

**VOL 18**  
**NO 3**  
JULY/AUG/SEPT  
**2012**

# TRANSFORMER

THE JOURNAL FOR DEVELOPMENT AND GOVERNANCE ISSUES

**EXAMINING THE NOTION OF A  
DEVELOPMENTAL STATE**

MAKING A CASE FOR A  
DEVELOPMENTAL CAPABLE  
STATE

**BRAIN DRAIN AND DEVELOPMENT  
CHALLENGES FOR AFRICA**

**SOCIAL COHESION OR  
SOCIAL EQUALITY**  
EXPLORING WHAT  
COMES FIRST

**OLD AND NEW PERI-URBAN ZONES**  
QUESTIONS AND CHALLENGES FROM THE  
LATIN AMERICAN EXPERIENCE

THIS PUBLICATION IS PART SPONSORED BY THE FORD FOUNDATION

**Afesis-corplan**  


Promoting local democracy and community-driven development



# TACKLING THE CHALLENGE OF BUILDING CAPACITY IN THE PUBLIC SECTOR

> DR PAUL HENDLER, MS KAREN MIEDZINSKI AND MR TONY WOLFSON

OUR GOVERNMENT NEEDS TO BE DEVELOPMENTAL. HOWEVER IN ITSELF IT DOES NOT ALWAYS HAVE THE CAPACITY TO DEVELOP.

## INTRODUCTION

Government has for some time been describing itself as a “developmental state”. However, in itself it would need to be developed, before it would have the skills to develop people sufficiently to access available financial and government resources. One of the most critical gaps in South Africa is the lack of knowledge on the part of potential housing consumers of how to access mortgage loans without being discriminated against.

The purpose of this article is to describe this integrated approach, and how it worked to equip a state department both to capacitate itself as well as to capacitate beneficiaries (members of the public) to access this very needed resource. The article points out the successes achieved, as well as drawing attention to the mistakes made, mainly in follow-through, which impacted on the full realisation of this approach.

*Home ownership, access to which is severely limited to a small minority in South Africa, has played a significant triggering and multiplication function for socio-economic development in many countries including South Africa.*

How does a government department get a complex message delivered to thousands of would-be home loan applicants, a message about discriminatory home loan lending practices? How does government ensure that the facilitators communicating this message are skilled in both facilitation and content? How does one create a sustainable base of facilitators for the longer-term goal of Housing Consumer Education (HCE)?

The Home Loan and Mortgage Disclosure Act (HLAMDA) was the legislation that was enacted to address this problem by informing people of their rights and assisting them to act against discriminatory lending practices by banks. The Office of Disclosure (OOD) was set up to receive housing consumer complaints about these practices, investigate these and act on the outcomes of the investigations. Once the OOD was set up they hit an obstacle. They lacked the capacity to operationalise the structure, and they lacked the capacity to access and communicate the services they could offer to the housing consumers, who were their intended beneficiaries. To their credit, the OOD opted for a holistic and integrated approach to tackle this lack of capacity.

During 2009 we were contracted by the National Department of Human Settlements to upgrade the training and facilitation skills of municipal and provincial housing officials involved in HCE. The Department had two main goals: i) develop a cadre of skilled trainers who would be able to explain a complex piece of legislation to the public i.e. the HLAMDA, and ii) accredited training officials with Education, Training and Development Practices Sector Education and Training Authority (ETDPSETA).

Working on this project provided a rare opportunity to deliver a product that combined training methodology, process and content all within one Human Resource Development package. That is, the content that needed to be trained

was designed using the same generic training methodology and processes used to train the trainers. There were massive learning advantages to this type of intervention in that the trainers were able to practise their generic training skills not only during the Train-the-Trainer (TTT) programme as part of their practical assessment, but they were also able to practise these skills again when training the HLAMDA content. Thus there were two opportunities to practise the training methods in a short space of time.

This training method can be replicated across other government departments to lay a platform for ongoing improvement in public sector officials' skills and competence. The replication process will however require a change in attitude from senior government officials as well as a change in political will by the political leadership in municipal councils, provincial and national legislatures so that design of clear process functions as well as training and training needs analyses are prioritised.



Image by © Openform

Adequate housing for the majority of the population is clearly a prerequisite for a better quality of life and can contribute to broader economic and social development. Home ownership, access to which is severely limited to a small minority in South Africa, has played a significant triggering and multiplication function for socio-economic development in many countries including South Africa. Based on the above developmental perspective, the HLAMDA established the principles of unfair and fair discrimination in the approval or rejection of home loan applications – but by 2009 there were neither operationalised procedures for recording grievances and investigating complaints of discrimination nor trained staff for this function.

HLAMDA legislation was passed to address long-standing complaints from communities and activists against banks' reluctance to provide home loans to working class communities, resulting in a significant blockage to the extension of home ownership to the working class. The banks' attitude arose in response to the rent and bond boycotts of the 1980s and 1990s and they effectively ring-fenced or "redlined" certain areas and excluded residents living there from qualifying for home loans. HLAMDA made it an offence for banks to discriminate on the basis of geographical area. The central idea contained in the legislation is that the state should provide an investigative service, and the banks should disclose the relevant information, to assess the validity of a complaint about unfair discrimination.

HLAMDA bears close resemblance to similar legislation in the United States of America where disclosure was also linked to the principle that financial institutions should reinvest funds received from people in the communities where they live, the so-called Community Reinvestment Act. There was no such linkage in South Africa. Legislation to facilitate the provision of home loan credit to households which are often excluded is not unique to the United States: for example, India has legislation requiring prescribed investments of the proceeds of the insurance industry in home loans, a process administered through the National Bank of India. In South Africa little was done to operationalise the HLAMDA.

To set the operation of HLAMDA in motion the (then) National Department of Housing called for technical proposals, and awarded the tender to our bid. The team was fortunate to be involved with a client that rolled out an entire Human Resource Development strategy in one process: they selected 100 Master Trainers (MTs) for a generic TTT course, followed by a further training course in the specifics of HLAMDA and its implementation, and concluded with the MTs being mentored through conducting their own training workshops with other municipal and provincial housing officials. This reinforced and consolidated their understanding of the content and methodology that they would need to deliver. The details of this methodology are important because the success of the project lay in the soundness of its methodology.

## • Learning Needs Analysis:

The Learning Needs Analysis methodology for this project was based on a Learning Requirements Analysis (LRA) and a Competency Skills Gap Analysis. A LRA was undertaken to specify the competencies required for the officials to carry out HLAMDA work as well as the skills required to train other officials on how to train HLAMDA awareness. The LRA built a profile of the job required. It was developed using the expert knowledge of home loan/housing consumer advisors and specialists, as well as national and provincial housing officials, skilled at

working with the legislation. The LRA formed the basis for a Competency Skills Gap Questionnaire, and was administered to all 100 prospective MTs in all nine provinces. The results of the Gap Questionnaires were analysed and the capacity building intervention was planned around competencies that the MTs were lacking, both in terms of their training skills and in terms of their content knowledge relating to HLAMDA.

## • Unit Standard (US)-aligned TTT:

Roll out of content specific training courses often lacks the desired impact as the focus is often exclusively on the content that needs to be taught, rather than the processes and methods required for learners to integrate and apply the content. The MTs were trained on a five-day TTT course, which was aligned to the South African Qualification Authority (SAQA) US 117871, "Facilitate learning using a variety of given methodologies". This programme was tailor-made to integrate aspects of the HLAMDA specific programme. The purpose

of the TTT programme was to transform the way trainers plan and prepare for facilitation, how they facilitate, and how they evaluate learning and facilitation. The programme aimed to develop insight, self-awareness, and measurable competence in the selecting of appropriate methods and materials. Trainers also learned to address the various ways that learners think and learn, and in so doing, magnified their facilitation approach to improve learning.

*HLAMDA bears close resemblance to similar legislation in the United States of America where disclosure was also linked to the principle that financial institutions should reinvest funds received from people in the communities where they live, the so-called Community Reinvestment Act.*

## • Assessment:

During the TTT course, MTs were developed and assessed on their practical training skills. After the conclusion of the programme, MTs were required to submit a portfolio of evidence (POE) for assessment of their competence against the SAQA US117871. MTs who were assessed as competent were registered on the National Qualifications Framework (NQF) for this level five US, which was worth 10 credits towards a qualification in the Human Resource Development field. They received certificates endorsed by the ETDP SETA and SAQA.

## • Specific HLAMDA courses:

The content material for the Specific HLAMDA course was drawn from the existing course material of the Department as well as the advice gained from interviews with key stakeholders. Content specialists worked together with materials design and development specialists to ensure that content and method were integrated in a meaningful way. The material for the specific HLAMDA course was designed using outcomes-based methodology, and included learner and facilitator manuals to implement this course. In addition, Master Trainers were provided with two toolkits to use when they train either: 1) Other officials in terms of their work in the implementing of the HLAMDA, and 2) Consumers about their rights in terms of the HLAMDA. The purpose of providing detailed learner and facilitator manuals and toolkits was to ensure standardisation, quality and consistency in the national roll-out of the training by the Master Trainers.

## • Mentoring the MTs:

Once the generic TTT and the specific HLAMDA training courses were complete, plans were formulated through the provincial coordinators for the MTs to organise and facilitate two workshops per province where they would practice what they had learnt by training other provincial and municipal housing officials to implement the HLAMDA procedures. In total a further 360 officials were to be trained by the 100 Master Trainers resulting in 460 officials competent to implement HLAMDA.

This demonstrates that TTT courses, successfully followed up with specific training and mentoring, can ensure maximum output from the initial public investment. A member of the professional training team was present at each of these 18 workshops to provide guidance to the MTs and also to assess their performance.

79% of MTs who submitted portfolios of evidence were awarded SAQA certificates of competence for training using a variety of methodologies. 90% of the MTs who participated in the specific HLAMDA courses were licensed as competent to train, or assist in the training of, other municipal and provincial housing officials in the specifics of HLAMDA. These are impressive rates of success.

## • Ongoing impact of the programme:

Initially the immediate objective was for the trained MTs to continue rolling out the programme. The critical challenge was how to encourage them to continue talking and training about HLAMDA. Initially the Department had a two-pronged approach. First it was necessary to set up the OOD where complaints about alleged unfair lending practices could be reported. Then a board of directors would be appointed by the Minister to look at all OOD operational issues, specifically HLAMDA.

At the time of the project the board was not yet in place, yet the Department needed to implement a support system through which the HLAMDA functions could happen - they wanted to create champions to talk about HLAMDA. They wanted a full advocacy campaign in the short-term as well as a long-term training campaign. Certainly in the shorter term, the creation of a body of competent and informed HLAMDA Champions points to a positive impact of the training programme.

The Department had hoped that after 2010 the OOD would be fully operational. But in reality very few people came forward with complaints because they did not know what the Department was doing. As a result, there were insufficient opportunities

for the MTs to communicate the message about HLAMDA to the communities and beneficiary households. The Department took the issue of qualifying people seriously but this comes with certain risks. Providing people with a new set of skills may raise expectations for career development. When this does not happen, this

*Providing people with a new set of skills may raise expectations for career development. When this does not happen, this can result in disappointment and disillusionment.*

can result in disappointment and disillusionment. These factors have negatively affected the longer-term roll out of the HLAMDA programme. To ensure that these valuable skills are not lost, the Department needs to follow up with the MTs on the progress they have made, initiating opportunities to roll out the programme to communities and beneficiary households. Ongoing monitoring and review of performance would provide the extra impetus to substantially increase the benefit and long-term impact and sustainability of the programme.

## CONCLUSION:

One of the biggest challenges with capacity building at both provincial and municipal levels is the mismatch between job requirements and the existing skills of the person. Having the relevant skills and competencies is critical for the building of a truly developmental state. To achieve this rapidly amongst as many officials as possible we need to identify a core of officials who could be trained to train a much wider audience of officials.

A person required to train others might have training skills but lack the content knowledge and expertise, or have the content knowledge, but lack the training skills. HLAMDA was one of the programmes that tried to skill people with the required content knowledge and expertise as well as the training competencies, both of which, to a lesser or greater degree, were lacking.

For the full training cycle to be completed successfully there needs to be congruence between the work situation and the learning situation. Application back in the workplace needs to be supported institutionally by providing timeous opportunities to apply skills learned, as well as monitor the application of these skills through ongoing performance management. The training itself was successful in that a body of skilled and competent Master Trainers was equipped, both in terms of methodological and content expertise to roll out the HLAMDA process.

However the institutional support to realise the potential impact of the programme was lacking. The fact that an ongoing HLAMDA programme was not concertededly driven both from the centre and within each province meant that some of the people who had been trained and were looking forward to improving their skills left the employ of these departments when better career prospects presented themselves. A fundamental problem was the fact that the function was an add-on onto officials' existing jobs, which meant there was no incentive to prioritise this aspect of their jobs. This applied equally to the MTs and the provincial coordinators who could have played a crucial role driving and monitoring the roll-out in each province.

A third problem was the fact that there was a time lag between rolling out the information to housing consumers and starting to receive complaints. There have been virtually no follow-up phases of the project through which a functioning system for consumer complaints and grievances could have been set up and housing consumer rights education implemented. In part this lack of follow-up reflects some of the original challenging questions which prompted the HLAMDA project in the first place. The OOD is commended for the holistic and integrated approach it took, to upgrade municipal and provincial

officials in both the content and process requirements of their jobs, as well as with the facilitation skills to transfer this knowledge to housing consumers. In the future, the importance of recognising and building the required institutional capacity to support the full training cycle cannot be overemphasised. In the HLAMDA case the challenges faced in rolling out the secondary and further phases of the project reflected a lack of such institutional support. To address this lack of institutional support the following institutional and operational interventions are recommended:

1. The initiation and facilitation by the national Department of an ongoing dialogue with the financial sector to implement a joint private-public partnership for the implementation of HLAMDA.
2. The incorporation of financial sector officials in the higher level functions of HLAMDA, in coordination with the OOD.
3. Thorough intergovernmental relations protocols to ensure buy-in by all spheres of government for proposed additional functions for civil servants and municipal officials.
4. Incorporation of these functions into the job descriptions of the state employees concerned.
5. Integration of job functions into a career path for civil servants, which is clearly aligned with promotion requirements.

Hendler is a specialist in the planning and implementation of sustainable human settlements and Miedzinski and Wolfson are Organisational and Human Resources Development Specialists.