



Leveraging Business Principles to Improve Human Resource Management in the Public Sector in South Africa

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Abstract

In South Africa, ongoing debates often centre on the use of business principles to improve Human Resource Management (HRM) in the public sector. This aligns with the New Public Management (NPM) approach, which advocates for adopting private-sector management practices to enhance efficiency and service delivery in the public sector. Although previous studies have explored the integration of business principles in the public sector, they did not primarily focus on utilizing these principles to improve HRM, particularly in aspects such as leadership, talent acquisition, retention, remuneration, performance management, and employee development. To address this knowledge gap, this paper was created. The paper employed a qualitative research method and relied heavily on secondary data. The results showed that the objectives and operational context of the public and business sectors are non-identical; however, business HRM practices, such as agile leadership and management, talent acquisition and retention, compensation and performance management, and employee development strategies, can be tailored to the specific needs of the public sector. The paper also supports Public Administration scholars, such as Woodrow Wilson and Frank Goodnow, who argued that the government should adopt business principles to address HRM challenges. The paper recommended implementing strategies such as efficient recruitment, performance-based incentives, and non-monetary benefits to address key challenges, improve services, and enhance public trust in government institutions. Thus, implementing HRM practices could enhance public sector efficiency and service delivery, aligning with South Africa's 1996 Constitution.

Keywords: *Business Principles, Human Resource Management, Public Sector, Service Delivery*

INTRODUCTION

This paper is based on the theory of New Public Management (NPM), a governance framework that supports the application of business sector management principles to enhance efficiency, effectiveness, and accountability in public administration (Dunleavy & Hood, 1994). NPM, although not originally designed as an HRM-specific theory, remains a valuable tool for analysing public sector reform due to its emphasis on performance-based management, decentralization, efficiency, and accountability. These principles intersect significantly with key HRM functions, including recruitment, retention, performance management, and workforce development. NPM in HRM suggests public sector institutions can enhance recruitment, retention, remuneration, and performance management by using strategic workforce planning and incentives from the private sector. Countries such as the United States, the United Kingdom, and Singapore have adopted business principles to promote positive transformations in public administration (Bach & Bordogna, 2011). These countries have experienced favourable advancements in leadership development, performance-based pay, and talent management. Like

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a guest following the homeowner's lead, South Africa also implemented NPM. But the process has been slow, inconsistent, and has raised questions about its actual influence on public sector HRM. This sluggish adoption is critical. South Africa's public sector continues to face persistent HRM challenges, including poor workforce planning, high staff turnover, ineffective performance management systems, and low employee morale (Shabane, 2017; Mokoena et al., 2022).

The NPM's slow implementation in South Africa leaves us uncertain about its impact on public sector HRM. This is because most of the literature has explored HRM in both public and private sectors, but fewer studies have focused on South Africa. This indicates a need for literature in this area that specifically focuses on South Africa. This gap needs to be addressed to gain an understanding of how successful business-sector HRM strategies can be adapted to enhance public-sector efficiency, as past studies lack this focus, especially within the field of public administration. This gap suggests a pressing need for scholarly inquiry that not only critiques the applicability of NPM in South Africa but also explores how global HRM innovations grounded in NPM can be tailored to improve public sector outcomes locally.

Before delving into the paper, it is important to indicate the role of HRM in both the business and public sectors. Based on the idea proposed by Omar (2021), HRM is recognized as a critical function for enhancing employee performance and achieving organizational success. Authors such as Al-Khaled and Fenn (2020) suggest that HRM is at the core of every organization. In our current paper, we propose a new perspective, likening the role of HRM to an engine in a car, as a car cannot function without its engine. Similarly, in the public sector, without HRM, particularly its employees, services cannot be provided to the citizens of South Africa.

It is wise to remind one another that the public sector in South Africa is the backbone of socio-economic development, playing a crucial role in providing essential services to citizens. This makes HRM important because it directly affects the results of service delivery and the well-being of citizens. This is supported by the 1997 White Paper on Human Resource Management in Public Service, which forms the basis for South Africa's HRM policy and sets out the strategic framework for improving human resources practices in the public sector. Mamokhere (2018) suggests that HRM is a strategic approach to recruiting, developing, managing, and optimizing an organization's workforce, thereby achieving organizational objectives and enhancing employee performance. Additionally, employees must strive to achieve the organizational goals. This applies to both business and public administration.

This illustrates the importance of employees in both sectors. This is also supported by some scholars who believe that employees are the main drivers of organizational performance and success (Bayraktar & Şencan, 2017; Lee & Kim, 2017). This is additionally substantiated by the State of the Nation Address (SONA) of 2023, which states that public officials, as employees, carry out their tasks in relative anonymity and serve the people of South Africa diligently (State of the Nation Address, 2023). This idea is further emphasized by Nkgapele and Mofokeng (2023), who assert that a competent workforce is essential for public administration to deliver services to the people. This is because the efficiency of the public sector largely depends on the HRM system that governs how employees are recruited, paid, developed, motivated, and retained. However, the public sector in South Africa faces numerous HR challenges, including inadequate workforce planning, high turnover, limited opportunities for employee development, ineffective performance management systems, and low employee morale (Dzansi, 2014; Bwowe, 2015; Mphaphuli, 2022; Vareta, 2022; Thusi & Chauke, 2023). These issues are prominent in key areas, such as healthcare and information technology (Nkgapele, 2024). These issues contribute to the inefficiency that characterizes most public sector operations in the country.

It should be noted that if these challenges are not addressed, they could hinder the sector's ability to fulfil its duties of service delivery and contribute to national progress. When examining

the private sector, issues in areas such as leadership, talent acquisition, retention, compensation, performance management, and employee development are addressed. [Blom et al. \(2020\)](#) believe that this is because the objectives of the public and business sectors vary. Although many of the HRM challenges facing them are similar, the private sector has demonstrated its ability to solve these problems. The paper builds on this work by exploring specific HRM practices from the business sector, such as leadership, talent acquisition, retention, remuneration, performance management, and employee development, and assessing how they can be effectively adapted to meet the needs of the South African public sector. Therefore, this paper addresses the following questions:

1. How can business-sector HRM practices, such as leadership, talent acquisition, retention, remuneration, performance management, and employee development, be effectively adapted to the South African public sector?
2. What are the successful HRM practices in businesses that can be used as a model for improvement in the public sector?
3. How can successful HRM practices from businesses be adapted to the public sector context in South Africa?

LITERATURE REVIEW

Conceptualizing Human Resource Management in the Public and Private Sectors

[Simpkins \(2005\)](#) stated that HRM holds an important role in both the public and private sectors. Its role is often compared to that of a heart in the human body, emphasizing the notion that a human body cannot operate without its heart. The same applies to HRM within institutions. Although HRM is important, its application and strategic priorities differ significantly between the private and public sectors. Firstly, [Kim \(2008\)](#) believes that in the public sector, HRM ensures the delivery of public services by attracting, developing, and retaining a skilled workforce. In the private sector, HRM focuses on recruiting, nurturing, and maintaining a skilled workforce to achieve the organization's profitability. HRM extends beyond simply hiring, cultivating, and retaining a talented workforce; it also guarantees that this workforce is compensated, trained, and supported appropriately to achieve the institution's performance goals. In the private sector, these goals center on maximizing profits ([Jakob, 2017](#)), whereas in the public sector, the focus is on providing public services ([Mfene, 2009](#)).

Theoretical Framework

New Public Management

While there are many theories used to understand HRM and business practices in the public sector, this paper draws on the New Public Management (NPM) theory, as proposed by Hood (1991), to explore how the adoption of business practices and principles can enhance HRM in the public sector of South Africa. This theory is consistent with historical viewpoints, notably those of Woodrow Wilson and Frank Goodnow, who contended that government operations should mirror the efficiency and accountability found in businesses. In his influential essay, "The Study of Administration", emphasized the distinction between politics and administration, advocating for a professional and merit-based public service ([Wilson, 1887](#)). His perspective aligns with the New Public Management's advocacy for performance-oriented HRM, where hiring, advancement, and pay are based on skills rather than political influence. Likewise, Frank Goodnow's separation of politics from administration underscores the importance of an organized and effective bureaucracy, one that is free from improper political intervention. This concept clearly endorses current NPM changes that aim to professionalize human resource management by integrating business-like practices such as performance evaluations, strategic

workforce management, and promotions based on competence.

In this paper, the theory of NPM explains how business practices, such as performance management, incentive systems, and organizational restructuring, can be adapted and implemented in the public sector to improve efficiency, effectiveness, and service delivery (Fatile, 2014; Cameron, 2021). According to prior studies, there is evidence that the adoption of business principles, such as performance management systems, has led to improvements in service delivery and efficiency in the public sector (Indahsari & Raharja, 2020; Tyokwe & Naicker, 2021; Mofolo & Novukela, 2024). This demonstrates that NPM, as a theory, emphasizes efficiency, effectiveness, and customer orientation as its key pillars, which can be achieved through business principles such as performance management. This illustrates that the NPM theoretical perspective is relevant to understanding how business practices can enhance HRM in the South African public sector. According to the NPM, applying business principles such as performance management, accountability, and results-based management in the public sector can lead to increased efficiency and effectiveness (Indahsari & Raharja, 2020). The NPM is centred around the idea that public sector establishments should operate more like businesses, focusing on efficiency, cost-effectiveness, and customer satisfaction. This is supported by the findings of Lapuente and Van de Walle (2020) and Tyokwe and Naicker (2021), who argue that the NPM advocates for the introduction of market-like mechanisms, such as performance-based pay, accountability measures, and decentralization, to improve public sector service delivery.

In reiterating efficiency as a core pillar of NPM, the theory emphasizes that public sector establishments should be focused on achieving maximum output with minimal input. The focus on efficiency aligns with the public sector's role as a service provider, which should deliver high-quality services at a low cost to taxpayers (Lapuente & Van de Walle, 2020). This is exemplified by the successful implementation of E-government in South African governmental establishments, such as Home Affairs, SARS, and other departments, which have improved efficiency and service delivery (Nkgapele, 2024). Molobela (2023), Nkgapele (2024), and Mofokeng et al. (2025) found that e-government services allow citizens to access government services online, such as passport renewal or tax filing. This reduces the need for face-to-face interactions and bureaucratic processes. Altogether, this makes implementing business principles seamless whilst improving the efficiency, effectiveness, and performance of employees in the public sector, ultimately enhancing customer satisfaction and service delivery. This theoretical viewpoint indicates that public sector establishments can be restructured and managed in ways that bear resemblance to the private sector, with a specific focus on improving customer satisfaction and efficiency. Molobela (2023) observed that by adopting a more business-like approach, the South African public sector could become more responsive to the needs of citizens, enhance service delivery, and reduce waste. This aligns with the core objectives of the NPM, which aim to promote customer satisfaction, efficiency, and cost-effectiveness. Altogether, this suggests that adopting a more business-oriented approach in the South African public sector could improve service delivery, reduce inefficiencies, and foster a more responsive and accountable culture.

Empirical Literature Review

Mamokhere's (2018) study shows that HRM is an important function in both public and private sectors, as it involves managing people to achieve the goals of the organization. In the business sector, HRM is often aligned with business objectives through practices such as workforce planning, performance-based management, and continuous employee development. Anwar and Abdullah (2021) state that strategic HRM plays a crucial role in aligning organizational Human Resources (HR) with long-term objectives, leading to improved performance. This alignment is well-documented in business literature, demonstrating how the business sector utilizes HRM to

gain a competitive advantage (Kramar, 2014; Boon et al., 2018; Hamadamin & Atan, 2019). However, these principles are not consistently applied in the public sector, where the focus is more on compliance and policy implementation than on performance and strategy. This can be demonstrated by current HR-related challenges, such as difficulties in recruiting, nurturing, and retaining the workforce in the public sector (Davis & Frolova, 2016; Chilunjika et al., 2022). These challenges are common at all levels of the government. Common reasons for these challenges are issues such as the public sector's remuneration being low (Manyaka & Nkuna, 2014) compared to the private sector (Kock & Burke, 2008), poor leadership (Mbandlwa et al., 2020), and lack of career advancement opportunities (Ogony & Majola, 2018).

These issues often affect serious sectors of the country, such as healthcare (Thusi & Nkgapele, 2024) and the ICT sector (Nkgapele, 2024). In addition to the above conundrums, the public sector's HRM often encounters challenges related to bureaucracy, political influence, and resource constraints (Mkhize et al., 2021; Dlamini et al., 2021). Moreover, according to a paper authored by Muzanenhemo et al. (2023) in South Africa, the public sector HRM is suffering from rigid structures, inefficiency, and a lack of strategic workforce planning, which seriously hampers service delivery. Fernandez and Rainey (2017) also found that public sector establishments often fail to implement effective performance management systems, resulting in low employee motivation and suboptimal service outcomes. These challenges necessitate a reevaluation of public sector HRM practices, prompting the question of whether incorporating business principles into public HRM could provide solutions to existing conundrums.

The adaptation of business management principles to the HRM context of the public sector has been a growing topic of interest in recent years. Earlier research has shown that public-sector establishments can benefit from adopting business sector management practices, particularly in areas such as performance management, accountability, and leadership development (Félício et al., 2021). Introducing results-based management and fostering a culture of continuous improvement enable public establishments to become more efficient and responsive. Nistor et al. (2017) support this idea, arguing that performance management frameworks commonly used in the business sector can enhance transparency and accountability in the public sector if appropriate adaptations are made. However, the literature also stresses the importance of contextualizing these business principles to adapt to the unique environment of the public sector. Blom et al. (2020) warned that, although business sector practices may be beneficial, they should be modified to account for different objectives, stakeholder pressure, and regulatory constraints of public sector establishments. Overall, the literature suggests that although the public sector faces unique HRM challenges, the adoption and adaptation of business management principles have significant potential to improve the public sector. It is for this reason that the paper examines the applicability of business sector principles in enhancing HRM practices within the public sector in South Africa.

RESEARCH METHOD

The paper employed a qualitative methodology, specifically document analysis, to investigate the application of business management principles in improving HRM in the South African public sector. This was done through the use of secondary data. The decision to use secondary data in place of primary data was influenced by its broad scope, which allows for a thorough exploration of HRM practices in both the business and public sectors, without the limitations of time and resources. Moreover, it drew from dependable published studies, policy documents, and governmental reports. The research design was descriptive and exploratory, to analyse existing data and generate insights into the application of business principles to improve HRM in the public sector. As proposed by Donkoh and Mensah (2023), data triangulation involves

utilizing multiple complementary data sources to explore a phenomenon. In line with the above, the data triangulation in the paper was achieved through the synthesis of multiple secondary sources, rather than employing multiple data collection methods. The paper incorporated information from journal articles, policy briefs, government reports, and online newspaper sources that aligned with the research objectives of the paper. Priority was given to peer-reviewed journal articles due to their rigorous scholarly validation. At the same time, government reports were evaluated based on their authorship, publication body, and alignment with recognized HRM policies. These data were derived from accredited and peer-reviewed academic databases, including Google Scholar, JSTOR, ScienceDirect, and institutional repositories. Key search terms used to find the data were "business HRM best practices in public administration," "HRM public sector South Africa," "talent retention in public service," and "leadership in business and public administration." As previously stated, the paper did not involve collecting primary data, such as surveys and interviews, but instead focused on synthesizing information from secondary sources to:

1. To examine how business-sector HRM practices, including leadership, talent acquisition, retention, remuneration, performance management, and employee development, can be effectively adapted to the South African public sector.
2. Examine successful HRM practices in the businesses.
3. Analyse how successful businesses' HRM practices can be adapted to the public sector context in South Africa.

The selected sources were widely published on the application of business principles to enhance HRM in the public sector. The sources chosen for the paper were those published between 2016 and 2025, excluding any publications released before 2016. The reason for the above was to incorporate thorough and current information that matched the paper's goals. Moreover, the criteria for inclusion and exclusion were based on language, with only sources in English being considered and those in other languages being excluded. The paper also included official reports by government agencies in South Africa and investigations into HRM-related policies to understand the current status of HRM in the public sector and identify key areas of concern. The secondary sources collected were analysed using thematic content analysis to identify the themes, concepts, and practices that are consistent in both the public and business sectors of HRM. The study utilised thematic content analysis as outlined by [Braun and Clarke \(2006\)](#). This involved six structured steps:

1. Familiarisation with the data
2. Initial coding
3. Searching for themes
4. Reviewing themes
5. Defining and naming themes
6. Producing the final report

After an initial review of the selected documents, a coding strategy was applied, utilizing both deductive codes based on existing literature (e.g., leadership, performance-based management, decentralization, talent retention) and inductive codes that emerged during analysis (e.g., workforce morale, implementation barriers). Codes were grouped into broader categories and themes that reflected the convergence or divergence of HRM practices between the public and business sectors. The analysis was conducted manually to ensure engagement with the texts and reduce reliance on automated software. Coding decisions were recorded and reviewed for

consistency. Data triangulation was achieved by utilizing various sources, including peer-reviewed articles, policy papers, and credible media, to enrich interpretation and minimize bias. This method, as supported by [Donkoh and Mensah \(2023\)](#), enhances research depth and credibility by validating findings across different literature types. Trustworthiness of the research was ensured through several strategies. Credibility was enhanced by prioritising peer-reviewed and government-authored sources, ensuring data reliability and alignment with the research objectives. Dependability was maintained through an audit trail that documented the inclusion and exclusion criteria, coding process, and thematic development.

FINDINGS AND DISCUSSION

Theme 1: Talent Acquisition

According to [Mtshali et al. \(2018\)](#), South Africa's public sector is facing major challenges, with one of the most significant being the attraction of top talent, especially in the competitive labour market, where the business sector often provides attractive incentives. This is even though talent serves as a solution to the main issues of unemployment, inequality, and poverty, which are recognized internationally by the Sustainable Development Goals and locally by the National Development Plan ([Mlambo et al., 2022](#)). The government's talent acquisition in the public sector creates job opportunities for South Africans, thereby indirectly reducing unemployment. It is worth noting that when unemployment decreases, poverty tends to diminish as well. Moreover, this helps reduce inequality because remunerating this talent narrows the income gap between the wealthy and the less fortunate, ensuring fair income distribution.

Furthermore, when the majority of citizens are employed, the government can collect taxes as revenue to support initiatives like SASSA grants aimed at bridging the gap between the rich and the poor. Thus, it is essential to examine how the private sector acquires its talent; the government could learn a great deal from this sector and enhance its public HRM. Comparing the public sector with the business sector, businesses adopt strategic talent acquisition practices, such as targeted recruitment, employer branding, and leveraging technology to identify and attract the best candidates ([Gilch & Sieweke, 2021](#)). The public sector has also employed technological methods of e-recruitment, but not in all its establishments ([Nkgapele, 2024](#)). This is due to the challenges of leveraging technology to locate top talent, especially in critical sectors such as Information and Communication Technology (ICT) and Healthcare ([Nkgapele, 2024](#)). This shows a demand for the adoption of business principles, as the public sector can improve its recruitment process. It is worth noting that in South Africa, the recruitment process in the public sector is often hindered by bureaucratic procedures and lengthy recruitment periods, making it difficult to compete with the business sector ([Løkke et al., 2023](#)). Therefore, strategies such as utilizing more agile recruitment methods in the business world, including online platforms, competency-based assessments, and proactive recruiting, can significantly enhance the public sector's ability to attract skilled professionals. Employing the aforementioned strategies in the public sector requires the public sector to invest more money in ICT infrastructure and digital literacy training programs for the people of South Africa, ensuring that digital recruitment is fully accessible to them. In the public sector, this would translate into the successful delivery of services to the people of South Africa, addressing problems such as unemployment, poverty, and inequality.

Theme 2: Talent Retention

Once a talent is acquired, its preservation becomes an essential aspect of HRM. Within the business sector, this is typically achieved by creating an environment where employees feel valued and have opportunities for career advancement, thereby promoting long-term retention. Prior academic papers demonstrate that the business sector is consistently recognized for its success in

retaining staff for extended periods (Bilan et al., 2020). In contrast, South Africa's public sector is faced with high turnover due to a lack of motivation, limited career opportunities, and a rigid organizational culture (Nxumalo et al., 2018; Lee & Van der Walddt, 2020; Nkhumise, 2021). High levels of turnover reveal the weaknesses of the current retention strategies employed in the South African public sector. In response to this issue, the Public Service Commission (2017) suggested that the public sector must focus on promoting clear career paths and developing opportunities for its employees to reduce turnover.

Nevertheless, the public sector is currently facing turnover issues (Ndatshe et al., 2024), which impact its ability to deliver basic services to the people of South Africa. Consequently, this situation has led to ongoing strikes by South Africans demanding improved service delivery. Recognizing the challenges of turnover and the failure to retain talent, the public sector must adopt business principles, including professional development programs, mentorship opportunities, and a clear performance management system.

Theme 3: Talent Remuneration

Akunda et al. (2018) advise that competitive remuneration is one of the most effective tools used by the business sector to attract and keep top talent. While business sector wages are often higher, they also emphasize the significance of performance-based wages, bonuses, and non-monetary benefits such as flexible working conditions and wellness programmes. On the other hand, South African public sector budgetary constraints often make it difficult to provide competitive remuneration (Madingwane et al., 2023). The public sector can learn from the business sector by offering more flexible and performance-based compensation structures. Although base wages may not always align with business sector wages, the introduction of performance bonuses, high-performance recognition, and non-monetary incentives can help bridge this gap. Thus, under the principles used in business, offering competitive compensation packages that take into account both financial and non-financial benefits would make the public sector more attractive to top talent. This approach can also lead to improved performance, as employees are motivated by the prospect of both personal and professional rewards. Effective talent performance in the public sector ensures the delivery of services to the people of South Africa.

Theme 4: Leadership and Management

Sebola (2024) asserts that leadership and management are recognized as fundamental competencies for the success of institutions. Yet, they are often overlooked in the governance structures of public sector institutions, particularly in some African nations. These competencies are at the heart of the business sector's success, but their integration into the public sector remains inconsistent and often neglected. Leadership plays a critical role in shaping the success of HRM practices (Amoako et al., 2022), particularly in the public sector, where the complexities of governance and service delivery are intertwined. This implies that strong and adaptive leadership is essential for overcoming the challenges that hinder effective HRM in South Africa's public sector. Leaders in the public sector must navigate bureaucratic structures, manage political pressures, and implement HR reforms to enhance efficiency and service delivery (Ricucci et al., 2019).

However, this highlights a significant gap in the development of public sector leaders, many of whom lack the skills and strategic vision needed to implement transformational HRM practices. This gap significantly hampers the sector's ability to adopt innovative HR strategies, as the business sector has seen. In the business sector, leaders are often focused on achieving measurable results and play a strategic role in ensuring organizational performance through effective HRM practices. Studies show that business sector leaders have prioritized employees' involvement, performance management, and continuous professional development to promote

high-performance workforces (Zyl et al., 2017).

This demonstrates that public sector leaders can benefit from adopting these business leadership principles. For example, leadership models that emphasize agility, accountability, and results-based management can help public sector leaders manage their workforce more effectively. Leaders who are adaptable and focused on outcomes are better positioned to introduce performance-based incentives and promote a culture of responsibility, both of which are crucial for enhancing HRM in the public sector. One of the significant challenges in public sector leadership is the lack of alignment between leadership objectives and HRM objectives (Knies & Leisink, 2018).

Many leaders in the public sector tend to focus more on compliance with regulations and political mandates than on employee development and performance management. This misalignment limits the potential of HRM practices to make a significant contribution to improving service delivery. This suggests that, through a more strategic leadership approach, public sector leaders can integrate HR objectives with broader organizational objectives, driving more effective HR practices (Armstrong & Taylor, 2023). For example, leaders committed to talent management and succession planning can help build more capable and motivated workforces, which in turn lead to better outcomes in service delivery. Hussein (2024) found that in the public sector, targeted leadership training programs were needed, particularly programs focused on strategic thinking, change management, and people management skills.

Unlike the business sector, leadership development in the public sector is often a continuous process, and leaders are not continuously trained in modern leadership and equipped to address the dynamic nature of HRM challenges. Therefore, leadership development programs, especially those based on the business sector's experience, could significantly enhance the ability of public sector leaders to implement innovative HR strategies (Gullmark, 2021).

Theme 5: Performance Management and Employee Development

The key challenges in the current performance management and staff development of South Africa's public sector are that they do not typically adopt a strategic approach, unlike the business sector. Public sector institutions often rely on outdated performance assessment systems, which focus more on compliance than on effective performance improvement or employee development (Bokwana, 2019). This leads to a culture in which performance assessments are viewed as formalities and lack fundamental objectives to improve productivity, accountability, and service delivery (Mlambo et al., 2022). In the business sector, performance management tends to focus on objectives and results, with systems in place to reward high performers and hold employees accountable for poor performance (Zyl et al., 2017). The adaptation of performance management practices in the business sector, such as the direct connection of individual performance with organizational goals and the introduction of more frequent data-driven reviews, could enhance HRM in the public sector.

The public sector currently lacks mechanisms to reward top performers or address consistently poor performance (Bach & Kessler, 2021). The introduction of incentive-based performance systems where recognition and advancement are linked to tangible achievements could motivate employees to improve productivity. Furthermore, the public sector managers often lack the skills and tools required for meaningful performance assessment (Thusi, 2023). Training public sector managers in modern performance management techniques, such as continuous feedback and coaching, will enable them to more effectively monitor and improve employee performance throughout the year, rather than relying solely on annual reviews. Regarding employee development, a gap exists between the current training programs in the public sector and the actual skills required to enhance service delivery. Public sector employee development

programs are often generic, focusing on compliance and regulatory training rather than developing skills that directly contribute to organizational effectiveness (Semete-Makokotlela et al., 2022). Unlike the business sector, which prioritizes continuous learning and professional development, the development of the public sector tends to be reactive rather than proactive.

This suggests that adopting business principles, such as strategic workforce planning, which involves forecasting future skills needs and aligning development initiatives with long-term organizational goals, could significantly enhance the development of public sector talent. A more specialized approach to employee development would help to build the capabilities necessary to meet the evolving needs of the public service. Gyensare et al. (2017) note that another significant finding is the absence of a clear career development path in the public sector, which contributes to employee disengagement and turnover. On the other hand, business sector organizations often use succession planning and career development programs to retain talent and prepare future leaders (Bano et al., 2022). This paper, based on these findings, recommends that the public sector HR departments develop personalized development plans for employees, including personalized training, mentoring, and clear career pathways. This initiative will not only aid in retaining high-level talent but also ensure the continuous growth and development of talent's skills necessary to support the establishment's success.

Veile et al. (2022) alluded that business sector establishments are increasingly turning to digital platforms and data analysis to track employee performance and personalize development programs. These tools provide in-depth insight into employee progress in real-time, enabling the identification of areas for improvement. The implementation of similar systems in the public sector could increase efficiency, reduce administrative burdens, and enhance the supervision of employees' performance and development efforts. To summarize, these findings suggest that the public sector's performance management and employee development system requires reform and that many lessons can be learned from the business sector's practices. The public sector can create more dynamic and effective employees through results-oriented performance management, continuous development programmes, and technologies. These reforms will not only enhance the delivery of services but also cultivate a more motivated and engaged workforce in the public sector. It can be concluded that aligning performance management and employee development with public sector objectives is essential for driving long-term improvement in public sector HRM.

CONCLUSIONS

The findings of this study support and extend NPM theory by demonstrating how business principles, when appropriately adapted, can address HRM challenges in the South African public sector. The study confirms that applying business-sector HRM strategies can help resolve leadership shortcomings, talent acquisition and retention issues, remuneration constraints, employee development gaps, and ineffective performance management. These improvements could enhance the efficiency and effectiveness of public service delivery, aligning with the constitutional mandate of the 1996 Constitution of the Republic of South Africa. While previous studies on NPM theory have shown the need for public sector reforms through private-sector-inspired efficiency models, this study extends these discussions by offering practical adaptations of business HRM strategies to the public sector's unique operational context. Unlike traditional NPM applications, which sometimes face criticism for prioritizing market-driven approaches over public service values, this study demonstrates that customized business strategies can complement public sector goals without undermining service-oriented principles.

Recommendations

To enhance HRM in South Africa's public sector, this paper suggests actionable strategies inspired by successful business practices. Firstly, the Department of Public Service and Administration (DPSA) and HR managers should introduce centralized digital recruitment platforms with AI tracking to streamline hiring and reduce delays, especially by improving infrastructure in under-resourced areas. Secondly, government communication units should collaborate with HR to establish a robust public employer brand, attracting high-quality candidates through a campaign centered on purpose-driven work and job security. HR and policymakers must establish clear career progression pathways that include mentorship and training, focusing promotions on performance and skills rather than tenure. To retain staff, the National Treasury and DPSA should offer flexible compensation packages, including remote work arrangements and bonuses. These incentives should be tied to transparent KPIs and regular reviews. Non-monetary benefits, such as recognition programs and wellness initiatives, are also vital. Managers should foster employee engagement through surveys, involvement in decision-making process, and town hall meetings, while providing training in leadership and emotional intelligence to support cultural change. These strategies aim to boost talent attraction, retention, and performance, ultimately enhancing public service delivery and trust in government.

LIMITATION & FURTHER RESEARCH

This paper aims to provide an understanding of how business principles can be applied to enhance HRM practices in the South African public sector. The paper has limitations, as it relies solely on secondary data, lacking the experiences and perceptions of public sector employees and HR practitioners. We, as the authors, believe that future research should incorporate primary data collection through interviews and surveys to gain a deeper understanding of the adoption of business-sector HRM strategies in the public sector. Thus, future studies can focus on a comparative analysis of talent acquisition and management practices between public and private sector enterprises; an exploration of the integration of business principles into public sector human resource management through the lens of New Public Management, assessing its current status and progress; and an in-depth study on how business-sector HRM strategies can be effectively adapted and integrated into South Africa's public sector by comparing selected public and private sector institutions.

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