DEVELOPMENT

Shedding the silo system

What can government learn from car manufacturers? Quite a lot, argues Rogier van den Brink, the World Bank's chief economist for SA.

Van den Brink has crafted a model for development that has been endorsed by the Harvard panel, a group of academics that advises national treasury on growth and job creation.

Rogier van den Brink High stakes

Robbie Tshabalala

Toyota's way of making cars places emphasis on innovation and on empowering staff to deal with the causes of problems. Van den Brink says government departments can learn from this.

"Silo" structures and the division of departments into numerous subsections result in them working independently of one another. Van den Brink illustrates this with the example of land reform, which is split between three departments — land affairs, agriculture & housing, and national treasury. Within each department are numerous units.

Things can get unnecessarily complicated. Land is awarded to a beneficiary from one unit. But housing, training and finances aren't always in place, which undermines the overall success of the project. Each unit is accountable only for what it can deliver, not for how it integrates its work with other departments.

Staff may even push ahead with a project knowing that other systems are not in place.

Low-cost housing, education and other areas are often affected by silos, resulting in frustrated action at local-government level. Beneficiaries are left thinking — rightly — that the system is not working for them.

What should government be doing? "Decentralise to the shop floor," says Van den Brink. This means empowering teams to find and implement solutions, and unifying the budget.

Toyota's model, which has already been used in other companies, hospitals and postal services, implies doing away with silo structures and dealing with projects holistically.

Van den Brink believes SA has underestimated its "user power". In some other countries, development is phrased as "power to the people" or "self-sufficiency".

In SA, the use of the term "service delivery" implies a passive community that does not work with government, he says. The unintended consequence of this language is that citizens expect government to assume full responsibility for services, including maintenance.

This echoes a recent local-government report from the Institute for Democracy in SA, which says the growing lack of confidence in local government means people are less likely to contribute to development, while increasing their demands for better service. Thus self-reliant citizens become dependants.

So what can government learn from Toyota?

Van den Brink says organograms and funding are already in place. Frontline staff should be approached as knowledge workers, rather than as service deliverers who lack capacity. Co-ordination in multidisciplinary teams, which have the right incentives to work together, have a better chance of success.

Government is moving in this direction, but laboriously. Van den Brink says the stakes in land reform and the delivery of basic services are high, and the longer government waits, the higher the likelihood of failure. **Razina Muns**

Toyota's car-making model

"Car production line" brings to mind Ford's innovative manufacturing, which broke the process of production into a sequence of assembly activities. The goal: maximising output. Ford operated by replacing faulty parts with new ones stored at each stage of the line. Faults were dealt with immediately, to prevent a halt in the line.

Toyota's model is different. It forces the line to stop — and thus "forces" dealing with an error, making it an integral part of the system. Once the line stops, a team of specialists identifies the cause of the problem, proposes a solution and tests it.

Managers are empowered to act without bureaucrats. Staff focus on outcomes instead of output.

By contrast, Ford's efforts to maximise output came at a cost of accumulating spare parts at each stage of the line. The broader cost is that the pace of learning and innovation is slow. Errors are never fully examined and understood.