Digitization and service delivery in the South African Post Office: A case study focusing in the Limpopo and Mpumalanga Province

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Abstract
This article argues that digitization of services is increasingly becoming an international phenomenon. As a case in point, the South African Post Office by its very nature and as part of the global institution requires a serious conversion from traditional service provision to digital and electronic services provision. This article is based on the study that was conducted in the South African Post Office in the Limpopo and Mpumalanga Province. From the South African Post Office perspective, Limpopo and Mpumalanga Provinces are referred to as North Region. The primary objective of the study was to investigate the implications of digitization on service delivery in the South African Post Office, focusing in the Limpopo and Mpumalanga Provinces (North Region). The study found that service delivery is adversely affected due to non-digitization of postal services. The study recommended interventions that can be employed to improve postal service delivery. The research method employed in the study was of both quantitative and qualitative method. The majority of the respondents strongly agreed that digitization of postal services could improve service delivery and brings more income and service improvement to clients. The article concludes by providing suggestions towards improving service delivery in the South African Post Office by digitizing postal services.

Introduction
This article investigated the relationship between digitization and service delivery in the South African Post Office focusing in North Region. The South African Post Office is indisputably one of the poor performing State Owned Enterprise in the country facing sustainability challenges. The entity is experiencing a serious decline in mail volumes and a drop in profit margins which adversely affect service delivery objectives (South African Post Office Annual Report, 2020).

This article explores the nexus between digitization of the entity and service delivery with the intention to improve its service delivery objectives. A serious decline in mail volumes and low profit margins had forced the entity to reconsider digitization of postal services as an option to improve service delivery within this polity. The South African Post Office is an important institution of the government which serves as an extension of government by making sure that government services reach the citizens of the Republic of South Africa.

The study sought to investigate if the South African Post Office’s digital strategies are executed comprehensively to improve postal services beneficial to all its internal and external customers. South African Post Office internal customers comprise employees, union representatives and the Government as the major shareholder of this entity. External customers inter alia include ICASA, SASSA and normal customers.
The study used primary and secondary data to arrive at the findings. In the article, it is recommended that the South African Post Office should invest in sustainable technology to meet its service delivery objectives and improving unfavourable profit base by implementing effective digital strategies as tools of turning the South African Post Office around.

The paper concludes by providing specific suggestions to improve the South African Post Office profit margins, mail volumes and service delivery as required by the Universal Postal Union. The article also contributes to the body of knowledge in the field of Public Administration.

**Literature Review**

**Theoretical and Conceptual Background**

**Challenges Facing South African Post Office**

The South African post office faces numerous challenges, including and not limited to the following: electronic substitution, growing market competition, ageing infrastructure, Acts of Crime, Telecommunications and Postal Services (2015:14). Digital and online transactions are beneficial as they could transact with the Post Office and not physically visit the branch for a service. It is in this context that E-governance becomes relevant and appropriate in these modern times. Department of Telecommunications and Postal Services (2015:64) referred to E-government as the government’s use of ICT and its application for the delivery of public services and information to the public. Maleka (2016:167) argued that by giving citizens alternate channels for receiving information and services and interacting with government, e-government could empower individual citizens.

Modern society needs to keep abreast with the latest trends in technology for government to fulfil its developmental objective (Maleka, 2016:165). Nel et al., (2004:421) acknowledged that online or electronic learning was essential for integrating the entire population into the new techno-cultural system and that public officials needed to be educated and prepared to support electronic government projects (Eposi, 2021:52). Therefore, electronic substitution places a huge task to the South African Post Office especially to Human Resource Division to analyse the skills and knowledge of each within the organisation with the intention of assessing developmental areas and to improve technological skills and knowledge of their employees. This implies that the Post Office should focus on electronic business (e-business) to improve its profit margins. According to the South African Post Office Annual Report (2020:26), the SA Post Office recognised e-commerce as one of the new revenue channels as part of the readiness programme. It is against this background that electronic substitution is seen as one of the necessary tool that the South African Post Office could utilise to improve service delivery and profit margins.

**Growing Market Competition**

Edwards (2019:1) affirmed that the overall economic policy of the federal government is to promote free and open competition in the market. This implies that big postal economies such as the United States Postal Service are opening their doors to competition in the postal market. This competition ushers in new technology to universal postal administrators to become competitive in the postal market. It could be argued that the universal economy is depended on information technology hence Xiphu (2014:2) postulated that it is now crucial for post offices to set themselves apart from the competition by introducing fresh services that take into account changing customers’ needs.

Growing postal market will be accomplished by taking into account contemporary methods of providing IT services and changing the IT environment to stay current with trends (South African Post Office Annual Report, 2014: 7).Department of Telecommunications and Postal Services (2015:128) claimed that South Africa might position itself to take advantage of the potential market expansion in order to increase its international relevance and serve as a major provider to the continent of Africa. It is for this reason that South African Post Office should welcome the inevitable technological reform so as to be competitive in the growing market economy. The South African Post Office should take advantage of the vast footprint of postal branches spread around the country to be competitive in the growing market.

**Ageing infrastructure**

Hintsa et al., (2010:11) posited that a predetermined programme of inspection and repair should be used to maintain the structures' integrity. Makhaye (2021:37) argued that the facilities and infrastructure of institutions were also important contributors to the rate of crime as well as how people viewed their vulnerability to victimisation. The South African Post Office is dedicated to enhancing the physical and network infrastructure of this polity (South African Post Office Corporate plan, 2021:63). By implication, it means that the South African Post Office should focus on improving its network infrastructure and the physical to allow the entity to perform more transactions within a short space of time. Performing more transactions in a short space of time will positively contributes to
high profit margins and an improvement on service delivery in a secured environment. South African Post Office Annual Report (2020:25) confirmed that the programme for property infrastructure upkeep and investment had failed to produce results; and the actual expenditure of about R4.89 million, compared to a target of R500 million, was significantly below target and only achieved 0.98 percent of the goal. This narrative portrays the aspect of always investing on infrastructure to save on unnecessary expenditures.

South African Post Office Corporate Plan (2021:34) affirmed that infrastructure of the South African Post Office was a key asset for service delivery and financial sustainability, and the parts of this infrastructure should function effectively to maximise customer value and assure market competitiveness. Barret et al., in Eposi (2021:124) affirmed that the quality, speed, and penetration of electronic communications systems increased along with telecommunications, making them a more potent replacement for physical letters and, in some circumstances, posing a challenge to established revenue sources.

Acts of Crime

Hintsa et al., (2010:9) affirmed that postal crime particularly cyber-crime remained an ongoing challenge and had been recognised by the South African Post Office as one of the highest threats to the postal banking system. South African Post Office Annual Report (2020: 27) confirmed that losses from armed robberies and commercial burglaries grew by R9 338 560, 77 (19%) in 2019–2020, going from R40 157 073, 12, to R49 495 633, 89 and, in the 2019–2020 fiscal year, 587 armed robberies and commercial burglaries targeted SA Post Office branches, resulting in a recorded loss of R42 256 990,66.

Cokayne (2022) affirmed that the South African Post Office had contributed to more than three billion losses to the fiscus, resulting from the fraudulent issue of vehicle licensing discs. The above numbers show the adverse impact of crime on many corporations and in the State Owned Enterprises such as the South African Post Office. According to PPLRSA (2004:78), the Post Office should eliminate costs and losses due to crime. According to Mojapelo and Faku (2019:55), the South African public service was negatively impacted by dishonest behaviour, racketeering, money laundering, corruption, and other criminal actions in the public and private sector. The South African Post Office have a crime buster hotline, which is managed by “KPMG” where employees, employers, stakeholders or interest groups can report illegal activities taking place within the South African Post Office. SAPO Group Whistleblowing Policy (2017-10-11) prescribed that the Office of the General Manager Security and Investigations Services shall on receipt of a reported disclosure, ensure amongst others that:

i. Receipt of such a disclosure is acknowledged within 24 hours upon receipt.

ii. Such a disclosure is formally registered as an incident of the Company’s incident Management System.

iii. An investigation, irrespective to whom it is assigned, is duly completed within 21 days by the assigned investigating official and a report is submitted to Security and Investigations by the 21st day; and

iv. The outcome of an investigation is reported to the Ethics Hotline Service provider for feedback to the disclosing reportee.

The ethics hotline provides opportunity for employees and other interested parties who want to report any criminal activity taking place within the Post Office; and offers an option not to divulge the identity of the reporting official. The reporting official will be given a unique number that should be used every time the reportee requires feedback. Sebake and Mudau (2020:493) contended that the act of blowing the whistle could have a remarkable impact on a company, society, and the whistleblower. Although the South African Post Office is faced with many challenges, there could be some advantages to grow this polity and some of the advantages are discussed below:

Advantages of Digitizing Postal Services: A South African Post Office Perspective

The digitization of the South African Post Office presents the following advantages: Digital convenience, crime reduction, improved Service Delivery and re-skilling of Employees.

Digital convenience

The modern way of life and the world we live in place a greater emphasis on technology than on traditional and conventional methods of performing tasks. ICG (2019:131) postulated that one of the biggest trends to mark the new millennium was the technological development that has been occurring almost constantly and in the modern computer driven society the internet made shopping more efficient and convenient. The digital age presents a range of opportunities, and thus a future Post Office must be positioned as a preferred provider for certain digital services (Department of Telecommunications and Postal Services, 2015:15). Pathak (2018:1) confirmed that, in the recent past, the use of information technology (IT), which primarily refers to computers and peripheral equipment, had increased significantly in the service industries. Likewise, Du Toit, Van Niekerk, Van Der Waldt and Doyle in Maleka (2016:166) stated that e-government may be viewed as a way to use digital technology to make it possible for people to access government information and services, including citizens, taxpayers, and tourists (Mukonza, 2014:501-502).

The narrative above implies that customers are no longer physically visiting outlets and standing in long queues to be served, but could transact anywhere and anytime at the comfort of their own space. The introduction of the gadgets such as laptops, cell phones and IPADS had brought convenience to people and offers them with an opportunity to receive services with less effort. Croteau et al., (2012:12) affirmed that the digital revolution had also helped to transform delivery. The Post Office is historically known to be
traditional and conventional in terms of service provision and it is in this context that it should align its operations to meet the current technological development

ICASA Customer Care Standard (2021:7) postulated that the Post Office should implement an electronic system for payment of postal services. Pathak (2018:230) affirmed that e-commerce systems that interfaced with the customer needed to be pragmatic; and the selection and evaluation of internet technology needed to be appropriate to both the company’s needs and the customer’s ability to use the system. Electronic systems for payment of postal services have advantages in the sense that it reduces footprint but maximising profit margins. Pathak (2018:184) emphasised the need for financial institutions using any form of internet banking to have efficient and trustworthy methods for authenticating customers in order to comply with regulations requiring the protection of customer data, the prevention of money laundering, the reduction of fraud, and the promotion of the legal enforceability of their electronic agreements and transactions. Digital transformation focuses on the renewal of existing technologies and launches a new technology that increases productivity, enable revenue diversification and strengthen the organisation’s market competitiveness (South African Post Office Corporate Plan, 2021:25). It is in this context that digitising postal services will positively increases revenue and service delivery.

Crime Reduction
It could be argued that customers utilising postal services are those residing far from the cities and some are deemed to be fragile and illiterate. Postal employees could take advantage of the illiteracy of old and fragile customers and develop bad intentions of defrauding them. Customer fraud suggests that the process for providing good service was compromised, which would have a negative impact on service delivery. It is in this context that Mantzaris in Kgobe (2020:55) argued that unethical conducts were detrimental to sustainable service delivery at the expense of the poor, marginalised and the most defenceless segment of the society. Masenya in Kgobe (2020:55), affirmed that corruption remained settled in the South African public administration, even though it had numerous anti-corruption laws, commissions, and agencies that sought to fight misconduct, looting and utilisation of state resources for self-enrichment.

PBCBC (2013:5) asserted that public servants should serve the public in an unbiased and impartial manner in order to create confidence in the public service. Creating confidence in the public service means that Post Office customers should leave a postal outlet satisfied of the service received from the outlet. A customer should receive their parcel intact with no contents missing. Kgobe (2020:58) indicated that legislations obliged an official to report corruption, fraud, nepotism and maladministration to the appropriate authorities. The South African Post Office Corporate Plan (2021) and South African Post Office SOC Act (2011) showed good intentions by the organisation with the aim of reducing crime and improving service delivery.

Manyaka and Sebola (2013:75) correctly argued that various legislation, policies, and strategies were formulated as an attempt to address the problem of unethical behaviour. This implies that there is a strong link between crime prevention and service delivery in many organisations and strategies are to be employed to eradicate this scourge of crime. Crime is unacceptable and affects the social well-being of individuals and the society at large. Makhaye (2021:27) viewed crime as behaviour that is anti-social in nature and against the norms of the society. It is against this background that if crime is not prevented particularly in the South African Post Office, it can lead to customers loosing trust and loyalty and decide not to trade with the Post Office going forward.

Improved Service Delivery
It is crucial that the South African Post Office should cultivate good ties with its shareholders and government agencies (South African Post Office Annual Report, 2022:46). This strong relationship should be done in the interest of promoting service delivery and taking advantage of vast postal network. It is in this context that Sebashe and Sebola (2014:747) argued that the idea of service delivery was connected to the government's intention to please its clients by offering good and quality service. Service delivery in the postal industry is a constitutional requirement that must be carried out impartially, fairly, and without discrimination (Postal Services Act, 1998). Postal clients do not get satisfaction from an ordinary service but the service should be coupled with efficiency.

Applied to postal context it implies that the postal branches which are a service delivery point, should deliver the best services to customers who would in turn wish to do business with the Post Office again. In order for postal employees to become effective and efficient in providing the best service, Post Office management should provide the necessary skills, resources and continuously strives offering refresher courses and training interventions to their employees.

Re-Skilling of Employees
For employees to perform up to a certain acceptable standard, such employees need to be armed with the necessary skills and knowledge. Training and development of employees becomes a mechanism of ensuring that employees perform to expected levels. Managers should provide learning opportunities as a way of motivating employees to perform better. It is in this context that Erasmus (2013:337) affirmed that learning opportunities could be a strong motivational force since they were critical to individual growth and opportunity; and organisations that invested in the training and development of employees were generally more successful. Amos (2012:406) affirmed that growth and Development are important to people and the company as people need to be highly skilled in order to meet world-class standards.
Nel et al., (2004:423) asserted that skills development constituted the strengthening of the most important vehicle available to the state to achieve its goals for changing the South African society. Visser and Erasmus (2002:313) affirmed that training should always be aimed at the promotion of social equity and serving the public interest and contribute to promoting professionalism. The South African Post Office embarked on skills development programme to enhance the skill sets of the organisation (South African Post Office Corporate Plan, 2021:30). It should be noted that Post Office employees perform many different transactions in a day and each transaction has to be executed within the prescribed Standard Operating Procedures (SOP). Therefore, Post Office employees should be well-conversant with this many SOPs and training becomes an important tool to achieve the desired service delivery goals.

Research Methodology

The study used mixed methods to achieve its objectives. Both qualitative and qualitative methods were used to collect data. Data collection is a critical component in every research. It provides the researcher with information which assists in arriving to a particular finding and draws conclusions. According to Lewis in Ramonyai and Ngwakwe (2017:39), data collection is the way of gathering information from the study sample process and evaluating it in a way that answers the research questions. Postal employees such as Branch Managers, Tellers and Postal assistants completed the questionnaires and Post Office customers were interviewed. Some targeted respondents were interviewed while others were obtained through questioners. In essence, the study used questionnaire and interviews as preferred methods of data collection and the extent of the operationalisation of each method is outlined below:

Questionnaire

A questionnaire is a list of questions that the respondents answer (Bertram and Christiansen, 2014:73). Similarly, Kumar (2011:394) referred to a questionnaire as written lists of questions, the answers to which are recorded by respondents; and in a questionnaire respondent read the questions, interpret what was expected and then wrote down the answers. A five-point likert scale ranging from strongly agree to strongly disagree was used. In this article, a closed-ended questionnaire was used to solicit information from the respondents. A questionnaire was physically distributed to Post Office employees in the North Region to guard against a low response rate.

Interviews

According to Kumar (2011:389), an interview is any face-to-face or other person-to-person conversation between two or more people that has a defined goal in mind. In this article, the researcher carried out an unstructured interview with postal staff and Post Office customers to probe deeper on issues which were not fully covered by questionnaires. The researcher ensured that the interviews were conducted in a suitable environment to encourage full participation by the respondents.

Results and Discussions

The results and discussion in this article are based on the three variables probed, which are digitization, network and infrastructure and crime. The results are presented individually as follows:

Digitization

Literature suggested that the digitization of the Post Office service is likely to improve the service and benefits for both the Post Office and their clientele. In response to whether digitizing postal services improves service delivery in the Post Office, the majority of the respondents (34.45 percent) strongly agreed and (34.45 percent) agreed that digitisation of postal services had the potential to improve service delivery in the Post Office.

![Figure 1: Digitalizing postal services and service delivery](image-url)
It should be noted that there is a tie in the category of “strongly agree” and “agree” which shows a total percentage of 68.9 percent. It can therefore be inferred that postal employee’s particularly front-line employees prefers transacting postal services through electronic means as opposed to the current manual transactions. Only 16.2 of the respondents disagreed, while 15.97 were neutral about the issue. This quantitative data was supported by Tellers and Branch Managers during interviews that if the services of the Post Office are fully digitized, profit margins and service delivery will improve.

**Network and physical Infrastructure**

The ageing infrastructure of the Postal services in South Africa is said to be having an effect on its ability to provide reliable service. The figure below confirms that the majority of the respondents (37.50 percent) strongly disagreed and (32.50 percent) disagreed that Post Office branches network and physical infrastructure are of quality standard to accommodate competitive service delivery. Only a small fraction of 23.33 percent is of the view that the infrastructure is of good quality, while 6.67 percent remain neutral.

This finding is supported by continuous decline of profit margin which could eventually lead to the downfall of this polity. It is in this context that Balkaran (2015:2) posed a question on whether the South African Post Office could improve its financial services and change the financial sector for the better. This finding suggests that management of the South African Post Office should invest in infrastructure development to make branches conducive to trade and to improve service delivery. Post Office employees confirmed during interviews that postal infrastructure which is in a poor state kills their moral and adversely affects service delivery. Employees further affirmed infrastructure development will positively increase their morale, increase profit margins and despondent customers who had withdrawn from the Post Office will return.

**CRIME**

One of the major problems of postal services are crimes committed by employees within their line of duty. According to the responses above, the majority of the respondents (37.50 percent) strongly agreed, and 36.67 percent agreed that mail violation, fraud and theft were prevalent offences in the Post Office. 9.17 percent disagreed, while 5.00 percent strongly disagreed that mail violation, fraud and theft were prevalent offences in the Post Office while, 11.67 percent were undecided. It can be inferred that Post Office management should direct their crime prevention strategies on theft of parcels, mail violation and on financial transactions to eliminate fraud.
Department of Telecommunications and Postal Services (2015:14), affirmed that letter post was declining both in terms of volume as well as a percentage of total revenue generated in the sector. The declining mail volumes could be attributed to theft of mail while drop of revenue could be attributed to fraud and theft. Post Office customers affirmed during interviews that digitizing postal services will drastically reduce opportunities for crime because electronic transactions are easily monitored. That is, online fraud is easily detectable as opposed to fraud committed through a number of manual transactions which makes fraud difficult to detect it.

**Conclusion**

The study confirmed that the South African Post Office is continuously operating at a loss due to manual transactions not relevant to customers anymore. Emanating from the study, there was a serious concern that the postal infrastructure does not meet the acceptable infrastructure standard both network and physical. One of the important tools of improving service delivery in many organizations involves training and development of employees particularly in the digital and technological area. The use of digital technologies is required by South African Post Office to align their employees to technology and the digital world. The study proved that if postal services are digitised and network infrastructure is improved, the entity will be in a better advantage to improve service delivery standard and profit margins will positively be improved. It was also argued that the South African Post Office should focus on electronic business to compete successfully with their counterparts and to grow their postal markets. To achieve service delivery objectives, the South African Post Office should prioritise re-skilling their employees so as to build capacity to deal with new patterns of electronic service provision and to make them relevant in the digital world. It is against this background that the following recommendations were made:

i. Digitizing postal services will assist positively in increasing the profit margins because customers could easily transact with the entity in the comfort of their own space and no need to visit the postal outlet. The digitized system will positively influence revenue growth and make the entity to be back to its financial sustainability.

ii. Most of the branches of the South African Post Office were designed not to carry a lot of cash and was meant to perform most manual transactions. The network infrastructure was then less prioritized however; over a period of time manual transactions increased drastically and necessitated electronic processing. It is against this background that the South African Post Office realized the importance of network infrastructure as relevant in the growing competitive postal market. It is therefore suggested that both physical and network infrastructure of Post Office is improved.

iii. This new trend in technology informs postal managers to train their employees to make them relevant to the current technological environment. Technology further informs Post Office Managers to secure their systems through electronic means to avoid Cyber-crime and other harmful activities to the organization. It is through trained employees that such detrimental elements of technological crime could be avoided.

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