

CHAPTER FOUR

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

Governments are learning that transformation comes not from moving services online, but from redesigning the organisation to put the citizen at the centre
(Accenture, 2002)

4.1 INTRODUCTION

This chapter formally introduces the Government Employees Pension Fund and presents its core business activities. This chapter provides an account of the attempt by the Government Employees Pension Fund to implement an e-service delivery mechanism. An analysis of the situation prior to the implementation of e-government provides a sequential account of how the Government Employees Pension Fund had administered its business with the hard file and the limited use of electronic systems.

The link between the Government Employees Pension Fund and the employer departments is critical in determining the level of services provided to clients. Chapter Four proposes to analyse this link with specific reference to concepts such as paperlessness, seamlessness, interoperability and sustainability. The ideal of a

seamless relationship between governments and their clients (the voting public, staff, other government departments and stakeholders) has become fundamental in the manner in which services are rendered. Sustainable e-government in the context of this document refers to providing services electronically while building the capacity of the service provider and the user. Sustainability further depends on systems that are compatible nationally, regionally and further afield, with national ownership being prioritised.

Service delivery is about forging links, hence building government-to-citizen/client/consumer (G2C), government-to-business (G2B) and government-to-government (G2G) links is important. Government should also strive to exploit business-to-business (B2B) links in order to benefit itself and its clients. The analysis will happen in the context of the Government Employees Pension Fund replacing its current legacy-based electronic systems with a new pensions administration software programme, the Comprehensive Pension Fund Administration Support System (COMPASS), in an effort to improve service delivery.

The e-government process would not be complete without having attained a critical mass of users. Attaining a critical mass of users is probably the singular most important aspect of any successful e-government venture. The research would therefore not be complete without having assessed the needs of the clients - pensioners, members and employers - as far as e-service delivery is concerned.

Without such a needs assessment, the likelihood of a critical mass of users being reached is remote. Attaining a critical mass of users is of particular value given that clients would not necessarily have access to or have the inclination to access services electronically. Whilst testing the fore-going assertion relating to a critical mass of users, alternative methods of providing Government Employees Pension Fund clients with electronic access to services will be explored. The multiple points of access to electronic services at the Government Employees Pension Fund will be analysed and tested in terms of their effectiveness. Some of these points of access include the Call Centre, the Web Site and the Walk-in Centres, inter alia.

Given that the Government Employees Pension Fund is the custodian of sensitive information relating to personal and financial particulars of thousands of clients, it is incumbent upon the Fund to ensure the security of such particulars. It is therefore necessary that information security mechanisms be implemented to ensure that information on the systems of the Government Employees Pension Fund is safeguarded, on the one hand, and that the integrity of the information is maintained on the other. Security will be assessed in relation to the broader concept of risk management and how the Government Employees Pension Fund needs to innovate in order to insulate its electronic systems from any possible intrusion.

Every attempt was made during the course of the thesis to analyse service delivery to citizens as clients of government. The case of the Government Employees

Pension Fund is used as an example of how services can be delivered to a targeted segment of society – the contributing members and pensioners of the Fund. The Government Employees Pension Fund, as has been indicated, is the only pension fund in South Africa that administers pensions for civil servants. The Government Employees Pension Fund therefore occupies a unique position in South Africa. The Government Employees Pension Fund has, however, interacted with private pension funds to enable it to assess, on a comparative basis, the successes and failures of the implementation of electronic service delivery. International benchmarking between the levels of services offered by the Government Employees Pension Fund and the e-service delivery mechanisms for elderly people in the United Kingdom will take particular precedence during the course of this chapter.

Chapter Four will present a comparative examination of the achievements of the implementation of the e-government system. Drawing comparisons where the Government Employees Pension Fund is taken into account is very difficult given that there is no other government pension fund in South Africa. Given that the thesis is about e-government and government service delivery, private pension funds in South Africa will not necessarily provide for adequate comparison.

The highly differentiated nature of South African society is typified by huge chasms in the levels of access to basic services. The comparative analysis in Chapter Four will of necessity concentrate on two dimensions. The first of these is a comparison

between the implementation of the electronic systems of other financial institutions and the second is an emphasis on the efforts by the United Kingdom to provide e-services to elderly people, more commonly known as senior citizens. A brief African comparative analysis will also be conducted during the course of Chapter Four.

In short, Chapter Four is about the Government Employees Pension Fund, its attempt to improve its client service offerings through electronic means and its efforts to maintain effective service delivery in an e-government milieu.

4.2 THE GOVERNMENT EMPLOYEES PENSION FUND: A HISTORIC OVERVIEW

As part of the broader policy of Apartheid (separate development based on exclusionary principles) in South Africa, provision was made for areas of self-determination or homelands. The homelands were viewed to be independent entities with their own governing structures. In many cases these independent homelands had pension fund dispensations for their civil servants. When political negotiations took place prior to 1994 and transformatory initiatives that culminated in a new dispensation in South Africa gained momentum, many of the former homelands and their civil service pension dispensations were re-integrated (Government Employees Pension Fund: Annual Report, 2001-2002).

Whilst, at a political level, the disparate administrations had to be uniformalised, restructured and re-engineered into a well-oiled, modern, re-focussed administrative machinery geared towards service delivery, the disparate pension funds and pension fund benefit structures had to be similarly uniformalised. This had to happen in congruence with the provisions of Section 212 (6) of the **Interim Constitution of the Republic of South Africa**, 1993 (Act 200 of 1993), which stipulated that provision be made for government employees to be able to contribute to and benefit from a statutory pension fund or funds. Section 213 (1)(b) and (d) of the **Interim Constitution**, 1993 (Act 200 of 1993) stipulates the Public Service Commission be directed to advise on issues relating to the conditions of service of government employees and that the President and the Premiers (in the case of provincial service commissions) can assign special functions to it.

To give effect to Section 212 (6) of the **Interim Constitution**, 1993 (Act 200 of 1993), the Public Service Commission was tasked to launch an investigation into the amalgamation of the various government service pension funds, including those of the then Transkei, Ciskei, Bophuthatswana, Venda and South Africa. The Public Service Commission initiated draft legislation for the amalgamation of the various disparate pension funds and a pensions task team comprising the employer (that is, the government), security services, the education sector, employee organisations and an actuary took the process further (Government Employees Pension Fund: Annual Report, 2001-2002).

Once all the investigations had been completed and the reports had been submitted, Proclamation 21 (Government Gazette, 19 April 1996), formalising the **Government Employees Pension Law**, 1996 (Proclamation 21 of 1996) in terms of which the Government Employees Pension Fund was established as from 1 May 1996, was promulgated. With the amalgamation of the disparate pension funds, the benefit structure was standardised and all past discriminatory practices scrapped.

The **Government Employees Pension Law**, 1996 (Proclamation 21 of 1996) provides for the administration of the Fund - including extensive accounting, reporting and auditing arrangements - membership of and contributions to the Government Employees Pension Fund, benefits to members and all the rules relating to this, transitional arrangements and transfers between funds, funding and financial soundness of the Government Employees Pension Fund, withdrawal from the Government Employees Pension Fund and protection of the rights of members and pensioners (**Government Employees Pension Law**, 1996 (Proclamation 21 of 1996)). The Government Employees Pension Fund does not compete for business since all permanently appointed civil servants are obliged to contribute 7,5% of their annual salaries to the Fund (**Government Employees Pension Law**, 1996 (Proclamation 21 of 1996)).

As with the amalgamation of the various separate pension funds into the Government Employees Pension Fund, disparate systems had to be standardised.

The process of the standardisation of the administrative systems presented a huge challenge for the Government Employees Pension Fund (Government Employees Pension Fund: Annual Report, 2001-2002).

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

This assessment and brief historical account of the introduction of the legacy-based information systems is necessary in that it provides the foundation for the current and future administrative systems of the Government Employees Pension Fund. It is necessary to note the progress that the Government Employees Pension Fund has made in developing systems that are client-focussed and that are compatible with the best local and international standards.

The Government Employees Pension Fund first introduced personal computers in the early 1980s in order to enhance its administrative processes. These first personal computers were standalone entities that did not fundamentally change the manner in which the then pensions administration operated. This assertion is made in the context of no fundamental change in the manner in which administrative processes were being conducted in that the manual administrative processes – that is, verification, calculation and payment – prevailed (Interview, Senior Information Systems Service Provider to the Government Employees Pension Fund, 30 April 2004). The only difference is that payment information was

being captured on these standalone personal computers and batch reports were generated for reference purposes.

In the very early stages of the introduction of the personal computer into the Government Employees Pension Fund, it was primarily a tool on which to store information on payment particulars in the event of any future discrepancy. Not everyone within the Government Employees Pension Fund, however, had access to these personal computers since special data capturers were employed to capture the information. Given that not all the staff had access to personal computers, it ultimately meant that there could not be total buy-in, especially since the manual administrative processes were still predominant (Interview, Senior Information Systems Service Provider to the Government Employees Pension Fund, 30 April 2004). The resultant effect of the lack of access to the personal computers, together with the continued manual administrative processes, consequently meant that little reliance was placed on the ability of personal computers to change any aspect of the administrative processes significantly.

4.3.1 CivPen Pensions Administration Software Programme

The late 1980s witnessed the introduction of the first information technology service provider to the Government Employees Pension Fund and with it, the advent of the first software programme that was set to revolutionise the manner in which the Government Employees Pension Fund administered its pensions

processes (Interview, Senior Administrative Officer in the Walk-in Centre of the Government Employees Pension Fund, 30 April 2004). This first attempt to develop and introduce a software programme to assist the administration processes was, by all accounts, not simple. The resultant software programme, the development of which was initiated in 1987, came to fruition in mid 1992. The programme was written especially for the Government Service Pension Fund of South Africa, before the amalgamation of the many disparate funds into one homogenous fund, the Government Employees Pension Fund in 1996.

The software programme, which was written especially for the Government Service Pension Fund of South Africa and taken over by the Government Employees Pension Fund, was dubbed CivPen. This acronym seems to be an assimilation taken from the root words, Civil and Pension. The advent of the CivPen system in the Government Employees Pension Fund necessitated the roll-out of computers to most of the functionaries. CivPen is a code-based software programme with each code being linked to a specific functionality. A functionary is allocated a code or codes that has or have a bearing on his/her area of responsibility (Interview, Senior Information Systems Service Provider to the Government Employees Pension Fund, 30 April 2004).

The CivPen pensions administration software programme was introduced alongside the hardcopy file that was (and in many respects, still is) in common use in the Government Employees Pension Fund. Hardcopies of withdrawal from the

Fund and supporting documentation were still submitted to the Government Employees Pension Fund. Whilst CivPen still acted as an information saving device, it provided for the electronic generation of transactions – calculations, payments and system letters, inter alia – that would revolutionise the manner in which civil pensions were being administered. System letters are those letters that are generic to a particular administrative action. Once the administrative action is completed the system generates a pre-drafted letter, a copy of which is mailed to the client and one is stored on the hard file. As part of the bi-weekly electronic payment run, CivPen has an interface with the central bank, the Reserve Bank of South Africa. The electronic interface with the Reserve Bank allows the Government Employees Pension Fund to execute electronic fund transfers directly to the bank accounts of beneficiaries (Interview, Senior Manager of Operations: Government Employees Pension Fund, 31 May 2004). Bank transfers are commonly viewed as being a safer, quicker method of paying beneficiaries as opposed to payment by cheque.

As new and different requirements evolved, the CivPen software had to be adapted to meet these demands. Since the Government Employees Pension Fund owns the copyright to the CivPen programme, it is able to amend it as per the business requirement (Interview, Assistant Manager: Business Support Services of the Government Employees Pension Fund, 31 May 2004). The information technology service providers to the Government Employees Pension Fund, since the appointment of the first such provider in the late 1980s, were tasked to

upgrade, amend and rewrite specifications for the CivPen administration software as and when the need may have arisen. The fact that the CivPen pension administration software can be amended in the manner it is currently being done, shows how versatile and adaptable the software can be. A good example of its adaptability is evidenced with the amalgamation of the disparate funds as from 1996. In 1997, for example, the Transkeian Government Service Pension Fund and the Ciskeian Civil Service Pension Fund were assimilated onto the CivPen system with information that was sourced from the then administrators, Alexander Forbes and Sanlam, respectively (Interview, Assistant Manager: Business Support Services of the Government Employees Pension Fund, 31 May 2004).

As from 1996 the disparate government pension funds of the then South Africa and the homelands amalgamated and the Government Employees Pension Fund was created. Integrating the disparate administrative systems was a challenge that is to date still not fully realised. At the point of amalgamation of the various pension funds into the Government Employees Pension Fund, available information pertaining to pensioners and contributing members of the funds was provided on magnetic tape. This information was adapted and assimilated into a format that was compatible with the CivPen programme. In many cases the paucity of electronic and hard information pertaining to members and pensioners resulted in the Government Employees Pension Fund not being able to administer benefits effectively (Interview, Senior Information Systems Service Provider to the Government Employees Pension Fund, 30 April 2004). In several cases the

paucity of information also extended to the rules, financial transactions, disparate administrative regimes and communications channels, inter alia, of the disparate funds.

One of the major changes that came to fruition with the introduction of the CivPen pension administration software programme to the Government Employees Pension Fund was that most of the functionaries were allocated personal computers in order to perform their duties. The roll-out of personal computers meant that electronic information such as dates of withdrawal from the Fund, payment details, bank account details, inter alia, could be viewed without having to draw the hard file from the registry. It, however, needs to be noted that the hard file still remains the primary source of storing the relevant documentation required by the administrators. This ultimately means that individual documents could easily be misplaced, with whole files often going astray. Furthermore, only one person at a time can access a hard file to perform a particular function. Hard files are often cumbersome since they contain original copies of all documentation that was submitted to the Government Employees Pension Fund. The Government Employees Pension Fund currently has approximately 250 000 pensioners of which each pensioner has a hard file. The amount of storage space that 250 000 files requires is quite extensive (Government Employees Pension Fund: Executive Information System, October 2002 – March 2004).

Whilst the CivPen pension administration software provided the Government Employees Pension Fund with the capability of electronic administration, it did not provide concomitant interoperable capability. CivPen was not written with a view to compatibility with other systems in other government departments, it was instead written to provide additional administrative capability to the Government Employees Pension Fund. At the time that CivPen was introduced, the administrators of the Government Employees Pension Fund were probably more concerned with protecting the integrity of the Fund, hence its inward-looking nuance. Since Government Employees Pension Fund security is paramount, external access to Fund information, whether hard or electronic, is only permitted under certain conditions (Interview, Manager: Security Services, Government Employees Pension Fund, 20 May 2005).

Whilst CivPen drastically changed the manner in which the Government Employees Pension Fund administers the processes related to civil pensions in South Africa, it was realised that the CivPen pensions administration software had to be replaced in an attempt to improve the delivery of services to clients. It was decided to invite external inputs to this effect and a new pensions administration software programme, the Comprehensive Pension Fund Administration Support System (COMPASS) was procured, developed and fine-tuned to be able to provide improved service. The project to implement the new pensions administrative software programme was entitled Pekwa (Government Employees Pension Fund, Annual Report, 2001-2002).

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

Given that the impact of information and communications technologies in the global environment is ever-increasing and pervasive and given that it has a profound impact on the government sector, governments are striving to become customer centric in their approach to such electronic delivery of services. The changing national and international environment within which governments operate have prompted the Government Employees Pension Fund of South Africa to embark on changes of its own in order for it to offer efficient employee and pension benefits and retirement fund services to its clients. A project was initiated to implement a system with the intention to modernise the manner in which the Government Employees Pension Fund administered its processes with a view to improving service delivery. The project initiated to implement such a system also provides for the implementation of an electronic workflow and document management system to support the Comprehensive Pension Fund Administration Support System (COMPASS). The Comprehensive Pension Fund Administration Support System (COMPASS) is acknowledged globally and is utilised in South Africa by private pensions administrators such as Sanlam, Liberty, Alexander Forbes and Old Mutual (Government Employees Pension Fund, Report On the Current Status of Pekwa, January 2004).

The implementation of the new Comprehensive Pension Fund Administration Support System (COMPASS) package should invariably lead to a re-engineering of the administrative functions of the Government Employees Pension Fund. The re-engineering of the administrative and electronic systems of the Government Employees Pension Fund is tantamount to a paradigm shift – that is, a paradigm shift in terms of systems and in terms of human resources development.

For the Government Employees Pension Fund to move from the CivPen pension administration software programme, which was specially written for purposes of administering the Fund to the new Comprehensive Pension Fund Administration Support System (COMPASS) package, is a daunting task that requires the commitment of all the stakeholders. The envisaged introduction of the new Comprehensive Pension Fund Administration Support System (COMPASS) to the Government Employees Pension Fund involves re-engineering the whole business – the business must align itself to the software system as opposed to the system having to be adjusted to suit the business.

The implementation of the new Comprehensive Pension Fund Administration Support System (COMPASS) software integrated system comprises three phases. The **first phase** of the implementation of the Comprehensive Pension Fund Administration Support System (COMPASS) was to initiate, scope and plan the project (Government Employees Pension Fund, Customisation and Implementation Plan, 2001). This phase addresses documenting business requirements so that the

new system could provide at least the same minimum level of functionality that is being offered by the Government Employees Pension Fund. In order to implement the new pensions administration programme, a comprehensive study on the functionalities of the legacy-based pension administration system was done. The success of the whole project depended on how comprehensively and accurately the specifications and requirements for the new system is drafted. The **second phase**, that of implementation, is also the stage during which users will be trained to use the software. The **third phase** of the project is that of maintaining and upgrading the system in order for it to provide an optimal level of service. In terms of phase three, the maintenance phase of the project, the Government Employees Pension Fund has realised the importance of updating even a state-of-the-art system. The rate at which technological advancements are happening compels the Government Employees Pension Fund to upgrade as and when the need arises (Government Employees Pension Fund, Customisation and Implementation Plan, 2001) (Government Employees Pension Fund, Customisation and Implementation Plan, 2001).

When the new Comprehensive Pension Fund Administration Support System (COMPASS) system is fully operational, it is envisaged that a cradle-to-the-grave service will be rendered to the client. The cradle-to-the-grave concept is based on the prospective member being admitted to the Government Employees Pension Fund electronically by means of an interface with the client departments, that is, all government departments. (Government Employees Pension Fund, Customisation

and Implementation Plan, 2001) All membership monies will be collected by the client departments and paid over to the Government Employees Pension Fund electronically. Electronic files will be opened for new members. The current paper-based file is prone to being misplaced, takes up excessive shelf space, is cumbersome and is often not up-to-date. Creating pensioner files electronically will save floor space, eradicate the possibility of the file being misplaced, will ensure easy electronic accessibility to more than one user simultaneously and they would be up-to-date because of the automatic update facility. It would be easier to track the progress of an electronic file than is currently the case with the hard file (Government Employees Pension Fund, Customisation and Implementation Plan, 2001) (Government Employees Pension Fund, Customisation and Implementation Plan, 2001).

4.4.1 Seamless Government

The concept of a seamless government is instrumental in an effort to foster co-operative partnerships between the spheres of government and the concomitant government departments. The concept of seamless government is linked to the idea of a portal for government departments so that clients could access government information and services irrespective of the department involved. The concept of inter-governmental relations entails seamless partnerships as realised in multiple formal and informal processes, channels, structures and institutional

arrangements for bilateral and multilateral interaction within and between spheres of government.

Gates (1999:397) notes that government is an intimidating knot of uncoordinated agencies to most regular citizens and businesses. In South Africa the intimidating knot of government services and processes extend to rural areas, to the illiterate and to those who do not have access to information and communications technology. Inherent in the intimidating knot are the complicated forms, administrative procedures and processes.

Both, the President of South Africa (Mbeki, 23 June 2004) and the Minister of Public Service and Administration (Fraser-Moleketi, 28 June 2004) refer to seamlessness in government. Fraser-Moleketi (28 June 2004) notes that the traditional divides between the spheres of government need to be integrated in order to facilitate learning, performance improvement and accountability. Mbeki (23 June 2004), in referring to seamless cooperation, highlights public-private and government-civil society partnerships as being central to fostering integration. The reference to fostering partnerships, accountability, performance improvement and learning is directly linked to improving service delivery by means of providing seamless interaction between government and its clients.

Similarly, the Government Employees Pension Fund needs to foster seamless relations with its partners. Fostering such seamless relations should be geared

toward improving service levels for the client. One can only consider the example of the current requirement of a certified copy of the bar-coded identity document having to be submitted with every annual submission of a life certificate. Despite the submission of certified copies of bar-coded identity documents, fraud still occurs (Interview, Senior Manager of Operations: Government Employees Pension Fund, 31 May 2004). In some cases the bar codes on copies are distorted and the scanner can consequently not read them, in which case the Government Employees Pension Fund rejects them and requests a further copy from the client (Interview, Manager of Operations Section of the Government Employees Pension Fund, 29 April 2004). This causes delays on the side of the client and on the side of the Fund. The Government Employees Pension Fund cannot resolve the case and the client does not get paid. An electronic link with the Department of Home Affairs to verify the authenticity of the identity of such clients has been instituted. It is, however, still not accessible to all Government Employees Pension Fund users, hence the paper-based process seems to predominate.

Such seamless links between employer (government) departments and the Government Employees Pension Fund can only enhance the manner in which services are delivered to clients. If forms and other documentation can be submitted electronically, it would expedite administrative processes and the turn-around time in processing applications. The accuracy with which benefit calculations are made would invariably improve, thereby minimising the request for

recalculations and the consequent additional administrative burden placed on the Government Employees Pension Fund.

Seamless government has an outward-looking nuance. Seamless government has the ability to provide the client with uninterrupted services. The client is in most cases not aware of the technical intricacies involved in seamless interaction across departments. The extension of seamless interaction with an inward-looking nuance, a good example of which is the electronic workflow system of the Government Employees Pension Fund, is vital to enhance complete electronic service delivery. Workflow can provide seamless interaction between the different operations environments within the Government Employees Pension Fund.

4.4.2 Workflow

Whereas the principle of seamlessness is more outward looking, workflow is the internal automation of a business process, in whole or part, during which documents, information or tasks are passed from one participant to another for action according to a set of pre-programmed procedural rules (The Workflow Portal, Online, 2 August 2004). The five key benefits of the introduction of workflow software are improved efficiency, better process control, improved customer service, flexibility and business process improvement (The Workflow Portal, Online, 2 August 2004).

When the Government Employees Pension Fund embarked on implementing the Comprehensive Pension Fund Administration Support System (COMPASS), it also embarked on sourcing a new workflow software programme, Oculus, in order to manage the excessive amounts of paper flowing through the administrative processes of the Government Employees Pension Fund (Government Employees Pension Fund, Customisation and Implementation Plan, 2001). All the business processes pertaining to paying pension benefits to clients will, in time, be configured and implemented in the workflow system. The workflow system will ensure tighter control and monitoring of business processes. Prior to the implementation of electronic workflow, there was no system in place to monitor the number of documents that were flowing into the Government Employees Pension Fund. Conventional mail coming into the Government Employees Pension Fund was centralised at the registry where it was opened, date-stamped and distributed to the relevant operations section. At the operations section, the hard file would be requested from the registry and the document (that was received by mail) would be placed on file, and the necessary administrative process would be initiated. The file would physically move from one person to another in order for the cyclical administrative process to be completed after which it would be returned to the registry for storage (Interview, Manager of Operations Section of the Government Employees Pension Fund, 29 April 2004). This process is flawed since there is no record of the Government Employees Pension Fund ever having received an item that was mailed. During the process of opening, distributing and filing the mail, documents could go astray. This would result in delays in payments. Furthermore,

documents could be misfiled and it would be virtually impossible to locate such a misfiled document. This fore-going situation is a classic case for the implementation of a workflow programme (Interview, Manager of Operations Section of the Government Employees Pension Fund, 29 April 2004).

When the Government Employees Pension Fund first considered installing the Oculus workflow software several types of paper were being processed. These include customer correspondence, photostat copies of identity documents, marriage certificates, death certificates, tax directives and several kinds of forms (Government Employees Pension Fund, User Manual: Introduction to Workflow, March 2004). Apart from the physical documents flowing into and through the Government Employees Pension Fund, facsimiles come into the building at various points. Clients have often complained that they have faxed documents to the Government Employees Pension Fund (Interview, Manager of Operations Section of the Government Employees Pension Fund, 29 April 2004). These documents are, in many cases, not traceable since they are faxed to facsimile machines that are not necessarily situated in the sections where they are to be processed. Furthermore, the facsimile machines are standalone entities which provide disjointed levels of service. The Government Employees Pension Fund has, however, implemented a Rightfax (facsimile to personal computer) facility for selected users. The Government Employees Pension Fund has set itself a goal to channel all incoming facsimiles into the workflow system. This initiative was seen as a manner to channel all facsimiles into the system without them having to be

transcribed into hard format thus reducing the risks that have been outlined (see Figure 4.1: page 143). Once the documents are in electronic format a workflow process is initiated and there is a record of the process that is accessible to the enquiries sections in the event that a client wants to determine the status of his or her application. The Oculus workflow software is able to direct, monitor, control and process claims progressively, systematically, accurately and speedily (Government Employees Pension Fund, Customisation and Implementation Plan, 2001).

A typical document flow would include the following steps:

Work is loaded into the system via one of three methods. Customer correspondence and documents that are hand-delivered are scanned so that electronic images are available on the system. When the facsimile utility is fully operational it is envisaged that documents received in this manner would automatically be entered into the workflow system as electronic data. Furthermore, when the optical character recognition software has been developed and the concomitant forms have been developed and standardised, it will assist the processing of forms through the system. Optical character recognition software translates written images into electronic images for the purposes of expediting administrative processes (Government Employees Pension Fund, User Manual: Introduction to Workflow, March 2004). Workflow requests can also be generated in the Call Centre. When a client calls, the Call Centre agent can electronically create a request. The Call Centre agents will have access to the workflow system

and they would be able to resolve the majority of queries from the members and pensioners without forwarding them to another user. The requests that require further attention will be logged and a workflow case will be created. Such a request is routed to an Action Group member who operates in a similar manner as the indexer in the scanning section. A workflow case will be initiated and forwarded to the relevant section for further attention. This means that the Action Group member will try to resolve the query or pass it on to the relevant section within the Government Employees Pension Fund where the matter can be resolved and reported on. Reporting is important so that the Action Group member can call the client to inform him/her about the resolution of the enquiry (Interview, Manager of the Call Centre of the Government Employees Pension Fund, 3 September 2004).

Before any correspondence is captured for electronic processing, a unique barcode is placed on it for record and tracing purposes. The captured image is forwarded to an indexer who checks in what section the request (correspondence) is most likely to reside (Government Employees Pension Fund, Scanner Proposal, May 2002). The Government Employees Pension Fund, for example, has four operations units each of which serves selected provincial and national departments. The electronic documents are routed to predefined queues based on several criteria. Once an electronic enquiry reaches the relevant administrative section, work is automatically distributed evenly amongst the human resources that are available for the purpose. The routing of work can be adapted by non-information system personnel to reflect the changing needs of the organisation.

These needs could include making provision for a human resource that is absent and for an additional resource, depending on the operational requirements at the time. Work is consequently routed through the succeeding steps until it is finalised and sent for quality control, deletion and/or filing.

From an e-government perspective, once workflow is fully operational, work can be routed in a manner that is conducive to e-service delivery. Whilst the client may and does not know the processes that are followed, it is important that the client has a positive experience when transacting with the Government Employees Pension Fund. Figure 4.1 (see page: 143) provides an illustration of the processes employed to deal with correspondence, hard and electronic, coming into the Government Employees Pension Fund.

Outgoing correspondence will comprise of follow-up telephone calls to clients, facsimiles, printed mail and e-mail. It is envisaged that all of these afore-mentioned forms of correspondence (except for the verbal) will be generated automatically by the system once a workflow administrative process has been completed in order to inform the client accordingly. In order to expedite the process the member or pensioner can select his/her preferred mail delivery mechanism, facsimile, conventional mail or e-mail. Templates for all of the standard correspondence and forms will be maintained and linked to an electronic administrative process on the system. The system will automatically populate the template with the relevant data. Upon finalisation of the said administrative processes, correspondence will

automatically be dispatched to the client (Government Employees Pension Fund, User Manual: Introduction to Workflow, March 2004).

Workflow can and should improve the efficiency with which the Government Employees Pension Fund provides services. Apart from the automated administrative processes, workflow provides managers with the ability to conduct automated quality reviews. The workflow system has a built-in reporting mechanism to alert managers should users not perform in accordance with the predefined performance criteria, such as the maximum time that it should take to perform a specific task and number of tasks that a specific type of user should complete within a day (Government Employees Pension Fund, User Manual: Introduction to Workflow, March 2004). The system will furthermore alert the manager should a specific task not be attended to within the predefined time period. Management and control are consequently more effective, since the automated quality review feature ensures that the work is being reviewed in accordance with statutory guidelines. Management control can also be improved through more accurate and real time ability of the system to provide improved management reporting tools. Such management reporting tools could be used to assess individual and collective staff training needs as well as overall sectional and organisational performance.

Intra-organisation silos will be eradicated when the electronic workflow programme is fully integrated into the range of other electronic administrative processes. This

is good in the sense that remote sites can then be included in the planning and execution phases of operations. Remote sites such as with the regional offices of the Government Employees Pension Fund can also generate workflow requests thereby reducing the time that is taken to assist a client. Once workflow is fully operational in the Government Employees Pension Fund, it can be employed as a tool that will deal with backlogs. When backlogs arise in one area of the business, as is often the case in the Government Employees Pension Fund, workers in another section who may be idle can immediately be co-opted by electronic means to assist with the processing (Humphreys, 2002). This is a benefit that is difficult to achieve if paper-based processes are being pursued. Such transcending of business barriers also affords the Government Employees Pension Fund the opportunity to multi-skill its staff by exposing them to more and varied aspects of the business. Multi-skilling is good in that it promotes business continuity in the absence of certain individual human resources. This kind of flexibility in the electronic systems of the organisation militates against the theory of specialisation of functions. In this sense the operations units (back office) of the Government Employees Pension Fund has an understanding for the requirements of the Call and Walk-in Centres (front offices), hence organisational synergies are created in the process of improving service offerings to clients. Electronic processes also improve efficiencies since there is less paper in the system. Less paper invariably means less opportunity for documents to get lost.

4.4.3 Paperless environment

A paperless environment is intended to provide faster access to individual and community or shared files. Any paperless system seeks to reduce the time and effort involved in handling excessive volumes of paper (Lancaster, 1978:31-33). The submission of electronic documents and the scanning of hard copies when they arrive at the Government Employees Pension Fund, is key to the principle of a paperless workplace. The principle of the paperless workplace should apply to all aspects of the business. This includes procurement, invoicing and payment processes. The paperless workplace is also applicable to basic human resources administrative applications such as the submission of leave forms, housing subsidy forms and staff assessment documentation.

A paperless environment is an environment where the flow of physical documentation is limited to the barest minimum. Strictly speaking, paper cannot be eradicated from an office environment completely, but it can be drastically limited. The case of the Government Employees Pension Fund displays an extreme affinity for paper. So many processes within the Government Employees Pension Fund cannot be initiated or completed until certain paper-based requirements are met. These requirements include the submission of forms, identity documents, marriage certificates, inter alia. These afore-mentioned documents are important to the business processes, hence they cannot be discarded (Interview, Manager in the Walk-in Centre of the Government Employees Pension Fund, 3 September 2004).

To move to a paperless environment, a document management system has been implemented within the Government Employees Pension Fund. All incoming documents are being scanned, that is, converted into electronic format, and stored on the system. The paperless environment is an integral part of the workflow process, since without an electronic image there can be no workflow process (Government Employees Pension Fund, User Manual: Introduction to Workflow, March 2004).

Once a document has been scanned and indexed, the paper copy will be archived at a remote location and the administrative staff will only have access to the electronic version of the document (see Figure 4.1: page 143). The electronic document will pass through the system via workflow and, in so doing, the administrative processes will progressively migrate to finalisation and the pension monies disbursed to the client. In the case of litigation, the paper copy can be retrieved from the archiving service provider (Government Employees Pension Fund, User Manual: Introduction to Workflow, March 2004). The paperless environment therefore contributes to a more efficient flow of the requisite information through the system. The risk of documents being misplaced is eradicated and consequent delays are dispelled from the system. The necessity for excessive storage for the files is reduced since the physical documents are moved to a remote site. Other risks such as fire hazards, insect infestation and moisture, which would have to be mitigated by the Government Employees Pension Fund, are now transferred to a specialised service provider (Humphreys, 2002).

It is, however, also necessary to scan existing files and documents so that they can be archived at the remote site. The Government Employees Pension Fund decided to initiate a project to back scan and index the existing documents and files and to archive the documents. The scanned documents would then be available to administrative personnel in electronic format. This back scanning project, by its very nature, is a rather enormous challenge for the Government Employees Pension Fund. Once this process of scanning all the approximately 250 000 files is complete, administrative processes will be enhanced (Government Employees Pension Fund, Scanner Proposal, May 2002).

4.4.4 Managing Risk in the Government Employees Pension Fund

Risk management forms an integral part of the processes of any institution. Managing risk is unique in each organisation or profession. Bankers define and manage risks differently to what safety professionals would. In the case of the Government Employees Pension Fund risk refers to protecting the integrity of the funds being managed on behalf of contributing members, ensuring that effective administrative processes are in place, ensuring effective client liaison, whilst ensuring that the human resources are sufficiently equipped to deal with administrative challenges. Risk management is therefore about mitigating potential losses to the organisation, in this case, the Government Employees Pension Fund. These potential losses are not limited to fraud and corruption, they also relate to

improving administrative efficiencies and structures, retaining staff and generally observing the accepted principles of good governance.

Van Scoy (1992:3) postulates that risk is inherent to any activity that may be initiated in any organisation. Van Scoy (1992:3) further points out that risk can never be eliminated nor can all risks ever be known. Van Scoy (1992), in pointing out that risk can never be eliminated, intimates that risk needs to be managed. In arguing that risk needs to be managed, Van Scoy (1992) is presenting a case for viewing risk as an opportunity for learning and progress. Risks are dynamic in nature. If a risk is mitigated at one point, other potential risks may surface.

With the advent of upgraded electronic systems at the Government Employees Pension Fund, there are concomitant risks. Operational risks within the Government Employees Pension Fund relate to human error in calculation of benefits relating to pensionable years of service, deliberate fraudulent activities, system risk where software and hardware malfunction during the execution of operations, lack of staff readiness for the new systems and the inability to obtain a critical mass of clients accessing the new system.

The noble intention of implementing e-government systems at the Government Employees Pension Fund places an additional burden on the Fund to adopt systems and procedures to mitigate risks or potential risks. Whilst it was mentioned that teleforms, that is electronic forms submitted to the Government Employees

Pension Fund, could potentially reduce the incidence of fraud and improve the efficiency of the administrative process, the verification of the information they contain could be problematic. Furthermore, electronic signatures still present cause for concern. Gates (1999:403) notes that information security has two dimensions. The first of these is protecting personal data while it is in transit and the second is authenticating the person who is initiating the transaction. Countries, such as Canada and Australia, are legislating to ensure that digital signatures are accepted as legal points of reference (Deloitte Research, 2000:14). South Africa, through the **Electronic Communications Security (Pty) Ltd Act**, 2002 (Act 68 of 2002), has also taken steps to provide credibility to e-initiatives. It would otherwise be difficult to convince users or potential users to utilise e-systems, especially where personal and financial information are involved.

The Government Employees Pension Fund is, however, currently not in a position to accept the necessary documents from clients in electronic format. Whilst the Government Employees Pension Fund is in the process of upgrading its electronic systems, it cannot as yet dispense with the current manual systems of control. This point is best illustrated by using the example of a certified copy of a document being facsimiled to the Government Employees Pension Fund. Even though the copy may be certified as per the requirement, a facsimile is essentially viewed as being a copy of the certified copy. A similar situation arises when a client calls the Call Centre to, for example, update his or her address details or to request information pertaining to payments. Verification of the true identity of the client

cannot always be done with absolute certainty (Interview, Manager of the Call Centre of the Government Employees Pension Fund, 3 September 2004).

Other areas of potential risk for the Government Employees Pension Fund and its clients include that computer viruses could access the systems of the Government Employees Pension Fund the more they are exposed to external access. Malicious computer viruses could potentially damage the systems of the Government Employees Pension Fund, with a resultant negative effect on service delivery. A further risk, which will be dealt with further in the research, is the absence of sufficiently -trained, -remunerated and -motivated human resources. Given that the Government Employees Pension Fund is part of the public service in South Africa, its salary structures are no different from those of the public service. These salary structures are often viewed as being restrictive hence its inability to attract highly skilled staff. This fore-going, coupled with a moratorium on appointments in the public service from 5 August 2002 to 12 September 2003, has meant that the Government Employees Pension Fund was unable to make appointments despite that many of the approved posts on the establishment of the Government Employees Pension Fund were vacant (Interview, Assistant Manager: Human Resources, Government Employees Pension Fund, 3 September 2004). In 2003 417 (88.9%) of the 469 permanent positions were filled and in 2004 the number declined to 395, which constituted 84,2% (Government Employees Pension Fund, Annual Report, 2003-2004). A fewer number of staff consequently has to perform at the same levels. This understaffing is tantamount to a risk to the business of the

Government Employees Pension Fund. Even if the Government Employees Pension Fund were able to appoint new employees, the departure of experienced staff and the time taken to appoint and train new staff present additional risks to service delivery.

Whilst the Government Employees Pension Fund has embarked on implementing new electronic systems, it is also necessary to ensure that there is a critical mass of users. Without this critical mass of users, the most state-of-the-art system cannot be optimal. Governments' focus on customer service is driven by the needs of the citizens for whom that service is intended. Governments should not assume that citizens want and will indeed use government online services (Deloitte Research, 2000:15). This situation is exacerbated by the fact that pensioners, many of whom during their working lives have not been exposed to the uses and potential uses of computers and e-services. Attaining a critical mass of users is further hampered by the lack of access to computers and by the inability to use computers.

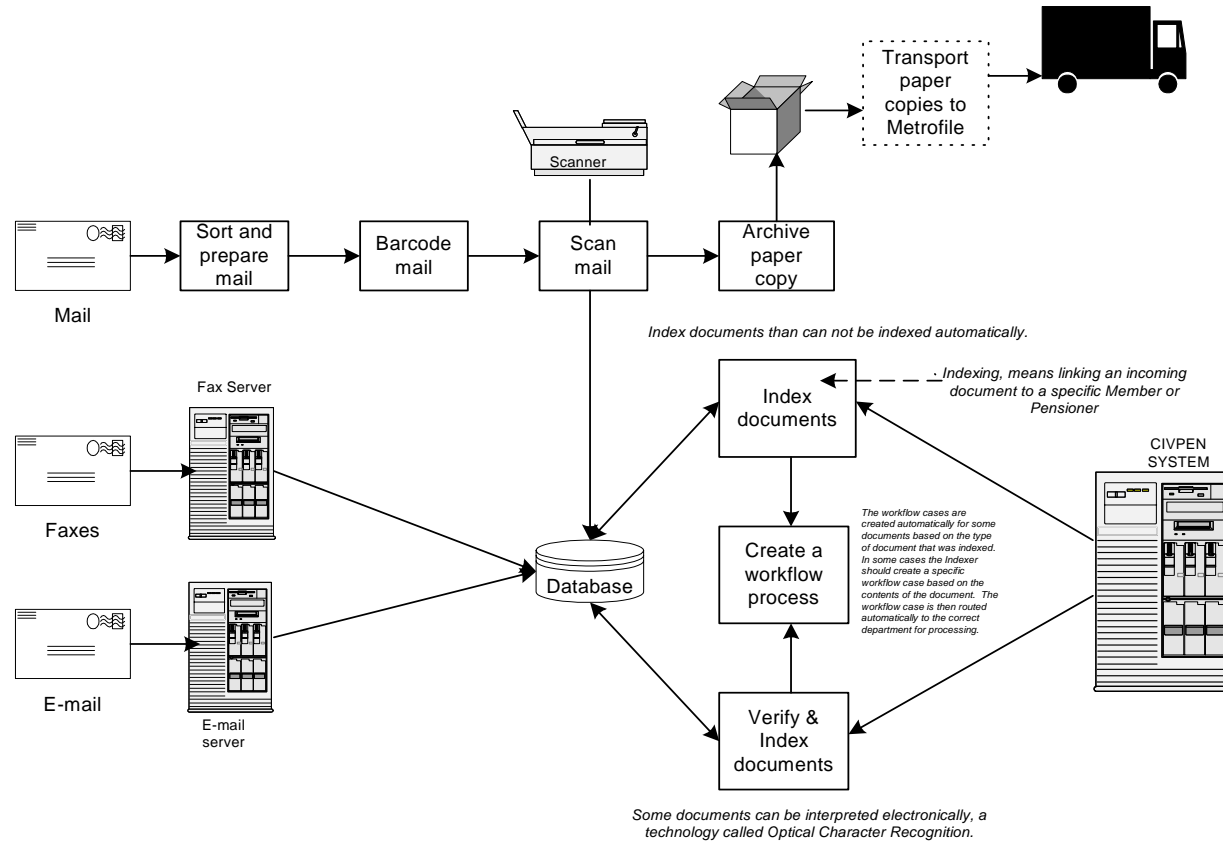
Resistance to change in implementing new computer software and the concomitant organisational changes is a risk that the Government Employees Pension Fund has to take seriously. Individuals affected by the proposed changes would not want to accept that the changes are necessary. Mood (1983:39) refers to two forms of resistance. These are the outspoken opposition and the inertial resistance to change. Resistance to change in the Government Employees

Pension Fund is predicated upon the belief that systems have been working effectively for so long and that they do not need to be tampered with. Resistance to embrace the changes manifests itself in the reluctance of individuals or groups of individuals to accept new or different responsibilities. This fore-going could be decisive in determining the success or otherwise of electronic service delivery in the Government Employees Pension Fund. There are, however, those people within the Government Employees Pension Fund who strongly embrace the changes as necessary and relevant for improved and sustained service delivery.

In an attempt to provide an international perspective to the challenges that face the Government Employees Pension Fund, comparative reference will be made to relevant local and international institutions, most notably Sanlam, the Office of the Compensation Commissioner and the efforts by Government in the United Kingdom to extend and promote electronic services to elderly people. The United Kingdom Government embarked on a comprehensive strategy to make government services available to elderly (retired) citizens.

FIGURE 4.1

Processing of Incoming Correspondence/Mail



Source: P. Dauth, GEPF, 2002

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

In attempting to assess the levels of success of implementation of its e-government system, institutions were identified where similar such systems - that is, workflow and the Comprehensive Pension Fund Administration Support System (COMPASS) – were either being implemented or had been implemented (Interview, Manager of the Project Support Office of the Government Employees Pension Fund, 3 November 2004). The Government Employees Pension Fund, it should be noted, does not have an equal in South Africa in terms of its business and business offerings. The comparative analysis in this section concentrates on similarities in work processes and principles of implementation of these systems rather than on the comparative business environment. The subsequent sections analyse and critique the implementation of workflow and document management at the South African Airways and the Compensation Commissioner, respectively. Additional analysis will follow on the implementation of the Comprehensive Pension Fund Administration Support System (COMPASS) at Sanlam and Old Mutual, two of South Africa's biggest insurance companies.

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

South African Airways' (SAA) loyalty programme, Voyager, initiated its document management system in 2000, with the first phases going into operation during 2001. At the time of implementation Voyager membership was some 1,5 million, with 800 000 being active. Voyager was receiving an average of 30 000 documents a month, with 350 member detail updates being done daily and a total number of 20 000 cases being handled a month. South African Airways, Voyager, was dispatching 350 000 pieces of (snail) mail a month (Government Employees Pension Fund, January 2004).

A phased approach was adopted with the implementation of the new workflow and document management processes at South African Airways. This was done in order to ensure that problems were identified, assessed and resolved before proceeding to the next stage. The phased approach was adopted to ensure that there was continuity in business processes during implementation (Interview, Manager of the Project Support Office of the Government Employees Pension Fund, 3 November 2004).

Some of the challenges that were encountered revolved around the estimation of the magnitude of the project. To this end, the project implementation phase went beyond initial estimations both in terms of time and resources expended. Given

that South African Airways had three different service providers, coordination of efforts proved to be crucial to timeous implementation of the project deliverables (Interview, Senior Manager of Operations of the Government Employees Pension Fund, 9 October 2004).

The workflow system being used by South African Airways is not the web-based version hence it does not integrate with other systems that may be in use. The workflow cases are allocated to users manually which necessitates the constant availability of systems administrators. Furthermore, the use of teleforms by South African Airways has made processing of certain types of cases faster (Government Employees Pension Fund, January 2004). Teleforms are electronic forms that have been so formatted based on the paper-based form. The concept of the teleform, which has protected fields to ensure information security, provides a further dimension in enhanced service delivery, especially since teleforms require that certain compulsory fields be filled out before they can be submitted electronically. The use of teleforms, however, took some time to get accepted by users given that it was a radical diversion from the normal way of processing.

The Office of the Compensation Commissioner (OCC) of South Africa uses the scanning and indexing process as the initial administrative action in each claim. The system of the Compensation Commissioner is set up in such a way that all scanning is routed to a central point where a supervisor monitors and distributes work proportionately to individual employees. The scanning is done in batches with

separator pages forming part of the batch. Whilst the separator pages increase the number of scanned images drastically, the system is effective in avoiding misplaced documents. The scanning process also makes provision for high priority items to be scanned, indexed and distributed more rapidly so as to expedite administration. If errors are generated only certain designated persons are allowed to erase such errors. A total number of 22 000 items, entailing 58 000 - 60 000 pages are handled on a daily basis by the Compensation Commissioner (Government Employees Pension Fund, January 2004).

The Office of the Compensation Commissioner introduced workflow but a limited amount of processing was being done on it as a result of the numerous problems having been experienced. The biggest drawback of the current workflow system was the time it took to process a case. The Compensation Commissioner recognised that its workflow processes were not up to standard but efforts were being made to upgrade the systems.

Both South African Airways and the Office of the Compensation Commissioner tend to favour the centralised approach to their administrative processes. The regional offices of the Compensation Commissioner forward their documents to the Pretoria head office for scanning and indexing, hence the regional offices only handle enquiries without them having any processing functionalities. In the case of the South African Airways, the Cape Town and Durban stations only perform enquiry functions on the Voyager programme with Johannesburg being the only

station where processing is being done. No processing is done at the remote sites since the costs associated with implementing the network are apparently not warranted (Government Employees Pension Fund, January 2004).

At a comparative level, the Government Employees Pension Fund seems to display both similarities and differences to the systems being implemented by South African Airways, Voyager, and the Compensation Commissioner. The overwhelming similarity is that all three organisations opted for the centralised approach to scanning and indexing. The remote sites of the three organisations do not do any processing, they merely act as walk-in centres where documents are collected and forwarded to the head office for processing. The main criticism of this approach is that documents could go astray whilst in transit. A more prudent approach would be to allow for scanning to be done at the remote sites and for electronic images to be captured immediately after which the hard documents can be transferred to the respective head offices for processing.

Furthermore, whereas South African Airways is scanning approximately 30 000 documents per month and the Compensation Commissioner is scanning approximately 60 000 pages a month, the Government Employees Pension Fund is scanning an average of 245 000 documents per month (Government Employees Pension Fund, November 2004). The Government Employees Pension Fund average includes the back scanning of current hard copy files. Judging by these for-going comparative figures, it is clear that the Government Employees Pension

Fund has a far greater workload hence the concomitant need for a greater administrative capacity.

The Compensation Commissioner has not implemented the concept of the teleforms - that is, the electronic form with protected as well as compulsory fields. The Government Employees Pension Fund and South African Airways have, however, implemented the concept of teleforms. In the case of both the Government Employees Pension Fund and South African Airways, it took some time for the concept to take root amongst employees and clients (Interview, Senior Manager of Operations of the Government Employees Pension Fund, 9 October 2004). Once the efficacy and benefits of electronic submissions dawned on clients, however, the concept seemed to be used more extensively. The Government Employees Pension Fund has the added problem that several of its client or employer departments do not have access to Internet services, hence hard documents continue to be used. The benefits of the teleforms is that they are more accurate, they are submitted electronically and they are more readable, all of which assist to expedite administrative processes. Interestingly the initial planning and implementation phase of the new information and communications technologies into the organisations being compared resulted in a retardation of service delivery. The transition phase inevitably results in uncertainty. This uncertainty stems from various factors that are often beyond the control of implementers, despite the most meticulous plans. It is difficult to predict the amount of training that staff members need to ensure effective utilisation of new systems. Whilst one staff member may

grasp concepts easily, others may need more intensive training. These for-going are variables the outcome of which really cannot be predicted. All the difficulties around the design and implementation of new information and communications technologies could result in staff becoming disillusioned or demoralised because of the increasing uncertainty and the increased pressure being exerted by clients who are experiencing the delays. It does, however, seem inevitable that there will be teething problems when any new project is being implemented and contingent provisions need to be made.

Having assessed the implementation of electronic workflow and the document management procedures at the South African Airways and the Compensation Commissioner, it is necessary to compare the implementation of the Comprehensive Pension Fund Support System (COMPASS) at Sanlam, Old Mutual and the Government Employees Pension Fund so as to benchmark the study.

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

The Government Employees Pension Fund, it needs to be emphasised, is the largest pension fund in South Africa (Government Employees Pension Fund, Annual Report, 2003-2004). The comparison between the Government Employees

Pension Fund, Sanlam and Old Mutual is not necessarily the best comparison since each of the organisations has unique clients, products, mandates and service offerings. While each of the organisations is in the same business, manner in which they conduct their business is very different. The Government Employees Pension Fund, for instance, does not have to compete for clients since it is legislated that all permanently appointed civil servants should contribute to it (**Government Employees Pension Law**, 1996 (Proclamation 21 of 1996)).

At the same time that the Government Employees Pension Fund was selecting the Comprehensive Pension Administration System Software (COMPASS), other major South African role-players in the selfsame pensions administration industry as that of the Government Employees Pension Fund, such as Sanlam and Old Mutual, were either considering to purchase or had already initiated implementation of the software (Government Employees Pension Fund, January 2004). The consensus from the companies that were using the Comprehensive Pension Administration Application Software (COMPASS) was that it had added value as far as service delivery was concerned (Interview, Manager of Business Support Services at the Government Employees Pension Fund, 3 November 2004). Sanlam and Old Mutual are prominent private sector companies that administer pension funds on behalf of various companies and individuals in South Africa. Of the three institutions being compared, Sanlam was the first to pilot the implementation of the Comprehensive Pension Administration Application System Software (COMPASS) in 1999 with Old Mutual following in 2000 and the

Government Employees Pension Fund in 2001. Sanlam, Old Mutual and the Government Employees Pension Fund envisage completing the implementation of the Comprehensive Pension Administration Application System Software (COMPASS) by 2007, 2008 and 2005, respectively (Government Employees Pension Fund, January 2004).

Whilst the Government Employees Pension Fund and Old Mutual went for what could be seen as the all-or-nothing approach, Sanlam was more circumspect and adopted a more conservative, phased approach to implementation. Old Mutual and the Government Employees Pension Fund embarked on the full implementation approach in that both organisations implemented workflow, document management and business transformation (Interview, Manager of the Project Support Office of the Government Employees Pension Fund, 3 November 2004). It is such that the Government Employees Pension Fund is a government institution and the business transformation component that needed to complement the implementation of the Comprehensive Pension Administration System Software (COMPASS) proved elusive because of the administratively restrictive environment.

Sanlam, however, developed a system similar to that of the teleforms. This web-based programme allows members to submit documents online. The way this is being done is that template forms are posted on the Sanlam website. These are completed by the client and submitted electronically for processing. The difference

between this afore-mentioned system and the one being operated by the Government Employees Pension Fund is that, once received, Sanlam prints the document while the Government Employees Pension Fund envisages processing them electronically.

4.5.3 Comparative Human and Other Resources Devoted to the Respective Projects Under Review

Each of the institutions being compared has adopted different strategies as far as human resources availability for the project and training needs are concerned. Sanlam, for example, has three teams supporting the implementation of the new business requirements linked to the rolling out of the Comprehensive Pension Administration System Software (COMPASS). The first of the teams comprise 9 members, including business analysts that handle new system requirements, an additional team of 8 handles day-to-day issues and there is an information technology support team of 7 (Government Employees Pension Fund, January 2004). This excludes the support of the legacy-based systems. By contrast, Old Mutual has a team of approximately 100 full-time business resources involved in its information technology upgrade project (Government Employees Pension Fund, January 2004). The Government Employees Pension Fund identified a full-time team of approximately 20 resources to work on refining the Comprehensive Pension Administration System Software (COMPASS). The team members were identified on the basis of their expertise in the various sections of the Government

Employees Pension Fund. The team could also co-opt any member of the business that was required to provide specialised input with a view to capturing manual processes into an electronic format (Interview, Assistant Manager: Business Support Services at the Government Employees Pension Fund, 3 November 2004). Measured against the resources that are being employed by other Comprehensive Pension Administration System Software (COMPASS) users, the number of resources that the Government Employees Pension Fund has deployed is not nearly enough. Furthermore, the members of staff co-opted by the team from time-to-time to contribute to the development of the system, were not necessarily convinced of the value of their contribution to the process. These additional staff wanted to get to their original areas of responsibility so as not to fall behind with what they perceived to be their primary area of service delivery. In both the case of Sanlam and Old Mutual there are more than 50 business resources that are dedicated to supporting and implementing the Comprehensive Pension Administration System Software (COMPASS) and related projects. The comparison between the Government Employees Pension Fund, Sanlam and Old Mutual is made all the more stark in the light of the fact that the Government Employees Pension Fund is by far the largest fund in terms of membership and financial resources.

Having conducted the comparative analysis at a technical or systems level, the succeeding section conducts a comparative analysis of the social impact that the implementation of information and communications technology has on elderly

people. The comparison of the social impact of information and communications technology for elderly people in the United Kingdom has been used for its similarity in terms of the efforts to provide electronic services to retired civil servants by the Government Employees Pension Fund of South Africa.

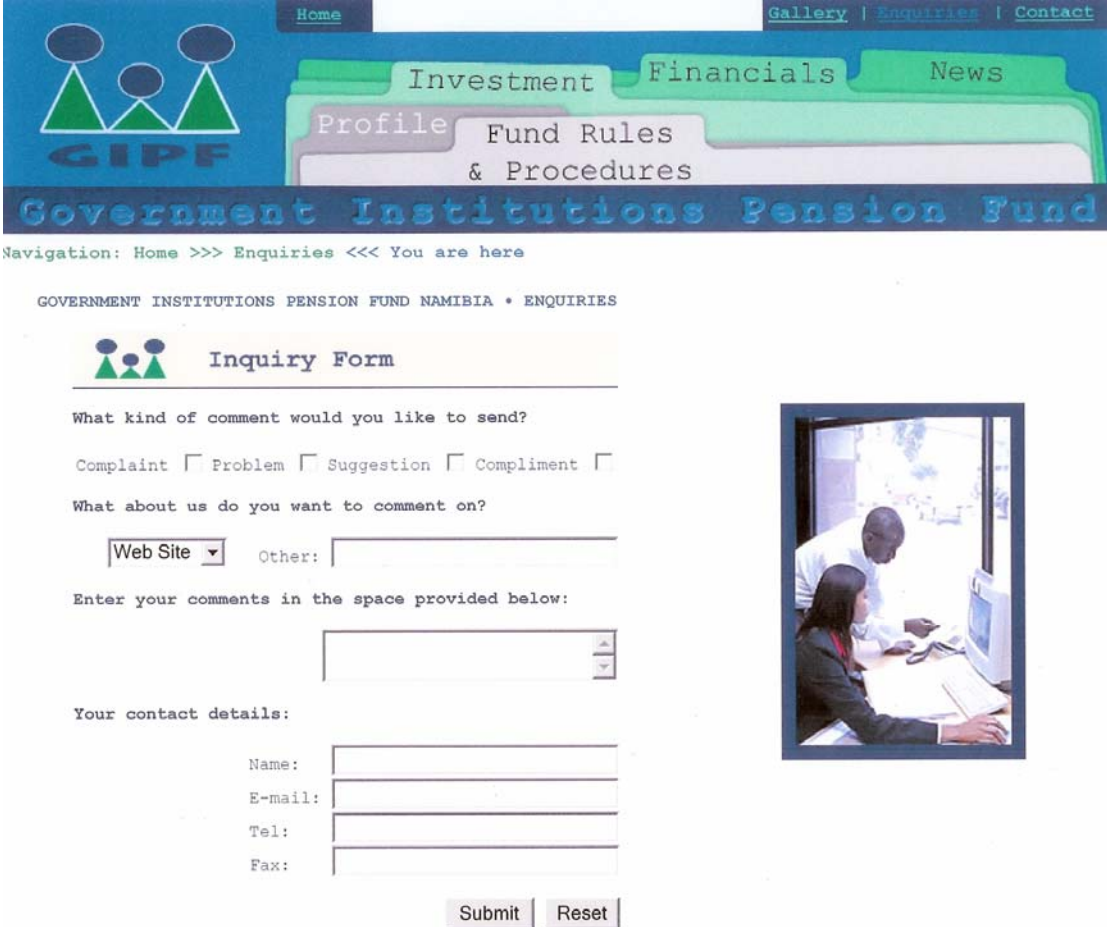
4.5.4 Comparison: E-Services to Elderly People in the United Kingdom and the Government Employees Pension Fund

The Government of the United Kingdom, within the broader context of providing e-government services to citizens, decided to specifically target providing electronic services to elderly or retired people (National Audit Office, 20 February 2003) (National Audit Office, 20 February 2003). This section will consequently focus on the challenges faced by the United Kingdom to promote the use of electronic service delivery mechanisms amongst elderly people. It is important to note that the comparison between the Government Employees Pension Fund and the efforts by the United Kingdom Government to provide e-government services to elderly people is probably not a fair one. What is, however, important is that similar principles are applicable to both scenarios. The first important principle that needs to be taken into consideration is access to electronic means (National Audit Office, 20 February 2003). The United Kingdom Government had, through its Education Department, distributed 24 000 refurbished computers to disadvantaged groups. The United Kingdom Government had furthermore installed information kiosks in public places so as to make a host of information and services available to citizens.

This programme to make electronic services available to elderly people is part of a bigger programme to make e-government services available to all citizens within the United Kingdom (National Audit Office, 20 February 2003).

A comparison between other African countries and South Africa, pertaining to civil service pension funds is particularly useful in determining the levels to which information and communications technologies are to be used to deliver services. The web sites of the Retirement Benefits Authority of Kenya, the Nigerian Civil Service Pension Fund, the Government Institutions Pension Fund of Namibia and Botswana, were visited. It is significant that these afore-mentioned African pension dispensations have web sites, all of which were wholly or overwhelmingly static. Of the several web sites of government pension funds that were visited, the Government Institutions Pension Fund of Namibia seemed to provide the highest level of electronic interactivity with clients. Figure 4.2 (see page 157) represents an example of the kind of electronic interactivity that the Government Institutions Pension Fund of Namibia engages in.

FIGURE 4.2



Home Gallery | Enquiries | Contact


Investment Financials News

Profile Fund Rules & Procedures

Government Institutions Pension Fund

Navigation: Home >>> Enquiries <<< You are here

GOVERNMENT INSTITUTIONS PENSION FUND NAMIBIA • ENQUIRIES

 **Inquiry Form**

What kind of comment would you like to send?

Complaint Problem Suggestion Compliment

What about us do you want to comment on?

Web Site Other:

Enter your comments in the space provided below:

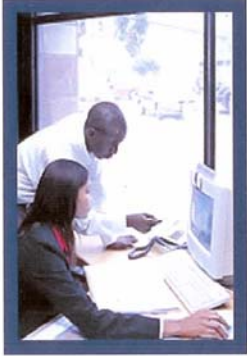
Your contact details:

Name:

E-mail:

Tel:

Fax:



Source: Government Institutions Pension Fund, Online, 27 July 2005

Furthermore, none of the web sites visited display any reference to e-government and e-service delivery, even though some of them may have instituted such initiatives. The success of the provision of e-services may be stymied in regard to obtaining a critical mass of users of e-services given the extent of the digital divide that exists. The pension fund web sites visited, displayed that telephonic contact with clients was predominant. If telephonic contact is viewed as e-government,

then it could be argued that the level of e-government in African civil service pension funds is extremely limited.

In considering making e-services available to clients, the United Kingdom identified a number of constraints that affect elderly people (National Audit Office, 20 February 2003). It could comfortably be assumed that more elderly people have access to telephony in the United Kingdom than in South Africa. South African civil pensioners - that is, those retired civil servants who are in receipt of monthly pensions - and contributing members - that is, all permanently appointed civil servants - show vast disparities in levels of access to telephony. Chapter Three indicates the vast disparities to access to telephony in South Africa. These disparities also extend to access to information and communications technologies. A case in point is the Modjadji district in the Limpopo Province where Government Employees Pension Fund staff, in trying to determine how to improve contact with clients in the area, discovered that a manual telephone exchange was still in use (Interview, Pekwa Training Officer at the Government Employees Pension Fund, 15 June 2004). The lack of telephony in the Modjadji area presents a microcosmic view that is symptomatic of reality in many rural areas in South Africa. The attached pictures (Figure 4.3: see page 159) depict the manual telephone exchange. Using the manual telephone exchange does not allow users the option of linking up to the Internet. This therefore means that clients of the Government Employees Pension Fund who make use of the manual telephone exchange

cannot access the web site of the Fund in an attempt to utilise the electronic access points.

FIGURE 4.3: The Manual Telephone Exchange at Modjadji Post Office



Picture taken by H. Fisher (2002)

Apart from providing access to telephony and communications and information technologies, these services are rather costly to ordinary South Africans. Affordability and infrastructure, according to Harrison (Pretoria News, 5 January 2005), are stumbling blocks to widespread fixed-line and Internet usage in South Africa. The advent of mobile telephony provides additional dimensions in making services available to people. Mobile telephony is largely out of reach for ordinary South Africans since it is a developing technology hence it is often priced out of reach.

One way in which the Government Employees Pension Fund can provide access to its systems for clients is to make the facilities available to them close to where they live or work. Access to Government Employees Pension Fund information can be facilitated by providing dedicated computer terminals that are linked by means of a wide area network to national, provincial and local government offices. Furthermore, dedicated closed network telephone lines that are linked directly to the Government Employees Pension Fund's Call Centre could also be offered to clients who may need to access the services of the Fund. In the case of the closed circuit network, dedicated telephones could be placed at strategic points where Government Employees Pension Fund clients can access them and the costs would be borne by the Fund. Providing access to the web site of the Government Employees Pension Fund does, however, not guarantee that clients will utilise the facility. This foregoing assertion is largely due to the fact that many retired civil servants had never used information technologies hence there would be lethargy

to access services via this means. Whilst providing remote access to certain service offerings of the Government Employees Pension Fund, clients also need to be trained to use the system so as to provide greater access. The aim of installing an e-government system is to improve service levels to clients. If the Government Employees Pension Fund is in the process of installing an e-government system, it should also ensure that clients are able to access the system so as to make use of the service offerings. One of the greatest fears is that the installation of an e-government system can have the opposite, unintentional effect of alienating clients from the Fund. Other factors that affect the utilisation of information and communications technologies are discussed in the next section.

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

The digital divide between those who are computer literate, those who have access and those who are computer illiterate and do not have access in South Africa, is cause for concern. It is also true that older people continue to engage public services despite them not necessarily being economically active. In many respects one could argue that older, retired people are more in need of public services, such as pensions offices, hospitals, amenities and libraries, than their younger, economically active counterparts.

In trying to encourage clients of the Government Employees Pension Fund to utilise the electronic services offered to them there are a number of considerations. The first of the factors to consider are the physiological effects of ageing. These physiological effects include diminished vision and hearing, hand-eye coordination, arthritis, diabetes and cataracts. All of these fore-going ailments, on their own or in combination, affect the manner in which people interact with institutions that provide electronic services (National Audit Office, February 2003). Secondly, costs always remain a factor for older people especially since the income of older, retired people tend to be less than when they are economically active. Users can also be stymied by their ability to use new technologies. One could argue that many older people have been at the wrong end of the effects of the digital divide. Access to new technologies may not be the real problem, the real problem is the ability to use the technologies. One of the greatest concerns in the case of South Africa is language. Whilst most official documents and web sites conduct themselves in English, there are 11 official languages in South Africa (**Constitution**, 1996). A further concern around language is that electronic services may contain too much jargon and technical information. One solution is to offer electronic services in more than one language, which could have cost implications.

A survey that is being conducted by the Client Services Section of the Government Employees Pension Fund, an example of the questionnaire is included as Figure 4.4 (see page 164), commenced on 15 November 2004. Having assessed 300 replies by clients, 95% proved to be happy with the service that was being

provided by the Government Employees Pension Fund. These direct surveys may not be the best since clients may be quite accommodating in their responses when the person who is being assessed is sitting opposite one. Furthermore, if the person offering the service knows that he is to be assessed by the client, then the service he will provide will be such that he gets a good assessment.





Whilst the survey is geared to determining the levels of client satisfaction about services being offered, a shortcoming in the survey is the omission of questions pertaining to electronic service delivery mechanisms. It is also significant that none of the 300 survey replies assessed during the course of the thesis contained any comments by clients about electronic access to the services of the Government Employees Pension Fund. A number of possible reasons for the lack of interest in electronic services are lack of access to information and communications technology, a preference for direct contact, the inability to use the information and communications technology, health and expenses related to accessing information and communications technologies.

FIGURE 4.4: Client Satisfaction Survey Questionnaire: GEPF

Title: _____ Initials: _____
 Surname: _____
 Pens no: _____
 Tel.(h): _____
 Tel. (w) _____
 Cell: _____

YOUR OPINION IS IMPORTANT

Please indicate with an (X) the service rendered to you
 Please rate the following on a scale of Excellent, Good, Poor, Very Poor

				
	excellent	good	poor	very poor
Friendliness and courtesy with which the staff treated you				
The extent to which the staff are well trained and knowledgeable				
The efficiency and speed with which the staff assisted you				
The extent and willingness to which the staff is willing to go, to help you				
Were your needs met				
The overall level of service you recieved from this office				

General Comments / Suggestions: _____

NATIONAL TREASURY : PENSIONS ADMINISTRATION
 Private Bag X 63, Pretoria, 0001
 Tel: 012 3191000 • Fax: 012 326 2507
[www@gepf.co.za](http://www.gepf.co.za)

4.7 CONCLUSION

Whilst reference is being made to the Government Employees Pension Fund in previous chapters, this chapter formerly introduces its structures and processes. In introducing the Government Employees Pension Fund, the chapter provides a brief historical account of its origin.

An assessment of the legacy-based administrative model of the Government Employees Pension Fund was conducted. The assessment of the legacy-based administrative model revealed that the introduction of computers to the Government Employees Pension Fund was essentially viewed as an add-on rather than as a tool of transformation. When the first information technology service provider was appointed to the Government Employees Pension Fund, a new software programme, CivPen, was introduced. The introduction of CivPen to the Government Employees Pension Fund revolutionised the manner in which civil pensions were being administered, since the functionaries had to be given personal computers to perform their duties. Even though the introduction of CivPen witnessed the rolling out of personal computers to functionaries, the hard file still predominated as the main source of storing documents.

After the formal establishment of the Government Employees Pension Fund in 1996 with the amalgamation of the disparate funds (that is, the former homeland civil pension funds) into one homogeneous fund, the need was identified for

electronic systems to be adjusted accordingly. Because the CivPen pension administration software had been adjusted to saturation point it was decided to embark on a new project to identify and implement a new pension administration software programme, the Comprehensive Pension Fund Administration Support System (COMPASS). The envisaged implementation of the Comprehensive Pension Fund Administration Support System (COMPASS), along with workflow and teleforms, are important innovations as far as e-government and e-service delivery are concerned.

The chapter analyses the concepts of workflow, seamlessness and paperlessness. These afore-mentioned concepts integrate to form a complete, co-operative electronic system that enhances administrative efficiencies and links internal and external clients into an integrated e-government system. The examples of life certificates, funeral benefits and teleforms are cited in an effort to illustrate the e-government principles at play within the Government Employees Pension Fund.

The chapter analyses the concept of risk and the related approach to risk management as they pertain to service delivery in the Government Employees Pension Fund. The risks presented by e-government regimes, for example, computer viruses and having a critical mass of users of the system, are important. Risks internal to the Government Employees Pension Fund include resistance to change and an adequately-trained human resources component.

The principles discussed in this chapter has highlighted that e-government is not solely about implementing electronic systems. Whilst electronic systems are important, complimentary dimensions such as human resources capacity, workflow, paperlessness and seamlessness are just as important.

Chapter Four proceeds to highlight the inadequacies of the comparisons especially since the Government Employees Pension Fund has no equal in terms of magnitude, products and niche. The chapter proceeds to compare the e-service delivery initiatives by Old Mutual and Sanlam, which are both South African insurance companies that have implemented the same software, the Comprehensive Pension Administration System Software (COMPASS) that the Government Employees Pension Fund has, in an effort to improve service delivery. The comparison between the Government Employees Pension Fund, the Compensation Commissioner and South African Airways concentrates on another aspect of e-service delivery, namely electronic workflow and document management. The final part of the chapter compares the Government Employees Pension Fund's e-service delivery to retired civil servants with the e-service delivery initiatives to older people by the Government of the United Kingdom.

The most significant determination of Chapter Four is whether the implementation of information and communications technologies at the various institutions that are being compared, was successful in improving levels of service delivery to clients. There is no doubt that all the institutions that are cited in the chapter had it as their

main aim to improve efficiencies in terms of administration and in terms of delivery. The document management process implemented by South African Airways achieved the successes that it wanted to in that it improved the flow of documentation through the system. The resultant effect is that the administrative processes were enhanced due to the electronic flows and increased monitoring. Enhanced delivery at South African Airways also resulted from the use of teleforms. The teleforms enabled the submission of electronic data, which improved efficiencies and information integrity. Amongst the other successes that can be cited is that the storage and retrieval of documents and administrative processing were enhanced as a result of electronic document management.

It is significant to note that South African Airways, the Compensation Commissioner and the Government Employees Pension Fund opted for the centralised approach in handling administrative processes. The centralised approach could be indicative of the lack of confidence that South African institutions have in information and communications technologies being able to enhance business processes between regional offices and the main office.

Each of the institutions being compared adopted different strategies as far as human resources availability for the information and communications technology projects were concerned. Whereas Sanlam had three dedicated teams and Old Mutual had more than 50 business resources at any one time, the Government Employees Pension Fund was at odds to assemble a team of more than 20

people. The conclusion that can be drawn from the analysis on human resources requirements is that the resources that are needed for any information and communications technology project need to be deployed without reserve in order to ensure success.

A further difference in the approaches to implementing new information and communications technologies in the Government Employees Pension Fund, the Compensation Commissioner and South African Airways could be seen in the phased manner of Sanlam as opposed to the all-or-nothing approach of the others. Implementing new information and communications technologies are extremely complex hence a phased approach is probably the more desirable route than the all-or-nothing approach. The Government Employees Pension Fund, given the magnitude of the information and communications technology project, was unable to meet several of its deadlines.

The final comparison that is made in the chapter is the one pertaining to the efforts by the Government of the United Kingdom to provide e-services to older, retired citizens. Having noted that the comparison between the United Kingdom Government's efforts to provide e-services to its retired clients and the Government Employees Pension Fund is not necessarily an appropriate one, it is significant to note that similar principles and challenges apply in both cases. The comparison analyses the challenges of access to electronic means, the

physiological challenges faced by older people, computer illiteracy and the costs involved in accessing services electronically.

The comparisons done in the chapter attempted to highlight the challenges faced by the selected institutions in providing e-services to their clients. It was identified that electronic service delivery is definitely a positive development provided that those who are intended to benefit by it are able to access and utilise the service. In line with developing new ways of interacting with clients, it is necessary to build a mutually beneficial liaison to enable both client and service provider to understand each others' requirements.

Chapter Five provides comprehensive analyses on the applied aspects relating to public management and administration and electronic administration in the Government Employees Pension Fund.