

Profile: Judy Parfitt – Shifting Mission Points and Cultivating Mission Motivation in the South African Revenue Service (HR Director)

“How you will benefit, how the organization will benefit, how the country will benefit”

In 1998 Judy Parfitt took a role in the South African Revenue Service (SARS). Judy arrived when formal Apartheid in South Africa had recently ended; with a new government under Nelson Mandela and a new mission for this public agency, the scale of change that was needed was “radically ambitious.” Judy joined as the Director of Human Resources just as the agency was starting to plan these large-scale reforms.

Judy was initially hesitant to leave the private sector, but was persuaded by the new leadership tasked with reforming the agency that there was meaningful work to be done. The new SARS Commissioner, Pravin Gordhan, was “really accomplished at mobilizing and galvanizing people.” In convincing Judy to join, Gordhan passionately explained “the critical role that SARS could play in creating a better life for all, because to the extent that revenue administration improved – and there was a lot that could be improved – that would swell state coffers and social spending would increase, which could help to redress some of the many wrongs of the Apartheid era,” Judy recounts.

When Judy accepted SARS’s job offer, she was attracted by the idea of reforming the tax agency to motivate employees to serve “a higher purpose” of a new South Africa. Her choice illustrates that Mission Driven Bureaucrats are attracted to workplaces that share their values and goal of serving the public. Judy chose the agency as much as SARS chose her.

Judy entered an incredibly challenging environment. She vividly remembers “walking into my office on the first day of work and wondering what I’d let myself in for.” The atmosphere was stuffy and oppressive, the culture hierarchical. On her first day, she recalls, “my secretary came in, and the first question she asked me was ‘*What tea set would you like? When you become a senior manager, you get to choose your own tea set.*’” Judy was also greeted by not one, but two coat stands— “[my secretary] said it was because I was on a particular level that I was entitled to two.”

Most of SARS’s 13,000 employees had been hired under the Apartheid regime. While serving in that government, they were rewarded for loyalty, not competence, in administering the country’s tax system and customs service. There was little mission driven action; people “progressed through the ranks just by staying [at SARS].” Employees were incentivized based on total revenue raised – service, enforcement, and quality-related measures were neglected. The agency was also failing to meet revenue targets, and salaries and promotions were typically unrelated to performance. These practices were negatively impacting the department’s ability to execute its mandate and serve the South African public.

Judy worked with the Commissioner, Pravin Gordhan, to “radically restructure the organization.” They called the transformation program *Siyakha*, a Zulu word meaning “we are building”; their mission statement was “Build SARS, build the nation.”

All HR policies were revised. Competency assessments and a new focus on diversity became part of recruitment and selection processes. The number of job levels was dramatically reduced, new remuneration policies and practices were introduced, and a new HR IT system was implemented.

Achieving shifts in management practice and norms requires thinking about how to change not just observable behaviors, but the understandings of the staff, as discussed in the previous chapter. The new leadership at SARS had to convince employees that their purpose was to serve *all* South African citizens.

A drastic change in mindset was also required in the customs arm of the agency – moving away from a focus on busting international sanctions imposed because of international opposition to Apartheid, and towards a focus on implementing trade agreements concluded by the new government. As the organization's mission point shifted, leadership supported a parallel shift in employees' approach to their jobs with more managing for empowerment.

A key initial step in the transformation program was the reconstitution of the executive team, followed by a restructure which required most managers to re-apply for their jobs. A “jobs for votes” norm had applied previously, resulting in managers and staff that were aligned with the old Apartheid-era government. Now SARS managers were required to successfully complete competency assessments of leadership attributes. The introduction of these assessments significantly increased the diversity of managers appointed by the agency.

Long-serving managers who demonstrated the competencies required and embraced SARS's transformation goals were rewarded with value-adding roles in the new structure.

Since winning over staff to the new vision was a critical step in SARS's reform process, its new leadership organized coffee chats with small groups of employees. The goal was to help dissenters understand and embrace the new mission and norms and leave behind the organization's old practices. Employees' behavior needs to be just and fair even when they are unobserved, so altering organizational norms, and mission points, was essential.

Judy remembers, “it felt important to persuade long-serving white Afrikaans-speaking employees who had considerable institutional knowledge that they still had a place in the sun in the new SARS - if they signed up to our goals and ambitions.” Those goals were made clear and uncompromising. Having a well-defined mission and team identity can facilitate mission motivation. After clarifying SARS's goals, the message to employees was clear: “get on board or be left behind.”

These changes were paired with other reforms, including more competitive salaries. SARS also ended automatic promotion based on years of service, made the organization less hierarchical, and introduced a “leadership competency framework” – rewarding merit and ability, not simply seniority. Throughout the reform process, Judy's unit carefully collaborated with the two trade unions recognized by SARS. After reaching an agreement which guaranteed employment security in exchange for employee flexibility in relation to what work they did, and where, when and how they did it, the leadership of both the agency and the trade unions did a roadshow explaining the reforms. As Judy put it, “if we get this right, this is how you will benefit, this is how SARS will benefit, and this is how the country will benefit – everyone will benefit” from these reforms.

An empowering management approach which created connection to impact and cultivated competence was quite effective in altering the mission motivation of existing staff. In large-scale change, Judy explains, “typically you have a band of disciples and evangelists and a small number of radical dissenters or saboteurs. Many people are largely undecided, and this is where

the focus needs to be – on winning them over.” There was no need for major layoffs, despite the massive changes in the organization’s mission and management approach.

Early successes helped to win over initially undecided employees. At SARS, eventually, “the majority of the employees started to believe in and identify with this purpose of creating a better life for all.” The management team at SARS also capitalized on the “sheer momentum of the change and the success” that it found early, to help this middle group lean towards the new mission. Even in this possibly unlikely setting (given the Apartheid history of personnel), most of the staff turned out to be mission motivateable Samirs.

These achievements were reinforced by external praise; President Nelson Mandela came to congratulate the staff. He praised their work and “what their good efforts [would] do for nation-building in South Africa.” Their work meant that “extra schools and clinics could be built, roads could be paved, and other social services previously withheld from the majority of the population could be provided.” This became an important source of pride and reinforced staff mission motivation.

SARS was able move from a procedure-oriented work culture to a culture of empowerment where mission driven behavior became the norm. SARS’s mission point was changed, as did broader norms, by managerial reforms. The results were impressive: SARS exceeded its revenue targets for the first time in anyone’s memory. Four years after she had joined an agency that had been embedded in the apartheid government and plagued by poor performance, Judy marveled at her employees and co-workers – they were, on the whole, “so competent, so committed, and so effective.”