University of Pretoria etd – Fisher, H (2006)

AN ASSESSMENT OF THE STATE OF E-GOVERNMENT IN SOUTH AFRICA - THE CASE OF THE GOVERNMENT EMPLOYEES PENSION FUND

By

HILTON FISHER

Submitted in partial fulfilment of the requirements of the degree

Philosophaie Doctor (Public Affairs)

In the Faculty of Economic and Management Sciences

(School for Public Management and Administration)

UNIVERSITY OF PRETORIA

Supervisor	**:**	**Prof. P. A. Brynard**	Pretoria
Co-supervisors	**:**	Prof. J. O. Kuye	August 2005
		Prof. N. L. Roux	

University of Pretoria etd – Fisher, H (2006)

DEDICATION

To my late father, Henry Stanley Fisher and my mother Beatrice Fisher. Thanks dad and mom, I have never forgotten your unwavering support.

To my wife, Sylvia, and my son, Darren. Thanks for your support and patience. I would not have been able to achieve this without you serving as my inspiration.

To my parents in-law, Claude and Evelyn Baron, for your support and unwavering concern.

University of Pretoria etd – Fisher, H (2006)

ACKNOWLEDGEMENTS

I would like to express my sincere gratitude to the following people unto whom I am beholden:

- The Almighty Father who has provided for, guided and sustained me during this exacting period of my academic and spiritual growth;
- My wife, Sylvia and son Darren and extended family for their continued support over the years;
- Prof. J. O. Kuye for his fatherly-like concern;
- Prof. P. A. Brynard, my supervisor, for his wise counsel and incisive insight;
- Prof. N. L. Roux for his gentle, yet persuasive coaxing;
- All the academic staff of the School for Public Management and Administration for their unwavering support over the years;
- The academic staff of Gonzaga University for the opportunities; and
- Dr F. Le Roux, Head of the Government Employees Pension Fund.

Hilton Fisher

August 2005

University of Pretoria etd – Fisher, H (2006)

AN ASSESSMENT OF THE STATE OF E-GOVERNMENT IN SOUTH AFRICA - THE CASE OF THE GOVERNMENT EMPLOYEES PENSION FUND

By

HILTON FISHER

Supervisor : **Prof. P. A. Brynard**

Co-supervisors: Prof. J. O. Kuye

Prof. N. L. Roux

Department : School for Public Management and Administration

Degree : Philosophaie Doctor (Public Affairs)

ABSTRACT

E-government, electronic Public Administration, has led to streamlined work processes within and between government departments. As theories of administration and management seek to improve processes, electronic administration seeks to improve electronic processes in an effort to provide efficient services. The unique contribution of this study on Public Administration and the related e-government initiatives of the Government Employees Pension Fund is that none of this research has been documented before.

Whilst e-government is not new, its application to the Government Employees Pension Fund is novel. E-government espouses integrated partnerships between governments and e-citizens by creating an understanding of electronic

relationships between and within organisations. The thesis considers electronic Public Administrative service delivery in the Government Employees Pension Fund as it relates to civil pensions administration.

Successful e-government needs a critical mass of users that is central to ensuring its sustainable and successful utilisation. If a critical mass of users is not ensured then e-government initiatives will not be successful. Attempts by the Government Employees Pension Fund to develop a customer relationship management approach are assessed. Sustainable and successful e-service delivery is about providing multi-nodal access to clients. An interactive web site, amongst others, will allow clients to access services remotely.

Seamless government is developed around customers' needs and is outward looking since it provides a single access point for all services offered by government. Gaining access to information and communications technologies is a challenge that many face, hence the digital divide is a stymieing factor in providing seamless, successful e-government services.

Not all e-government initiatives are successful. Information and communications technology initiatives are not always implemented according to planned timelines and budgets. The case of the Government Employees Pension Fund proved to be no different given that not all the e-government initiatives embarked upon were successful.

University of Pretoria etd – Fisher, H (2006)

KEY CONCEPTS

e-government

e-governance

e-administration

digital divide

workflow (document management)

information security and risk

paperless

seamless

systems integration

interoperability

e-citizens

customer relationship management

information and communications technology

University of Pretoria etd – Fisher, H (2006)

TABLE OF CONTENTS

Title Page		**i**
Dedication		**ii**
Acknowledgements		**iii**
Abstract		**iv**
Key Concepts		**vi**

CHAPTER ONE: INTRODUCTION

1.1	**INTRODUCTION**	**1**
1.2	**CONTEXT OF THE STUDY**	**3**
1.3	**CONCEPTUALISATION**	**5**
	1.3.1 E-governance	**6**
	1.3.2 E-government	**8**
	1.3.3 E-Administration	**10**
	1.3.4 Interoperability	**11**
	1.3.5 Digital Divide	**17**
	1.3.6 Sustainable Development	**18**

University of Pretoria etd – Fisher, H (2006)

CHAPTER TWO: RESEARCH METHODOLOGY

2.1 INTRODUCTION 22

2.2 OVERVIEW OF THE PROPOSED RESEARCH

2.2.1 The Case of the Government Employees Pension Fund of South Africa **23**

2.3 RESEARCH DESIGN 27

2.3.1 Context of the Study **27**

2.3.2 The Objectives of the Study **28**

2.4 DELINEATION OF THE PROBLEM 30

2.4.1 The Statement of the Problem **30**

2.4.2 Significance Of The Research **31**

2.5 CHAPTER DELINEATION 32

2.6 RESEARCH METHODS 38

2.6.1 The Case Study **41**

a. Documents **42**

b. Interviews **42**

c. Direct and Participant Observation **43**

d. Physical Artefacts **44**

2.6.2 Target Population and Sample Sizes **44**

2.6.3 Data Analysis **47**

2.7 CONCLUSION 48

University of Pretoria etd – Fisher, H (2006)

CHAPTER THREE: REVIEW OF SELECTED READINGS ON E-GOVERNMENT

3.1 INTRODUCTION 50

3.2 GLOBALISATION AND ITS CHALLENGES FOR GOVERNMENTS 52

3.3 INFORMATION AND COMMUNICATIONS TECHNOLOGIES FOR AFRICAN DEVELOPMENT 55

3.4 E-GOVERNMENT IN SOUTH AFRICA: AN OVERVIEW 57

3.4.1 Historical Overview of the Telecommunications Infrastructure in South Africa **57**

3.4.2 Access To Communications Technology In South Africa **67**

3.5 THE STAGES OF DEVELOPMENT OF E-GOVERNMENT 75

3.5.1 Four Pillars Of E-Government In South Africa **79**

3.5.2 Provincial E-Government Initiatives In South Africa **83**

3.5.3 Communications Between Government Departments In South Africa **85**

3.5.4 Examples of E-government Projects in South Africa **87**

a. The Public Information Terminal Project (PIT) **88**

b. Internet 2000 **89**

c. Tele-democracy **89**

d. Community Information Centre **90**

e. Government Information Technology Officers Council **90**

University of Pretoria etd – Fisher, H (2006)

f. The Golaganang Project **91**

3.6 A REVIEW OF THEORETICAL PERSPECTIVES ON ELECTRONIC ADMINISTRATION, PUBLIC ADMINISTRATION AND MANAGEMENT 92

3.6.1 The Presidential Review Commission **92**

3.6.2 Theories Of Public Administration And Management **95**

a. Taylorism and Fordism **96**

b. Bureaucratic Management **97**

c. Weber's Ideal Type **100**

d. The Evolution of the Discipline of Public Administration **102**

3.7 CONCLUSION 103

CHAPTER FOUR: THE GOVERNMENT EMPLOYEES PENSION FUND OF SOUTH AFRICA AND ELECTRONIC SERVICE DELIVERY: A CASE STUDY

4.1 INTRODUCTION 107

4.2 THE GOVERNMENT EMPLOYEES PENSION FUND: A HISTORIC OVERVIEW 111

4.3 AN ASSESSMENT OF THE LEGACY-BASED ADMINISTRATIVE MODEL OF THE GOVERNMENT EMPLOYEES PENSION FUND 114

University of Pretoria etd – Fisher, H (2006)

4.3.1 CivPen Pensions Administration Software Programme **115**

4.4 PROJECT PEKWA: IMPROVING E-SERVICES WITHIN GOVERNMENT EMPLOYEES PENSION FUND 121

4.4.1 Seamless Government **124**

4.4.2 Workflow **127**

4.4.3 Paperless environment **135**

4.4.4 Managing Risk in the Government Employees Pension Fund **137**

4.5 COMPARISON: E-SERVICE DELIVERY IN THE GOVERNMENT EMPLOYEES PENSION FUND, LOCAL AND INTERNATIONAL INSTITUTIONS 144

4.5.1 Assessment of the Implementation of Workflow at South African Airways and the Compensation Commissioner **145**

4.5.2 Comparative Analysis: The Comprehensive Pension Fund Administration Software System (Compass) At Sanlam, Old Mutual And The Government Employees Pension Fund **150**

4.5.3 Comparative Human And Other Resources Devoted To The Respective Projects Under Review **153**

4.5.4 Comparison: E-Services To Elderly People In The United Kingdom And The Government Employees Pension Fund **155**

4.6 ENCOURAGING THE USE OF TECHNOLOGY IN PROVIDING E-SERVICES TO CLIENTS 161

4.7 CONCLUSION 165

University of Pretoria etd – Fisher, H (2006)

CHAPTER FIVE: ANALYSIS OF THE PROGRESS OF E-GOVERNMENT INITIATIVES AT THE GOVERNMENT EMPLOYEES PENSION FUND

5.1 INTRODUCTION 171

5.2 A THEORETICAL ASSESSMENT OF THE PUBLIC ADMINISTRATIVE AND ELECTRONIC SYSTEMS OF THE GOVERNMENT EMPLOYEES PENSION FUND 173

5.2.1 The Bureaucratic Nature of the Government Employees Pension Fund **174**

5.2.2 Ford's Theory on Management as Manifested in the Government Employees Pension Fund **177**

5.2.3 Organisation Structure of the Government Employees Pension Fund **179**

5.2.4 Interoperability Between the Government Employees Pension Fund and the Employer Departments **184**

5.2.5 The Digital Divide Between the Government Employees Pension Fund and Employer (Government) Departments **194**

5.3 COMPREHENSIVE PENSION ADMINISTRATION SYSTEM SOFTWARE (COMPASS) SUPPORT – LOCALLY AND ABROAD 197

5.4 AN ANALYSIS OF CUSTOMER RELATIONSHIP MANAGEMENT AT THE GOVERNMENT EMPLOYEES PENSION FUND 200

University of Pretoria etd – Fisher, H (2006)

5.4.1 The Relationship Between The Citizen As Customer And Government **203**

5.4.2 Batho Pele: The Customer Relationship Management Programme Of The Public Sector In South Africa **207**

5.4.3 Nodes Of Access To The Government Employees Pension Fund **209**

a. The Call Centre **213**

b. Switchboard Links **217**

c. The Walk-In Centre **218**

d. Web-site access to the Government Employees Pension Fund **222**

e. Operations Support Services **223**

f. Other Points of Access to the Government Employees Pension Fund **224**

g. Promotion of Access to Information Office **226**

h. Language Policy of the Government Employees Pension Fund **227**

i. Customer Relationship Management for the Future **229**

j. E-Procurement **230**

5.5. CONCLUSION **233**

University of Pretoria etd – Fisher, H (2006)

CHAPTER SIX: CONCLUSIONS, RECOMMENDATIONS AND OBSERVATIONS

6.1	**INTRODUCTION**	**237**
6.2	**CHAPTER SUMMARIES AND CONCLUSIONS**	**238**
6.3	**KEY FINDINGS**	**246**
6.4	**RECOMMENDATIONS**	**250**
6.5	**OPPORTUNITIES FOR FURTHER RESEARCH**	**254**
6.6	**CONCLUSION**	**255**

REFERENCES **257**