



PUBLIC SECTOR CAREER MOBILITY

RESEARCH REPORT

Supporting professionals
making a positive difference in
the public sector

 | SAICA
DIFFERENCE MAKERS™

ABOUT SAICA

The South African Institute of Chartered Accountants (SAICA) is the leading accountancy body in South Africa and one of the prominent institutes globally. SAICA is a voluntary, not-for-profit member organisation that operates in terms of its constitution. SAICA is an active member of several national and international forums as part of our advocacy role and participates in knowledge-sharing and global standard-setting.

SAICA offers three reputable professional accounting and business designations from a foundational to a strategic level of accounting and business competence: Accounting Technician [AT(SA)], Associate General Accountant [AGA(SA)] and Chartered Accountant

[CA(SA)]. These three designations are underpinned by the SAICA Code of Professional Conduct (the SAICA Code) and Continuous Professional Development (CPD) policy to ensure the highest level of professionalism, discipline, and performance.

SAICA is at the forefront of developing and leading the highest standards of ethics, education, and professional excellence in the delivery of quality accountancy skills. This is achieved by safeguarding the professional standards of the designations on offer, advancing and maintaining the relevance of the profession, and by regulating the members' and associates' professional conduct against the SAICA Code.

ABOUT SAICA AND THE PUBLIC SECTOR

SAICA is a committed partner in making a positive difference in the public sector. SAICA recognises the important role that government and the whole of the public sector must play in the prosperity of the South African society, economy and its members as enshrined in its Constitution. As responsible and ethical leaders, SAICA members and associates form part of the various structures, entities, and spheres of government, working in the public interest towards the sustainability of the public service and the country. To this end, SAICA provides support to members and government, supporting public finance management capacity building and the professionalisation agenda for the sector.

SAICA advocates, lobbies, and influences for fit for purpose legislation, standards, policies, processes, and systems in the public sector. Members in the sector have access to guides, handbooks, tools, templates, and other resources to support them in their work.

Regular thought leadership articles and resources on emerging issues in public sector accounting, assurance, governance, accountability, risk management, technology, capacity building initiatives, and other developments affecting the work of the sector and the profession are created and managed by SAICA's Public Sector team.

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BACKGROUND

SAICA members and associates (hereafter referred to as members) are sought after, forward thinking, responsible leaders of business and governments, making a difference and providing trusted advice wherever they serve. Upon qualification and registration with SAICA, members drive their own career development, following their own career trajectories whilst making valuable contributions towards the stability and growth of various economies across the world. In the South African context, many members operate within the various industries in the private sector, while a notable number contributes by utilising their skills and knowledge towards building capacity in the different spheres of government, including public entities.

SAICA is encouraged by the increasing number of members serving and working in the South African public sector, playing critical roles in different capacities. A capable government is fundamental for the country, and therefore SAICA has a strategic objective to assist government and contribute to the professionalisation of the sector. A professionalised public sector will be able to make significant strides in serving the citizens and stakeholders of the country, as well as enable growth and opportunities. SAICA promotes knowledge sharing and the joint social responsibility and accountability concept for the members representing both the public and private sectors.

Given their responsibilities in the different organisations, the nature of their work, as well as the challenges experienced in the public sector environment that affect particularly public finance management, governance, and accountability, SAICA endeavours to provide support to members, advocate for progressive, fit for purpose legislation and reporting standards, and disseminate thought leadership that seeks to move the sector and the work of members in the sector forward. Over time and during various discussions and on different platforms, members have raised concerns on the perception of the public sector and the impact that this is having on them as professionals, as well as the resulting impact on their careers.. Noting that members continue to raise this matter, and considering the long-term risk this poses to the strategic objective to assist and professionalise the sector as well as the sustainability of the country's public finance management, the SAICA public sector career mobility project was initiated.

This project sought to understand the concerns being raised by members, collect data, and provide a platform for discussion on the work of members in the sector,

as well as find possible solutions in promoting the work of members in the public sector. The project is focused primarily on member career mobility but is also aimed at supporting the professionalisation objectives for the public sector. It is concerned with the mobility of members both into the public sector, but also the private sectors, as both sectors have a lot to offer each other. Any limitation on the ability for professionals to progress in their careers is a risk requiring attention. This matter, which is considered to affect member ability to move both into and out of the sector, is a matter that requires attention to ensure that the country realises its objectives with the support of reliable public financial management and the trusted advice and support being provided by SAICA members. This would not be realised where members are unable to or discouraged from moving into the public sector. The inability to move out of the public sector, uncertainty around career prospects in the sector, a job market that does not always value public sector experience, as well as a negative perception in general may discourage members from wanting to use their skills and knowledge to serve the public sector. This may cause the sector to struggle to attract much needed accountancy and other professionals.

There is growing concern around the intimidation of SAICA members and finance professionals in general within the public sector. Professionals play a vital role in ensuring that the public sector delivers on its mandate. Therefore, attention and a collaborative approach from all stakeholders is required to remedy the concern. SAICA continues to closely monitor the concern and robustly engage members, relevant public sector structures, stakeholders, and leaders to find solutions to this challenge which, if allowed to perpetuate, will further incapacitate the public service. While this project and report is on the career mobility of members between the sectors, it is SAICA's intention that professionals should be able to realise their career goals, which may include a career pivoting between sectors (with reasonable and necessary knowledge, competence, and skills). In these instances, members should have free choice, based on open job market principles, on where to utilise their skills and experience to create value.

For the purposes of this document, SAICA members refers to both SAICA members and associates.

EXECUTIVE SUMMARY AND FINDINGS

SAICA members are responsible leaders who behave ethically in an organisation's value creation process. The primary role of SAICA members (many of whom are decision makers themselves) is to prepare meaningful information to stakeholders and interpret, analyse, and evaluate such information for impactful decision-making. Meaningful financial and non-financial information has integrity, is relevant, accurate and useful for impactful decision-making. In their chosen career paths, members demonstrate ethical behaviour, professional competence, responsible leadership and value creation for organisations and stakeholders, including society.

Many members are responsible leaders in the public sector. They behave ethically and create sustainable value for the country, its people, stakeholders, and the economy. This is a demonstration of the profession's unwavering commitment to serving the interests of the public. These members undertake various complex tasks, which include reporting and assurance in the public sector, to ensure the sustainability of the country. In this report, SAICA brings together feedback from various participants (trainees, members, and stakeholders), following concerns raised regarding the experiences of members in the public sector. While the project and report are centred around the lack of mobility and opportunities for members in the public sector, data shows that there is a need for increased efforts towards the professionalisation of the public sector by all stakeholders, including SAICA. The lack of professionalisation of the public sector is noted as being the root cause of the challenges of members, including their mobility. The public sector needs to put significant effort into becoming an employer of choice, which attracts and retains the best talent and provides quality services to South Africans.

A public sector that is perceived to be unprofessional, unproductive, unethical, corrupt and incompetent leads to the negative perception of professionals, including SAICA members, who work in the sector. A negative perception of members by the profession and the market is also at the core of the challenges faced by members in the public sector. This negative perception is due to perceptions and realities about the (in)effectiveness of South Africa's public sector, which attaches a negative stigma to professionals. The negative perception may also be arising from the following:

- A lack of information or thorough understanding.
- A lack of direct (positive) experience(s) with the public sector.
- (Past) experiences or interactions with the sector that may have left a negative impression.
- Experiences not entirely related to the work of professionals in the sector or that of SAICA members, but the overall assessment of the work of government.
- Personal biases and stereotypes; or
- The influence of negative media reports around the public sector.

In providing support to its members and professionalisation efforts of the public sector, SAICA commits to strengthening efforts in building public sector financial management capacity, accountability, and governance. There is a need to create more awareness and understanding of the work of government, as well as the work of SAICA and its members in the public sector. This will ensure that SAICA and its members continue making a difference in the country, and that more members and stakeholders can provide direct and indirect support to SAICA's strategic initiative of government assistance.

This report provides insights on similarities and differences between the private and public sectors, including training and working in the public sector, financial reporting and assurance standards, relevant competencies, and the limited awareness of this by the profession and stakeholders. The parallel research conducted on remuneration prospects by the private and public sectors determined that, while remuneration for SAICA members was largely similar in the short to medium term, in the longer term the earning potential in the public sector tends to be limited. There are unique characteristics and complexities in working in the public sector, which require the navigation of challenging conversations and predicaments, as well as the application of standards to complex and unique transactions or circumstances that SAICA members are proud to do within the sector. This is not always known, given the conservative nature of the public sector. The sector is also difficult to navigate at times given the bureaucratic nature of government. Participants also note that it is often easier to move into the public sector, but difficult to

move out due to the negative perception associated with the South African public sector.

Career mobility refers to an individual's ability to move between different jobs, industries, or career paths throughout their working life. Career mobility was confirmed to be a challenge to the participants, and several underlying factors, root causes and areas that require attention were identified through the research. Data were collected through surveys, polls and meetings with trainees, members, and stakeholders, and analysed considering both survey and poll responses and participant comments in the surveys and meetings. SAICA will continue to monitor the issue of career mobility and opportunities for members, implement the recommendations based on research and intensify its support for the professionalisation of the public sector, using its expertise both as a well-established professional body, in collaboration with stakeholders, and through the support of members in efforts to professionalise the environments.

Chartered accountants worldwide are making a difference in the various sectors within which they operate, and SAICA members are no exception. Members are seizing this once in-a-generation opportunity to position the profession as trusted leaders that make a difference for the benefit of the country and its people. In working for and with the South African public sector, members undertake purpose driven work that is of national service and in the public interest. Members benefit from various advantages that come with working in the public sector, applying international standards, gaining expert knowledge in certain areas (such as

compliance management, performance reporting and assurance), service delivery orientation, and the application of the relational acumen. Members gain various technical and non-technical competencies in line with the SAICA CA2025 (now CA of the Future) competency framework that enables them to be difference makers in their roles.

The work of SAICA and its members in assisting the South African government needs to be showcased and celebrated by the broader membership, profession, government, and stakeholders. The expertise, experience, exposure, and value creation by members within the sector needs to be communicated, which will help in ensuring the relevance of the profession into the future. Profiling and showcasing the exceptional work of members within government, from financial reporting and assurance to the political or operational functions of the sector needs to be strengthened, which will in turn support SAICA's advocacy work within the public sector. Awareness about the strength of SAICA qualifications and the competence of members, regardless of where a training contract is served, needs to be highlighted – the focus on competence rather than the domain for demonstration of this competence should be undertaken with openness and transparency to ensure that improvements can be implemented where needed. Various recommendations are also provided, such as secondments (exchange programmes that allow for sharing of knowledge and practices and extending focus beyond reporting and assurance (e.g., post qualification specialisation). This will ensure a greater impact by the profession.

1. INTRODUCTION

An effective and capable public sector is of paramount importance to the success, growth, and sustainability of the country. Development and sustainability cannot be achieved without a government that is able to provide a foundational and supportive base and stimulation for this. The challenges faced in many parts of the world, including South Africa, have in recent history highlighted the importance of a capable and professionalised public sector, which has also seen the government working on ways to professionalise the sector. The presence of chartered accountants in the public sector is of paramount importance in providing the best possible public financial management, reporting and advisory services. Chartered accountants are accepted the world over as adding immense value to some of the most successful organisations, contributing to their sustainable growth and value creation. Moreover, South African chartered accountants (CA(SA)) were found to be the number one most trusted CA designation in the world. This is according to a study done by Edelman Dx in 2023.

SAICA is a committed partner in making a positive difference in the public sector and as such, is committed to providing the necessary support (to both its members and government) in working towards a functional and capable state. SAICA commends members who have, for various reasons, opted to work in the South African public sector, in one way or the other using their qualifications and expertise to give back to the country. These professionals contribute to strengthening the country's democracy, enabling or enhancing accountability, implementing and applying internationally accepted principles and practices, ensuring the sustainability of government institutions, sustainable economic growth, and – importantly – the delivery of goods and services to citizens.

Government operations and the basic function of the public sector is to produce value for the citizens, providing essential goods and services. Professionals operating both within and outside of the public sector are directly or indirectly affected by the operations of the government. Many are employed on a full-time basis by the state, forming an integral part of the structures. Others work in the private sector, for privately owned businesses who conduct business with the state, providing goods or services to the state (and in turn, citizens). Other professionals (much like the rest of the public) rely on the foundational infrastructure, legislation and other services being provided by the state for the success of their work, business, and livelihoods.

The South African economy is based largely on open market principles, including the employment practices

by organisations. This means that decision makers can make their own recruitment decisions freely. The research conducted in this report has been performed with an understanding that – ultimately – employers make their own decisions with regards to employment practices. SAICA is highlighting the importance of a functional and capable public sector, recognising the important role professionals need to play in the success of the sector, and seeking to contribute towards solutions that can mitigate potential risks. Government has initiated a project to professionalise the public sector, and SAICA supports this endeavour. SAICA has contributed submissions to the Department of Public Service and Administration and the National School of Government (NSG), both of which are responsible for this mammoth task. Following detailed submissions and commentary provided on this initiative, the SAICA CEO at the time (Mr Freeman Nomvalo) also formed part of the task team appointed by the Minister of Public Service and Administration to finalise work on the professionalisation framework for the public service. SAICA also participated in the professionalisation work of the South African Local Government Association (SALGA) amongst other activities in the professionalisation agenda. The ideal is no doubt a public sector that is an employer of choice for all professionals, and where public sector experience is sought after by the market.

In the South African context, for various reasons, this is not the case, and in fact the opposite tends to be true. Due to the challenges often faced by the public sector – such as the widely reported cases or incidences of corruption, maladministration and poor service delivery – the reputation and professional standing of professionals operating in the public sector is negatively affected. Professionals with formidable intentions working to build their careers in the sector and provide much needed capacity may end up being viewed in a negative light. This has led several SAICA members operating within the public sector to raise this matter, which is considered to require attention. The negative perceptions and stigma carried by professionals and particularly members in the public sector, presents a major risk in that professionals are sceptical to apply and work in the sector, limiting the number of skills available to government. This research project aims to address the issue holistically by considering movement of professionals into the public sector, but also the ability to progress professionally out of the sector when the time is right to do so. This is because the one impacts the other – the skills and competencies possessed by professionals with public sector experience are as valuable to the private sector as the skills and competencies private sector candidates bring into the public sector.

In this report, the following is presented in detail:

- An introduction of the overall career mobility project and setting the context for the research undertaken.
- The research work conducted including the method followed and an outline of the analysis performed.
- A detailed breakdown of the data collected including an analysis of the data. The analysis includes key insights extracted from the data.
- Recommendations derived from the data collection process undertaken and concluding remarks on the data.
- A discussion on the professionalisation of the public sector, the work of SAICA in the sector and concluding remarks.

2. CLARIFYING THE PROJECT RESEARCH PROBLEM

The career mobility theory hypothesizes that overeducation leads to a higher level of occupational advancement and wage growth over time, but it may also result in education-occupation mismatch. This research seeks to test the career mobility of members following the completion of SAICA's rigorous qualification process, particularly with regards to professionals in the public sector.

This research aims to determine the views, opinions, and perceptions of professionals who are SAICA members, trainees, or stakeholders on career mobility in general, and include mobility between the private and public sectors. It seeks to establish whether a negative perception of professionals trained or employed in the public sector exists, affecting their career mobility and progression and if so, what causes it and how can this be mitigated? It aims to establish the lived experiences of professionals working in the public sector (or previously employed in the sector) on career mobility.

It also seeks to determine ways in which professionals can be better supported to realise their professional aspirations, whether in the private or public sectors (or moving between the sectors), thus creating value for members, while enhancing their relevance and reputation in the market, but also ensuring the necessary support for the professionalisation of the public sector.

3. METHOD (DATA COLLECTION AND ANALYSIS)

Issues around the professional career mobility of members, career prospects and progression (especially in the public sector), were over time raised by SAICA members on various platforms. The first step for the project was thus a comprehensive data collection process, which would seek to establish the actual existence of the issue and to understand thoroughly what the issue entails. The data collection would also assist in determining the nature and extent of the issue(s), any specific details, as well as any possible solutions from members, trainees, and stakeholders. The context and dynamic nature of the project informed the research method followed. Consideration was also given to the overall objectives of the project as well as the strategic objective of government assistance, and supporting the professionalisation of the public sector.

The main purpose of this career mobility project was to understand the true dynamics of the mobility of professionals between the private and public sectors. In doing this, the project would also determine what the perception is around SAICA members trained or working in the public sector, understanding their lived experiences, and establishing if they can be better supported in their mobility and progression. In this way the project aims to create value for members who plough skills into the sector, while ensuring the sustainable supply of chartered accountants to government, and at the same time enhancing their relevance and reputation in South Africa. To collect data, an approach that allows for this was adopted and followed for the project, which provides an opportunity for a better understanding of the complex problems and the career mobility phenomena for members

Data were collected from the target population, comprising SAICA trainees, members, and stakeholders. As a starting point, a structured questionnaire (survey) was disseminated through SAICA platforms and that of stakeholders for completion by interested parties. This was the main data collection questionnaire used for the project and a total of 464 responses were received and analysed. Shorter and structured questionnaires (or polls) were also shared on official SAICA social media platforms (Twitter and LinkedIn) and the monthly SAICA TechTalk (webcast) series, where many other responses and engagements were received (*see analysis below*). Lastly, a specific questionnaire was distributed to SAICA forums which included the Assurance Leaders Forum (ALF), Insurance Project

Group (IPG), Assurance Guidance Group (AGC) and Members in Business (MIB), seeking contributions from members of these structures who are largely based in the private sector. It is important to note that this specific questionnaire was created and distributed as a result of feedback from round table discussions (see below) with participants on the project, where some suggested that the project solicit views from members and decision makers in the private sector (from the potential employer perspective). A total of eleven responses were received from these forums combined. SAICA members and stakeholders in the private sector were also invited to participate through the members questionnaire, polls and round table engagements, and data were collected from them (see below for detail of participants).

To enhance the quality of data collected through the questionnaires, a total of five (5) virtual round table discussions were held with trainees, members, public sector training officers and other stakeholders. This approach was intended to ensure that the research project adequately captures the nuances of the matter. Further to this, a background presentation was provided to members of three SAICA forums (ALF, IPG and AGC) in soliciting responses to enhance the trustworthiness of their responses. Meetings were also held with two prominent recruitment agencies (A total of five (5) agencies were invited for these engagements, with two responding positively to the request for the engagement). These engagements added important insights for the project, an appreciation for the complexity of the issues and some of the possibilities with regards to the issues identified. Such discussions, which were more flexible than questionnaires, captured the moods, views and attitudes of participants. They enabled the explanation of issues that “numbers alone could not explain”.

Remuneration is an important element of employment and everyday life. Perceptions around remuneration and benefits that come with career progression and the differences experienced between the public and private sectors were identified as a key factor that many professionals consider when making career choices. Research around remuneration trends and prospects by both the private and public sector became a necessary part of this project, as this would inform decision makers on the realities of remuneration and the impact on the decisions of professionals, particularly in moving between the public and private sectors.

Analysis of the data collected involved organising, analysing, and interpreting both numerically for our questionnaires, as well as unpacking conceptual

information and participant feedback from the various engagements held, capturing key themes and patterns, answering research questions, discovering new issues, and identifying possible recommendations to improve the status quo.

Microsoft Power BI was utilised to analyse the main questionnaire data, and Natural Language Processing (NLP) techniques were employed to analyse comments provided by respondents. An analysis of the “other” surveys was also performed. This non-statistical analysis was followed by the determination of the key insights as discussed below, as well as the construction of the recommendations and possible solutions.

4. CONTEXTUALISING CAREER MOBILITY

Career mobility has morphed over the years, from a clear and well understood idea with straightforward practices, to a far more complex topic on human capital for organisations. Adding the South African public sector dynamics (versus the private sector) to this mix only serves to make it even more complex. Events of the past few years in South Africa, and the two years of the COVID-19 pandemic have acted as a catalyst, pushing people and organisations to rethink what they do and how they do it.

In simple terms, career mobility describes the movement of employees. This is the process of an employee moving in their career, whether to another position or role occupation, or gaining different responsibilities within their current role. Mobility can take three forms: geographical mobility, functional mobility, and temporary mobility. It can be upward or downward movement, and within the same employer or to another, in the same industry or a different one. Career mobility can be the choice of the employee, the employer, or both (Litwak, E, 1960). Furthermore, in recent times, some mobility initiatives have very little to do with actual movement at all, like in cases where it happens without changing roles, or even considering long term “roles.” Instead, it can mean exploring new roles or assignments on a part-time basis alongside a current role, or full time for a short period of time. (Chudzikowski, 2012; Feldman and Ng, 2007; Forrier et al., 2009).

Contrary to the actual meaning of career mobility, it is important for employers to consider career mobility as a key component in determining employee performance, calibre, and capabilities as

well as their own environments in the ability to retain in-demand employees. Career mobility may also contribute to the ability to recruit talented employees. If employees are being prepared for their next opportunity, aren't they certain to move on? Not necessarily! Career mobility is a new secret weapon in the ongoing struggle to attract and retain top talent. It will also need to be a focal point for government in their efforts towards professionalisation, particularly chartered accountants and other skilled finance professionals. Career mobility has also taken on a more psychological aspect by enabling employees to feel that their career choices are fluid. This aspect now encourages exploration, flexibility, and movement, regardless of what form it takes.

Career mobility is not only beneficial to employees, although this is the common misconception. Mobility can benefit organisations, and in the context of this research, both the private and public sectors, when mobility enabling environments and practices are created for employees. The exchange of talent, practices and knowledge can only stand to benefit both parties, and ultimately the country and economy. According to Kelly Services USA, employees who stay in the same role without a change of job title are more likely to wish to leave their employer for another employer. Professionals and younger employees (Millennials and especially Generation Z) value flexibility, purpose, well-being, and more. Employers who provide this can win the talent war, attracting and retaining the right employees to deliver on the mandate.

Often, people change employers in the hope of a pay increase, growth, and perhaps better environments, while organisations invest resources in recruiting new employees, as well as their development. Being aware of and managing career development and mobility (career progression and incidents management) can allow employers to create environments that enable employees to thrive, and in turn stand to benefit from the committed and incoming talent. For professionals, part of the returns to their education and qualification is in the form of higher probabilities of occupational upgrading, within or across organisations. This is in line with the career mobility theory. Furthermore, employees who are not progressing or promoted despite high capabilities are more likely to quit (Sicherman & Galor, 1990).

The career mobility theory hypothesizes that higher levels of education and qualifications lead to a higher

level of career advancement and remuneration growth over time (Wen & Maani, 2018). As government pushes ahead with professionalisation efforts for the South African public sector, focus will need to be directed towards learning, development, career advancements and opportunities in order to recruit and retain talent. Career mobility will in turn be inherent where staff is of a high calibre. This will however (still) lead to a professionalised workforce, who is in demand, delivers value and is highly valued by all stakeholders.

For the best talent and career management possible, it is important to know the desires of each employee, their competence, and the possible links between positions (i.e., possible career paths). It is therefore imperative that, as government is professionalised, there are tools and strategies to identify employee career aspirations, skills, and the positions they can apply for within and outside their respective organisations. This is in line with government's framework for professionalisation.

To help organisations and government deliver value and growth, it is important to investigate the issue of the careers and the mobility of its employees. Good careers and mobility management lead to an increase in organisational performance and expertise. Moreover, employees often express their desire (and reasons) for change. Career management is a compromise between the needs of the employer, the available potential, and the desires of the employees. Employers need to focus on the mobility of their employees, while public sector employers (in particular) need to work on innovative and successful policies and practices for the management of careers and mobility, which will in turn lead to their benefit in the longer term.

5. RESULTS, INSIGHTS, AND FINDINGS

5.1. RESEARCH RESULTS ANALYSIS

5.1.1. The main questionnaire (survey)

From the main survey distributed to members, associates, trainees and stakeholders, a total of 464 responses were received, and the negative perception was identified as the major contributing factor to challenges faced by those looking to make career moves between the sectors.

Figure 1: Analysis of the respondents (main questionnaire)

Figure 1.1: Analysis of the respondents by membership category

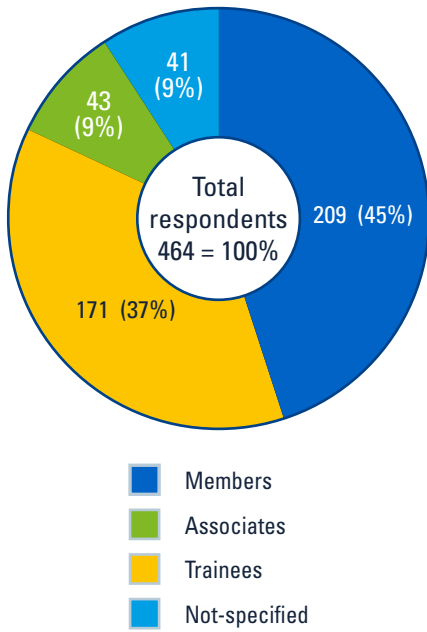


Figure 1.2: Analysis of the respondents by sector

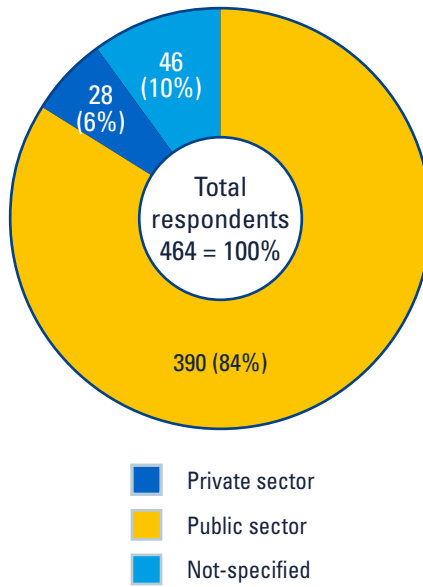


Figure 1.3: Analysis of the respondents by age

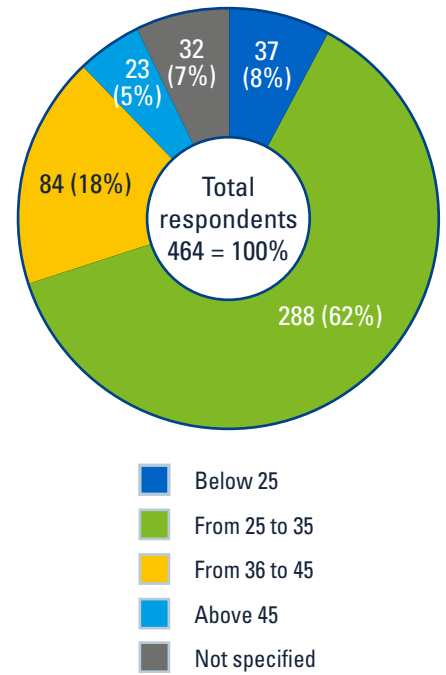


Figure 2: Analysis of movement experiences (across sectors) – members, associates, and trainees

Figure 2.1: Analysis of movement by public sector participants

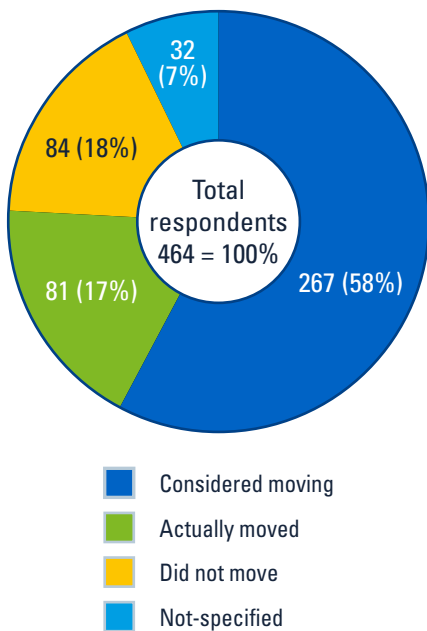
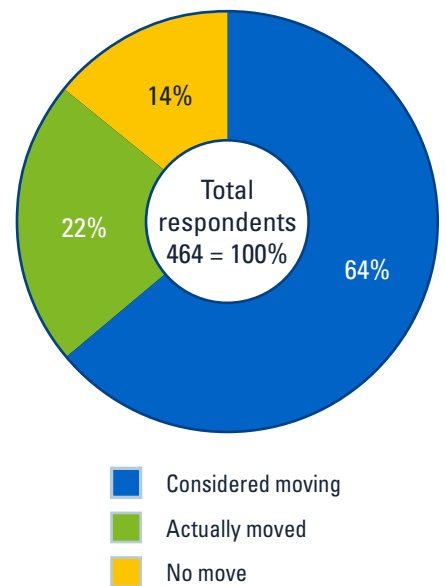
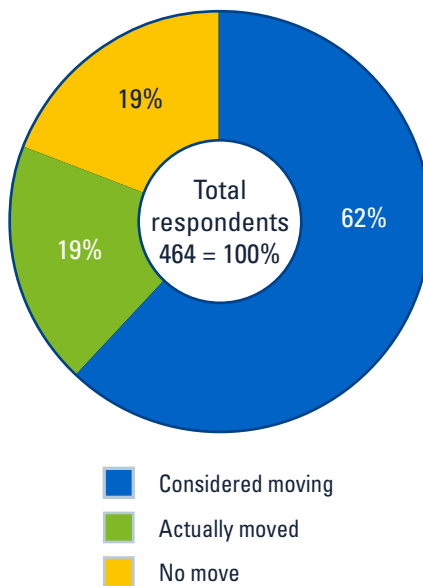


Figure 2.2: Analysis of movement by private sector participants



for those that had not considered moving. There are several reasons provided by respondents that support their perceptions and experiences, most of which are discussed in the key insights section of this report. Some of the top comments by respondents related to training or professional experience not being considered suitable or appropriate, remuneration, exposure to the International Financial Reporting Standards (IFRS), audit experience gained from both sectors or preference for candidates from the private sector or “Big Four” training only.

5.1.2. Social media polls

When asked specifically what challenges they have experienced or perceive to exist in moving across

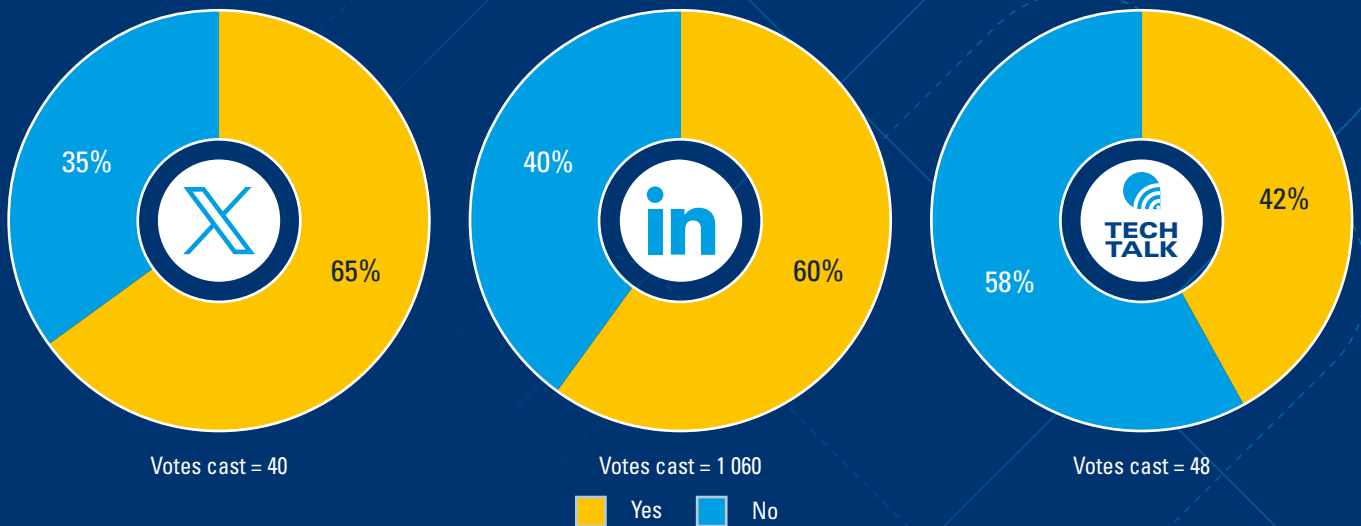
the two sectors, a negative perception on public sector employees and members was identified as the main challenge by 68% of the respondents. This was followed by a lack of (technical) competence or appropriate experience (29%) and shortcomings with regards to enabling competencies (the four acumens). A survey was conducted through the official SAICA social media platforms (on Twitter and LinkedIn) as well as during the monthly SAICA webcast (TechTalk). Through these channels, there was awareness created and notable engagement with the poll questions, and several comments received.

The following tables reflects the poll questions asked to members and the results thereof:

Figure 4: Analysis of social media poll questions

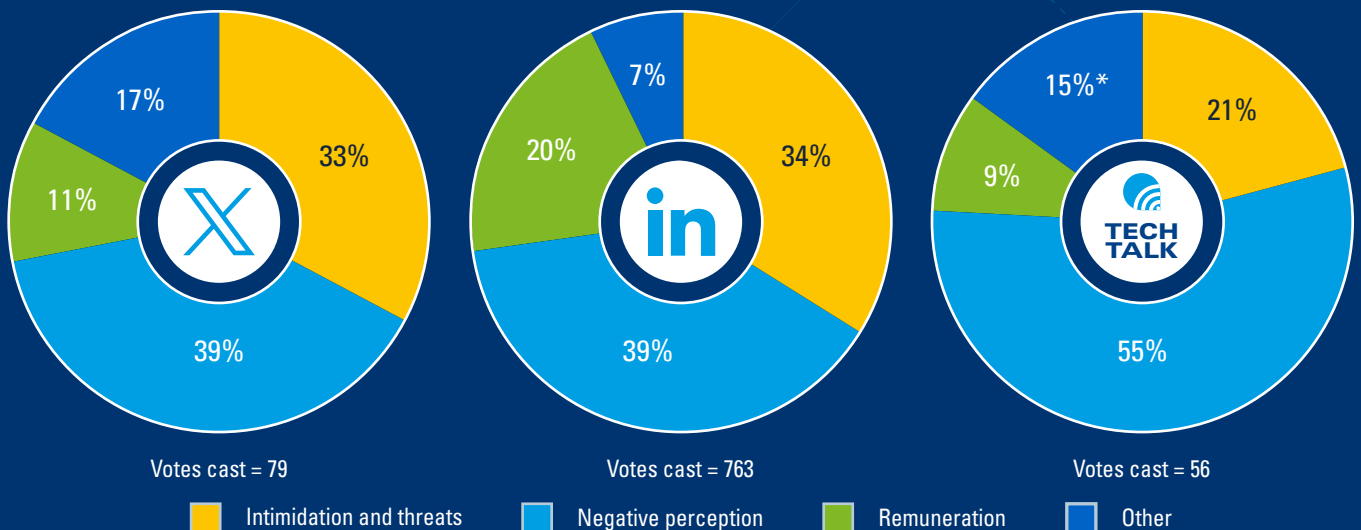
Question 1: As a SAICA member, have you considered or moved between the private and public sectors?

Figure 4.1 General movement



Question 2: What is the key reason for you not to consider building a career in the public sector?

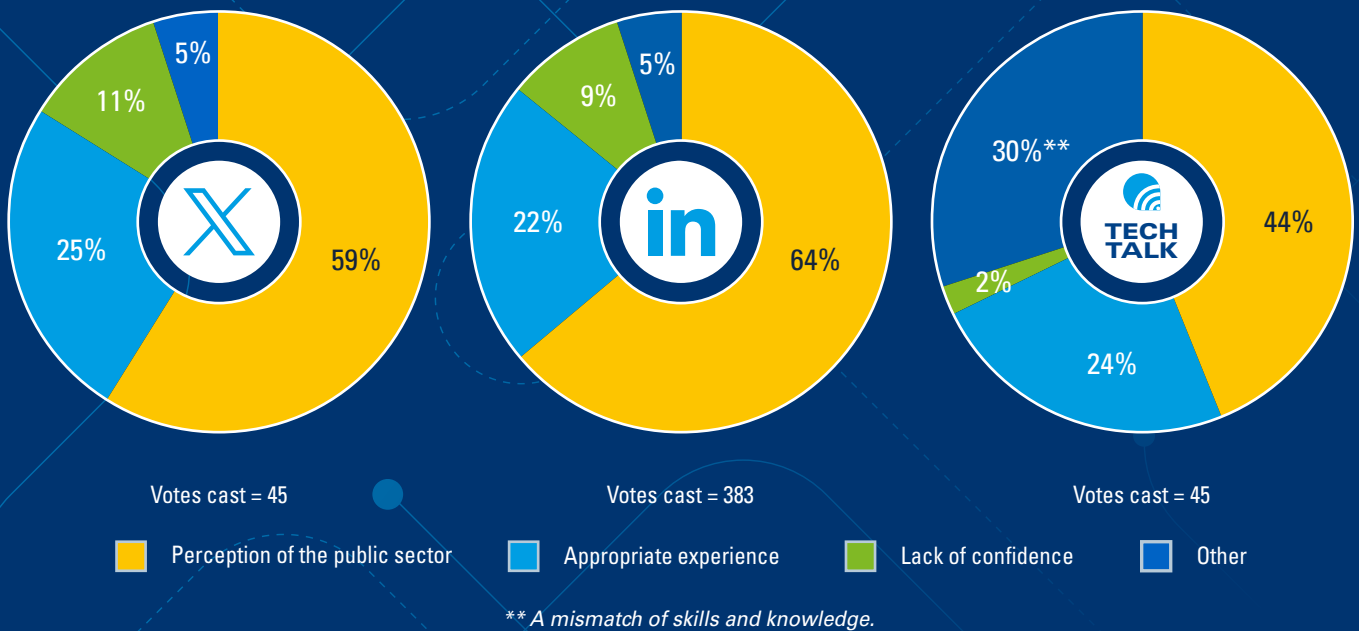
Figure 4.2 Reasons for not moving into public sector.



* Perceived lack of flexibility and agility

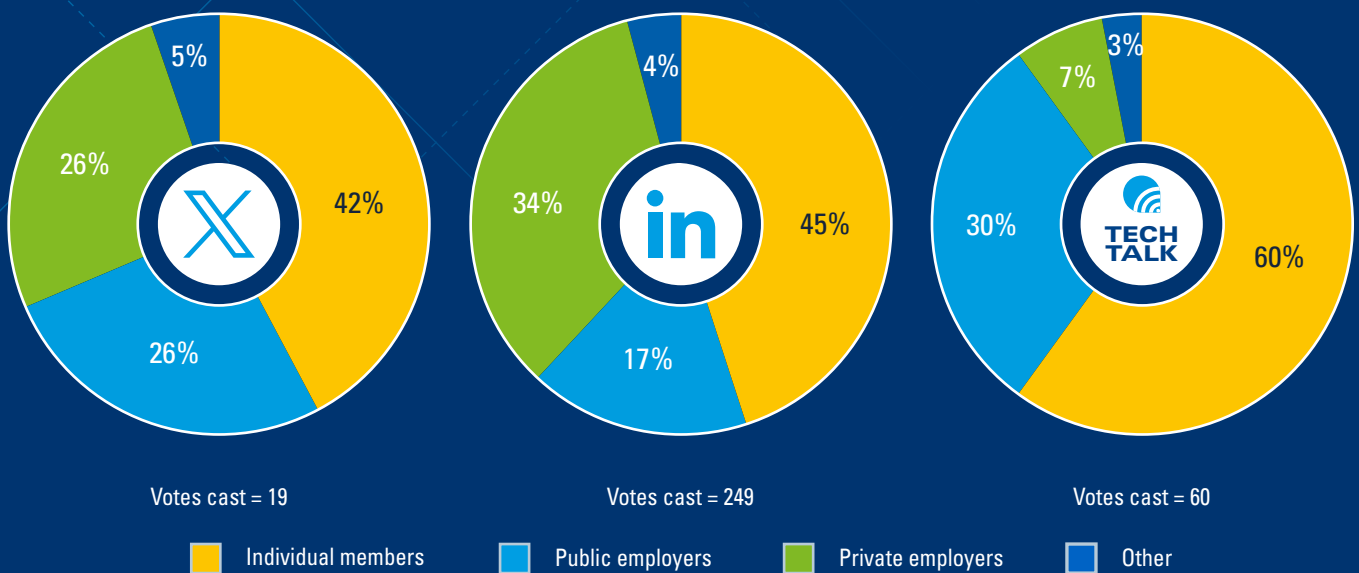
Question 3: What are the reasons given or challenges experienced in obtaining employment in the private sector as a public sector experienced professional?

Figure 4.3 Employment in the private sector



Question 4: Where does most responsibility for enabling career mobility for members between the private and public sectors lie?

Figure 4.4 Responsibility for career mobility



Various comments were provided by members and participants on the above polls, supporting their answers and providing additional insights. A few themes were noted from these comments, which were consistent throughout the various data collection processes. There was generally a notable interest and interaction with the social media posts relating to this topic. The main theme was around the issue of a negative perception of the public sector, fuelled largely by well publicised corruption and fraud cases, as well as the perceived lack of competence or capacity by the government (in general).

It also became clear that responsibility for career mobility between the sectors ultimately rests with the individual member. There is also work that needs to be done to change the perception, particularly around professionals working in the public sector (which according to comments is at times unwarranted and based on stigma attached to the public sector as a whole), as well as the painting of “everybody” in the public sector with the same brush. The major risk of professionals eventually not wanting to go into the public sector in the first place due to the ramifications of this career move was also noted. Of even greater concern, were comments alluding to the perceptions that members in the public sector were not considered “equals” to their private sector counterparts in the market. On a more positive note, some comments appreciated the technical complexities of public finance and the exposure gained from this work and considered this experience valuable for work that may be undertaken in the private sector.

5.1.3. Enabling career mobility

SAICA members throughout their careers continue with professional development and exposure to new areas, with foundational knowledge already in place. The training provided enables transition into new roles and industries with much more ease than what would be usual. Transferring between the private and public sectors should generally not be a major challenge to most members, particularly earlier on in their careers. To delve deeper into the skills and competence that enable career mobility, participants in the main survey were asked what competencies or skills contribute to career mobility. An *adaptive mindset, agility self-development, critical thinking, sound understanding of the organisational (internal and external) environment*, were identified as fundamental in enabling career mobility for professionals. There is no doubt that these areas of competence are indeed fundamental not only for mobility, but also for the future world of work in general. Other areas identified as important included the understanding of *internal and external factors to the organisation, innovation and creativity, critical and integrated thinking, problem solving, advanced communication skills, computational thinking, and big data management*. Asked to rate themselves on these areas identified as critically important for career mobility, most respondents consistently identified themselves as “fairly competent” in these areas, with smaller numbers assessing themselves as either “highly competent” or “somewhat competent”.

The following provides detail in relation to the competency areas that enable career mobility.

Figure 5: Professional values and attitudes that contribute to career mobility

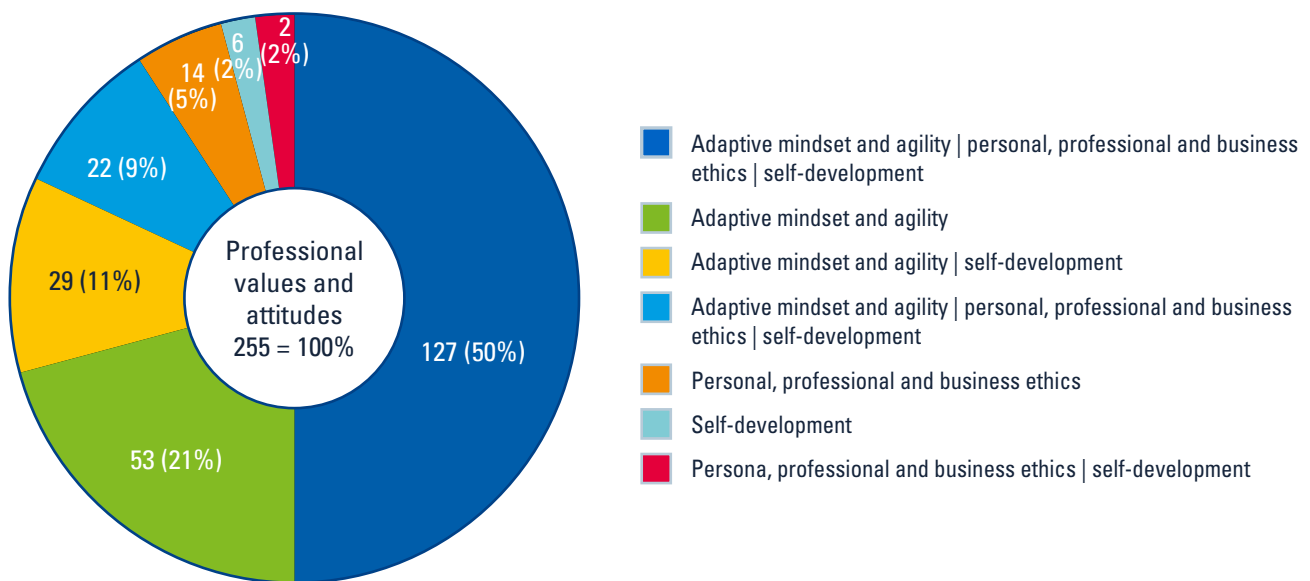


Figure 6: Top acumens (enabling competencies) that contribute to career mobility

Figure 6.1 Top business acumens that contribute to career mobility

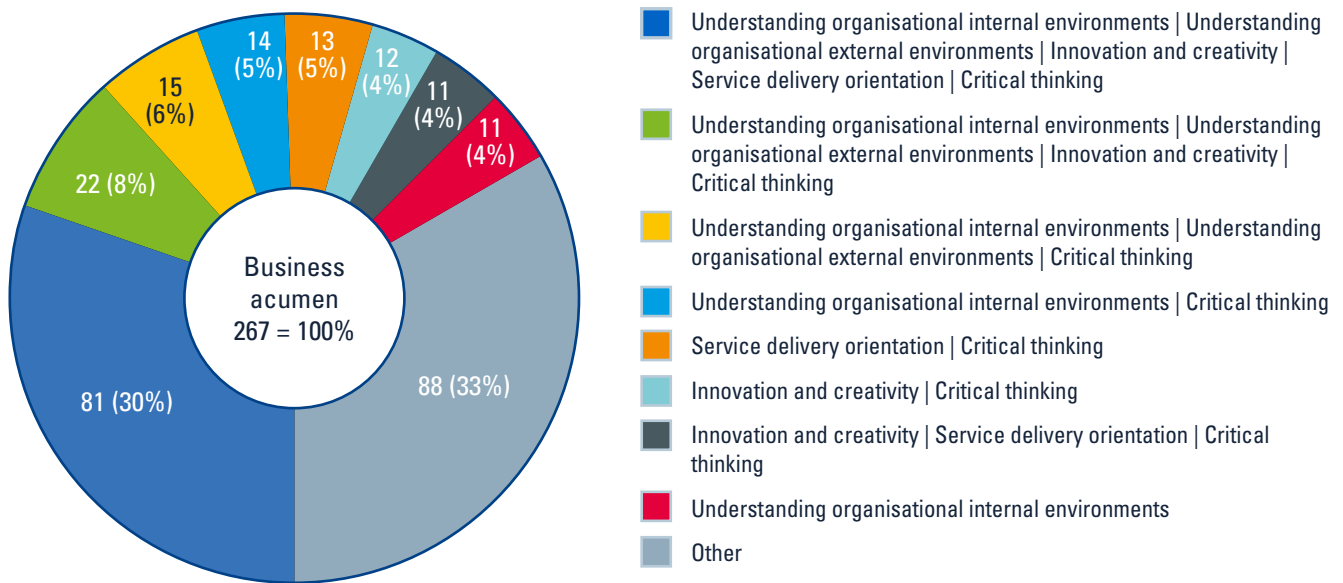


Figure 6.2 Top decision-making acumens that contribute to career mobility

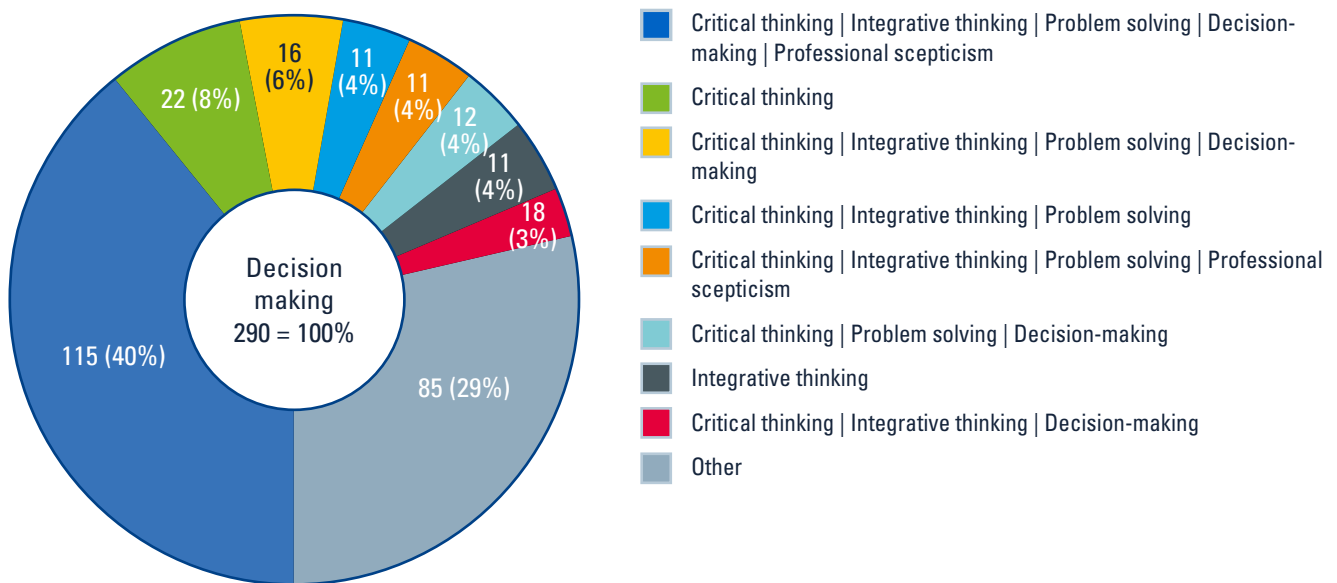


Figure 6.3 Top relational acumens that contribute to career mobility

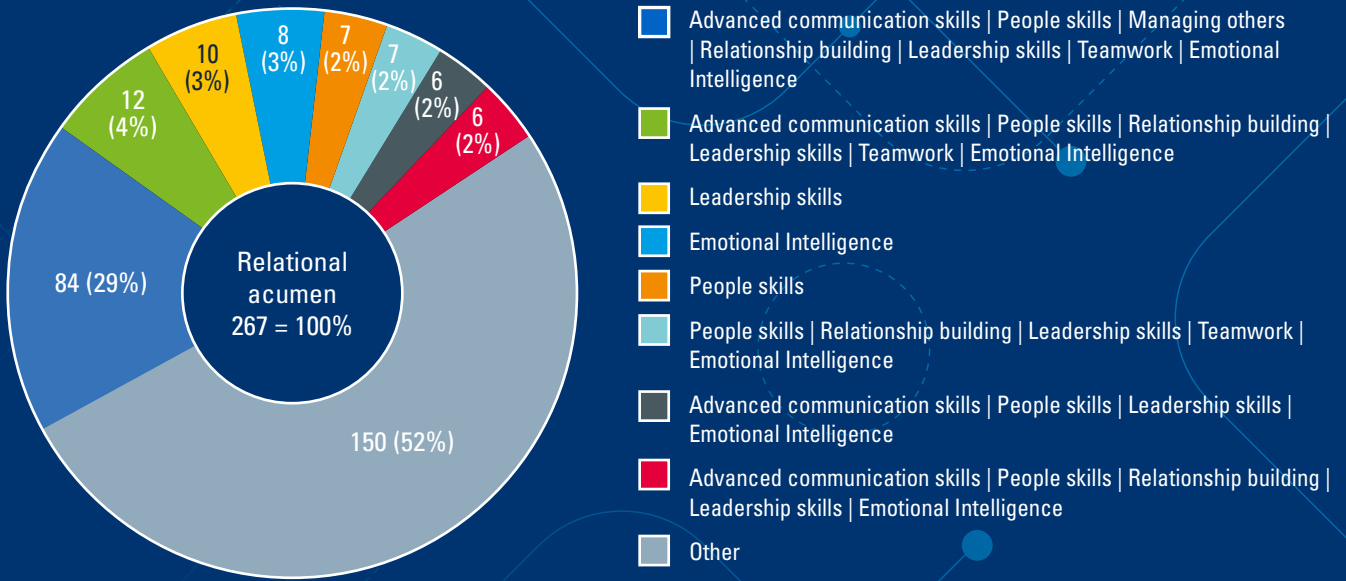
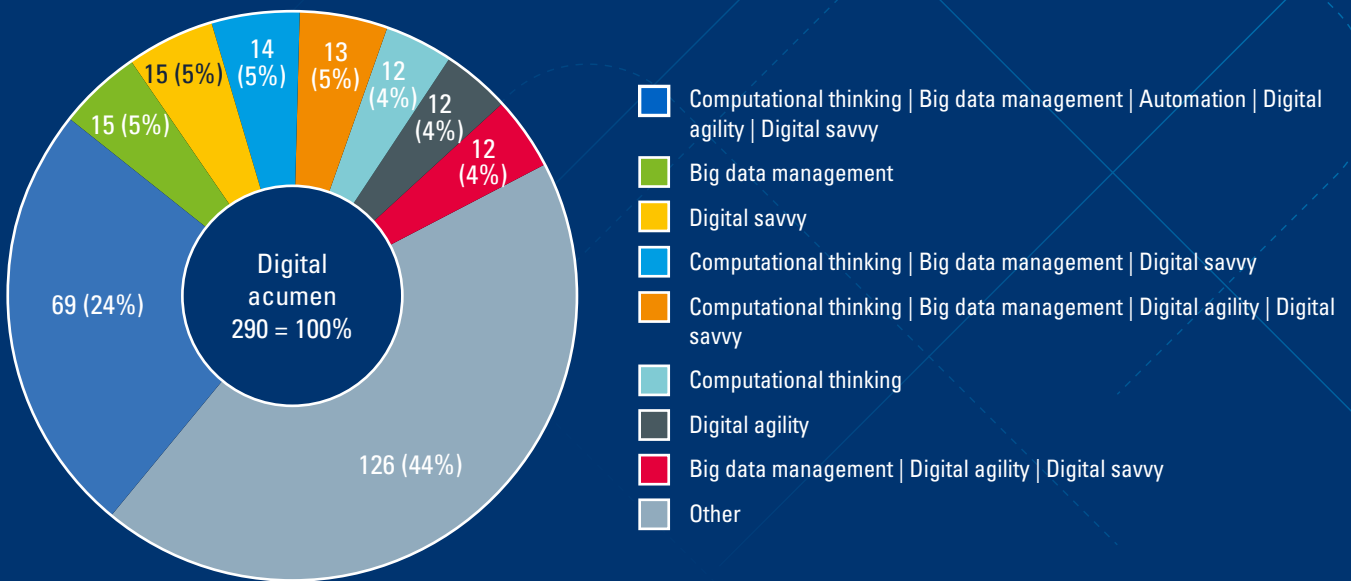


Figure 6.4 Top digital acumens that contribute to career mobility



5.1.4. SAICA forums

Surveys were sent and briefs (background information on the research project) provided to the following SAICA Standards Forums as part of the research project:

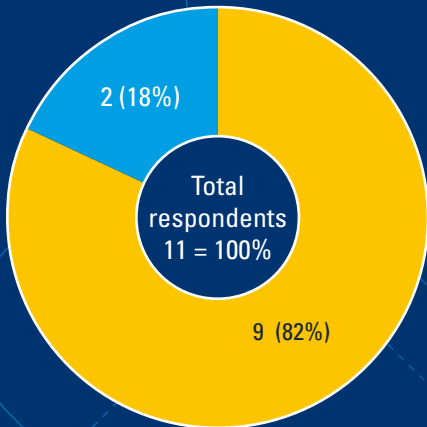
- Assurance Leaders Forum (ALF)

- Insurance Project Group (IPG)
- Assurance Guidance Group (AGC)
- Members in Business (MIB)

Eleven survey responses were received from members of the different forums with the following outcomes:

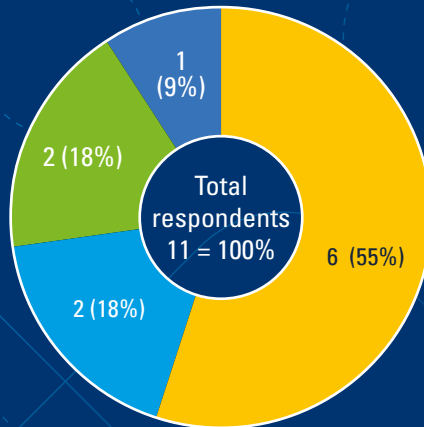
Figure 7: Analysis of SAICA forums respondents

Figure 7.1: By sector



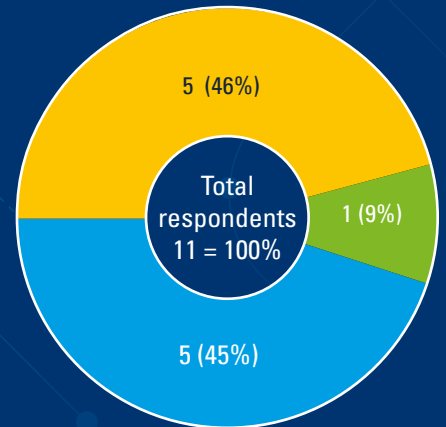
- Private sector
- Public sector

Figure 7.2: By industry



- Audit and assurance
- Insurance
- Banking and financial services
- Accounting standards setter

Figure 7.3: Experience with public sector trainees or professionals

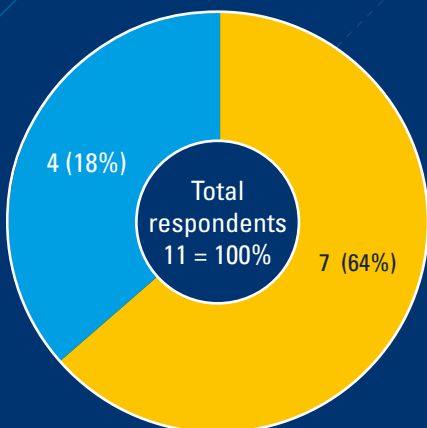


- Yes (personal)
- Yes (at my employer)
- No (perception only)

The following questions were asked, with the following responses from the participants:

Question 1: Would you employ (or have you employed), or recommend for employment, a newly qualified CA(SA), AGA(SA) or post articles trainee with public sector experience?

Figure 8: Employing a SAICA member or associate (newly qualified)

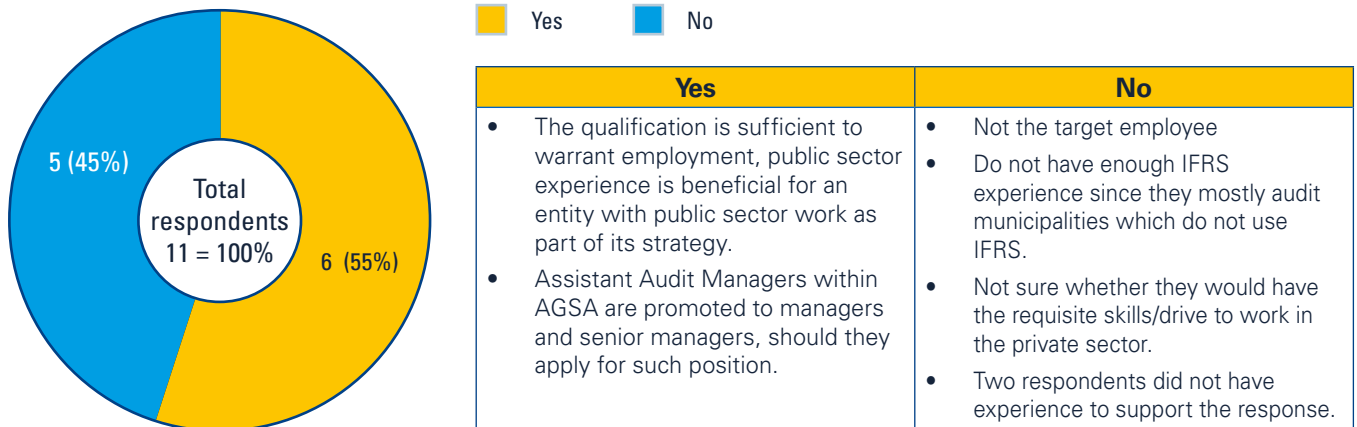


- Yes
- No

Yes	No
<ul style="list-style-type: none"> • The qualification is sufficient to warrant employment, public sector experience is beneficial for an entity with public sector work as part of its strategy. • Trainees at AGSA are appointed as assistant audit managers post-qualification and articles. • Articles experience is invaluable. • The skillset developed is an excellent foundation for any newly qualified CA(SA) to commence making their mark within the chosen industry. 	<ul style="list-style-type: none"> • Not sure whether they would have the requisite skills/drive to work in the private sector. • The stigma attached to the public sector is not great. • When interviewing such candidates, they did not display technical or business acumen. • Do not have enough IFRS experience since they mostly audit municipalities which do not use IFRS. • They are not our level of employees that we would appoint, but where we may employ, the requirement is accounting knowledge and public sector does not work with accrual accounting or tax.

Question 2: Would you employ (or have you employed), or recommend for employment an experienced CA(SA) or AGA(SA) with public sector experience in a mid- to senior management role?

Figure 9: Employing a SAICA member or associate (experienced)



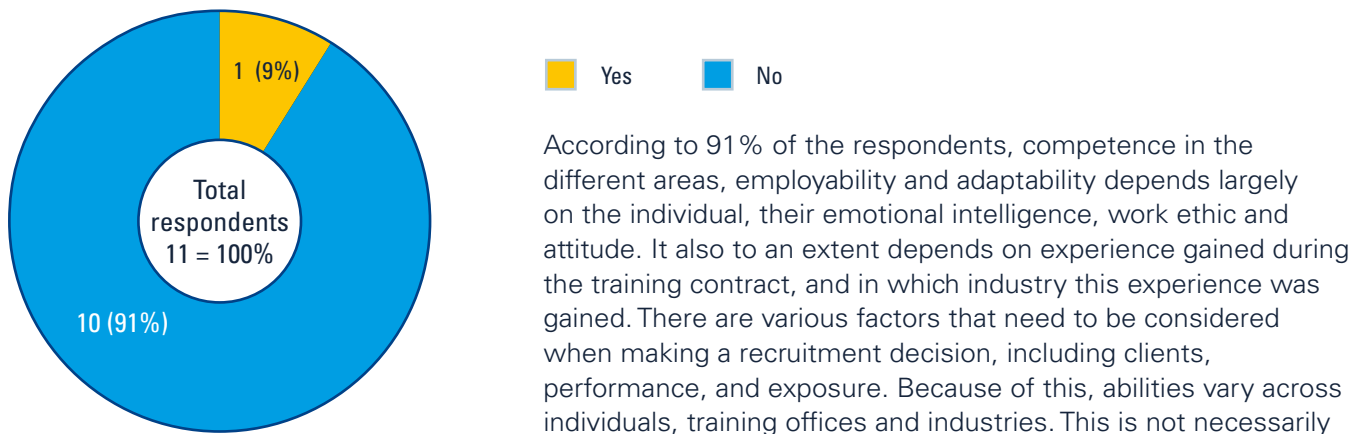
Question 3: What do you consider important when making recruitment decisions regarding CA(SA), AGA(SA) or post article trainees?

Figure 10: Recruitment decision making considerations



Question 4: Do you believe that all newly qualified CAs (SA) or AGAs (SA) have the same level of competence, employability, and ability to adapt to different environments – in line with the SAICA CA(SA) competency framework?

Figure 11: Level of competence, employability, and adaptability



a negative thing. In the audit environment, trainees who completed their training at a “Big Four” or mid-tier firm tend to be considered to have an advantage in the job market over those from the public sector environment.

Furthermore, respondents note that if the standard to obtain the qualification remains high, any trainee that has come through the process is on the same level as others. Some however, expressed concern that the standard appears to have dropped over time as the quality of trainees is not as good as it was previously considered to be. According to respondents, this results in those trainees that barely passed really struggling in the corporate environment, while other trainees that passed with a buffer are considered to be better. Respondents noted that since the elective competencies have been in place, the newly qualified CA/AGA specialises, and thus their competencies are not as comprehensive as in the past, potentially limiting their future roles.

Participants in the Insurance Group generally accepted public sector candidates as well experienced and knowledgeable, attributable to the reputation and respect enjoyed by government insurance entities. Banking and financial services participants generally did not recognise or accept public sector experience, due the misalignment between the two sectors and the specialised nature of financial services. Assurance respondents mostly accepted public sector experience; however, many reservations were noted in the comments and during discussions with this group. All participants were also asked for recommendations and suggestions which are discussed in the recommendations section of this report.

5.1.5. Finance recruiters

Invitations were sent out to five top finance recruitment agencies who are all actively involved in the recruitment and placement of CAs (SA), and meetings were held with two agencies. The approach to the discussions were open ended, which allowed for various topics and ideas to be discussed. The discussions were generally casual and allowed for honest and candid conversations. Feedback from both agencies was positive and progressive. However, they noted the current challenges in the recruitment of public sector candidates into private sector organisations. Recruitment agencies are not necessarily decision makers in the process, however as businesses, they need to meet client expectations. Recruiters often do not have a clear

understanding of the reasons why clients do not wish to interview public sector candidates, and this is accepted as the norm in most recruitment activities. No follow up is usually made on the reasons, and clients are generally not challenged on their decisions.

Both recruitment agencies indicated their wish to work with SAICA and stakeholders to overcome this challenge, and indicated their commitment to assist in placing public sector candidates as this would increase the pool of candidates being placed, and potentially source good candidates for their clients. The following specific insights were derived from this process:

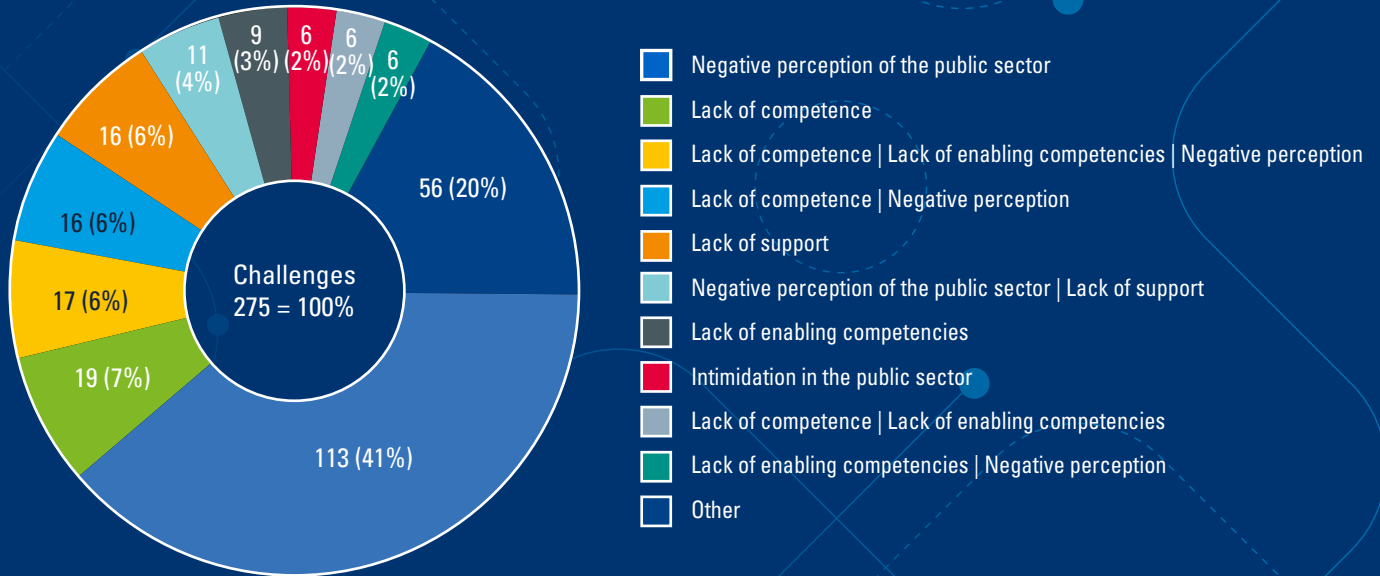
- The private sector is revenue and profit-driven driven as opposed to the public sector, which is not primarily profit-driven driven, which becomes a challenge for these candidates in moving between the sectors. Private sector trainees become an easier fit for the private sector, while this is not always the case for candidates coming from the public sector.
- There is a general lack of understanding of the public sector by recruiters, which possibly extends to some members of the profession and decision makers. There is a lack of clarity on the competencies, exposure, and experience that public sector candidates possess, as well as reasons behind the current trends and practices. There is also no clarity regarding (for example) the impact of private sector candidates doing public sector work for extended periods of their training contracts. The market currently accepts candidates' association with a private firm as the perceived required standard for potential employment.
- There is a concern that given the negative reputation that characterises the South African government (e.g., a lack of professionalisation, unproductive, unethical behaviour and incompetence), that trainees and professionals may be learning “what not to do”, rather than learning best practices and ways of operation in a similar way to their private sector counterparts.
- There is a concern or perception around recruiting public sector candidates regarding salary expectations and gaps. Public sector salary packages are generally above what the private sector is often willing to pay for the candidates. This further discourages the recruitment of these candidates as there tends to be an expectation gap that is not easy to close in the private sector.

5.2. INSIGHTS AND FINDINGS

5.2.1. Negative perception and biases around the public sector professionals

When asked what challenges participants had experienced or perceived to exist in moving across the sectors (career mobility), the following responses were provided:

Figure 12: Challenges with career mobility



The market and decision makers’ negative perception towards public sector trainees and professionals has been identified as the most significant concern leading to the challenges around career mobility for SAICA members and professionals in general. This negative perception, which is attributable to the negative perceptions of the South African public sector, tends to include and attach a stigma to professionals working in the sector. Of even greater concern is the significant threat this poses to the professionalisation goals and ambitions of the public sector in South Africa.

Defining a negative perception in simple terms requires the breakdown of the two words to understand the meaning of each. “Negative” refers to the characterisation by or displaying negation, denial, opposition, or resistance; having no positive features or not expecting good things; or likely to consider only the bad side of a situation. “Perception” means a belief or opinion, often held by many people, and based on how things seem; the way in which something is regarded, understood, or interpreted; or the way that someone thinks and feels about something (e.g., an organisation, product, people, etc.). With a negative perception being identified as the main reason for challenges experienced in career mobility, and considering the meaning of the term, there remains a need to unpack the issues and arrive at the crux of the matter, to deal with the real root causes that lead to the perceptions.

The impact of this negative perception held by decision makers and the market when it comes to public sector based or trained professionals, is that a large pool of talent (people) ends up not being given a chance to create or add value. Good candidates with potential do not even get a foot in the door, and are often not even considered during recruitment processes, due to the stigma often attached to the South African public sector. In certain instances, even state-owned entities (SOEs) and other public organisations prefer candidates from the private sector, possibly due to these perceptions or other reasons. Ideally, public sector employers should give preference to public sector candidates. When recruitment processes are biased or influenced unduly, business, government, the economy, and society at large lose out on potential talent that can think differently, possess a different set of skills, and can contribute to the creation of value..

Having said this, it is not always easy to make the public sector attractive and resultantly more sustainable. There is a perception that there is generally lower accountability in the public sector compared to the private sector, which negatively impacts SAICA members employed or trained in the public sector, particularly when they want to move to the private sector or make career progression. There is also a perception that the work ethic is not strong, the culture is “relaxed”, that there is less

rigour in processes, and exposure to certain aspects of (relevant) competence is limited. In various ways, the private sector is a lot “shinier” and presents a positive image when it comes to competence, which the broader public sector does not. The perception is worsened by the widely reported public sector corruption (as compared to that reported in the private sector), lack of consequences, poor quality of service delivery (lack of impact on and care for people by the sector), as well as the general poor work, results, and outcomes of the government.

The public sector also appears to an extent to be an afterthought in the professional spectrum, including the accountancy profession. There is generally less representation of the public sector within the profession, which further contributes to the existing perception. This does not help the cause of a professionalised public sector that works efficiently and effectively. The existence of biases and the negative perception is evident in how private sector professional knowledge and experiences are considered favourably in comparison to those from the public sector. The profession, decision makers and the open market may (for example) consider the use of public sector methods, contexts, or approach in a negative light when compared to the private sector counterpart, further perpetuating the perception.

Because of the existing bias and due largely to perceptions (along with other factors), people can make career moves from or within the private sector with ease, giving an advantage to candidates trained in this sector. There is a “tainted” view of the public sector, as if the individual or professional is a representation of the reported corruption, lack of productivity, or other factors that are often associated with the public sector. According to some participants, challenges around the negative perception were also noted in recent years when one of the “Big Four” audit firms was involved in wrongdoing, resulting in their professionals being viewed in a negative light. This is also consistent with the general views on experience gained from “Big Four” firms as compared to mid-sized or smaller audit firms.

Even though there has been significant progress made with regards to the professionalisation of public finance management and assurance, which has seen the involvement of a notable number of SAICA members, there remains a lot of room for improvement. Often, the areas that require improvement in the public sector are not necessarily within the control of the training officer, the SAICA member or finance leader. SAICA members are, however, in all circumstances trained to handle complexities experienced in any

organisation they serve, uphold the highest standards of ethics, and work productively and competently to deliver on objectives. The experiences of the average professional, however, are also not within their control (e.g., perceptions and realities around corruption in the public sector or the wider culture and work ethic). As responsible leaders, SAICA and its members, through their various channels and roles, continue to influence the professionalisation of the whole public sector.

Often, the biases are entrenched in the subconscious of decision makers, and for those within the profession, may be based on their own experiences in the past, or on that of persons they know. It may also be dated, inaccurate or no longer reliable or relevant. In recent times, it has however been encouraging to note the growing demand by international audit firms (including “Big Four” firms) for South African public sector audit staff. This trend is an indicator of the success of the rigorous standards and thorough qualification process that SAICA maintains for its members, contributing to the overall high standing of the South African accountancy profession. In resolving the complex matter of a negative perception, significant work would need to be done by different stakeholders. Remedying the situation will require a deep dive into this negative perception. Work needs to be done towards the professionalisation of the whole public sector, and this is an objective that SAICA remains committed to. An overhaul of the sector would lead to the realisation of significant value for the country. Work also needs to be done to improve the perceptions around professionals that work towards the improvement of the sector. Such selfless choices by professionals should ideally be rewarded, rather than “frowned upon” and considered “career suicide”, as the longer-term impact of such perceptions would be dire for the whole country and citizenry.

5.2.2. Public sector experience

5.2.2.1. Training in the public sector

According to participants, there are several instances of job adverts looking for qualified chartered accountants noted to specifically disqualify public sector training experience. Job advertisements also at times state their preference for “Big Four” articles, to the exclusion of others (including small and medium firm experience). Recruiters and decision makers would (rightfully) have their preferences when recruiting candidates for a role, with reasons for this. The exclusion of the public sector experience was noted as a concern that needs to be addressed by stakeholders, including understanding the reasons behind this. Participants specifically indicated that the

mentioning of public sector audit training was one of the quickest routes to rejection in the employment market. This, even though some audit firms – especially in smaller and remote provinces – survive largely on public sector audits and consultation, with their trainees and staff being significantly exposed to this experience. It is perceived that it matters most what brand ultimately signs off on the training contract.

Trainee accountants develop competencies as contained in the SAICA competency framework from the combination of accredited academic and training (work experience) programmes. Trainees further develop competencies through accredited professional development programmes, that prepare candidates for their Assessment of Professional Competence (APC) sitting. Through these providers, up-and-coming professionals develop technical and non-technical competence up to a level expected of a newly qualified CA(SA) or AGA(SA). This is monitored and managed through accreditation visits and professional assessments set by SAICA, which ensures that the highest standard is upheld, regardless of where a candidate is trained. From a SAICA perspective, all members go through equally rigorous academic and training programmes, exposing them to various aspects of organisations and leadership, guided by the SAICA CA(SA) or AGA(SA) competency framework, also completing the same high-quality assessments. While exposure would not be identical for any two trainees, exposure and experiences provided by providers is of a similar level and sufficient nature to provide adequate and similar exposure for the development of competent newly qualified professionals.

Based on this, the question “are all CA(SA)s equal?” becomes easy to answer. The answer is “without a doubt”. Considering, however, the dynamics and specifics of each training office (beyond competence), including overall objectives, nature of business, industry specifics, cultures and styles, location, size, etc. The experiences of trainees are not identical, and the open market does not completely ignore the “other factors” when making employment decisions. Even so, training and experience gained in any environment has the capacity and potential to develop competencies and skills. According to data collected, however, public sector experience and training is not well recognised and/or accepted by some employers and organisations (both in the private and public sectors). Data also confirmed that there were indeed areas of improvement for many training offices including and particularly in the public sector, especially given the nature of the environments. These improvements

would need to be worked on before (for example) exploring ideas such as exchange programmes with the private sector, to better align expectations and for such programmes to succeed. Not having one homogeneous professional is not a negative factor for SAICA and its members, as they are able to respond to varying situations. This is likely what the market and economy need.

According to participants, auditing in the public sector is considered to provide limited exposure to International Financial Reporting Standards (IFRS) clients, a key factor for the market. These candidates are exposed to a limited number of clients, audit sections, and combined with the negative perceptions, lead to less marketability for professionals. This, despite the Standards of Generally Recognised Accounting Practices (GRAP) being based on the International Public Sector Accounting Standards (IPSAS), which in turn is based on IFRS. This is due to a lack of knowledge and understanding by some decision makers. This limitation is one area of improvement that can be rectified by public sector training officers, especially before exposing trainees to external environments. Specialisation in the private sector was also raised by participants, particularly the perception that members and trainees believe that chartered accountants that complete their training in the private sector, and particularly with larger audit firms (and specialised private business organisations) are given an opportunity to specialise in certain fields and industries during their training contracts. This is believed to make these candidates more marketable in those industries and areas of the economy, while there is no specialisation clarity with public sector training, even when trainees gain significant exposure into a particular specialised industry (e.g., energy, healthcare, financial services, etc.).

Participants considered the limited exposure to the business acumen and commercial thinking to be a limiting factor for public sector trainees. While these trainees are exposed to some of the most complex environments, organisations, mandates, business models, strategies and the like, there is a mismatch between the expectations of the private sector that is largely profit-driven driven, and different business models and strategies. While the nature of the public sector is complex and varied, trainees may not always end up well versed with the strategies of government and the true business of the specific state institution. This is also a potential limitation for many trainees in any sector, and an area of continuous improvement for professional accountants. Some state-owned entities (SOEs) are profit-driven and not reliant on government

grants, with strategies in place to grow revenue. A lack of knowledge about the sector together with the sector's poor performance contributes to the misconceptions and drives a negative perception on training within the sector. Furthermore, for public sector trainees, there tends to be more focus on compliance with laws and regulations as well as work related to performance information reporting, which is a competitive advantage for these trainees.

Accreditation by SAICA requires specific demonstration of where and how the necessary exposure to trainees will occur within the organisation. This should be sufficient for trainees and prospective employers. While the context and nuances are not identical, a reporting framework is a reporting framework, and a newly qualified CA(SA) would be able to apply any principles in any circumstance in which they are placed. The question of competence should therefore largely be "what," not "where." Training offices and stakeholders thus need to continuously reflect on their training programmes to ensure that relevant exposure and experience are provided - for the benefit of the economy and South Africa at large.

5.2.2.2. Experienced professionals

The issue of corruption and poor performance by the public sector in general was raised by participants as affecting their careers negatively. Recruiters have also been noted to have made comments of a career in the public sector as "tainting the CV or career." Prospective employers tend to look at the performance (or lack thereof) and corruption in government and entities they work in, resulting in some professionals not being considered for roles. Participants raised that, as SAICA members, they also find it challenging to move between public sector employers due to industry experience being a requirement. Often, employers consider industry exposure as part of job requirements and not the characteristics, competencies, and qualities of the candidate. Participants perceive industry knowledge as becoming mandatory rather than advantageous, which leads to career mobility challenges for professionals and trainees working in the public sector.

Participants indicated that the negative perception of working in the public sector appears to be unique to South Africa, given the unique dynamics of the country, and is not necessarily the same in other parts of the world. In other parts of the world, professionals compete to work in the public sector, and there are reasons for this. This is something participants suggest that professional bodies and government should consider looking into (from a public sector

professionalisation perspective) to learn best practices, differences, and similarities, and investigate ways to help resolve the current challenges in the public sector. According to participants, the ideal solution would be for the public sector to become an employer of choice and not the opposite, and that effort should be directed towards supporting the achievement of this as well.

While each member's experience is not identical throughout their professional career, participants raised reservations regarding the categorisation of audit firms as "Big Four", and the resulting intended and unintended consequences in this regard. In the main, the market throughout the world views "Big Four" firms as somewhat better than others in many aspects, including perceptions on training, competence and expertise which has resulted in firms outside the "Big Four" being viewed as "less than." The dynamics that result from this predicament ultimately have an impact on the individual member and professional.

Career progression within the public sector was raised as a concern for some members due to a lack of promotion opportunities which often depend on resignation by the incumbents. Participants also noted that the lack of career progression in the public sector results from various factors, including the nature of the sector (career progression is not as common) and the applicable employment practices and objectives, leading to some members preferring employment in the private sector. The sector is also not considered to reward performance with promotion, progress, and the like, whereas the private sector is considered to do so, in addition to financial or monetary rewards.

Another concern raised by participants was the perceived lack of confidence by some public sector organisations in public sector trained or experienced professionals, perpetuated by preference given at times to private sector candidates. Participants highlighted that, at times, reflecting on the top management of public sector institutions leads one to believe that indeed private sector experience is favoured and preferred by leaders and decision makers. This therefore leads to the perception that if a professional wishes to be trusted and succeed within the public sector, they should rather gain their experience within the private sector, and particularly with the "Big Four" audit firms. Participants further indicated that the private sector is (considered to be) more technologically advanced compared to the public sector, leading to members from the public sector being viewed as lagging in terms of the digital acumen, possibly affecting their prospects of employment with the private sector.

5.2.2.3. *Technical knowledge – private vs public sectors*

Participants raised concerns that the SAICA competency framework, academic programmes, professional assessments, and most training environments are based largely on the context of the private sector, with limited to no coverage and awareness related to public sector content. In addition, participants raised concerns that the Initial Test of Competence (ITC – considered to be the “standard setting assessment” or equaliser) and the Assessment of Professional Competence (APC) are based on private sector scenarios with no coverage of the public sector. There is also a perception that members who work in the public sector do not have sufficient knowledge and experience with the International Financial Reporting Standards (IFRS), resulting from their exposure to a large extent being on Standards of Generally Recognised Accounting Practice (Standards of GRAP) and/or Modified Cash Standards (MCS).

Participants raised that not only are all SAICA members educated and assessed on IFRS, but there are also significant similarities between the Financial Reporting Standards used in both sectors. The Statements of GRAP are based on the International Public Sector Accounting Standards of the International Public Sector Accounting Standards Board (IPSASB), published by the International Federation of Accountants (IFAC). In simple terms, this means that the Standards of GRAP are IFRS standards adapted for the public sector context. In practice, private sector professionals have little trouble transitioning into a GRAP environment and thus in theory, public sector professionals would not have trouble transitioning into a full IFRS environment.

While IFRS and Standards of GRAP are in use by state-owned entities and municipalities, national and provincial government in South Africa use MCS. The continued use of the current Modified Cash Standard (MCS) by national and provincial departments is a concern as it not only deprives government of high-quality and relevant information for decision-making, but also adds to the negative perceptions and stigma attached to technical accounting competence for public sector professionals. The current MCS means that the Statements of Financial Position are still prepared using cash-based financial reporting with only some notes to the annual financial statements reflecting limited accrual-based information. This is particularly concerning given the amount of technical competence and expertise available in South Africa that could help government transition

into the accrual or GRAP basis for reporting. While the difficulties faced by municipalities on preparing GRAP compliant financial statements should be noted, the reasons behind these are not a shortage of skills and competence in the application of these standards. There is currently no clarity on when the national and provincial government will migrate to full accrual accounting. SAICA continues to advocate for a clear path for the public sector to fully migrate to accrual accounting. SAICA believes that as a global leader in reporting, South Africa should clarify a pathway towards full accrual accounting by all spheres of government within the country and will continue its advocacy work in this respect.

Technical competence that centres around strategy, risk management, taxation, non-financial reporting (e.g., performance information reporting), assurance, finance and management accounting are also largely similar in both the public and private sector context, and possibly even more complex and rigorous in the public sector environment. Notwithstanding the current dynamics around technical aspects between the two working environments, there is enough technical complexity in the public sector environment that SAICA members and trainees are exposed to. There is a need to showcase these complexities for the market leaders and the broader profession to be aware and mindful of. This may assist in eliminating the negative perception, highlighting the general challenging and complex nature of work in the sector, including the technical and non-technical competence of professionals in the sector.

Another area of improvement would be an enhanced representation of the public sector and its technical complexities in the profession.

5.2.2.4. *Non-technical competencies*

Professional values, attitudes, and enabling competencies are now well at the centre of competence for SAICA members in terms of the SAICA competency framework. Integrated with technical competence, these areas of competence make a future ready professional. They also align with McKinsey’s distinct elements of talent (DELTA), the skills citizens will need in the future world of work.

SAICA members integrate these professional values and attitudes, enabling competencies in their various contexts and environments to make meaningful contributions and to create sustainable value. The demonstration of these capabilities is fundamental to member career mobility, growth, and personal value proposition. Members need to be able to

demonstrate a deep sense of understanding of their internal and external environments, business models, strategies, best practices, etc., especially during the recruitment process. Some participants noted that at times, members working in the public sector are perceived to not always demonstrate sound business acumen and the adaptive mindset and agility, leading to challenges in career mobility. There is a perceived lack of understanding of the organisation(s) and its environment, particularly for those in public sector assurance when compared to their private sector counterparts. This has also been observed even where the trainee or audit professional has worked on the audit of the client. Shortcomings in demonstrating an appropriate understanding of the client and adaptability to the business of the respective client (or prospective employer) may make it difficult to recruit some trainees, which potentially worsens the negative perception.

Participants noted the need for support, especially for young professionals, to improve how they present themselves, demonstrating an understanding of the full context and not limiting themselves to only audit methodologies and clients, but applying their knowledge to different contexts and environments.

Amongst the various complexities presented by the public sector environment, circumstances around the political environment pose a great challenge that requires advanced levels of relational competence by members. The ability to manage stakeholders and provide responsible leadership in a difficult environment while maintaining high levels of professionalism and ethical conduct, is crucial. Members are expected to be able to handle complex political conversations, while working unambiguously in the public interest. Skills that include effective communication, leadership, people and conflict management, negotiation, and emotional intelligence, which are adapted and appropriate for the public sector environment, need to be developed and mastered when working in the sector.

The development of professional and enabling competencies (previously referred to as “soft skills”) is an area of development that continues to present a challenge to many professionals, especially those that are more technically inclined or that tend to believe more in technical competence. An adaptive mindset, flexibility, and agility, which is critical for career mobility, was perceived to be lacking or underdeveloped by participants, with trainees and professionals struggling to apply these competencies to different contexts and environments. This area of competence is fundamental, not only for mobility, but also for the future world of work in general, which requires far

more adaptability and flexibility from the workforce in order to survive the volatile, uncertain, complex, and ambiguous (VUCA) world we now live in. Other areas identified as important included critical and integrative thinking, problem solving, advanced communication skills, and digital acumen.

5.2.2.5. Concluding remarks - public sector experience

The incidences of fraud, corruption, lack of consequences, inefficiencies, and ethical challenges together with the current situation with most government departments, state-owned entities and municipalities remains a challenge for the prosperity of the country. This also largely leads to an underappreciation, undermining and lack of trust in the work of professionals in the public sector, resulting in many of them experiencing challenges in their career advancement and mobility. The wheels of government are often considered to turn slowly due in part to cumbersome regulation and processes. This culture, or way of operating, is accepted to be vastly different to practices and processes in the private sector. Commercial corporations that are obsessively chasing the creation of value for shareholders (primarily) but also for other stakeholders, even in significantly regulated industries, must be effective and efficient in reaching their objectives. While there may be pockets of good practices in the public sector, the sector to a large extent (especially in the South African context), is unfortunately not well known for effective and efficient delivery to citizens, as is often reported by the Auditor-General of South Africa (AGSA), Public Protector, oversight bodies, civil society, and the media. Decision making in the public sector was noted by participants to be slow due to the many approval levels, which tends to be frustrating for people coming from the private sector.

Participants considered excellence by SAICA members in the public sector not to be showcased sufficiently or celebrated enough by the profession. Participants noted that while progress was being made, the profession still tends to focus a lot on the private sector, showcasing work in the sector, often without giving much needed, similar attention to the work of professionals within the public sector. This happens despite the commitment by many SAICA members to work in the broader public interest, while making a difference in the sector and ensuring that the country continues to function sustainably under difficult circumstances. The unintended consequences of a greater focus on the private sector are the current and possibly expanding disparity between the sectors. Better branding and marketing of existing excellence

is important to encourage more excellence and difference makers in the public sector, resulting in responsible leaders in government that are creating sustainable value for the citizens of the country. This will also help - with eliminating the negative perception of these professionals. As an example, the work of SAICA members working on public sector audits, applying external audit standards to enable accountability, strengthening the country's democracy, and building public confidence, are not celebrated within the profession. Participants note that efforts to undo the negative perception of professionals should be accompanied by efforts towards the creation of a conducive and professional environment in the sector, making it an employer of choice.

Greater focus, going beyond just financial reporting and more towards the vision of difference makers, is needed by the profession at large, and will help it expand to meet the critical needs for the sustainability of the public sector. By focusing on the model, operational environment, performance, strategy, professional, and enabling competencies, it will ensure that the profession and its members play a role in the sustainability and prosperity of the sector and the country. The market is seen to have no consideration for the vast experiences and exposure available in the public sector, the rigour and many other competencies or skills the professional develops. Professional accountants at times tend not to understand the environment or "read the room," and struggle to navigate public sector entities in South Africa, hindering the ability to make an impact.

Often, the public sector presents great complexity from both a technical and non-technical context for professionals. The working environment and dynamics are no doubt not the same. However, the levels of complexity and required competence, even though different, are equally suitable to leave room for professionals who can provide responsible leadership and thrive. Performance based rewards were also raised as part of the reasons why some members would not want to move to the public sector, since salary increases in the public sector are mostly based on inflation only. In the private sector, however, they are performance based, and usually higher than inflation. There are also promotional opportunities in the private sector and various opportunities to grow, which lack in the public sector.

Participants also raised comments regarding the general inflexibility of the training experience requirements of the qualification process, sighting the example of the six-month penalty when changing a training contract to a different training office. There

are reasons for the training regulations put in place. However, the need for agility, flexibility, and adaptability in the VUCA world brings the need for continuous reflection, particularly in the context where research by McKinsey lists adaptability as the number one element of talent for employment into the future. There is a need for the creation of environments that enable such capability.

Skills and competencies are largely similar for professionals, and this needs to continue to be clarified and promoted – especially where newly qualified professionals are concerned – while appreciating the different experiences and exposure they receive. The current challenges public sector professionals face do not appear to be based on a lack of skills or competence, but a perception created over time by various factors, and sustained by the challenges that continue to be faced by government. For the most part, newly qualified SAICA members can adjust to new and different roles and industries following their training contracts, embracing new learning opportunities. However, even when a significant part of competencies and exposure are obtained in the public sector (by a private sector trainee, through for example contracted work in public sector environments), it appears as though the market considers being signed off by or associated with a private firm better than being signed off in the public sector.

5.2.3. Public sector content and context in the academic programme and assessments

There are arguments for and against the inclusion of the public sector in academic programmes and assessments of professional accountancy studies. SAICA recognised the importance of the public sector to the profession and the proper functioning of the country. The public sector is an industry in which many entry-level professionals and SAICA members work. However, in order to ensure that the syllabus remains manageable for the four-year academic programme, only a foundational level of competence in outcomes relating to the public sector in the academic programme are required. Upon appropriate development of the lifelong learning, values, attitudes and competency area as part of the academic programme, as well as 'the self-development' component at the entry-point to the profession, it would be possible for the-entry-level professionals to upskill themselves to function effectively in the public sector context.

It is also worth noting that, to an extent, the public sector is a specialised industry. While the public sector foundational knowledge is a requirement of SAICA, knowledge of a specialised nature relating to other

industries including area-specific standards, legislation and regulations are excluded from the SAICA context of competency development and assessment on the academic programme. That said, participants raised concern regarding the unintended consequences of the exclusion of public sector specific reporting frameworks such as International Public Sector Accounting Standards (IPSAS), Generally Recognised Accounting Practice (GRAP), and Modified Cash Standards (MCS). The lack of understanding and awareness by the profession, academics and corporates of the differences and similarities on reporting and assurance standards and practices, exacerbate the complexities around perceptions on the work of professionals in the public sector. Coverage and emphasis of importance should be a tactical response, rather than an effort to achieve a certain percentage that may add to the already loaded syllabus.

While SAICA continues efforts to increase coverage, awareness and understanding of the public sector at the academic programme level, participants noted that the public sector context not being specifically taught at this level will lead to this issue continuing to exist for the foreseeable future. There is a need for the general inclusion or increase of the coverage of public sector reporting and assurance requirements by academic institutions. Participants also raised concern regarding the lack of coverage of the public sector context in assessments at academic institutions, as well as the professional assessments set by SAICA, as these tend to be focused largely on the private sector. This “sidelining” of the public sector context, though unintended, culminates in the lack of appreciation for the sector, and is considered to contribute to misconceptions about the public sector, and ultimately the negative perception. In the public interest and as a service to the country, the profession should consider innovative ways of integrating the public sector into the syllabus and the assessment process as a catalyst to changing the situation.

A root cause identified as a contributing reason for the ongoing lack of understanding and awareness of the public sector, is that most academic staff at academic institutions themselves have a limited understanding of the sector and are thus not able to impart the necessary knowledge and awareness to students. To this end, SAICA and its stakeholders continue to work with academics and academic programme providers to find innovative ways to mitigate this and ensure that all newly qualified SAICA members have foundational knowledge about the public sector. SAICA also acknowledges the broad and far-reaching impact of the public sector on broader society and members.

Post-qualification, members rely on the acquired entry-level competence and their lifelong learning to adapt to working in the public sector (directly or indirectly).

As part of SAICA's work in developing responsible and ethical leaders for the public sector, SAICA also needs to be mindful of the various requirements and expectations by government. While earlier awareness needs to continue to be emphasised to help eliminate negative perceptions, SAICA should continue to reflect on the competency framework(s) and competence expectations applicable in the public sector by the departments of National Treasury (NT), Public Administration (DPA) and Cooperative Governance and Traditional Affairs (CoGTA). Awareness of these expectations will ensure that SAICA is able to advocate for relevant competence in the sector and extend this knowledge to members.

5.2.4. Remuneration considerations

To understand the matter of career mobility and prospects, a customised survey was commissioned to better understand the differences or similarities in remuneration trends for members in the private and public sectors. Organisations in both sectors were contacted to gather remuneration information for employed accountancy professionals. The analysis of the results from the survey has not indicated any significant or consistent differences between CAs (SA) working in the public and private sectors, although there are anomalies per role.

Comparing the information to both national market and financial services sector market did not highlight significant anomalies, except for salary band E personnel (senior management), reflecting higher benchmark levels in the financial services sector. A general observation was that, as a rule, both public and private sectors were above the median of the national and financial services markets, which was not unexpected for financial roles which carry a premium when compared to other job families.

When entering the job market with a CA(SA) qualification, the path and the pay are more defined. As members progress to senior and strategic roles, the use of the qualification varies, and the pay ranges could become much wider. Anecdotally, pay patterns of private versus public sectors across disciplines generally reveal that the public sector carries a premium at the lower levels (up to Paterson CU), while the private sector carries a premium at senior and executive levels, especially when variable pay opportunities are included. The earning potential in the private sector tends to be greater in the longer term,

work in the public sector need to manage expectations and understand the unique dynamics of the sector from a remuneration perspective.

5.2.5. Similarities and differences between the two sectors – reporting and assurance

As part of the awareness for the profession, public sector reporting and assurance needs to be outlined for the profession and stakeholders in order to be informed about the work of professionals in the sector. This would help eliminate uncertainty, provide clarity, enhance trust in reporting and assurance work in the public sector, as well as help eliminate the negative perception.

While the government has not adopted full accrual reporting for national and provincial departments, the Standards of GRAP that are used by municipalities and state-owned entities (where full IFRS is not applicable), are based on the International Public Sector Accounting Standards (IPSAS), which is created by the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC). Through the Standards of GRAP, the Accounting Standards Board (ASB) ensures that the best available international accrual-based accounting standards (that are largely aligned to IFRS) are available for use by government and other public sector entities. The alignment between the reporting standards makes it possible for SAICA members to transition between the different reporting frameworks for different contexts and environments.

From an assurance perspective, the Office of the Auditor-General of South Africa (AGSA) is generally well respected for the execution of its constitutional mandate. As the supreme audit institution (SAI) of South Africa, the office strengthens the country's democracy by enabling oversight, accountability, and governance in the public sector through auditing, thereby building public confidence. The AGSA, which is governed by the Public Audit Act (PAA), conducts various assurance and related projects. From a regulatory audit perspective, the AGSA audits and reports on the financial statements, performance information, and compliance with respect to selected subject matters. Accountancy professionals working for the AGSA are exposed at a minimum to all three areas during their training contracts and post-qualification. SAIs in conducting audits follow the requirements of the International Standards of Supreme Audit Institutions (ISSAIs). These standards are similar or aligned with the International Standards on Auditing (ISAs), providing or extending the context specifically to the public sector and including specific standards on performance and compliance auditing.

As a way of mitigating the negative perception and misconceptions, SAICA together with its stakeholders need to escalate awareness by the profession, the market, academics, influencers and decision makers regarding similarities and alignment of reporting and assurance requirements, skills, and competencies by professional accountants, showing that indeed it is only the context that differs.

5.2.6. Other insights

5.2.6.1. General understanding of the public sector within the profession

There is generally a concerning lack of understanding and awareness within the accountancy profession about the important and complex work of the public sector, which leads to negative perception of the work of accountancy professionals (including SAICA members) within the public sector. This was raised consistently by participants and to this end, SAICA is already in the process of creating content which explains in simpler terms the inner workings of the public sector. The content is to be made available to the profession at large, including academics and students. The video content is intended to create or enhance the understanding of the work of the public sector.

5.2.6.2. Laws, regulations, practices within the public sector

The laws, regulations, and practices applicable within the public service were noted as a hinderance to the possibilities of the public sector attracting and retaining the best professionals for roles, as well as performance by staff (including performance management). While there is a great need for professionals within the sector towards the objective of professionalisation of the whole sector, work is needed to attract and retain professionals and encourage performance. When compared to the private sector, the public sector is considered to be heavily regulated with cumbersome regulation, which can be discouraging for innovation and performance. Professionals have various expectations in their field, from education to continuous development. Generally, professionals have career ambitions and work towards their continued career growth over time, culminating in leadership or senior management roles.

At times, academic progression and other learning and development professionals undertake are not recognised in the public sector. This creates a challenge for a professional who needs to continue with their growth and development. SAICA also needs to consider the NQF level of its qualification, as some members face difficulties in their work environment where requirements are based on NQF levels and

there is no clarity regarding the SAICA qualification in this regard. While employers within the sector are inclined to accept the SAICA qualification, this can cause difficulties at times.

5.2.6.3. *Private to public, but not the other way around*

The data collected indicated that it is easier for members to move from the private sector to the public sector, and not to move from the public sector to the private sector. At times, even when a member has foundational experience in the private sector, they often found it difficult to make such a career move. Various reasons and experiences were stated for this difficulty, from members not receiving any feedback from recruiters and prospective employers, to being given negative feedback regarding their public sector experience as being a detrimental career move. The recruitment agencies that provided feedback also concurred with the feedback from participants, even though based on the nature of their objectives, they were unable to provide concrete feedback on why this is the case.

5.2.6.4. *Extended focus beyond reporting and assurance*

The profession needs to extend its focus beyond just reporting and assurance. While these provide an important foundation for the work of accountancy professionals, there is a greater need for an impact based on our work. From an opportunities and expertise point of view, SAICA members can do considerably more to assist in the public sector if they look beyond the traditional roles of the accountant. This means that there is a need for more deliberate focus on development of competence for members within the sector, thought leadership, advocacy and partnerships that impact the performance of government and service delivery (other components of management consulting for the public sector). The public sector has a far greater need for the expertise of the profession to be utilised towards the achievement of their broader objectives and mandate, which will lead to the profession creating sustainable value for government and the country.

5.3. THE ADVANTAGE OF THE PUBLIC SECTOR EXPERIENCE FOR A PROFESSIONAL

While there are various negative perceptions and stigma that come with employment in the public sector, professionals and SAICA members alike benefit immensely from professional experience gained in the sector:

- **Purpose driven national service:** An unambiguous professional service in the public interest commits professional knowledge and expertise to the development and sustainability of the country, the economy, and its people. Public service work by professionals assists in contributing to value creation by government, enabling decision-making, oversight, accountability, and governance in the public sector, and ultimately strengthening the country's democracy and building trust and confidence in government. In the changing world of work where purpose is at the centre of the workforce and particularly amongst Gen Z, there is a sense of fulfilment, purpose and giving back in working in the public sector.
- **Compliance management:** Given the extensive, rigorous application of laws and regulations within the sector, professionals gain extensive experience and can become experts in compliance management and assurance due to exposure to various areas of legislation, such as supply chain management. Other examples are dependent on the specific areas of focus and include financial services and banking, health, energy, the environment, property, etc. Public sector compliance experience provides exposure to processes of monitoring an organisation's systems, policies, and procedures to ensure all employees comply with applicable laws, regulations, accreditation rules, and codes of conduct.
- **Service delivery orientation:** Accountancy professionals in the public sector have the strength of service delivery orientation. Given the move towards value creation by the profession, business and government, the growth of the stakeholder theory and the need for a positive impact on people, the environment and governance (ESG), professionals in the sector are at an advantage as the nature of business is largely focused on delivering for the benefit of people, the planet, and a broader stakeholder base.
- **Performance information reporting:** Due to the focus on the delivery of services, public sector institutions develop "measurable" performance measures and indicators based on their strategic objectives. Public sector professionals are at the core of the planning of these predetermined objectives, measuring performance, the annual reporting of performance against these objectives as well as providing assurance on the reported information. This experience includes the development of policies and procedures, evaluating compliance with regulatory framework, supervision and ensuring the implementation of these. Additionally, there is also a significant focus on actual performance and value for

money types of engagements and experience within the sector.

- **Specialist industry knowledge:** Professionals within the sector have a deep understanding of the specific practices, techniques, and nuances of the government. Professionals within the public service also deal with a variety of complexities, including unique transactions or situations that require advanced expertise and the application of reporting and assurance standards, enabling competencies or other professional values and attitudes. Additionally, depending on the specific role, some have specialist knowledge in, for example, the financial services sector (financial markets, banking, investment strategies, insurance, and regulatory frameworks), health and pharmaceuticals, energy, education, defence, aviation, property management, etc. This knowledge is highly valuable for making informed decisions and navigating the complexities of the industry.
- **The relational acumen:** The nature of the public sector requires the navigation of conversations, relationships and working environments. Professionals within the sector need to constantly exercise advanced levels of the relational acumen to develop and maintain relationships under complex circumstances to ensure facilitation of required action and the meeting of objectives. This includes the need for communication, leadership, people, relationship building, and emotional intelligence skills.

Feedback from participants makes it clear that members are not in the sector by mistake, and that they wish to make a difference in the public sector. That they have the expertise, capacity, and desire to contribute their skills and competence to the country and its people. The complex challenges that exist within the sector tend to prevent members from going into the sector, and those that are within the sector often find it a challenging environment to operate in, which is unfortunately often not recognised within the profession and the sector itself. Participants are of the view that SAICA should continue its efforts and contribute to the professionalisation of the public sector which will benefit members, citizens, stakeholders, and the economy of the country.

6. PROFESSIONALISATION OF THE PUBLIC SECTOR

More needs to be done to improve and professionalise the public sector! This is the crux of the matter and

the sentiment shared by many different stakeholders, including SAICA, members, government, and leaders. The root cause of the issues that relate to career mobility and the broad attractiveness of the public sector stem primarily from a lack of trust in the government (and its personnel) to deliver on their mandate. This is exacerbated by the perceived and actual corruption, lack of accountability and consequences management, the lack of “teeth” and effectiveness of state institutions in dealing with issues, as well as the underperformance and resulting lack of professionalism within the sector. Such a situation has severely deteriorated the standing of many aspects of government, and has had a ripple, negative effect on the whole of the public sector ecosystem, including the citizenry and professionals working in the sector. Public sector employees and professionals also face significant ethical dilemmas in their work in the sector, which threaten their compliance with relevant codes of professional conduct. Making matters worse is the intimidation and threat to life faced by professionals and whistleblowers in the sector, which need to be addressed as a matter of urgency as it makes doing “good and right” in the public sector a challenge.

During October 2022, the Ministry of Public Service and Administration released the National Framework Towards Professionalisation of the Public Sector as approved by Cabinet. According to the Minister, building state capacity towards a capable, ethical, and developmental state remains the foremost priority of the government. The release of the Framework is an ambitious step by government to resolve many of the issues, negative perceptions and allegations of corruption and fraud that plague the public service and represents an important step towards professionalisation of the service. The framework is applicable to all spheres of government and seeks to ensure that only qualified and competent individuals are appointed into positions of authority in pursuit of a transformed, professional, ethical, capable, and developmental public administration. Public officials would need to have the right qualifications and technical skills and be properly inducted into Batho Pele principles according to the Framework. SAICA has supported the development and finalisation of the Framework through providing detailed comments, participating in engagements with the National School of Government (NSG) and the Ministry, sharing professionalisation insights and expertise, and through the participation of the SAICA CEO in the Ministerial Council responsible for the finalisation of the Framework. SAICA and its members remains committed to providing support and leadership in efforts towards the professionalisation of the public service, which will result in a more sustainable and prosperous country, create opportunities, and have a positive impact on society.

From a citizenship perspective, participants during the data collection process and other engagements confirmed their commitment in supporting efforts towards a capable and professionalised public service. This includes SAICA members that may be working in the private sector, who are generally (and often) looking for opportunities to help make South Africa and the public sector better. There is a great opportunity for many with expertise through employment or other avenues to plough this expertise into the public service, for better collaborations that create a positive impact, leveraging on existing collaborations and opportunities, and generally doing more to change the public service landscape and professionalise the public service. As part of these professionalisation efforts and to support SAICA members working within the public sector, SAICA will look to partner and collaborate with other stakeholders within the public sector, including professional bodies, associations, and interest groups.

There are several lessons that can be learned from the professionalisation of the public sector in different parts of the world. Some of the key lessons include the importance of:

- Investing in training and development programs for public servants to ensure that they have the skills and knowledge needed to effectively perform their roles.
- Establishing clear career paths and progression opportunities within the public sector to attract and retain top talent and compete with the private sector for this talent.
- Implementing effective performance management systems to ensure that public servants are held accountable for their performance and that they receive regular feedback and support to improve.
- Developing and implementing policies and practices that support diversity, equity, and inclusion in the public sector workforce.
- Providing fair and competitive compensation and benefits packages to attract and retain highly qualified and motivated employees.
- Encouraging collaboration and networking among public sector employees to facilitate the sharing of best practices and knowledge.
- Engaging with stakeholders, including the public, to better understand their needs and priorities, and to ensure that public policies and services are aligned with these needs.
- Adopting best practices from the private sector and other countries to improve the efficiency and

effectiveness of the public sector. Career mobility can assist in this and other factors in efforts towards professionalisation.

- Supporting research and innovation in the public sector to help drive continuous improvement and efficiency.

Political leadership that supports the professionalisation of the public sector, which is focused on creating a positive and supportive work environment for public sector employees, as well as on implementing policies and practices that enable them to excel in their roles, is critical. This type of leadership would involve setting clear goals and expectations and the implementation of the above strategies meticulously. Additionally, effective political leadership would involve promoting transparency, accountability, and collaboration within the public sector. The specific characteristics of the leadership needed to support a professionalised public sector will depend on the unique needs and challenges that characterise the South Africa public service. These strategies, combined with the right leadership, would professionalise the public sector and improve the quality of its services, and can contribute to the country's economic and social development.

According to participants, SAICA should perform a deep dive into public sector professionalisation to learn best practices, differences, and similarities, and investigate ways to help resolve the current challenges in the public sector. The ideal solution would be for the public sector to become an employer of choice and not the opposite, and that effort should be directed towards supporting the achievement of this as well.

7. RECOMMENDATIONS AND SUGGESTED SOLUTIONS

A sentiment shared by participants, is the clear need to consider the individual professional (candidate) and their capabilities in recruitment decisions. Trainees also need to be trained on how to market themselves, their work, and capabilities. Training offices, especially those in the public sector, need to do more about coaching and mentorship for trainees and candidates in terms of putting together a formidable application, how to conduct themselves in interviews, and generally support candidates in putting themselves out to the market. Effort needs to be directed towards networking opportunities, profiling, showcasing excellence and expertise, and meeting and engaging with the right people. There needs to be consideration

for the reintroduction of networking sessions and exploring further how support can be provided to showcase public sector excellence. Awareness needs to be created for private sector decision makers, and particularly those that are members of SAICA, to understand the dynamics of career mobility and lend their support where possible.

To continue making a positive difference in the public sector, and support members in this regard, various suggestions and recommendations have been formulated based on data collected from participants. The primary focus is around the elimination of the negative perception, enhancement of awareness about professionals within the public sector and soliciting support for these professionals.

a) Focus should be **intensified on professional values and attitudes and enabling competencies** for trainees and young professionals in the public sector. These skills and competencies are not only critical for this environment, but also in applying and interviewing processes, and when interacting with stakeholders. Areas of competencies such as communication, emotional intelligence, digital and business acumen, self-management, self-development, agility, and an adaptive mindset need to be developed, encouraged, and promoted. Support needs to be provided, especially for young professionals, to improve how they present themselves, demonstrating an understanding of the full context of the environment and not limiting themselves to only audit methodologies and their clients, but applying their knowledge to different contexts and environments, when necessary. Amongst the various complexities presented by the public sector environment, circumstances around the political environment pose a great challenge that requires advanced levels of relational competence by professionals. The ability to manage stakeholders, provide responsible leadership in a difficult environment while maintaining high levels of professionalism and ethical conduct, are crucial. Professionals are expected to be able to handle political conversations, while working unambiguously in the public interest. Skills that include communication, leadership, people, and emotional intelligence, which are adapted and appropriate for the public sector environment, need to be developed and mastered when working in the sector.

b) Improvements need to be made in the **promotion of the work of professionals in the**

public sector, their expertise, experience, and exposure from employment within the sector. **Repositioning, marketing, and branding** the work of the profession in the sector will not only assist members with their career mobility but can attract more members into the sector towards impactful professionalisation, and lead to better informed leaders of business, government, and the profession. Effort should be made to stratify and promote areas of specialised expertise that are available from members in the sector, (e.g., compliance management, performance information reporting, fleet management, financial services, energy, social welfare, etc.). Improving branding around public sector professionals will ensure that the profession and stakeholders understand the positive contribution by SAICA and its members to the sector. This could also create opportunities for stakeholders to lend much needed support, foster collaboration, advance the professionalisation agenda and create other opportunities for different stakeholders to create or add value. This would also demonstrate the profession's unambiguous support for the work of professionals in the public sector, ensuring the sustained involvement of the profession in the sector, as well as ultimately contributing to professionalisation efforts.

The promotional work will also contribute to the creation of member value, through enhanced understanding of their work and contribution to the country, and the creation of opportunities for them to utilise their expertise in various ways, both in government and the private sector.

c) **Profiling and showcasing the work of SAICA members as professionals making a difference in the public sector**, should continue and be enhanced on different platforms (including those of SAICA).. This should specifically include business, financial reporting and assurance media. The complex work of professionals should be celebrated by the profession and the country, and set a trajectory towards respect and global recognition of public sector professionals in a similar manner to the private sector. Showcasing the work of SAICA members in the sector supports the profession's endeavours for responsible leadership in global public finance management, reporting and assurance. The profession's contributions to processes and procedures, the application of reporting and assurance standards, and other niche work and opportunities in the sector should continue to be profiled and promoted.

While advocacy work by the profession continues in an effort to move provincial and national government to accrual accounting, the profession should promote the work already done in the adoption and application of Standards of GRAP and IFRS by municipalities, public entities and state-owned entities. Such advocacy towards accrual reporting for the whole sector supports the credibility of public sector reporting. This will also help clarify the alignment of the Standards of GRAP with IPSAS and IFRS. This ensures that, while challenges remain in public sector reporting, efforts to enhance credibility are known, and that in showcasing the strides and pockets of excellence, government and stakeholders know the expertise available and the value of accrual reporting.

- d) Given the lack of understanding and the negative perception, there is a need to clarify and educate the profession, public and stakeholders regarding the **strength of the accountancy qualifications offered by SAICA and the competence achieved through the rigorous processes regardless of where a training contract is completed.** There should be emphasis on the similarity in technical knowledge, skills, and competencies for the entry-level professional regardless of where they may have served their training contract. As the capabilities of candidates, especially at the entry-level, are accepted by SAICA as being at the same level (albeit the context, cultures, experiences, etc. may not be the same), the market and stakeholders need to understand this. Employers, stakeholders and indeed the market retain the prerogative to make employment and other decisions based on their own criteria. However, effort should be made to ensure equal recognition of the strength of professionals.
- e) There needs to be ongoing **engagements between and with stakeholders** - including organisations, employers in both the public and private sectors, recruitment firms, captains of industry (decision makers), members of SAICA, professionals and other relevant parties - regarding training, employment practices and perceptions. Such engagements and deliberations will ensure that the quality of qualifications continue to be respected and recognised, and that where there are areas of improvement, these can be deliberated on and implemented accordingly. This will further ensure that in the long run, there is common understanding regarding accountancy professionals, their capabilities, and contributions to the South African economy, and a concerted effort can be made to close expectation gaps while clarifying any uncertainties.

- f) Clarifying and promoting the **value proposition for SAICA members in the public sector and the broader public finance management landscape**, which is not always well understood. A clearly outlined value proposition will ensure that members, professionals, and stakeholders in the sector understand SAICA's commitment to supporting the work of government and professionalisation, in the public interest. This will also help eliminate the negative perception within the profession and the market, while promoting the public sector as a possible employer for professionals to further strengthen public finance management and responsible leadership within government. The value proposition should clarify and highlight, among others, the difference professionals make in the sector, their patriotic professional service to the benefit of the country, as well as the global mobility of SAICA members in the public sector.
- g) To mitigate the negative perception, there is a need for innovative, tactical, and drastic solutions. One of these is the need for the creation of an enabling environment that allows for **innovation, flexibility and agility around mobility, or rotations** for trainees and professionals, in line with the aspirations of the National Professionalisation Framework for government.

Participants held different views with regards to rotations and secondments (for both training contract and experienced professional rotations). Several unintended consequences and challenges (in secondments between sectors and industries) were noted. Participants, however, consistently suggested that there is a need for such agility and adaptability to be imparted, especially in the early stages of the professional's career.

Rotations and secondments can also be used as a catalyst to eliminate the negative perception, and could create value for those involved, including professionals, the profession, business, government, and the economy. In the current discourse, trainees and professionals can be seconded to (or may consult in) the public sector, due to the nature of the needs of the public sector and established business processes. This provides them with much needed exposure to the public sector, which helps sustain the public sector in various ways. Consideration should be given to making opportunities of a similar nature available to professionals in the public sector, for their professional growth, and the ultimate benefit of participating employers and the country's economy.

Employee exchange programmes can provide several benefits for both the employees who participate and the organisations they work for. These programs can help employees develop new skills, gain valuable experience in different work environments, and build their professional networks. For organisations, employee exchange programs can lead to increased productivity, improved morale, and a more diverse and inclusive workplace. In addition, by allowing employees to work in different sectors, industries or regions, these programmes can help organisations expand their operations and better understand the needs of different segments, markets, and society. Overall, employee exchange programmes can be a valuable tool for promoting personal and professional growth and development.

The profession should explore the possibility of a programme similar to the medical profession's community service for medical practitioners. According to a study (SJ Reid et al., 2018), the South African experience of community service for doctors over the first 15 years appears to have been a successively positive one, and it has largely met its original objectives of redistribution of health professionals and professional development. While known challenges remain and there is still a lot of room for improvement by government, the exposure has (in itself) been positive. A suitable innovation for the accountancy profession may be needed. However, it should be accompanied by the right interventions in order to effect systemic and sustainable change for the better, not only in public finance management, but the public sector in its entirety.

Participants acknowledged challenges rotating trainees may come with, given the administrative logistics, and were at times sceptical about the possible unintended consequences such as the perpetuation of existing biases. It may also be challenging to give adequate exposure and experience, with the right supervision, for the right period, and the right extent of rotations and secondments. A recommendation for the creation of an enabling and supportive environment, rather than a compulsory requirement, is more appropriate. Such an initiative would also support the development of personal, professional, and corporate citizenship, as well as the business acumen aspect of competence for professionals. Participants also noted that the public sector environment should ideally be improved first, before (for example) exploring ideas such as

exchange programmes with the private sector to better align expectations and for such a programme to succeed.

- h) An awareness campaign and education on the similarities, differences and basic work of government should be available to the profession and stakeholders to strengthen awareness about the important role of government in the success of the country. There should be more resources and promotional material created to strengthen the requirement for **awareness and understanding of the public sector, particularly at entry-level to the profession**. Public sector training offices spend extended amounts of time explaining basic public sector legislation, reporting, assurance and operations to trainees and incoming professionals, and clarifying simple differences between the two sectors. While this is a necessary part of the induction processes, the profession should improve efforts to provide education about the public sector to students as well as the profession, while assisting academic institutions and private sector organisations in providing foundational knowledge about the work of government, given its importance to the success of the country's economy. This may also enhance the market's overall understanding of the value that professionals create in the sector, and in turn work towards supporting the work of government for a more prosperous public sector.
- i) Clarifying the Institute's (and profession's) commitment to the public sector, public interest and making a difference for the benefit of the country by **strategically improving coverage of public sector content**. Improving the coverage of the public sector in the academic programme and professional assessments (through the SAICA competency framework) would ensure that the profession demonstrates its commitment to working in the public interest to make a difference in the public sector to the benefit of South Africa. The coverage of the public sector could also help create professionals who have a better understanding of the sector, are more patriotic about the stability of the country and are willing to ensure that the profession's continued responsible leadership continues to make a difference. Exposure to the public sector could also be achieved through secondment or exchange programmes to the public sector (compulsory or recommended), similar to the medical profession's community service year.

SAICA will continue to work with training offices, the profession, business, government, and other stakeholders to create awareness around training experiences, exposure, skills, and competencies, as well as ensure that there is consistency in terms of member competence, even with the dynamic experiences and training environment. SAICA's rigorous qualification processes ensure that professionals are valued by the organisations and economies they serve, including in South Africa. SAICA continues to monitor and improve its qualifications, responding to perceived and actual challenges faced, ensuring continued relevance of professionals for prospective employers.

8. CONCLUSION

This research work and the outcomes derived cannot be considered outside of the principles of the free and open market that the accountancy profession is a part of. The dynamics of the open market are such that they are not under the control of one party. SAICA members, as responsible leaders, have an opportunity and responsibility to make a difference in the public sector and as such, SAICA is committed to providing support to these members and government, particularly by building financial management capacity and efforts towards professionalisation.

The market should ideally consider the individual member or candidate and their capabilities, and this was a sentiment shared by participants. Support needs to be provided to trainees on marketing themselves, their expertise, and capabilities. More should be done in coaching and mentorship for public sector trainees and candidates in terms of putting together a formidable application, interviewing and general support for candidates in putting themselves out to the market. Effort also needs to be directed towards networking opportunities (formal, informal, and cross-sector), relationship building and showcasing public sector excellence and expertise.

A negative perception around the public sector was identified as being at the centre of challenges experienced by members in their career mobility. The negative perception is due largely to perceptions and realities about the ineffectiveness of South African government (including issues on corruption, ethics, lack of delivery, incompetence, inefficiency, non-compliance, etc.). This attaches a stigma to professionals (including SAICA members). - For as long as the South African public sector remains stigmatised, professionals working in or coming out of the sector to work in the private sector, will be

judged to be incompetent (and even worse) until they prove themselves otherwise. Therefore, addressing the various challenges within the public sector, and moving the whole service towards professionalisation should be the focus in resolving the root cause of this issue. The negative perception could also be arising from a lack of information, understanding, and direct experience with the public sector. The understanding of some members of the profession may not be fully cognisant of the strides being made particularly by members of the profession, even with all the challenges. Additionally, the negative perception may be the result of personal biases, stereotypes, or even the influence of media and other reports about the sector, without cognisance of the details.

SAICA will continue its efforts to support the professionalisation of the South African public sector to address the underlying cause of the perception and will work to provide evidence or information that contradicts the negative view, particularly when it comes to the work of SAICA members. This will be done through communication and education, and by consistently demonstrating the positive behaviour and actions of members. Additionally, SAICA will continuously seek feedback and note any concerns to identify and address these negative perceptions. SAICA will also encourage openness and transparency regarding this matter.

9. A PROFESSION OF #DIFFERENCEMAKERS

SAICA is a committed partner in making a difference in the public sector. SAICA members are trusted leaders of government, business, finance and accounting through the education, support, and opportunities provided to them. SAICA Members assist government with key projects and apply their intellectual capital to a wide range of areas, in the public interest. SAICA is committed to assisting and supporting its members and government in the turnaround and professionalisation of the public sector. Through its dedicated Public Sector department, SAICA holds regular engagements with key stakeholders in the public sector, including national government, provincial treasuries, the Auditor-General of South Africa (AGSA), South African Local Government Association (SALGA), and the Accounting Standards Board (ASB), amongst others. SAICA provides technical support and expertise, advocates for the implementation of fit for purpose legislation and standards, and plays a key role in building capacity within the public sector.

SAICA's offering with regards to the public sector includes but is not limited to the following:

- Seminars and Events
 - The AGSA's General Report on regulatory audit outcomes for national, provincial, and local government (Public Finance Management Act (PFMA) and Municipal Finance Management Act (MFMA)).
 - Financial statements and audit preparation sessions to provide technical guidance to members and non-members in preparing the credible reporting financial information.
 - Financial reporting session to update members and non-members on developments in the Standards of GRAP, Modified Cash Standards as well as the work of the Accounting Standards Board (ASB).
 - Compliance update sessions to update members and non-members on changes in key legislation and the regulatory environment.
 - Public schools financial reporting session to update members and associates on developments in public schools financial reporting.
- Public finance management capacity building projects to support the professionalisation agenda in public finance management.
 - Enhancing the understanding of the public sector for members, the profession, and other stakeholders.
 - Advocacy for fit for purpose legislation and accounting standards through comments, letters, submissions, and stakeholder engagements.
 - Profiling of members working in the public sector to promote the career opportunities that exist within the sector.
 - Promotion of SAICA designations within the public sector to promote the professionalisation of the sector.
- Technical support for members through the technical query system.
- Thought leadership on emerging issues in financial and non-financial reporting, accountability, governance, public finance management, risk management, technology, legislation and other developments affecting the public sector and the future of the profession.
- A national and regional public sector committees that support the achievement of SAICA's strategic objectives on member value, relevance and reputation in the public sector.
- Regular updates on public sector developments through social media, newsletters, communication, as well as various SAICA and stakeholder events.

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