evaluation, Work Improvement Teams (WITS) or parallel progression. These initiatives had dealt mostly with specific aspects and problems of ministries and departments rather than address all areas of the organisation. The PMS on the other hand offers a holistic framework that facilitates the employment and integration of some of the above initiatives, for example WITS.

- The introduction of PMS does not disrupt the present management structures, but rather builds on it. The main difference is that it equips ministry executives and management with more disciplined tools to manage and enhance performance in their organisations.
- The system is designed to be a permanent process in ministries and departments, and will be enhanced by self-sustaining and self-reinforcing characteristics built into it. The PMS's ability to integrate with all other improvement initiatives makes it a more sustainable process. In the same vein, it is able to reinforce itself and thus enhance the process towards continuously improved performance and results.

Expected benefits of the performance management system

Normally, a well-implemented performance management process is beneficial to the organisation, its managers and employees. But more specifically:

- The PMS is beneficial in that there is integration in the organisation, characterised by a shared vision, common values, communicated strategy and a universal focus on outputs.
- There are clearly defined sets of standards or requirements for ministries, departments, divisions, units and individual employees. They all know what is expected of them in terms of performance or achievement.
- Customer-client needs are addressed and there is a greater and committed effort to satisfy these needs. The organisation is responsive, through regular feedback process, to the needs and aspirations of the customer.
- Through the development of strategic goals and plans, ministries will be able to objectively justify their budget and funding requirements in any given period. This will result in a new way of planning and budgeting by ministries, which can easily be incorporated in national plans as well as assisting in presentation before parliament.

The expected benefits from the implementation of PMS are not exhaustive. However, the overall aim of the Government of Botswana is that the public service will deliver on set and agreed plans, improve and sustain productivity at all levels, and inculcate a culture of performance, accountability and a focus on outputs or results.

Impact of the performance agreement on the working conditions and environment of management in the economy

The Government of Botswana has been striving to create a conducive environment for effective public management. In an interview with Pearl Matome of the

Directorate of Public Service Management (DPSM), the government has put in place structural arrangements including assessment centres within which to build the capacities of public servants below the rank of permanent secretary as part of its leadership development programme in the public service. The public service is divided up into bands:

- F - Permanent secretary level
- E - Director level
- D - Middle management level
- C&B - Individual contractor level

In explaining the significance of the different bands, Pearl Matome noted that to reach the E-Level, a public officer has to undergo assessment centre review and upgrading. This, in her view, prepares the relevant officer for seniority and the responsibilities that go with it, and also ensures that before an officer becomes a permanent secretary, he or she does not lack the necessary leadership skills. It was also intimated that the Botswana leadership initiative has benefited from competency frameworks development in far off places including the USA. Lessons learned from abroad were supposedly adapted to the local situation in the Botswana public service.

Similarly, to ensure the supply of leadership in the public service, complementary institutional developments have been initiated, including - with the help of the Singapore Civil Service College - turning the Botswana Public Administration Institute into a Civil Service College. The reason offered for this endeavour was that by turning the institute into a civil service college the emphasis was being shifted from purely academic and skills pursuit into inculcating and deepening professionalism in the cohort of public servants in the country, especially at the point of entry. A leadership capability audit was also in the process of being instituted for permanent secretaries, with the help of a South African human resources company. This will be an additional institutional structure to the competency profiles and job effectiveness profiles which have already been instituted. There have also been job descriptions for all public service posts, the underpinning perspectives of which conform to the balanced scorecard.

There are two other institutional structures that help in creating a supporting environment for public management. One is in the form of a Government Implementation Co-ordination Office, based at the Office of the President, to which all permanent secretaries submit quarterly reports. The PSP uses the reports as the basis for his review of the work of the permanent secretaries. The second institution is referred to as PIC-Force - a committee of all permanent secretaries which is chaired by the PSP/ cabinet secretary, and which holds monthly meetings to discuss the management of state affairs and review their joint work.

Conclusion and lessons learned

The Government of Botswana seems to have taken its institution building project seriously, indicated by the fact that it has introduced new approaches to improving management performance at the centre of government while maintaining some of the old institutional forms. Even though permanent secretaries are still employed on permanent and pensionable terms, they have been required to sign a performance agreement, which is backed up by an objective performance measurement mechanism that is enshrined within the balanced scorecard management tool and approach. It is not certain from the research whether Botswana's relative affluence has a part to play in the seemingly successful lesson drawing and mimicking of the spirit of the New Zealand model. What is, however, clear from the interviews conducted is the level of commitment and confidence that the officials in that country exuded. One feature of the country that seems to have played a positive role is the small size of the population and the public service compared with other, heavily populated African countries. But even so, as evidenced in the study of the small states in the Caribbean, smallness might not confer any advantages without the necessary commitment and systems in place.

Notes

1. Republic of Botswana, Report on the Rationalisation of Government Portfolio Responsibilities. See http://www.dpsm.gov.bw/rationalisation_of_gov_portfolio_responsibilities.html [last accessed 4 August 2010].
2. Mr Eric Molale was the President of the Public Service and Cabinet Secretary at the time of the fieldwork for this study in July and early August 2008.
3. Extracted from the Performance Agreement Form (DPSM 6A) (Revised 02/06). Directorate of Public Service Management, Office of President, Gaborone, Botswana; research information collected in August 2008.
4. Republic of Botswana, The Performance Management System Philosophy Document. See http://www.dpsm.gov.bw/pms_philosophy.html [last accessed 4 August 2010].
5. Performance Management System (PMS) Philosophy, Republic of Botswana. See http://www.dpsm.gov.bw/pms_philosophy.htm [last accessed 4 August 2010].