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**TOBY CHANCE, MP**

**SHADOW MINISTER OF SMALL BUSINESS DEVELOPMENT**

**DA MEMBER OF PARLIAMENT FOR SOWETO WEST**

22 May 2018

Dr. Dovhani Mamphiswana  
Director-General: Public Service Commission  
Per e-mail: [Ayandam@opsc.gov.za](mailto:Ayandam@opsc.gov.za) / [CG@opsc.gov.za](mailto:CG@opsc.gov.za) / [DovhaniM@opsc.gov.za](mailto:DovhaniM@opsc.gov.za)

Dear Dr. Dovhani Mamphiswana,

**INVESTIGATION REQUIRED INTO HIRING PRACTICES, MANAGEMENT AND COMPOSITION OF THE DEPARTMENT OF SMALL BUSINESS DEVELOPMENT**

The Portfolio Committee of Small Business Development received an anonymous tip off earlier this month related to the hiring practices, management, composition and organisational structure of the Department of Small Business Development. The letter detailing allegations against the Department is outlined in **Annexure A**.

While it is widely reported and based on performance outcomes that the Department has failed small businesses, it is concerning but not surprising that employees in the Department are alleging widespread miss-treatment at the hands of senior management.

The letter starts by outlining that the Director General (DG) of the Department stated that in the formation of the Department of Small Business Development (DSBD) in 2014 employees transferred from the Department of Trade and Industry (DTI) lacked the requisite skills for their new roles in the Department. However, the whistle-blower alleges that the entire transfer process was done without consulting employees and that the DG's allegations effectively hides the Department's failure to properly administer the formation of the DSBD.

Additionally, the whistle-blower points out the following concerns:

- The Department still lacks a complete departmental structure/organogram approved by the Minister of Public Service and Administration;

- Low staff morale;
- Career development of individuals transferred were not considered and ignored;
- Lack of capacity in certain departments within DSBD;
- Employee grievances are not addressed by the DG;
- Lack of resources to fulfil mandate of DSBD.

In terms of section 196(4)(b) of the Constitution the Public Service Commission is empowered to investigate, monitor and evaluate the organisation and administration of the public service and of personnel practices of the public service. I hereby request that you act on this mandate and address the matter.

As the urgency and gravity of this matter is evident, your prompt response and action in this regard will be most appreciated.

The DG's contract of employment ends on August 31<sup>st</sup> placing a further need to expedite this investigation.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Toby Chance', with a long horizontal flourish extending to the right.

Toby Chance, MP

Shadow Minister of Small Business Development

DA Member of Parliament for Soweto West

## Annexure A

Members of Portfolio Committee: DSBD

I stand here today as a whistle blower anonymously in fear of victimization, but employees of the Department of Small Business Development in Pretoria dti Campus Block G, concerned about the state of the department under the leadership of the Director General Ms Edith Vries.

On the 15<sup>th</sup> of March 2018 during the staff assembly meeting held by the DG the employees of DSBD sought clarity on the media statement issued by the Chairperson of the Portfolio Committee on Small Business Development which, in part, reads as follows:

***“The DG for the first time yesterday admitted that officials who were transferred from the Department of Trade and Industry to the Department of Small Business Development lacked the requisite skills for community development and have narrow perspective of co-operatives and SMMEs. This is what creates differences between the committee and DSBD, because the committee views development of cooperatives and SMMEs as key to economic transformation as well as reducing dependency of poor families on government handouts”***

*The DG in her response stated that “she does not understand why the employees are aggrieved because the allegations stated in the above media statement does not belong to her she was thrown under the bus by the Chairperson of portfolio committee Ms Ruth Bengu she has never said that the inherited staff of the DTI lacked the requisite skills for community development and have narrow perspective of co-operatives and SMMEs. Therefore, she is innocent of the allegations”*

*Honourable Members of portfolio Committee of small business development, I would like to state that:*

The allegations made by DG during the Portfolio Committee meeting amounts to character assassination of employees. We were not consulted when we were moved from dti to DSBD. The transfer was done without consultation and some of the units were killed and that resulted in the management deciding on the careers of the employees without proper consultations. We have many questions to her and among the questions we have is

- When did she do Skills Audit?
- Which criteria did she use to arrive at that conclusion?
- Is she insinuating that the dti employed employees without requisite skills?
- Where is her ethical leadership when is she going to take full responsibility of her decisions?

- She has bargained into the change management process without proper skills to do it and also involved HR personnel who did not have proper skills and qualification on change management and the process failed dismally hence there is still no approved structure of the department, three years since the inception of this department.
- She failed to recruit change management specialist who could have ensured that careers of employees are align to their job descriptions and careers.

**The following issue of concerns are placed before the Portfolio Committee of the small Business Development:**

- The structure of the department took three years to be completed; even now as I speak there is no structure with an approval signature of the Minister of DPISA. This resulted in employees being unfairly moved from one position to another - all in the name of so-called change management. Every year there is a reshuffling of employees there is no stability and employees cannot even specialises in their work some are misplaced and this is a clear career assassination because three years spent doing job hoping is a three years' experience wasted in the dustbin and it also does not reflect well to any employer out there many employees are frustrated, aggrieved and do not know what to do about this situation.
- Other managers found themselves reporting to their fellow managers on the same level which also affected the moral of all managers involved, for example there were Chief Directors who were reporting to their fellow Chief Directors and same thing applied to Directors, which affected the staff morale from the onset.
- When we made our job applications, we did so based on our expertise and qualifications. However, our management did not take our careers into consideration when they were doing so-called change management. The change management process was unprocedural, undemocratic and unconsultative. We were not consulted individually. We were forced, and even threatened, to accept our unfair placements. In short, we were collectively victims of an unfair labour practice.
- In this process of misplacement in the name of change management no training or career pathing training was offered to employees misplaced
- The department has incurred a huge over-expenditure on goods and services. Many units could meet their quarter 4 targets because their budgets were exhausted without their knowledge or courtesy of informing them.

**HR RELATED ISSUES**

- **Lack of capacity**

Employees are working under pressure, some are suffering from illnesses related to stress levels and others have even ordered special chairs because of the backache resulting from stress in the department - Communication and Marketing Unit, CIS and

BBSDP are the classic examples. These units are faced with a huge capacity challenge.

There is a desperate lack of capacity in CIS, Co-operative Unit and BBSDP, with only five officials expected to serve nine provinces.

It appears DSBD management has no interest in the following units: CIS, Communication and Marketing Unit, and BBSDP. We are convinced that these Units are deliberately being set up for failure. While these Units struggle with staff, the Department seems to be prioritising non-core Units such as Administration (especially, Corporate Services and ODG).

- Employees have raised their grievances internally but the DG does not address them internally, instead she sends them externally to be addressed by Bargaining Council. The department should only go externally if consensus cannot be reached internally.
- The levels of posts are not consistent and not aligned with the job evaluation policies. Employees who find themselves performing duties at a higher level beyond their job description were not taken care of. Many applied for job evaluation; some more than a year ago. To date, there has been no response from HR.
- **Succession planning:** Employees are not provided relevant training for up-skilling. This affects them negatively when they apply for higher positions. PDP are also not considered, those who apply for short course to be trained often gets responses that says there is no budget.

## **MIGRATION ISSUES**

- The DG announced that CIS, EIP, BBSDP and IMEDP will be migrated to agencies. Why are there no proper, open and honest discussions with staff on this matter? What will happen to the staff responsible for those functions (more especially contract employees), etc. So far no consultation, labour is not included in the planning processes nor included in the migration task team. No migration for employees with labour, “nothing about us without us”
- **Recruitment:** Advertisements for vacant posts are done nationally not internally. In many instances, internal employees are not shortlisted. The HR policy of recruitment is not properly complied within the Department. The DG has issued a directive that she will oversee the process of appointing the SMS posts, these posts, by the way were not advertised internally whereas the DSBD recruitment policy stipulates that the posts must be advertised both internally and externally. To us employees what she is doing is procedural and irregular.
- Contract positions that do not turn into permanent as recommended by the DPSA.
- **Misplacement of employees:** Employees have been wrongly placed in positions that do not correlate with their expertise and qualifications. And these decisions are imposed on employees. Skills and qualification are not considered. Surprisingly, this

strange placement approach does not affect employees in HR and ODG. It only affects units in core programmes.

- **Staff Morale:** Name shaming of the employees during the staff assembly has demoralised staff and is regarded as emotional abuse.
- **The structure and organogram:** The organogram that took long to be completed results in staff moving from one unit to another all in the name of change management.
- Preferential treatment when it comes to performance appraisal and changing of scores.
- PDP: staff members were placed in new divisions/units to perform roles that are not in correlation with their expertise and qualification. Furthermore, we were not offered training or support of some kind to perform duties allocated to us. No training was offered, for example, in the M&E officials requested training from HR and were told the training course is expensive.

## **LACK OF PROPER SYSTEMS AND RESOURCES THAT ARE NEEDED TO ENSURE SERVICE DELIVERY THAT WILL ENABLE THE DEPARTMENT TO PERFORM TO THE REQUIRED STANDARD**

- In the incentive grants units, officials are faced with a challenge of an IT system that will enable them to pay grants to the beneficiariess. The issue was raised with the DG. However, the DG blamed officials instead of intervening and coming up with a system that will enable them to work. The unit still depends on DTI for assistance, for example there is only one ASD in the DTI allocated to assist them with payment and processing of applications. The dti system is very old and now dysfunctional. So far if you can visit the unit you will find that there are files laying all over no proper recording system, clients are complaining about the missing applications and CIS finds it difficult to retrieve or find those files, it all boils down to lack of systems needed to record the application and process the applications
- The delay in the filling of vacant posts is an issue of concern as we are overworked.
- There is lack of capacity in IT Unit one Director and 1 Deputy Director responsible for the whole department. The service of the IT frustrates the employees. For example in DTI when one experience IT related problem you call and immediately the problem is solved without waiting for an hour or 30 minutes. The process of requesting for an IT assistance is longer because you have to log a call to a service provider SETA from there 1 person in IT will come and assist meaning if there are more than 10 people with IT challenges they should wait for one person to come and assist, that delays service delivery and performance

- The Director General has failed to appoint DDGs. The Chief Director HR lack necessary expertise to finalise the structure, fill in vacant posts and also manage the change management system according following proper procedures

Employees of the department have lost confidence in Ms Edith Vries

**As a whistle blower have written to you (Members of Portfolio Committee) to request for your intervention we are willing to testify should you call an staff assembly meeting or special inquiry.**

**Once more your intervention will be highly appreciated!!**

Thank you

You're sincerely anonymous!!