



EMFULENI
LOCAL MUNICIPALITY

Vaal River City, the Cradle of Human Rights

Human Resources Management
And
Development Strategy
2017- 2020

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PART A



INTRODUCTION AND MUNICIPAL OVERVIEW

PART A

INTRODUCTION AND MUNICIPAL OVERVIEW

INTRODUCTION

The development of the three year Human Resources Management and Development Strategy represents yet another milestone in the continuing efforts of Emfuleni Local Municipality, to enhance performance and service delivery of public service to the residents. Local Government is expected to deliver services in an effective, efficient and economic manner. To achieve these, Emfuleni Local Municipality (ELM) requires public servants who are dedicated, capable and able to exercise greater care for the needs of the community.

Accordingly, the development of the Human Resources Management and Development Strategy (HRM and DS) is vital for the Municipality to enable it to actualize its constitutional mandate to;

- (a) Provide a democratic and accountable government for local communities.
- (b) Ensure the provision of services to communities in a sustainable way.
- (c) Promote social and economic development.
- (d) Promote a safe and healthy environment.
- (e) Encourage the involvement of communities and community organisations in the matters of local government.

The overall purpose of Emfuleni Local Municipality HRM and DS is to:

- Ensure adequate Human Capital that meets the strategic goals and operational plans of ELM - the right people with the right skills at the right time and place;
- Keep up with social, economic, legislative and technological trends that impact on human resources in our area and in the Local Government Sector;

- Remain flexible so that ELM can manage change, if the future is different than anticipated

This HRM and DS predicts the future HR management needs of the Municipality after analyzing the current human resources state, the external labour market and the future HR environment that the Municipality will be operating in.

The basic questions to be answered for strategic planning are:

- Where are we going?
- How will we develop HR strategies to successfully get there, given the circumstances?
- What skill sets do we need?

Overall HRM and DS is aimed at addressing major human resources capacity constraints currently hampering the effective and equitable delivery of public services and in particular the realization of Integrated Development Plan of the Municipality.

MUNICIPAL OVERVIEW

Geographical location, Organisational background and vision statements

ELM is one of the three Local Municipalities that constitute the Sedibeng District Municipality. It is situated at the Western-most part of the District, which covers the entire southern area of the Gauteng province extending along a 120 kilometres axis from east to west. It further covers an area of 987.45 km². The Vaal River forms the southern boundary of Emfuleni Local Municipality and its strategic location affords it many opportunities for tourism and other forms of economic development. Emfuleni Local Municipality shares boundaries with Metsimaholo Local Municipality and Fezile Dabi District Municipality in the Free State to the south, Midvaal Local Municipality to the east, the City of Johannesburg Metropolitan area to the north and Westonaria and Potchefstroom (in North West Province) Local Municipalities to the west.

Vision

A developmental City that continuously improves the quality of life of its community.

Motto

“Vaal River City, the Cradle of Human Rights”

Mission

Providing responsive, effective, efficient, and sustainable municipal services in an accountable manner.

Values

Subscribe to Batho-Pele Principles as well as being:

- Responsive
- Disciplined
- Accountable & Transparent
- Respectful and Honest

Council and high level administrative structure

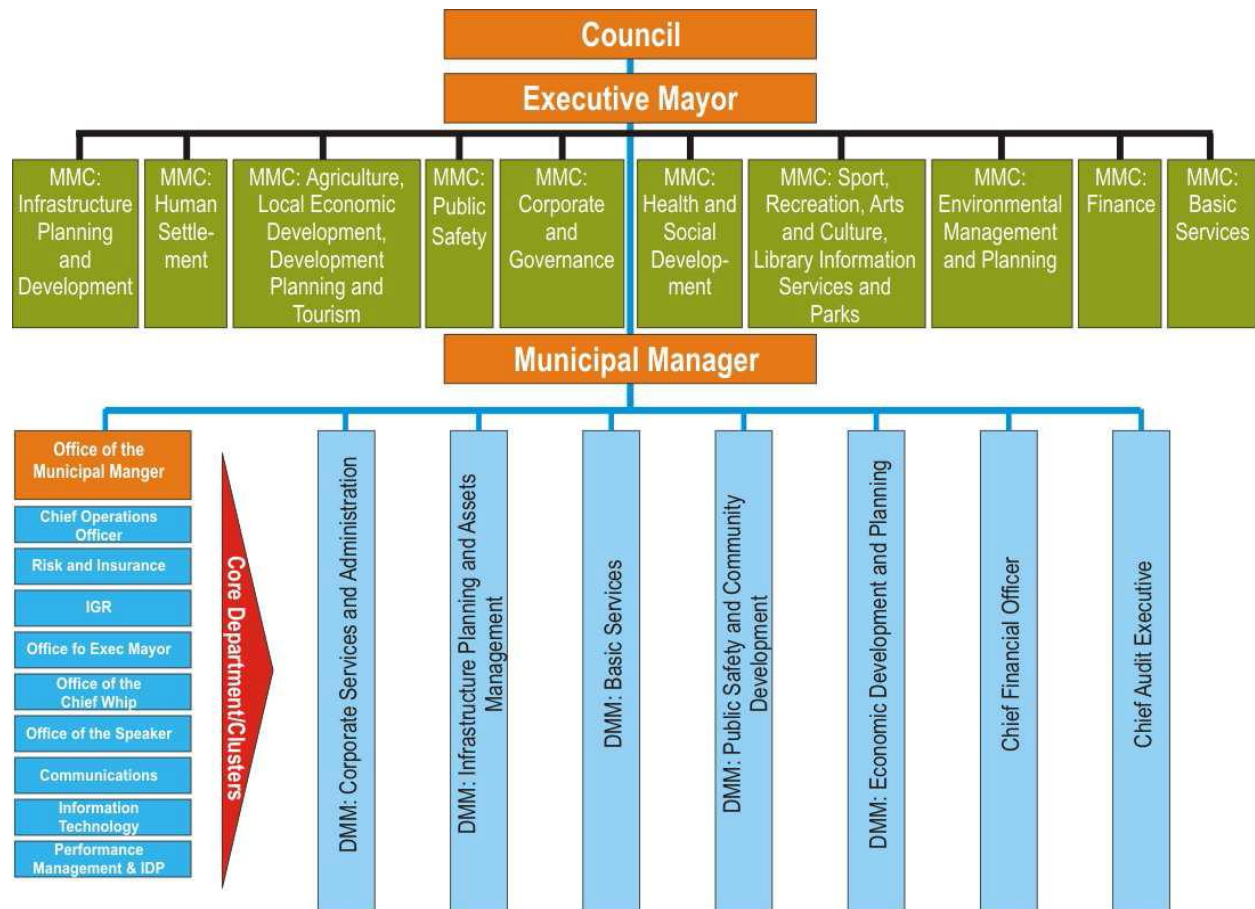


Diagram 01

Legislative framework underpinning HRM and DS

The development of HRM and DS is not done in vacuum. There are machineries nationally and internationally that impact directly or indirectly that needs to be adhered to. In light of above, presented hereunder are some of the critical frameworks taken into consideration;

LEGAL FRAMEWORK FOR HRM&D IN THE SECTOR					
<ul style="list-style-type: none">• Promotion of Equality & Prevention of Unfair Discrimination Act;• The Municipal Systems Act• Protected Disclosures Act	<ul style="list-style-type: none">• SDL;• SDA;• SAQA Act• White Paper on LG• Nat. Archives & Records Service of SA Act.	<ul style="list-style-type: none">• Prevention & Combating of Corrupt Activities Act No. 12 of 2004;• BBBEE• Promotion of Access to Info. Act	<ul style="list-style-type: none">• Public Service Act and regulations;• Performance Management Regulations 2006;• BCEA;• PFMA,• MFMA;	<ul style="list-style-type: none">• EEA;• COIDA;• UIA, UIC Acts• Municipal Planning and Performance Management Regulations;	<ul style="list-style-type: none">• LRA;• OH& SA;• CGE;• Promotion of Equality & Prevention of Unfair Discrimination Act
STRATEGIC FRAMEWORK FOR HRD IN THE PUBLIC SECTOR					
<ul style="list-style-type: none">• White paper on public service education and training	<ul style="list-style-type: none">• White paper on HRM in the public service	<ul style="list-style-type: none">• National skills development strategy	<ul style="list-style-type: none">• HRD strategy for South Africa• HRD strategy for the Public Service	<ul style="list-style-type: none">• National skills accord	<ul style="list-style-type: none">• Millennium Development goals
CONCEPTUAL BASE FOR TRANSFORMING THE PUBLIC SECTOR					
<ul style="list-style-type: none">• Batho Pele White Paper	<ul style="list-style-type: none">• White Paper on Transforming the Public Service		<ul style="list-style-type: none">• White Paper on a new employment policy for the Public Service		
ECONOMIC AND SOCIAL POLICY FRAMEWORK AND PROGRAMMES					
<ul style="list-style-type: none">• Presidential Pronouncements and Budget Speech	<ul style="list-style-type: none">• Integrated Development Plans (IDPs)	<ul style="list-style-type: none">• Medium Term Expenditure Framework (MTEF)		<ul style="list-style-type: none">• National Spatial Development Strategies	

Diagram 02

The table above depicts legislations, strategic frame works, concept papers, economic and social frameworks and programmes impacting on the ELM HRM and DS.

Reflection on the Local, Provincial and National priorities.

Government strategic objectives

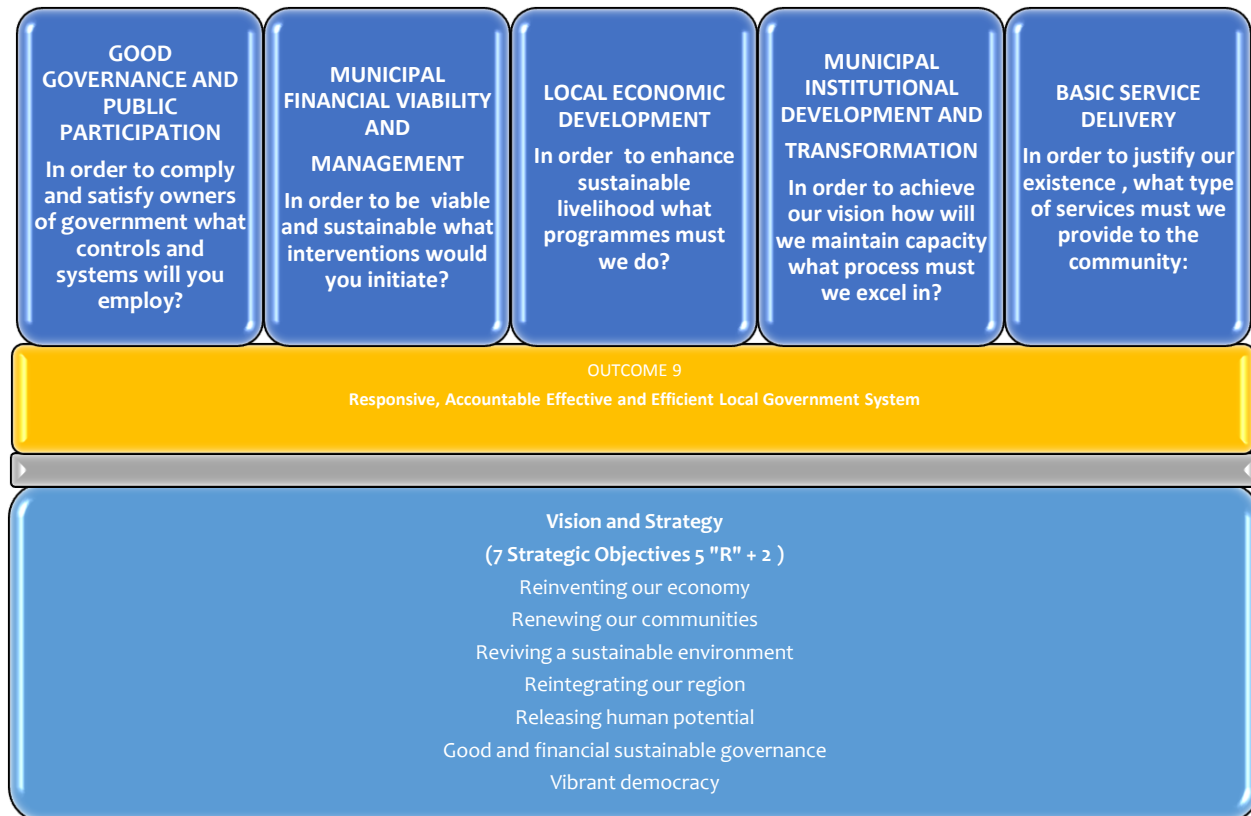


Diagram 03

The above diagram depicts National, Provincial and Local Government strategic objectives. This implies that ELM HRM and DS should serve as an enabler to ensure that Human Capital at ELM attains these objectives.

Graphical illustration of the Staff Establishment and Vacancies

Cluster	Approved Management Positions	Approved Employees Positions	Management Vacancies	Employees Vacancies	Average Management Vacancies Percentage	Average Employees Vacancies Percentage	Staff Count per Level (filled & vacancy position)					
							0-4	5-7	8-10	11-13	14-16	others
Corporate Services	17	136	9	64	53%	62%	20	43	30	5	3	51
Basic Services	19	2879	9	1596	40%	55%	41	198	381	193	1990	54
MM	12	37	6	17	50%	46%	10	10	4	1	0	15
CFO	22	308	6	138	33%	46%	32	104	37	15	6	136
PSCD	18	2413	4	1518	22%	63%	24	275	327	286	1030	501
LED & P	12	165	4	72	33%	43%	18	73	34	5	17	30
IPAM	10	127	4	54	40%	42%	16	24	27	2	48	19
Audit Services	6	17	0	7	0%	41%	7	16	0	0	0	0
	116	6084	42	3466	36%	57%	161	727	840	507	3094	804

Table 01.

The above table present administration workforce profile segregated per Cluster as well as vacancy rates.

There is a high level of vacancies that are not filled and it impact badly on service delivery. Although both their organogram have been approved as far back as 2008 and 2013 there is still huge vacancy gaps due to lack of budget. It is further noticed that too many incumbents are in acting positions for a long time.

Overall, the Municipality has a vacancy rate of 36% average at management level and 57% at operational and elementary level.

The diagram below provides an overview of the process that informs the development of the HRM and DS:

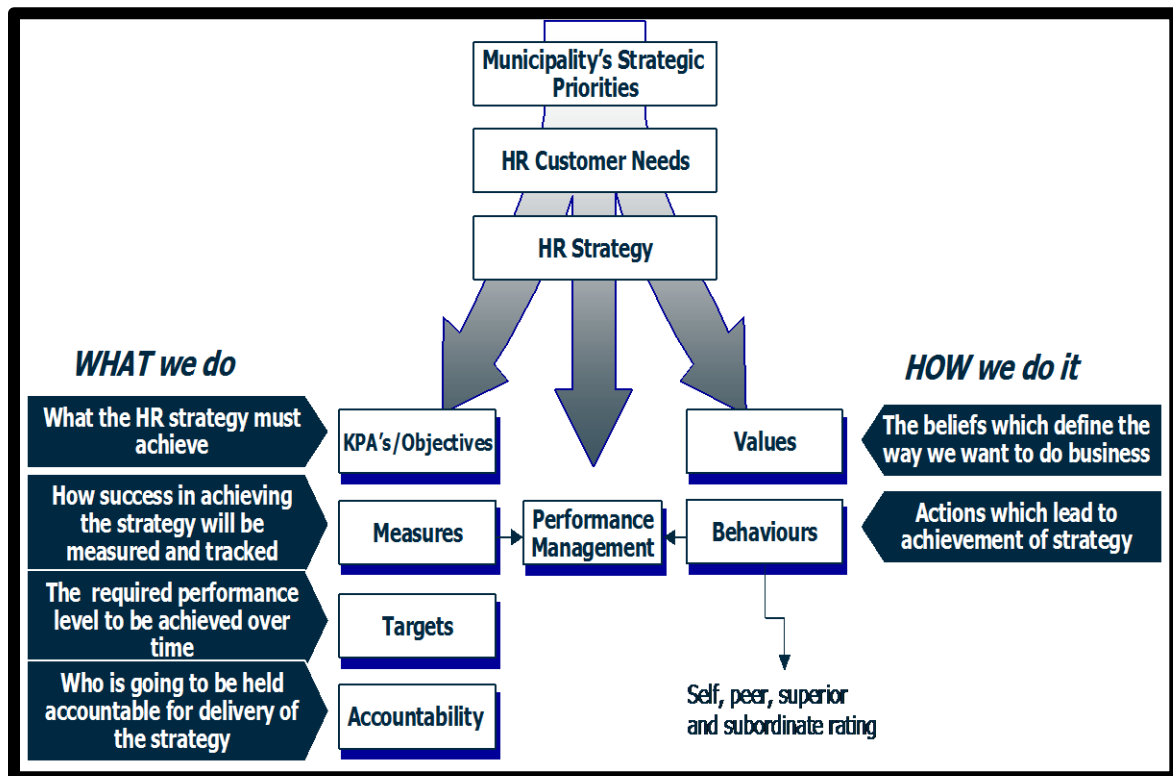


Diagram 04

The above diagram displays the alignment of the HRM and DS to the ELM strategic priorities.

PART B



**Presentation of different perspectives and their impact
on HRM and DS**

PART B

PRESENTATION OF DIFFERENT PERSPECTIVES AND THEIR IMPACT ON HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT STRATEGY

NATIONAL PERSPECTIVE

The growing complexity of the work place accelerated through the dynamic impact of globalization on national economies, production and trade has placed the question of HRM and DS at the heart of contemporary public policy and development strategies. Development in the global context has made it imperative for all countries to respond effectively to the dynamic and the competitive forces that impact on how national economies relate to the global economies.

The South African Government is committed to promoting active labour market policies and guaranteeing the quality of training and education provided, as stipulated in the South African Qualifications Authority Act of 1995, the Skills Development Act of 1998 and the Skills Development Levies Act of 1999. These legislations introduce institutions, programmes and funding policies designed to increase investment in skills development.

There are two priorities that the Government seeks to address:

- (1) The ever - present reality of the global economy and the imperatives to increase skills within the country to improve productivity and the competitiveness of its industry, business, commercial services, and
- (2) To address the challenges of an unequal society, to make it more inclusive and to encourage greater cohesion.

The most comprehensive countrywide Human Resources Development Strategy was launched in 2001. The declared mission of that early strategy called the *Human Resources Development Strategy for South Africa: A nation at work for a better life* was:

- To maximize the potential of the people of South Africa, through the acquisition of knowledge and skills,
- To work productively and competitively in order to achieve a rising quality of life for all, and to set in place an operational plan, together with the necessary institutional arrangement, to achieve this.

Accordingly, the 2001 strategy was reviewed and replaced with an updated vision called Human Resources Development Strategy for South Africa (HRD - SA) 2010 - 2030 with the following aims:

- To replace the previous HRD strategy with an updated version;
- To address the shortcomings of the previous strategy;
- To optimize the efficacy and outcomes of HRD in respect of South Africa's development agenda.

CHALLENGES PRESENTED BY THE HRD – SA ARE AS FOLLOWS;

- A need for credible and effective institutional mechanism in the stewardship, coordination, implementation, , monitoring and evaluation of the HRD – SA;
- A need for credible capacity to identify the demand for priority skills and to formulate effective short - term strategies to ensure supply including the development of talent within time-frames in a manner that mitigates the negative impact of any shortage in growth;
- A need to ensure optimal responsiveness of education and training activities to the country's development agenda, and the demand for skilled human resources in the labour market;
- There are challenges related to the quality of learning attainment and competency acquisition within the skills development pipelines, starting from

basic education;

- The effectiveness of public education and training institutions, in general, has yet to reach optimal levels. The current challenges with regards to effectiveness have made it difficult for the country to reap the rewards when compared with international level of public and private investment in education and training;
- While planning capacity has grown significantly since 1994, it has not yet reached the levels required for effective implementation of the HRD interventions in the country. In addition, the SETA sector skills plans, the HE and FET enrolment plan and immigration quota list are not informed by a common, credible and consistent modelling of skills supply and demand projections. These problems militate against integration, and confound responsiveness of education and training provision to the demands of the labour market;
- Most provinces and some Local Government entities have developed HRD strategies. While most of these efforts have sought to locate their respective strategies within the broader HRD - SA, there have not been sufficient guidelines for their actions;
- The formulation of clear and credible indicators and targets is vital for the success of any strategies;
- The emergence of new development strategies such as ASGiSA, NIPF, Anti - Poverty Strategy and lately the National Development Plan (NDP), generated very significant implications for HRD - SA. These strategies collectively address the most pressing strategic priorities within South Africa's development agenda. The implications of these strategies need to be carefully analyzed if the HRD - SA is to be optimally responsive to the country's development agenda;
- There is a need to look at how these various institutions, including JIPSA, can be integrated into the institutional arrangement of the HRD - SA in the manner that gives rise to institutional coherence and maximizes the benefits that these institutions bring to the HRD mandate;
- The 2001 HRD Strategy (like most national HRD strategies throughout the world) struggled to interpret and anticipate the demand side of the labour market and how it shapes policies and activities that impact supply. This situation needs to be addressed through stronger involvement of ministries that impact on economic policy and development, and private sector employers in the HRD – SA;

- The primary driver of supply is undoubtedly the output generated by various education and training activities in the country. However, other numerous factors - such as those that determine the way the Labour market operates - also play a significant role in shaping supply;
- The cost of training in South Africa is relatively high, while the quality and outcome of training does not always justify the level of costs. Quality assurance is urgently need and other measures that will promote the efficacy of training.

The National Skills Development Strategy III

The vision of the strategy is to create a skilled and capable workforce by increasing access to high quality, relevant education, training, and skills development opportunities, including workplace learning and experience. This is to enable effective participation in the economy and society by all South Africans. The key driving force of the strategy is improving the effectiveness and efficiency of the skills development system. It links the skills development to career paths, career development and promoting sustainable employment and in – work progression.

The National Skills Development Strategy III (NSDS III) seeks to encourage and actively support the integration of workplace training with theoretical learning. It further facilitates the journey individual make from school, Technical and Vocational Education and Training (TVET) College or university, or even from period of unemployment to sustain employment and in – work progress. Great emphasis is placed on training to enable trainees to enter the formal workforce or create a livelihood for themselves. Emphasis is placed on those who do not have relevant technical skills or adequate reading, writing promotion of basic numeracy and numerical skills to enable them to access employment.

The NSDS III seeks to promote a skills development system and architecture that effectively responds to the needs of the labour market and social equity. The strategy seeks to establish and promote closer links between employers and training institutions and between both of these and the SETA's.

NSDS III has the following pillars;

- Sector strategies (aligned to Government and industry development strategies), programmes and projects developed with, and supported by, sector stakeholders.
- Relevant sector-based programmes addressing the needs of unemployed people and first-time entrants to the labour market will be developed and piloted by Sector Education Training Authorities (SETA), with roll out being planned, managed and funded, where appropriate, in partnership with the National Skills Fund (NSF).
- Professional, vocational, technical and academic learning (PIVOTAL) programmes. These are programmes which provide a full occupationally-directed qualification. Such courses will normally begin in a TVET College or University and would include supervised practical learning in a workplace as part of their requirement. The courses – especially for workers – could in some cases start in the workplace and then move to a college or university.
- Programmes that contribute towards the revitalisation of vocational education and training, including the competence of lecturers and trainers to provide work-relevant education and training, and promote occupationally directed research and innovation.
- Incentives for training and skills development capacity in the cooperative, None Governmental Organisations and trade union sectors, including community and worker education initiatives, contributing to effective training of youth and adults.
- Partnerships between public and private training providers, between

providers and SETAs and between SETAs, addressing cross-sectoral and inter-sectoral needs.

- An increased focus on skills for rural development to support government's prioritisation of rural development.

THE NATIONAL DEVELOPMENT PLAN (VISION 2030)

The National Planning Commission in the Diagnostic Report released in June 2011 identified nine central challenges facing South Africa and amongst them were;

- The standard of education for most black learners is of poor quality;
- Infrastructure is poorly located, under-maintained and insufficient to foster high growth;
- Public services are uneven and often of poor quality;
- Corruption is widespread.

In the diagnosis document, The National Development Plan (NDP) highlighted the unevenness in state capacity which leads to uneven performance between Local, Provincial and National Government due to complex set of factors:

- Tension in the political and administration interface;
- Instability of administration leadership;
- Skills deficits;
- The lack of accountability and authority;
- Poor organisational design;
- Inappropriate staffing and low staff morale;
- The state lacks a clear vision of where the next generation of public servants will come from and how specialist professionals skills will be produced;
- Weak managerial capacity and a lack of leadership prevent these issues from being addressed adequately.

Furthermore, the NDP identified the following challenges:

- Many parts of the further education, training and skills development are severely underperforming. There are not enough public institutions providing learning opportunities in this sector, despite the millions of young people who are eager to learn. Although there are some strong TVET Colleges, however the sector is small and weak. Overall they enroll an equivalent of one – third (roughly 300 000) of all learners enrolled in higher education;
- The success rate of the TVET Colleges is extremely low. This was demonstrated by the 4% through put rate in 2009 of the cohorts that started the new national certificate vocation in 2007;
- The dropout rate in colleges is estimated to range between 13% and 25% per annum;
- It is estimated that about 65% of college students are unable to find workplace experience, which is valuable for all students and a requirement for completing national diploma;
- Despite spending large amounts of money, levy funded institutions – Sector Education Training Authorities (SETA's) contributions are still minimal in resolving the problems of shortage of skills in our country;
- There are also governance problems in further education and training colleges and some of the Sector Education and Training Authorities.

STATE OF THE LOCAL GOVERNMENT REPORT

The Department of Cooperative Governance and Traditional Affairs undertook a study in 2009 to look at the state of local government in South Africa. The report highlighted the fact that Municipalities are not operating optimally and identified the following weaknesses as the reason:

- Serious leadership and governance challenges including weak responsiveness and accountability to communities;
- Poor financial management in many municipalities, which has been exacerbated by the economic crisis of the past years;
- Inability of many municipalities to deliver basic services or to grow their economies;
- Continuation of the legacy of apartheid spatial development patterns and

- inequality;
- Inadequate human resource capital to ensure professional administrations and positive relations between labour, management and councils

LOCAL GOVERNMENT SECTOR EDUCATION AND TRAINING AUTHORITY

It is prudent that the scarce skills and critical skills are defined properly in the context of this strategy as these terms are often used interchangeably without drawing a distinction.

Scarce skills are defined as those occupations in which there is a scarcity of qualifications and experienced people presently—and in anticipated future, either because (1) such skilled people are not available or (2) they are available but do not meet the employment requirement or criteria.

Critical skills are defined as either:

- Generic (includes cognitive skills like problem solving)
- Technical (those specialized like engineering, IT)

The Local Government SETA identified the following areas of scarce skills from Municipal Transformation and Enhancement Service Delivery through Skills Development (Scarce and Critical skills strategy):

- | | |
|---|---|
| • Infrastructure and service delivery | • Infrastructure asset maintenance, labour intensive construction (EPWP), electricity reticulation, waters services and road services |
| • Financial viability | • Property valuation, audit, procurement and municipal finance |
| • Management and leadership | • Training Committees, Councillors, Municipal Leadership Development |
| • Community participation and planning | • Ward Committees, Planning, IDP and LED |
| • Adult Basic Education and Training (ABET) | |

THE FOLLOWING TABLE DEPICTS LIST OF TOP 100 SKILLS RELEVANT TO LOCAL GOVERNMENT;

SKILL / TRADES	RANKING
Electrical engineering	1
Civil Engineering	2
Mechanical Engineering	3
Quantity Surveying	4
Programme or Project Management	
Finance Management	5
Physical and Engineering science Technicians	7
Electricians	9
Construction Project Manager	11
Accountant (general	12
Medical Superintendent/Public health Manager	18
Nursing professionals.	23
Registered Nurse (child and family health)	24
Carpenter and Joiner	33
Welder	
Environment Engineers	35
SHEQ Practitioner	37
Plumber (general)	
Software Developers	45
Land surveyor	48
Air Conditioning and Mechanical Services Plumber	56
Automotive electricians	
Electrical Installation inspector	62
Computer Network and Systems Engineering Computer Network and Systems Engineering	66
Research and Development Manager	72
Architects	
Computer Network technician	79
Personnel/Human Resources Manager	80
Environmental Manager	
Urban and regional Planner	
Local Authority Manager	86
Health and Safety Manager	
Water Quality Analyst	

Table 02

GAUTENG PROVINCIAL COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (COGTA)

COGTA has been doing capacity building interventions in Municipalities. These interventions included:

- Providing hands-on support;
- Short-term turn-around interventions (Emfuleni and Ekurhuleni);
- Medium-term intervention through deployment of “experts” into the municipalities in the areas of engineering, housing, planning and finance over a number of years , with the aim of training, mentoring and/or coaching municipal officials within these areas and increasing capacity in a short to medium term;
- Developed in 2010 the scarce and critical skills strategy to develop future plans for capacity building and enhance the skills of existing local government employees in critical areas of service delivery.

An attempt was also done to audit the skills of all Municipalities and all municipal workers in Gauteng to the lowest level. The table hereunder presents the outcome of this initiative focusing at ELM;

	Outcome of Audit	Comment
Audit participants <ul style="list-style-type: none"> • No of employees • % of participants 	2527 68% (1720)	Gender: A gender imbalance exists with 68% of officials being male (77% at management level, of which 41% are white males) this imbalance should be key consideration in filling critical vacancies and institutional transformation and women empowerment fast - tracked
Employee Profile <ul style="list-style-type: none"> • Age • Qualifications 	Majority of employees are between the ages of 41 to 50 years (38%), greater than 51 years (27%) and 31 – 40 years (26%) General education (less than STD 8) 35% mainly elementary workers, National Certificate (10%), Matric (16%) Further Education (13%), Degree or Higher (8)	Succession planning is required in order to train staff to continue in the areas currently performed by staff that is older than 51 years. 86% of the staff met or exceeded qualifications that were relevant to their positions as defined by SALGA Bargaining Councils. 17% of professionals and managers did not meet the

	Outcome of Audit	Comment
		qualification requirements. PDP's should, however be developed for officials to ensure sufficient higher qualifications are obtained in line with legislation.
Competence Assessment	Based on information received it is difficult to determine whether the municipality currently has the capacity in the areas of service delivery raised. Stability has been improved due to the recently appointed MM, CFO and other Head of Departments. However, competencies of S57 needs to be improved in all departments	ELM is encouraged to develop systems and processes to attract and retain personnel with critical skills. The ELM is urged to develop both EEP and Retention Policy urgently if the milestones set by the municipality are to be achieved. Specific intervention of training required are reflected in the WSP core focus areas

Table 03

Overview of Emfuleni Local Municipality Skills Audit by COGTA

LOCAL GOVERNMENT HRM&D STRATEGY

Background

South African Local Government Association (SALGA), in partnership with COGTA as well as GIZ, undertook quantitative and qualitative assessments to determine the current state of HR practices which have been adopted by different Municipalities and the impact such practices have on the vision of a developmental Local Government system.

The report thereof highlighted challenges and gaps as well as good practices in respect of HRM and DS practices. The research report concluded that very few Municipalities have attained sustainability in relation to the creation of innovative and strategic administrations and integrated human resource management systems.

The report proposed the adoption of specific reform processes including the development of a national HR strategy which would prepare Municipal Councillors and employees for a major shift in HR management and development.

Process of developing the strategy

- The strategy was developed in line with:
 - ✓ Legislative, regulatory and policy requirements as they relate to local government in general and HRM and DS specifically;
 - ✓ Good practices with regards to HRM and DS within local government, the South African public service and internationally;
 - ✓ The project team facilitated a workshop with HR practitioners from Municipalities where additional inputs were made on priority areas of support and were identified;
 - ✓ A questionnaire linked to priority focus areas was sent out to Municipalities, the purpose was to identify specific activities that needed to be undertaken as part of the implementation of this strategy as well as the identification of products and services to be provided by SALGA.



Diagram 05

The pie chart above depicts overall impact of LG HR Strategy

The strategic goal of the HRM and DS

- Understanding the business environment within which HRM and DS operates;
- Partnering with management in effective people practices;
- Enabling change and transition;
- Engaging constructively with internal and external stakeholder groups;
- Delivering on service level commitments;
- Ensure HRM and DS is aligned to and supports business strategy;
- Ensure development of sustainable skills base including critical skills:
 - ✓ Engineering and maintenance,
 - ✓ Artisan level skills,
 - ✓ Management and supervisory skills,
 - ✓ Cross cutting strategic skills e.g. change management etc.;
- Facilitate business re-engineering and transformation:
 - ✓ Prepare structures, prepare processes, prepare leaders, prepare people, prepare the culture, manage the change, sustain the change
 - ✓ Facilitate strategy communication and alignment;
- Development of leaders;
- Changing style of leadership and management;
- Build capacity in operational planning and future capacity planning;
- Management of HRM and DS risks.

HRM and DS Value chain proposition

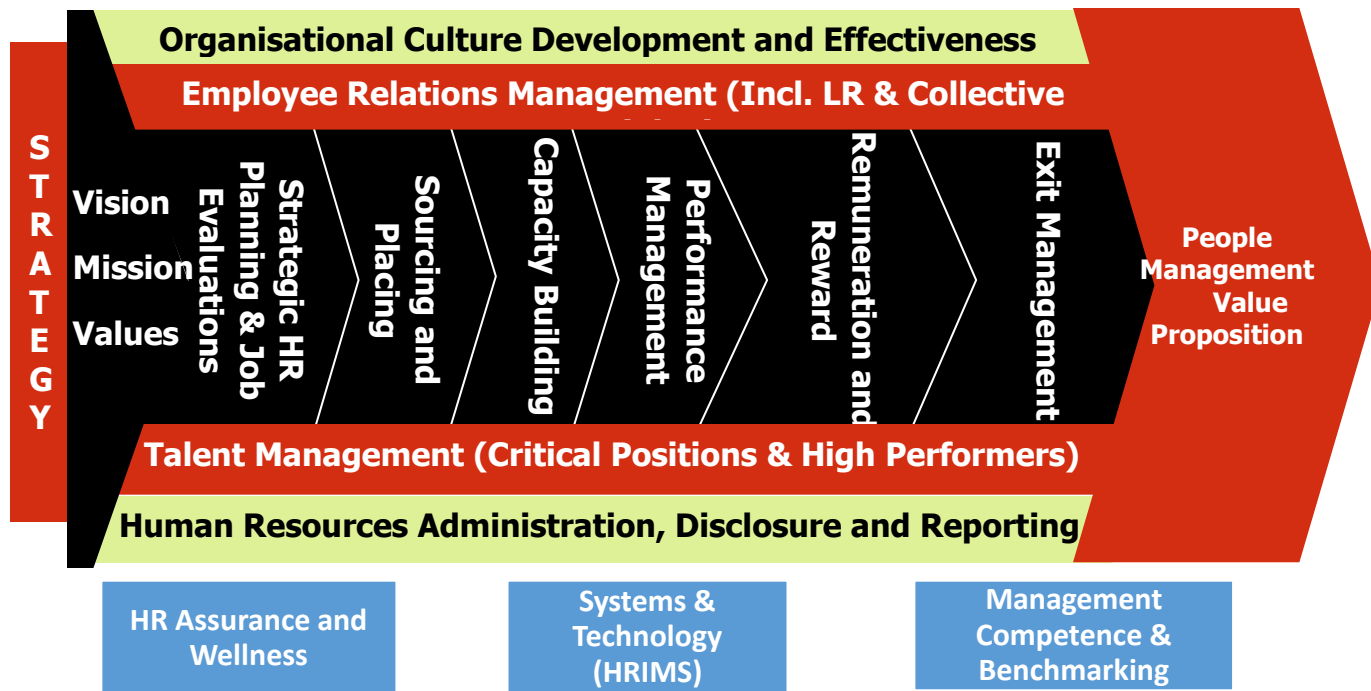


Diagram 6.

The above value chain proposition portrays that the core of the HR strategy hinges on the underlying appreciation of how the different elements of HR fit together to create meaning and value for any organisation. This is the framework for delivery, as it sets out the key themes and focus areas and develop the requirements for each functional area.

HUMAN RESOURCES STANDARDS

During 2013, the National HR Management System was developed by the South African Board for People Practises (SABPP). The HR Management System consists of 13 Standards Elements as depicted in the design below. The purpose of the HR Standards initiative is to professionalise the field of HR Management with clear standards of professionalism and thereby reducing inconsistencies and poor HR work.

The creation of HR Standards contributes to the value of HR within an organisation as management can measure against these standards.

This ground-breaking project has really put SABPP and the HR profession in South Africa on the global map. A first in the world, the National HRM System Model and Standard was launched in August 2013 after an intensive period of collaborative co-creation within the HR profession. HR standards are needed to improve the consistency and quality of HR management.

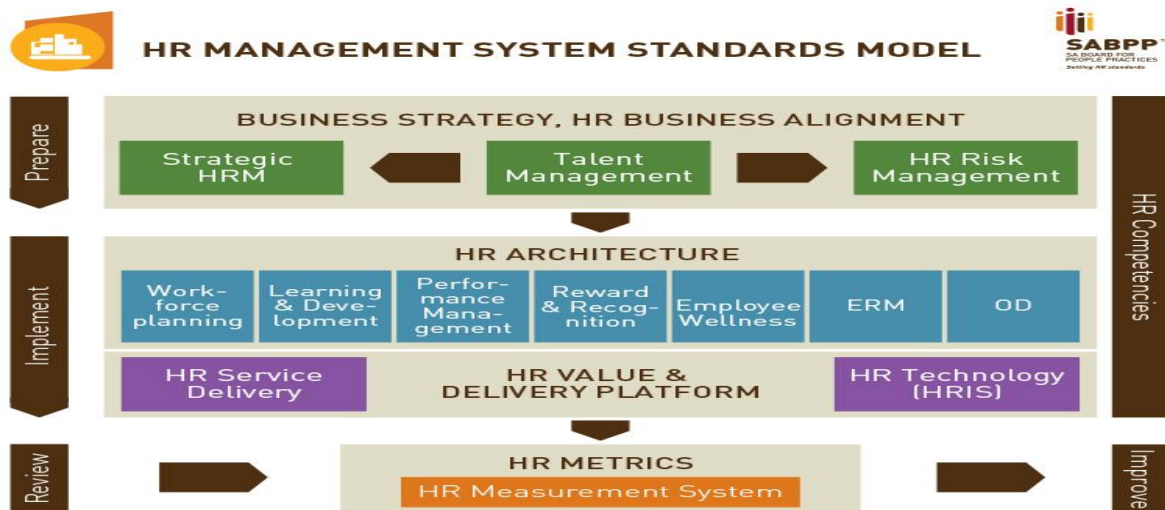


Diagram 07

The above model contains 13 Standard Elements grouped by the classic quality assurance model of Plan, Implement, Review and Improve.

EMFULENI MUNICIPAL PERSPECTIVE AND STATUS QUO

Critical challenge now facing ELM, and even more so over the next decade and beyond, will be the strategic management of Human Capital. A dilemma for Local Government in the post 2009 COGTA Diagnostic report is, how to maximise the flexibility of the workforce, minimise risks, develop and retain valuable skills.

Employees now come in all shapes and sizes, dealing with this workforce complexity require a more differentiated and sophisticated approach to the management of human capital. The people factor is arguably the most important factor in contributing to business success, but it is one of the least effectively managed corporate functions. There's good story and bad story to tell like as it has been presented in above perspectives.

Since 2009 ELM has been radical in the development of Human Capital related policies and periodic reviews of processes and procedures. Strides have been made to bring level of professionalism and for that fact, quarterly reports are produced to guide and keep the leadership of this institution abreast of trends and incidents and the following are conspicuous:

- The rollout of E-Leave commonly known as Employee Self Service is one of the success stories albeit this is still work in progress;
- Capacity building of HR personnel in HR related short courses;
- Enrolment of Senior and Middle Management through National Treasury minimum competency training programme;
- ELM conducted a comprehensive Skills Audit which presented valuable outcomes that guided training interventions in the Municipality;
- Development of HR procedure manual;
- Similarly the Municipality showed commitment and dedication in capacity building by increasing the training budget drastically from approximately R900 000 to the range of R9 000 000 even though there is need for more;
- The Municipality's HR Departments continues to introduce policies that manages Human Resources processes and procedures viz: Induction Policy, Relocation Policy etc. ELM has recently procured services of a credible company to conduct vetting of qualifications and criminal background to curb fraudulent and job applicants using falsified documents;

In the same breath, were challenges that needed radical change and transformation. In the following table below are challenges segregated departmentally and institutionally which were presented by the situational analyses and the status quo;

HR Departmental challenges

Strategy	<ul style="list-style-type: none"> ➤ Lack of strategic support – inwards focused. ➤ It has been discovered that certain personnel in the Human Resources department do not possess Human Resources related qualifications, and some do not have formal qualifications or are in possession of short course certificates.
Policy	<ul style="list-style-type: none"> ➤ Limited consultation with line managers due to adopted consultation processes. ➤ HR personnel including HR related Departments are not championing HR policies – shifting accountability of implementation to the Department that developed the policy.
Structure	<ul style="list-style-type: none"> ➤ There is still lack of synergy between Human resource related departments i.e Employment Equity, Labour relations, Organisational Development, Occupational Health and Safety, Human Resources Department, and this has remained a critical challenge. ➤ Inability to decentralize HR functions to Clusters due to vacancies that exists.
Perceptions	<ul style="list-style-type: none"> ➤ HR assumes that every employee should understand and know HR related processes. ➤ Line managers relegate their responsibility to manage their staff to HR.
Delivery	<ul style="list-style-type: none"> ➤ Administrative focus. ➤ About 70% of HR processes are transactional. ➤ HR as gate-keeper than enabler.

Table 04

Institutional challenges

Strategy	<ul style="list-style-type: none"> ➤ No integrated strategic framework exists. ➤ No distinction between transactional issues and strategic enabler (transformational HR). ➤ The fragmented nature of the strategy limits full alignment with organisational strategy. ➤ A significant number of employees particularly, in critical areas are near retirement age and there is no succession plan in place.
Policy	<ul style="list-style-type: none"> ➤ Many policies exist but some are outdated. ➤ Policies are drafted in silos – this leads to duplication and fragmentation. ➤ An HR policy manual does not exist – this limits line accessibility to HR policies.
Structure	<ul style="list-style-type: none"> ➤ Silo driven Organisational structure. ➤ Limited integration between line departments, HR and staff. ➤ Implementation plan does not consider structure, positions and skills required to deliver on the Organisational & HR strategy.
Perceptions	<ul style="list-style-type: none"> ➤ Poor perceptions of HR exist. ➤ HR not seen to be results or delivery oriented. ➤ HR not seen as a delivery and support partners.
Delivery	<ul style="list-style-type: none"> ➤ Administrative focus. ➤ Draft nature of policies limits implementation. ➤ HR seen to have limited impact. ➤ There is a barrier of financial constraints to implement some of the HR interventions.

Table 05

PART C



PILLAR 1 – 9

SOURCING, PLACING AND EXIT
WORKFORCE PLANNING
CAPACITY BUILDING
EMPLOYMENT EQUITY
PERFORMANCE MANAGEMENT
ORGANIZATIONAL DEVELOPMENT
EMPLOYEE RELATIONS
INFORMATION SYSTEMS AND TECHNOLOGY
RISK MANAGEMENT

PART C

REALIZATION OF ELM HRM AND DS VALUE CHAIN

In essence Part C is the **cornerstone** of this three year HRM and DS. In order to be a credible partner in the process of service delivery in the future, HR will need to focus less on the 'what' it's doing and more on 'what is being delivered.' This will require HR to adopt a less inward focus on what's happening in HR, and more of an outward focus to understanding what's troubling service delivery line managers and helping leaders in the municipality to reach their goals. In essence HR must realise and make the connection between what it does, and how this has meaningful strategic and delivery enhancement impact for the municipality.

As the diagram below indicates, the achievement of this increase in relevance requires a shift from a primary administrative focus, to one that is more strategic, responsive and consultative.

MODELLING THE IDEAL STATE - THE CHANGING PARADIGM OF HR

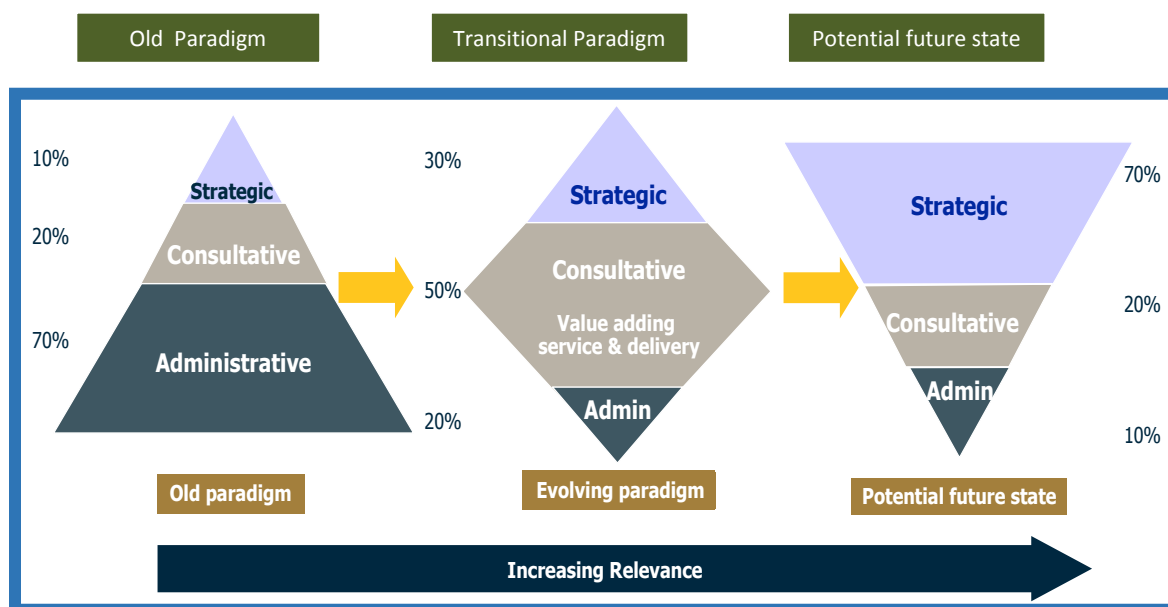


Diagram 08. The table above presents the status quo and the envisioned state

The current HR management context is defined by a number of challenges which relate to the ability of the HR function in general to provide support to line managers in execution of their HR management responsibility as well as an inability to comply with minimum requirements for the provision of basic HR support services.

This part of the strategy introduces **9 Pillars** to realise the objective of the ELM HRM and DS. These comprises of Sourcing, Placing and Exit, Capacity Building, Workforce Planning, Employment Equity, Performance Management, Organisational Development, Employee Relations, Information Systems and Technology and Risk Management.

PILLAR 1

SOURCING, PLACING AND EXIT

BACKGROUND AND INTRODUCTION

ELM has within HR Department recruitment Section focusing mainly on sourcing and placing of Human Capital. The section has adopted a service delivery vision intended to contribute to the quality of life of residents by providing a holistic and satisfactory approach to HR Capital practices.

Essentially Sourcing and Placing is about;

- Building strategic partnerships for talent and skills;
- Attracting people through innovative attraction strategies;
- Recruiting and selecting suitable people;
- Placing people into jobs and teams;
- Inducting and socialising people into the municipality; and
- Redeploying people.

HR professionals in the current era need to be armed with a set of strategic and commercial skills that differ quite substantially from the type of administrative-focused HR practices of the past. Rapidly changing technology, increasing competition and diverse customer needs have thrown the spotlight on human resources, where institutions continue in the battle to source highly qualified personnel. The new principles of HR management require a focus on outcomes and results, not just numbers and compliance.

Employee turn-over rate for the year under review increased from 57 to 132 representing a percentage increase of up to 4.4%. The high number of terminations can be attributed to a number of factors such as resignations, retirements, deaths, dismissal, etc.

ELM recruitment and termination trends analyses

The filling of vacancies at Senior Management level has not progressed very well due to inability to attract right talent. This was further exacerbated by the introduction of regulations on the salary scales of Senior Managers. In certain instances, some

challenges were experienced in filling vacancies as the result of scarcity of skills in certain jobs as well as the inability of the Municipality to compete with the private sector in areas of remuneration and other benefits. To mitigate this, the Municipality reviewed its Recruitment and Selection Policy. The policy makes provision for head-hunting; it allows for the recruitment of people with special skills, expertise and talents.

It is Council's policy objective to fill all vacancies within a period of three months from becoming vacant.

Below are the analyses of terminations and recruitments over the past three financial years.

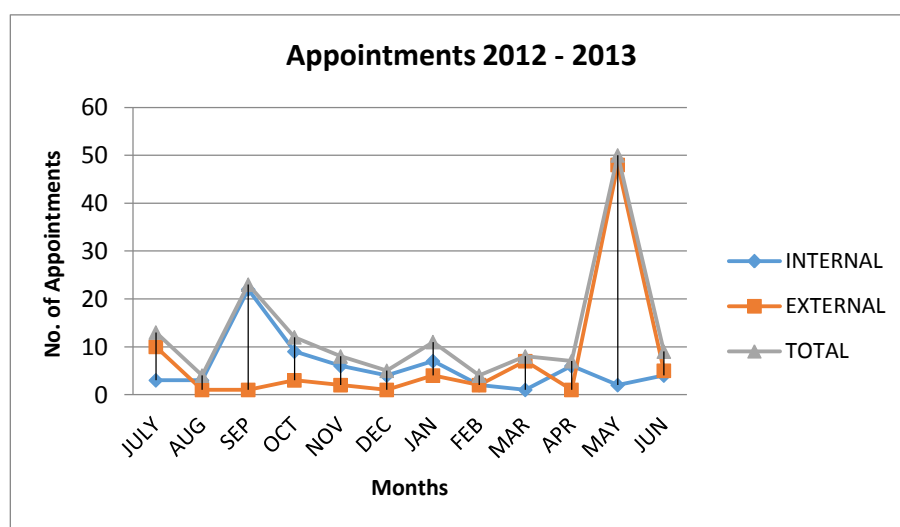
Labour Turnover

These analyses are further discussed under succession planning and retention pillar and are relevant in this part to inform sourcing and placement.

Recruitments

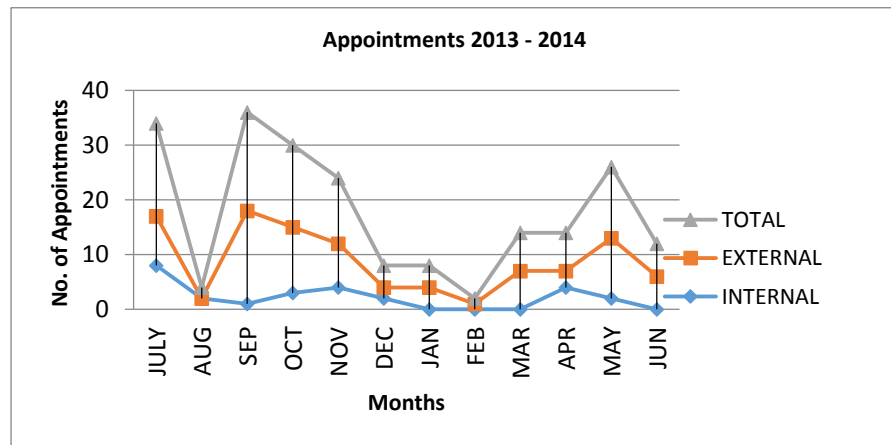
Below are the analyses of recruitments over the past three financial years.

EMFULENI LOCAL MUNICIPALITY APPOINTMENTS STATISTICS FOR THE PERIOD 2012 - 2013



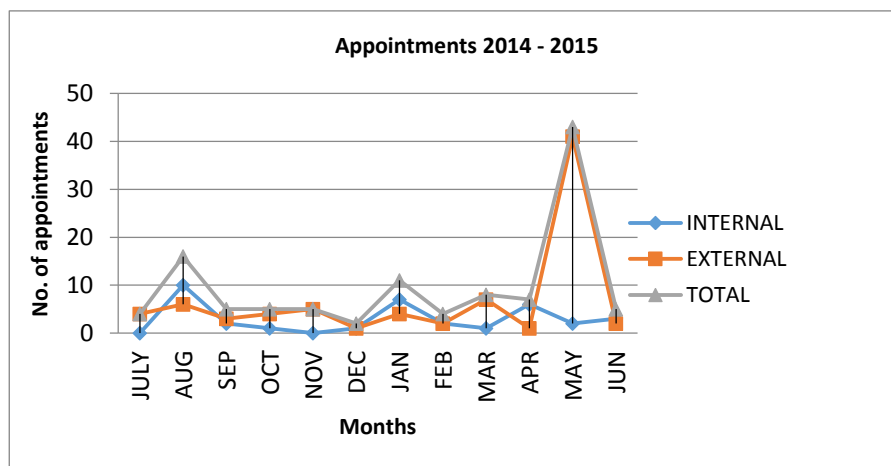
Graph b1

EMFULENI LOCAL MUNICIPALITY APPOINTMENTS STATISTICS FOR THE PERIOD JULY 2013 -JUNE 2014



Graph b2

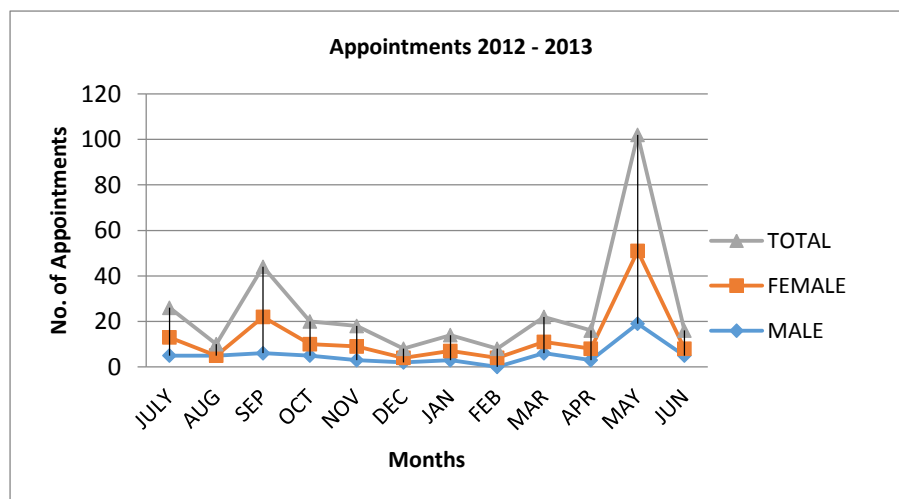
EMFULENI LOCAL MUNICIPALITY APPOINTMENTS STATISTICS FOR THE PERIOD JULY 2014 -JUNE 2015



Graph b3

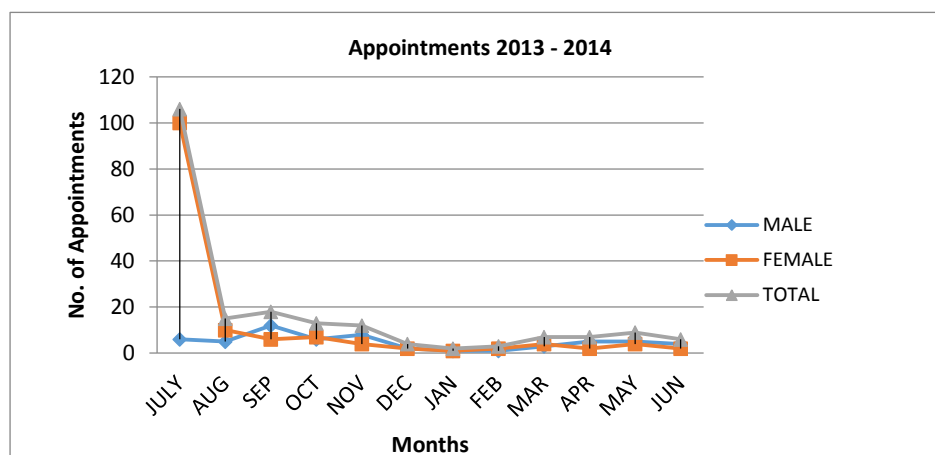
The above graphical illustration clearly shows that there has been constant recruitment of external employees over the past three financial years. This trend may be caused by unavailability of skills in certain areas internally, non-readiness of employees to assume higher responsibility or increased competition from external applicants. The trend in the financial year 2012/13 shows that more appointments were done internally.

EMFULENI LOCAL MUNICIPALITY APPOINTMENTS BY GENDER STATISTICS FOR THE PERIOD JULY 2012 –JUNE 2013

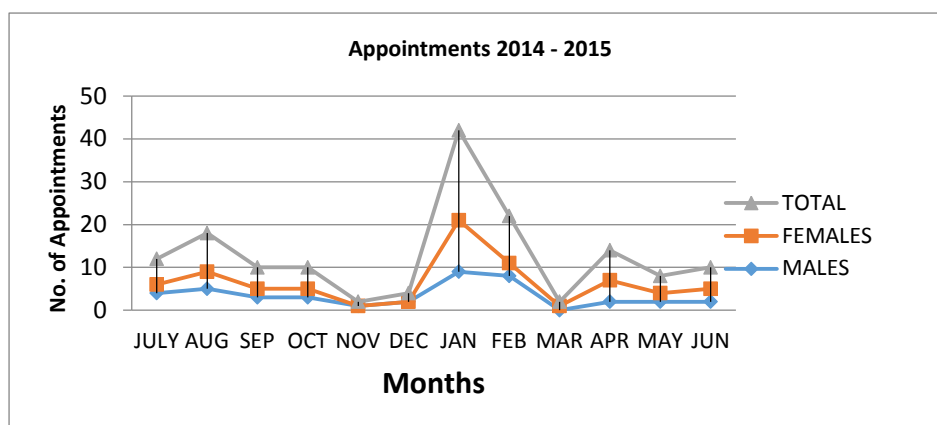


Graph b4

EMFULENI LOCAL MUNICIPALITY APPOINTMENTS BY GENDER STATISTICS FOR THE PERIOD JULY 2013 -JUNE 2014



EMFULENI LOCAL MUNICIPALITY APPOINTMENTS STATISTICS FOR THE PERIOD JULY 2014 -JUNE 2015



Graph b6

Appointments by gender statistics show that in the past three financial years there has been constant increase of female appointments in the Municipality. This is the positive sign for the Employment Equity plan of ELM. It should however be noted that most of these appointments are at the lower echelon. There is a serious need to have females mainstreamed at the Senior and Top Management in line with the Employment Equity Plan approved by Council in June 2015.

Advantages and disadvantages of sourcing internally and externally

Recruiting Source	Advantages	Disadvantages
External	<ul style="list-style-type: none"> • New blood brings new perspectives • Cheaper and faster than training professionals • No group of political supporters in organization already • May bring new industry insights 	<ul style="list-style-type: none"> • May not Reject someone who will fit the job or organization • May cause moral problems for internal candidates not selected • Longer adjustment or orientation time.
Internal	<ul style="list-style-type: none"> • Increased morale of internal staff due to promotion • Better assessment of abilities • Lower cost • Motivator for good performance • Higher at entry level 	<ul style="list-style-type: none"> • Inbreeding • Possible morale problems of those not promoted • Political infighting for promotions • Need for management programme

Table 06

Exploring recruitment alternatives

Internet and social networks

Social networks can be used as a sourcing tool to reach passive candidates and for hard to fill positions. This does not mean that the current or traditional model does not work and should be discarded. Recruiters should use the methods that suit their business best, incorporating all the advantages of available media. One of the advantages of the new social recruiting model is the way in which it flips the communication from a push to a pull system. In the traditional model advertisers tend to force people to take notice of their communication message by paying for media space, often reaching a large audience, some of whom have little or no interest in the content.

The pull method, which is evident in the social media model, connects with people to share the communication message, while you could reach a more targeted or niche audience, meaning the message has more relevance for the receiver. The success of Facebook has been phenomenal. The utility helped connect people with friends, colleagues and others who may work, study or live in their environment. Online advertising and social networking are relatively inexpensive methods of attracting talent when compared with traditional print and paper options.

Trade and competitive sources

Other sources for recruiting are professional and trade associations and trade publications. Many professional societies and trade associations publish newsletters or magazines containing job advertisements. Such publications may be a good source of specialised professionals needed in a sector. Advertisements in other specialised publications and listings at professional meetings also can be good sources of publicity about professional openings.

An employer may meet possible applicants who are currently employed by a competitor at professional associations and industry meetings. Some employers directly contact individuals working for competitors. Employees recruited from these sources just need refresher courses because they already know the industry.

SUPPLY AND DEMAND OF LABOUR

General Labour Markets trends

There are several labour markets that are the external sources from which employers attract employees. These markets occur because different conditions affect different geographical areas, industries, occupations and professions at any given time. For example, the demand for engineers is currently very strong (a tight labour market). Yet with downsizing and mergers in the various sectors, there is a surplus of middle and lower – level employees in the HR related field (a loose market).

There are many ways to identify labour markets, including by geographical area, type of skill and educational level. Some labour market segments might include managerial, clerical, professional and technical, and blue collar. Classified differently some markets are local, others regional and others national and there are international labour markets as well. Recruiting locally for a job market that is really national is likely to result in disappointing applicant rates.

Local Government supply and demand trend

National and Provincial priorities suggest an increased focus on numerous areas falling within the mandate of the Municipality. As a result, it may be predicted that the Municipality's demand for specific skills may increase significantly. However, as discussed above, significant challenges exist in terms of the supply of number of the skills required by the Municipality therefore, consideration for attraction and retention as part of the talent management is crucial.

Various researches have noted that there is high level of demand for experienced as opposed to merely qualified persons. This is very acute in areas of occupation such as engineering, town planning, artisans, and ICT professionals. There are various sources of scarcity of qualifications and experienced people that are portrayed as crucial in South Africa.

Despite the widespread recognition that South Africa has a severe skills shortage in certain key sectors, there is still a dispute as to the nature, extent and even existence of these shortage. A distressing feature of South African labour market is the fact that skills shortage exist alongside a large pool of unemployed graduates.

Shortage is in most instances at a level of more skills and experience people rather than entry level. This is in most due to black people who have only recently came into these professions. There are many unemployed young people who have completed courses in technical field but are unable to qualify because they have not been able to find work placement. Many national diploma graduate cannot have experimental training and therefore cannot qualify. Therefore. South Africa has a combination of a massive demand for skilled expertise and unemployment people who are qualified but lack experience.

South Africa is faced with the significant challenge of shortage of scarce skills at critical areas that are essential in the delivery of services especially at local government level.

This is due to many reasons but chief among them is location and an abundance of qualified students and graduates who do not have workplace experience and training to complete their studies. ELM is immune to the problems which are accentuated but eminent retirement of many skilled and experience personnel at scarce and critical skills areas of occupations. Among those to retire in five years, are people in scarce and critical areas which create a serious challenge for a municipality without a succession plan in place.

LIST OF CRITICAL AND SCARCE EMPLOYEES RETIRING IN THE NEXT 3 – 5 YEARS

Department	Level	Position
FS	2	Manager Revenue
BS	3	Snr Engineer (electrical)
BS	3	Assistant manager (waste & land)
BS	4	Snr Engineer (electrical) x 2
BS	504	Engineering Assistant
BS	6	Superintendent Waste Management
BS	6	Superintendent disposal
BS	6	Engineering Assistant
BS	607	Electrical Foreman
BS	6	Superintendent
BS	6	Snr Technical Assistant
BS	6	Foreman x 3
BS	7	Plumber x 3
BS	9	Heavy Machine Operator x 3
BS	9	Heavy Machine Operator x 3

BS	9	Supervisor
BS	10	Special workman
BS	10	Special workman x 10
BS	10	Special workman pipefitter x 3
BS	10	Machine operator
BS	2	Draughtsperson
BS	3	Sewer Works Operator x 5
BS	3	Journeyman x 3
BS	4	Team Leader x 2
BS	504	Handyman x 5
FS	6	Accountant Pay Office
EDP	6	Chief Town Planner
EDP	504	Snr Town Planner
EDP	6	Assistant Town manager
EDP	7	Building Inspector
EDP	7	Building & Drainage Inspector
SCD	504	Chief Professional Nurse x 5
SCD	504	Chief Superintendent x 2 (operation & admin)
SCD	504	Chief Environmental Health x 2
SCD	3	Assistant manager health
SCD	7	Snr Professional Nurse x 3
SCD	7	Professional Nurse x 5

Table 07

Analysis and Implications

- The Municipality might experience a skills gap due to the projected demand for skills exceeding the projected supply;
- As a result, will definitely encounter difficulties in ensuring the fulfilment of the Municipality's mandate and, Provincial and National imperatives;
- These situations often result in a reliance on external contractors and consultants;
- Skills retention and development strategies are vital to ensure that existing employees are retained and fully equipped;
- The Municipality could engage other prominent role players in the various sectors to develop strategies (e.g. skills transfer programmes) to fill prominent skills gaps;

EXIT MANAGEMENT

HR department conducts exits interviews however these interviews are done as part of compliance. The system is in place and manages exits. What is lacking is the use of the information to enlighten the strategic objective of the Municipality. This is crucial as this is an opportunity to allow the Municipality to reflect on its environment, systems, culture and how it conducts business. Exit interviews are normally done on the following arrays to determine and manage systemic exit trends;

- ✓ Retirement process;
- ✓ Medical boarding;
- ✓ Dismissal processes in line with sound labour practices;
- ✓ Outplacement and resignations.

CHALLENGES

- Recruitment and Selection Policy is not properly aligned to future institutional requirements;
- There are no pools established to source potential candidates from within the municipality;
- Staffing options are only limited to recruiting to fill vacant posts on the establishment;
- Succession planning is not an integral part of the recruitment and selection process;
- Labour market strategies are not in place;
- HR related skills deficiency among other employees in Human Resources is evident;
- Redundancy management is not supported by outplacement support as a result there is no continuous process to manage quality of staff;
- Exit interviews are held however do not inform the Municipality on trends or impact on the strategy and broader service delivery areas and are not robust.

RECOMMENDATIONS

- Ensure proper alignment of the Recruitment and Selection Policy to give effect to the implementation of the HRM and DS;
- Explore opportunities and management of redundant staff to close deficiencies identified in other Departments;
- Continuous research on the Labour Market trends and inform the strategy;
- Capacitation of panel members on recruitment etiquettes and targeted selection;
- Introduce modern IT orientated recruitment solutions to enable recruitment to move from transactional to strategic;
- Build internal capacity to conduct in-house competency based assessment, work reintegration and environment assessment;
- Enhance skill base of HR personnel through various interventions i.e mentorship, on the job training, formal training etc.;
- Establish well-structured strategic exit management processes and procedures.

PILLAR 2

WORKFORCE PLANNING

SUCCESSION PLANNING AND RETENTION

Background

Critical challenge now facing ELM, and even more so over the next decade and beyond, will be the strategic management of Human Capital. A succession plan and retention, simply put, is a component of good HR planning and management. Succession planning and retention acknowledges that staff will not be with an organization indefinitely and it provides a plan and process for addressing the changes that will occur when they leave. Employees now come sophisticated, dealing with this workforce complexity requires a more differentiated and sophisticated approach to the management of human capital. The people factor is arguably the most important factor in contributing to business success, but it is one of the least effectively managed corporate functions.

Importance of succession planning and retention

- For the continued supply and retention of qualified, motivated people who are prepared to take over in case of resignation, mortality, pension or transfers of current employees;
- The absence of a succession plan can undermine an organization's effectiveness and its sustainability;
- Without succession planning and retention process, an organization may not have a means of ensuring that the programs and services that are crucial to its operation are sustained beyond the tenure of the individual currently responsible for them.

Drivers of succession planning

- Succession planning is driven from the top with the assistance, input and buying in from key stakeholders;
 - HR Department is critical in advising, monitoring trends on terminations of services and developing policies and procedures for succession planning;
-

- Workplace Committees and Organised Labour are equally vital to monitor and enforce succession planning.

Environmental scan

External

- It is a fact that the South African labour market is faced with significant skills shortages;
- Given the mandate of the Municipality and the associated need for specialist skills, it too is affected by such shortages;
- There are various factors impacting on the ability of the Public Sector to attract these critical and scarce skills, amongst others are - limitations posed by collective bargaining systems, legislation, competition with private sector on the procurement of Human capital etc;
- The Municipality needs to focus on strategies to develop and retain these skills, rather than focusing on recruitment within a shrinking skills pool;
- Availability of certain technical skills many of which are critical and scarce is a significant issue nationally and within the province. Hence, the pool of candidates available for employment is shared by a number of other role players in both the private and public sectors;
- This is especially prominent for engineering and artisan related professions, as well as economists and specialist managers;
- Given skills shortages, other organisations are recruiting aggressively, which threatens the ability of the Municipality to retain its existing talent;
- Existing employees may not meet current competency requirements, or future competency requirements associated with changes in strategic direction, technology, and other factors.

Internal

Analysis of personnel acting in various positions was carried out and it was discovered that the myriad of problems affecting the issue of acting appointments included the following:

- Employees being appointed more than two levels above their official position,
- Appointments being done verbally without any supporting documentation,

- Unclear reasons for the acting appointment.
- In certain instances the appointments seemed to lack fairness and equity, i.e. staff members were not afforded equal chance to get the necessary exposure to the inherent features of the job.
- unbelievably long period of acting in certain positions.

RETIRING EMPLOYEES IN THE NEXT FIVE YEARS (5) IN DIFFERENT CLUSTERS

It is estimated that approximately 436 employees would have left the municipality in the next 5 years. This figure excludes terminations due to ill – health, dismissals, retirees and resignations.

Breakdown per job level category

Job Levels	2	3	4	5/4	6	7	8	10/9	10-15	16
number	6	12	7	19	33	7	8	60	167	117

Table 08 Emfuleni Local Municipality KPMG Report. 2014

Breakdown per Cluster

Level	2	3	4	5/4	6	7	8	10/9	10-15	16	STEM
Office	0	0	0	0	1	1	0	1	0	0	
MM	1	0	0	1	0	1	0	1	0	0	
CS	1	1	1	2	2	0	0	1	2	0	
FS	1	0	2	0	1	1	1	19	2	0	
BS	1	2	2	1	13	4	0	13	92	66	
EDP	1	2	0	3	8	0	0	4	2	3	
SCD	0	7	2	12	8	0	5	17	60	34	6
IPAM	1	0	0	0	0	0	2	4	9	8	
Sub - Total	6	12	7	19	33	7	8	60	167	111	6
Total	436										

Table 09 Emfuleni Local Municipality KPMG Report. 2014

Analogy on future terminations is analysed as follows;

The above tables present highlights on current employees that are going to be lost in the next five years due to retirements in key service delivery business functions.

The approximately 436 employees would have left the Municipality in the next 5 years. This figure excludes terminations due to ill health, dismissals and resignations. Having analysed the above, number of interventions are planned hereunder;

Short-term interventions

Development of succession planning and retention policy which will go in tandem with succession programme. The succession programme will include creation of skill pool, shortened recruitment and placement, sub-programmes that are aimed at addressing the challenge of employees who are acting for prolonged period in higher capacity. Embark on mentorship programmes to identified employees with potential.

Medium –Term interventions

Enhance partnerships with Institutions of higher learning, Provincial and National Departments on capacity building and human capital development based funding. Development of tailor-made skills programmes that addresses the needs of the Municipality particularly in service delivery Departments.

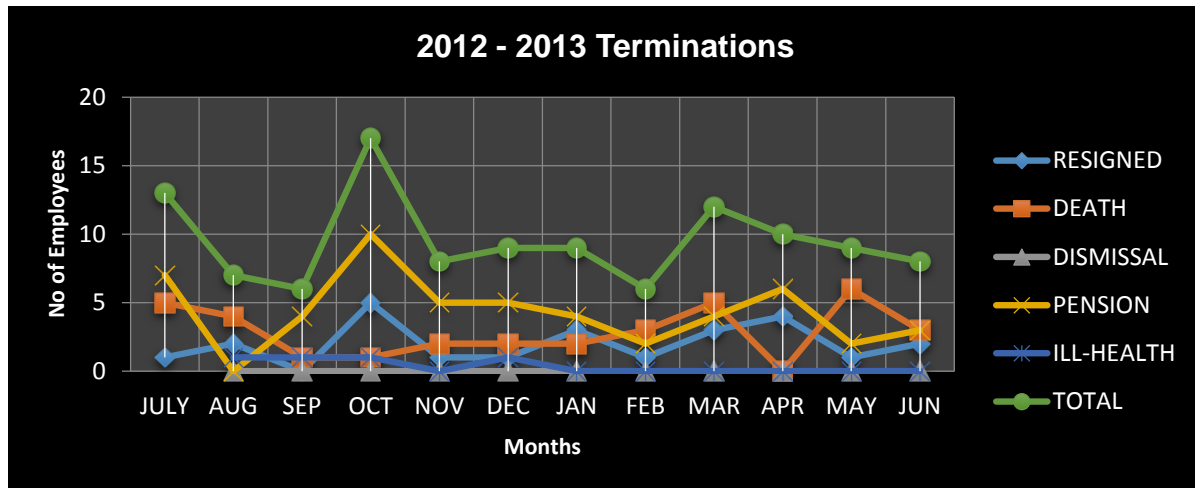
Long -Term interventions

Implement ELM HRM and DS and Performance Management Policy and programmes.

The retirement of employees will have dire effect in already depleted departments within the municipality.

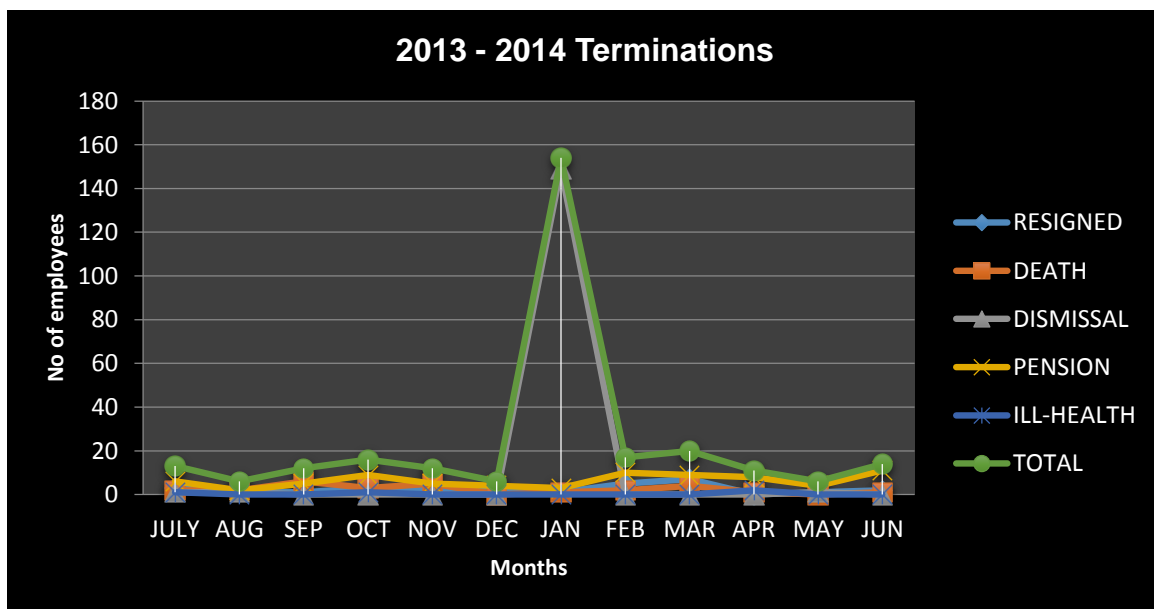
Trend on terminations is analysed over a period of three years hereunder

EMFULENI LOCAL MUNICIPALITY TERMINATION STATISTICS FOR THE PERIOD 2012 - 2013



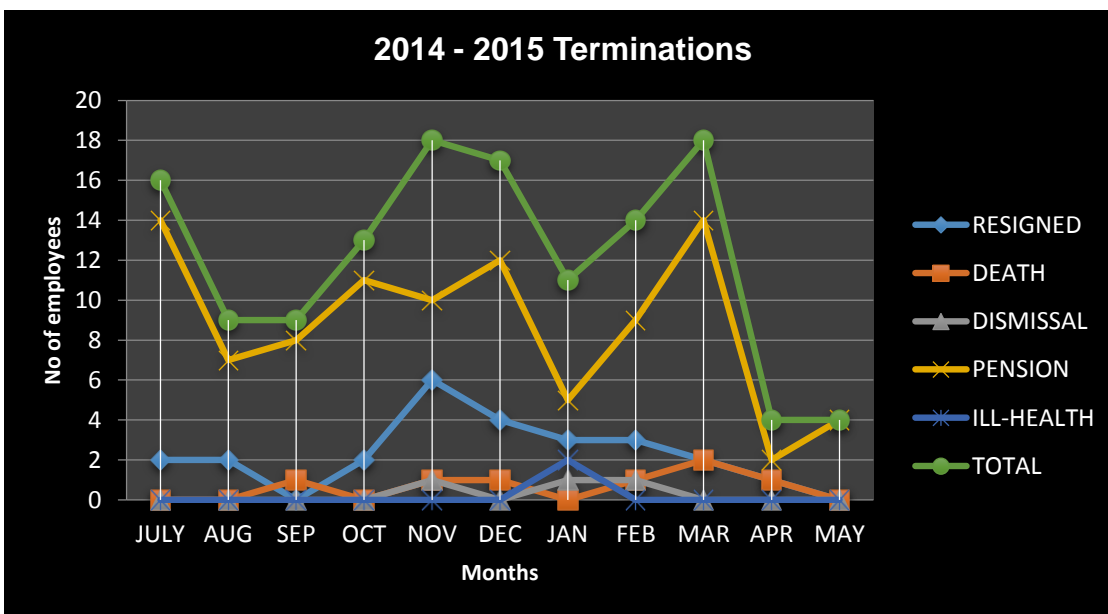
Graph b7.

EMFULENI LOCAL MUNICIPALITY TERMINATION STATISTICS FOR THE PERIOD 2013 - 2014



Graph b8

EMFULENI LOCAL MUNICIPALITY TERMINATION STATISTICS FOR THE PERIOD 2014 - 2015



Graph b9

Analysis on termination data is presented hereunder;

The information presented clearly indicated that over the period of three financial years significant number of terminations were due for retirement, and consequently loss of valuable skills. The highest peak of dismissals in the 2013/14 financial year indicates an alarming situation however, all have been reinstated as part of the settlement reached with South African Municipal Workers Union.

Rate of resignation is a cause for concern further noting that on average is rated second from termination due to retirement. Rate of mortality is also worrisome and therefore needs to be further analysed beyond this exercise. The fact that ill-health cases are rated low is immaterial as the Municipality should create a healthy environment for its workforce. These cases similarly to mortality need to be investigated further to ascertain if they are not work related. Dismissals are also rated low except the 2013/14 cases alluded to above. This does not add up looking the number of cases at hand especially our rate of suspension cases. The inference drawn is that either our disciplinary and discipline mechanisms are not effective or there is lack of capacity to ensure that there is premafacie evidence to prosecute on cases. This has an impact on the culture of

discipline in the Municipality. It is therefore concluded that terminations are higher than appointments made. The cost implication for termination is higher than replacement. Terminations simply imply a loss and therefore the Municipality need to have proper systems in place to mitigate the impact.

Impact of training in succession planning and retention

Training is generally more accessible to all levels of employees in the organisation although there are complaints that accredited and career oriented training is given to managers. Increasingly, skills audits, needs assessment and WSP is used for the basis of planning training and as a source of input for assessing the competencies of employees. However, it is found that in some instances training is not linked to PDPs and Succession Plans which do not exist at all. Accordingly, there are no systems in place to sufficiently monitor and evaluate the impact that training brings in the workplace.

CHALLENGES

- Line Departments relegate succession and retention solely to HR Department.
- Non-existence of succession planning and retention strategies and related policies in the Municipality.
- Inability to fund all critical vacancies.
- Inability to retain personnel with scarce skills.
- Limitations posed by conditions of service and legislation.

KEY FINDINGS

- Skills Audit presented various skills gaps and capacity within existing personnel.
- Improper management of acting personnel in various positions.
- Acting solely used as a salary supplement rather than a capacity building intervention.
- Majority of retirements are at the elementary level and in service delivery Clusters.
- Misplacement of staff with key or critical qualifications.
- The current promotion, demotion and transfer policy of ELM related to promotion is simply an extension of recruitment and selection policy.

- Absence of performance management system in all job levels will make it difficult to apply an ideal promotion policy.
- The Municipality invariably experience substantial challenges in obtaining the scarce skills required to fulfil its mandate;
- Misplacement of employees with required skills with in ELM.

RECOMMENDATIONS

- Skills retention strategies will be critical in ensuring that existing talent remains within the Municipality;
- Following comprehensive audits of skills requirements for current and future strategic objectives, accelerated development programmes may be required to equip staff adequately.
- Retention and succession management policy be developed.
- Retention and succession management advisory committee or similar committee be established to monitor, evaluate and implement succession plans and retention requests.
- The above mentioned committee will also propose various attraction and retention varieties like Municipal role in supporting professionalism, flexi hours, special allowances and other options within the collective bargaining parameters and local government legislations.
- Adequate budgeting be set aside to fund programmes or projects related to succession planning and retention.
- Creation and development of mentors and coaches.
- Support of professionalism.
- Strengthen relations with government bodies such as the LGSETA, tertiary institutions, commerce and industry, public and private specialist service providers, National / Provincial Departments and public bodies, as well professional institutes, other municipal Units, and various Sector Education Training Authorities;
- Review HR related policies to comprehend ELM HRM and DS.
- Adoption of interim placement policy to address the issue of misplaced employees with scarce qualifications needed by the Municipality.

PILLAR 3

CAPACITY BUILDING

STRATEGIC HUMAN RESOURCES TRAINING AND DEVELOPMENT

INTRODUCTION AND BACKGROUND

ELM has a dedicated section within HR that deals with issues of capacity building through-out the Municipality. The section is customer-focused and quality driven and provide training and skills that support the needs of the Municipality.

The mission of the section is to optimize service delivery by enhancing the performance of individuals and business units through the procurement of superior training products and services that are target-focused, results-oriented, cost effective and sustainable.

The section is further underpinned by set of values which subscribe to Batho-Pele principles as well as:

- Professionalism,
- Teamwork
- Commitment
- Honesty

EDUCATION, TRAINING AND DEVELOPMENT OF STAFF – STATUS QUO

Education, Training and Development of the ELM is focused on the enhancement of knowledge, skills and behavioural competencies of employees and Councilors to the appropriate levels required to deliver on and exceed organizational requirements, as embedded in the organizational strategy i.e. Integrated Development Plan and legislative prescripts.

The main purpose of training and development to date was to ensure that ELM staff have the competencies necessary to meet performance and quality standards in their current jobs. These training and development interventions focuses on the

development of individual employees` career and personal potential in order to meet their growth needs as well as the future human capital needs of ELM.

A comprehensive skills audit was conducted during the 2013/14 financial year and some of the salient results and findings are highlighted below.

Institutional Skills Audit Findings

The skills audit sample utilized for this analysis comprises 91% of the total workforce that anticipated. ELM is administratively divided into seven (7) Clusters. The skills audit process entailed the participation of all employees in each Cluster and the table below provides a breakdown of the level of participation per Cluster in the skills audit process.

ELM's Clusters	Total Workforce	Skills Audit Completed	Percentage
Economic Development Planning	101	83	82%
Infrastructure Planning and Asset Management	74	49	66%
Municipal Manager's and Internal Audit Clusters	54	46	82%
Corporate Services	91	86	95%
Financial Services	198	141	73%
Basic Services	1338	1245	93%
Public Safety and Community development	879	839	86%
Total	2735	2489	91%

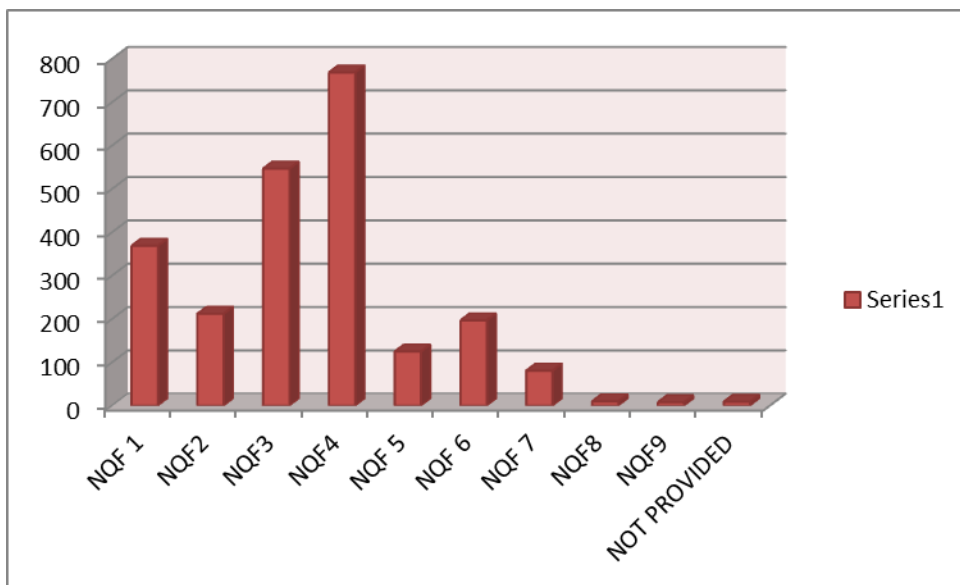
Table 10

It is evident from the Table above that the skills audit sample achieved is very representative of the diverse total workforce and more importantly is the fact that all ELM Clusters are fairly represented. This fact emphasizes the integrity and inclusivity of the sample. It follows that analyzed conclusions reached from this sample will be fairly representative of the institution as a whole without disadvantaging any particular sector or Cluster.

Educational Profile

The skills audit process entailed that all educational qualifications written on the skills audit questionnaire be aligned with the National Qualifications Framework (NQF) using the NQF table descriptors.

The graph below provides an insight into the educational demographic of ELM:



Graph b10 Breakdown of qualifications per level

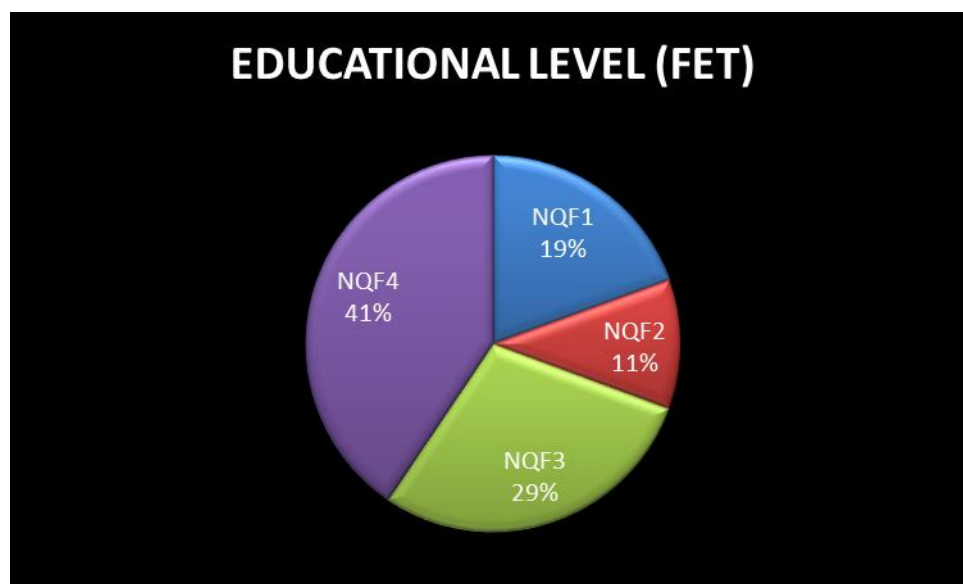
The outstanding factors indicated by the graph above is that the highest number of ELM employees are at **NQF level 4 and below**. It also indicates that from the skills audit questionnaires received and captured, no employee indicated a NQF level 10 qualification and a very small portion of employees did not provide any indication of their educational qualifications; hence the '**not provided**' category on the graph above. It is known anecdotally that there are two employees on NQF Level 10 (Doctorate Level) but did not participate in the skills audit process.

The numerical statistics indicate as previously stated that the majority of ELM employees (**total -1897**) have an educational level of NQF 4 and below. A significant amount (total -197) has a NQF 6 educational qualification which equates to Diploma and Advance Certificates qualifications.

Differentiation between Further Education and Training and Higher Education and Training

Further Education and Training (FET)

The statistics presented above are further illustrated in pie-chart percentage format in order to highlight the differentiation between FET and Higher Education Training (HET).



Graph b11

The chart above provides a percentage breakdown of the FET component. It indicates that the majority (41%) of ELM employees are educationally clustered at NQF 4 level which is the equivalent of a Grade 12, National Senior Certificate (NSC) or National Certificate Vocational (NCV). It should be noted that an uncomfortably high 19% of employees are at NQF 1 level in the General Education and Training (GET) band i.e. grade 0-9 (standards 2-7) as per the NQF framework.

Higher Education and Training (HET)

The chart below represents a percentage breakdown of the institutional educational levels that comprises the HET band as per the NQF framework.

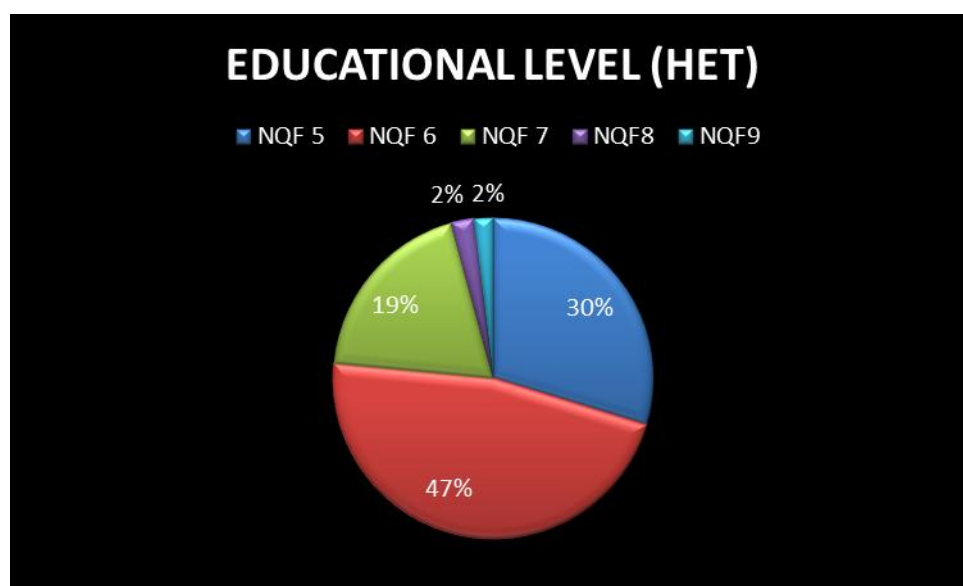
The highest proportion (47%) on the HET band have an NQF level 6 educational qualification. It is followed by 30% who are at NQF level 5 with 19% at NQF level 7

It should be noted that NQF Level 6 comprises individuals with Diplomas and Advanced Certificate qualifications obtained at Universities of Technologies and or Universities.

If ELM wishes to develop specialization in various fields of work it should concentrate on this big percentage in order to increase the pool at NQF level 7.

At the expert levels of NQF 9 and 10 (Masters and Doctoral) there seem to be a dearth of qualifying employees. It should be noted however that a significant number of Section 56 and 54A employees are falling within the NQF levels 8 to 9. Many section 56 and 54A employees did not submit skills audit questionnaire with the odd exception.

This largely accounts for the lower than expected percentage returns at NQF levels 8, 9 and 10. Anecdotally there is evidence of two employees with NQF level 10 (Doctoral) qualifications at ELM. It's anecdotal because the Training Section know who they are but have not received any completed skills audit questionnaires even though both are part of the permanent workforce at ELM.



Graph b12 The table depicts HET bends

CHALLENGES FOR EDUCATION, TRAINING AND DEVELOPMENT

- The development of an artisan brigade, as well as the other highlighted technical areas such as building inspectors and town planners from our internal ranks as

well as targeted recruitment should become a strategic human resource development priority.

- An important entry barrier for the skills development of the internal personnel into the artisan brigade is the relatively low level of employees who have Grade 12 with mathematics and science.
- Absence of an important research dimension of the skills audit that needs to be undertaken as a second phase of the skills audit analysis, i.e. the individual competence assessment. This dimension will provide the most comprehensive analysis and will enable ELM to focus skills development not only on operational requirements but also the personal human resource development aspirations and career-pathing of its staff.
- This individual competence assessment dimension will also enable succession planning and talent management which is currently non-existent. Succession planning and talent management should be based on sound scientific evidence and analysis for it to be perceived to be fair and free from labels of favouritism and nepotism.
- Lack of an effective and appropriate measurement and evaluation monitoring tool(s) in order to ensure **“Return on Investment”** on training interventions.
- Lack of a state-of-the-art ELM training centre aimed at providing quality training environment and facilities.
- Lack of line management commitment to the skills development needs of individual staff members with the resultant absence of personal development plans and career-pathing of staff.
- Lack of cash-backed training budget from ELM with a resultant underperformance on WSP and Sector Skills Plans training priorities.

RECOMMENDATIONS

- The entry barrier to artisan brigade could be realized by either employing recognition- of- prior-learning (RPL) or enrolling selected ELM employees onto FET courses to breach this gap. It is this reality that informed the Grade 12 Emfuleni Local Municipality project currently underway;
- Development of and implementation of ROI measurement and monitoring system for training and development interventions;
- Development and implementation of internal bursary scheme;
- Revive stakeholder partnership with institutions of higher learning in the Sedibeng area;

- Develop and implement a targeted artisan development project;
- Construction of an ideal training centre that meets the needs of ELM, aimed at providing quality training environment and facilities.

PILLAR 4

EMPLOYMENT EQUITY AND AFFIRMATIVE ACTION

INTRODUCTION AND BACKGROUND

The Employment Equity Act 55 of 1998 was promulgated to reverse the negative imbalances of the past, by removing barriers to equality and implementing affirmative action measures in the workplace.

It is against this backdrop that the Employment Equity Department was created to monitor and ensure compliance with the provisions of Employment Equity Act as a framework to remove barriers that adversely affected equal employment opportunities and ensured equitable representation of designated groups in the workplace.

In terms of the Employment Equity Act of Act 55 of 1998, ELM is a designated employer and is thus required to make concerted efforts to promote equity by eradicating discrimination and implementing Affirmative Action measures in the workplace. The municipality has an obligation to report to the Department of Labour on an annual basis and demonstrate its efforts to promote equal representation of designated groups and affirmative action.

Since the establishment of Employment Equity Department, the Municipality has embarked on various processes of removing the barriers in respect of employment and advancement of all South Africans and to accelerate the training and promotion of individuals from historically disadvantaged groups (black people, women and people with disabilities).

The Municipality has also made significant strides in creating an environment of sustainable diversity in order to achieve broad representation of the South African society.

The Employment Equity functions include:

- Advise and monitor the implementation of the Employment Equity plan.

- Manages Employment Equity processes.
- Conduct workshops, training and information dissemination to Employment Equity stakeholders.
- Ensure periodic assessment and review of policies, procedures and processes.
- Compile reports to management on Employment Equity status quo and trends.
- Benchmarking with other municipalities and sector departments in relation to Employment Equity.
- Monitor and advice on the reasonable accommodation for people from designated groups.

Despite these interventions, it is still difficult to ensure full compliance with the provisions of the aforementioned act. There are number of barriers including but not limited to the working environment, organisational culture, perception of management, and narrow approach on HR practices.

NATIONAL AND PROVINCIAL PERSPECTIVE

The Act provides for the establishment of amongst others Employment Equity Commission, The Commission for Gender Equality to enforce and ensure compliance with the act. The Department of Labour has Inspectorates Divisions empowered to monitor and enforce compliance throughout the provinces. Another enforcement mechanism provided by the act is the Director General review.

The process of conducting Director General Reviews has been on-going since 2006 and most employers were found wanting in complying with the requirements stipulated by the act. During these reviews it was established that:

- There was no buy-in from senior and top leadership to embrace employment equity as part of business imperatives;
- In some cases organizations assigned junior staff with no authority and necessary resources to execute their mandate;
- Consultative Forums were non –existent or nor constituted thus resulting into lack of consultation on the preparation and the development of EE plans including preparation of employment equity reports;

- Reviewed companies were reluctant to submit requested information and also failed to comply with the recommendations of the Director- General;

KEY FINDINGS

It was discovered that:

- Employment Equity matters are relinquished to EE Department by line managers;
- The objective of the act is narrowly understood to represent numbers;
- Department does not have permanent operational staff;
- ELM is still under Director General review;

ELM STATUS QUO ANALYSIS AND TRENDS

It is crucial that a high level of workforce profile be projected to show representation on gender, race and occupational level. This profile represents the institutional wide representation. There are areas in different Clusters where there is extreme none compliance in relation to gender parity and there are others that the Municipality is partially complying.

Institutional workforce profile as at March 2015

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	7	0	0	1	2	0	0	0	0	0	10
Senior management	57	1	0	16	20	1	0	4	0	0	99
Professionally qualified and experienced specialists and mid-management	144	0	1	41	146	4	3	29	0	0	368

Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	638	6	1	45	404	3	1	61	0	0	1159
Semi-skilled and discretionary decision making	193	1	0	1	22	0	0	0	0	0	217
Unskilled and defined decision making	566	0	0	0	325	0	0	0	0	0	891
TOTAL PERMANENT	1605	8	2	104	919	8	4	94	0	0	2744
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	1605	8	2	105	919	8	4	94	0	0	2744

Table 11 Institutional workforce profile

Equitable Representation at different levels

Given the above statistics it is evident that having appointments which are in line with equity targets still remain a challenge at Emfuleni for as long as the municipality does not attract suitably qualified candidates from all racial groups. As reflected on the table above it is evident that concerted efforts need to be made to enforce compliance especially at top management levels 2 and 3.

The following therefore represent some of the challenges that the EE department is experiencing:

- Suitably qualified candidates not applying for positions
- Challenges in attracting suitable candidates across all racial groups in particular Coloureds and Indians
- Slow progress in mainstreaming females into top positions
- Lack of targeted training to close gaps identified with regards to designated groups
- Using the traditional way of high scores to determine the most suitable candidate and overlooking EE targets.
- Political deployment which does not consider Employment Equity when effected.

Status on people with disabilities

The organization has not yet been able to reach the 2% target in terms of appointing people with disabilities in different occupational levels. However in terms of the revised Employment Equity Plan, the EE department together with HR will focus on a drive to recruit more PWD's and ensure compliance in this regard.

On the other hand it is also important for the organization to give attention to municipal buildings and ensure that they are refurbished and are accessible and accommodative of People with Disabilities.

Status of Women Appointments

The table above is a reflection of the status quo with regards to the appointment of women at management level (section 56/57 to level 6) at ELM. The analysis is based on appointment statistics for the years 2009, 2012 and 2013 respectively. Although there has been improvement in women appointments, it is clear that the organization still needs to do much more to reverse the imbalances of the past.

Currently, women represent 42% of all appointments from section 56/57 to level 6 compared to 58% of male appointments. The above also shows that more males are appointed at management positions and other levels than females.

CHALLENGES

- No equitable Representation at different levels;
- Slow progress on mainstreaming woman and people with disabilities at the Senior and Top management;
- No pools created to take opportunities to mainstream on terminations and promotions,
- Director General of the National Department of Labour focuses on job requirements as opposed to job fit and alignment with section 20(3) of the Act.

RECOMMENDATIONS

Capacity Building in the EE Department

The Employment Equity Department is currently capacitated with the appointment of short fixed term contracts pending approval of the Department's permanent structure. It is therefore critical to approve the structure and fill these positions on a permanent basis and enable the department to deliver on its mandate

Targeted training and development for designated groups

- There is a need for holistic training and development interventions that will capacitate and up-skill previously disadvantaged groups particularly women and People with Disabilities;
- The development of women empowerment programmes is key to ensuring that women acquire the necessary skills and abilities to be appointed in management and leadership positions.

Equitable representation designated groups

- Enforce compliance by ensuring that employment equity targets receive the necessary attention during shortlisting and recruitment processes in line with section 20(3) of Employment Equity Act;
- Promote equitable representation of People with Disabilities to reach the 2% compliance state;
- Promote the mainstreaming of women into management and leadership positions.

HR Policies and strategies

- Development policies and processes that are aligned to an all-encompassing HR Strategy;

- Constantly review policies and processes with regards to recruitment and Selection, training and skills development, acting, promotions, transfers and demotions in keeping abreast with latest market trends;
- Develop coaching and mentoring opportunities to empower internal staff and create talent pools which will in turn have a positive impact on equity targets.

Employment Equity and Skills Development Forum

- Ensure that there is a functional and effective EE and SD forum and that consultation at this level happens on an ongoing basis;
- Ensure adequate representation of all clusters in this forum including members of the Senior Management Team;
- Create mechanisms to ensure that the forum disseminates proper and relevant information to their constituencies.

PILLAR 5

PERFORMANCE MANAGEMENT AND REWARD

BACKGROUND AND INTRODUCTION

Performance management is "a strategic approach to management, which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organization in terms of indicators and targets for efficiency, effectiveness and impact."

ELM is required to establish and sustain a performance management system. A municipality's performance management system "entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players."

In July 2006, Emfuleni Local Municipality adopted a performance management and development system as a tool to facilitate implementation of performance management and comply with legislative requirements. During the implementation of the system, gaps were identified which required immediate attention. Essentially the Municipality had to revise the performance management and development policy in order to close the gaps. Given this background, it is the intention of ELM to revise and implement a performance management framework that prescribes how the Municipality will manage its performance from the organizational to the individual level. The revised Performance Management Framework was submitted and approved by Council in June 2014.

Performance management is frequently used but understood differently by people. Therefore, the purpose of performance management framework is to define the concept of a performance management by creating a uniform and contextual understanding

within the Municipality. It is also the objective of the performance management manual to outline the legislative requirement of performance management.

The main purpose of the system is to manage and improve performance at all levels throughout the Municipality. Very importantly, this requires that all employees do what is expected of them:

1. The employee is paid a salary for doing his/her job acceptably, not just for reporting for duty.
2. The employee who performs better than the level of work required may be given a reward and recognized.
3. Provide mechanism to deal with under-performance.

Other components of the system clarify how the employees' performance will contribute to the overall objectives of the Municipality. The manual will also set out the alignment between Integrated Development Plan and the Service Delivery Budget Implementation Plan. In a nutshell, the framework will enable the Municipality to have a step by step process of translating the vision by defining the strategic objectives in order to clear measurable outcomes, indicators and performance levels. Mandated structures such as Performance Audit Committee and Audit Committee, Council as well as Senior Management Team will be equipped with a tool designed to provide a consistent approach to manage, monitor, review and report performance at all levels in the Municipality i.e. organizational, cluster and individual.

Performance Management Cycles

Hereunder is the summarised performance management cycle:

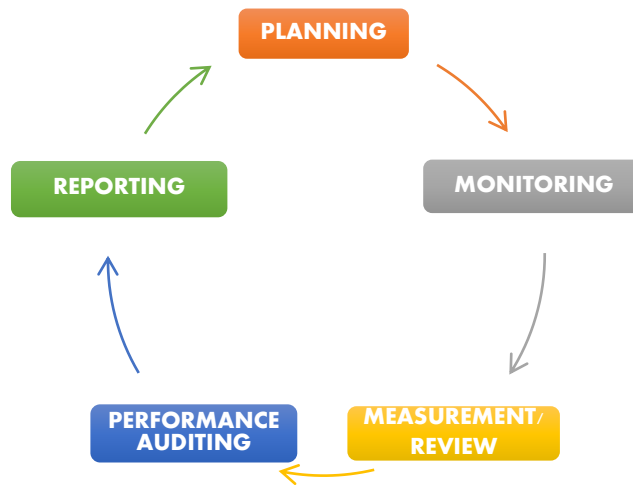


Diagram 9

The following responds to why ELM had to adopt a performance management:

- To drive greater value for money by focusing management efforts and resources on social outcomes that really matter to communities.
- To ensure coherence between strategic and operational plans, through the cascading of objectives and measures, which in turn ensures that limited resources are focused on activities that will make the most difference.
- To enable the organization to control costs by clearly aligning budgets not only to activities, but also to outcomes.
- To promote greater efficiencies by enhancing service performance levels, eliminating waste and reducing delivery risks.
- To promote organizational responsiveness through rigorous monitoring activities, helping organizations proactively track and plan for risks and changing community needs.
- To develop greater analytic capabilities in its workforce. These skills are required to create, innovate around and apply insight that drives the right social outcomes for public service organization and their stakeholder.

Benefits of performance management system in general

Employees will achieve the following specific benefits from the performance management system:

- Provide better insight in the job and clarify the duties and responsibilities associated with the job;
- Enable employees to see where he/she fits into the municipal structure and contributes to achieve the development objectives of the Municipality as per the IDP;
- Assist employees to discover their own strengths, to recognize their weaknesses and to develop the knowledge, skills and attitudes to overcome these in order to fulfil their potential; and
- Enhance individual career development through informed decision-making and focused training.

The performance management system has the following benefits for the Municipality

- Implement the IDP by making it accessible to all employees, clarify objectives and strategies and promote the accountability of groups and individuals to these objectives and strategies;
- System will enable Senior Management to detect early warnings on underperformance of staff;
- Continuously reassess structural functionality and enable effective organizational alignment with objectives and strategies;
- Understand the role, duties and responsibilities of employees;
- Identify shortcomings in employment practices, procedures and policies;
- Delegate unambiguous and realistic responsibilities to employees;
- Assess the adequacy or inadequacy of resources available to employees;
- Identify and address training and development needs in a focused and structured manner so as to make use of the opportunities provided by the Skills Development Act;
- Provide services in an efficient, effective and economic manner.

Performance management will benefit the community through:

- The establishment of a system which translates the IDP into measurable objectives and targets;
- The institutionalization of sound management principles ensuring effective and efficient governance of service delivery;
- Adequate provision for community consultation and the opportunity to have a clearer insight in the Municipality.

CHALLENGES

- Limitation on financial linked reward options due to Municipal finance status
- PMS viewed as a punitive move as opposed to management tool
- Human Capital capacity to cascade PMS to lower levels

KEY FINDINGS

- Some of the KPIs are not directed at optimizing delivery of Municipal core service delivery agenda but merely developed to ensure achievability;
- Management lacks track of performance due to the absence of PMS in the lower level;
- Vacant positions in the Performance Management structure not funded;
- Silo operations by Clusters and Departments exacerbated by the current performance systems.

RECOMMENDATIONS

- Embark on the change management process with all affected employees as cascading is effected;
- Transfer the individual performance wing on the organogram to Human Resources and make provision for budget;
- Embark on extensive consultation process with affected personnel and Organised Labour on the draft Reward and Incentive Policy;
- Once consultation processes are completed; submit the Reward and Incentive Policy in line with agreed policy development processes to council for approval.
-

PILLAR 6

ORGANISATIONAL DEVELOPMENT

BACKGROUND AND INTRODUCTION

Section 66 of Municipal Systems Act 32 of 2000 requires the Municipal Manager, within the policy framework determined by the Municipal Council and subject to any applicable legislation, must:

- Approve a staff establishment for the Municipality;
- Provide job description for each post on the staff establishment;
- Attach to those posts the remuneration and other conditions of service as may be determined in accordance with any applicable labour legislation;
- Establish a process or mechanism to regularly evaluate the staff establishment and if necessary review the staff establishment and the remuneration and conditions of service

For Emfuleni Local Municipality to achieve the above-mentioned and other relevant functions, the Department: Organizational Development was established on 31 March 2008. The following are the current core functions of the department:

- a) Organizational Design and Post Establishment;
- b) Job Evaluation;
- c) Employee Health and Wellness Programme;
- d) Change Management and Transformation; and
- e) Business Process Mapping

STATUS QUO ANALYSES

With the limited resources, the department has been striving to render supportive services to ELM by defining, developing and rewarding an organization culture that is conducive to achieving business objectives, which includes:

- Culture transformation and change management
- Design and review of organizational structures
- Continuous assessment of organizational effectiveness through developing and reviewing job descriptions
- Implementing EAP programmes

Organizational Design and Post Establishments

The Municipality has contracted KPMG to develop Service Delivery Model for ELM as well as reviewing the organizational structure and post establishment in order to align it to the strategic objectives of ELM. The project has been put on hold due to financial constraints of the Council. Note be taken that the Decentralized Organizational structure for the following Departments was approved i.e. Supply Chain Management, Human Resources Management and the creation of the Super-By-Law and Performance Management Department.

Culture transformation and change management

Change management, is the use of a structured process and set of tools to support the human side of an organizational initiative. A well-conceived and well managed change management can mean the difference between success and failure in the review of organizational structures process, outlining of the scope, timing, work plans, resource estimates, accountabilities and dependencies.

The Department has conducted several change management interventions relating to the following organizational initiatives:

- Change readiness through interviews and focus group before review of the organizational structure and post establishment by KPMG;
- Utilization of pay day system by HR, LR and Pay Office personnel;
- Establishment of Change Management Agents forum in ELM to improve dissemination of the information in the municipality;
- Participation on review of job descriptions by employees ensures that they take responsibility and accountability for their functions;
- Implementation of performance management for level 2 – 3;
- Climate survey;

- Ongoing interpersonal interventions between managers and their team members

Job Descriptions and Job Evaluation processes

The Job descriptions have been developed in 2012 and they were submitted to SALGA for assessment. The Provisional Outcome Results (P.O.R) was submitted to ELM on 31st July 2012, Both the Employer and Organised Labour jointly objected the P.O.R. The job descriptions had limitations due to time constraints which lead to non-compliant to T.A.S.K as required by the relevant prescripts.

Due to the above-mentioned challenges, the OD Department has embarked on the process of reviewing the Job Descriptions for all the approved positions. The process has since been completed and the Department is on the process of conducting job evaluation to determine the correct job level in the financial year 2015/16.

Employee Assistance Programme (EAP)

The EAP focuses on the ways of improving employee well-being as research shows that employee well-being is amazingly tied to higher performance. Employee well-being is a subjective state that takes into account physical, psychological, mental, social, spiritual, emotional, environmental, developmental and occupational considerations all within the context of the workplace.

Organizational Development continues to render the following Employee Wellness Programmes for ELM realizes its mission of creating a safe and healthy environment:

- Conduct HCT in all Depots and at Head Office
- Ongoing EAP Counselling
- Conduct Medical Surveillance
- Conduct EAP Wellness Information Session
- Financial Management Workshop and Awareness Campaigns
- Conduct Trauma Debriefings in relevant departments
- Bereavement Debriefing Session

CHALLENGES

The following are challenges which the Department: Organizational Development is experiencing and hampering the service delivery:

- A high rate of vacancy and cashflow challenges in the OD Department which makes it difficult to fully execute its mandate;
- Lack of proper consulting rooms for EAP services which should encourage employees to utilize EAP services;
- HR Management and Development at the municipality is fragmented with Organizational Development, Labour Relations and Employment Equity operating independently outside of the Human Resources Department;
- Above Departments in general are understaffed and their operations and financing are generally fragmented with a diverse framework of responsibilities which is sometimes unclear and generally incoherent;
- Lack of capacity building for the existing staff in the department;

RECOMMENDATIONS

For effective and efficiency of OD Department the following should be addressed:

- A budget should be allocated for the critical approved posts in the department;
- Capacitation of the current staff in the Department and allocation of resources is another option of optimizing service delivery;
- EAP consulting facilities should be prioritized;
- Align functional structures in an organization so they are working together for a common purpose;
- Create remuneration systems through job evaluation processes that are compatible with the goals of the organization;
- Assess the working environment, to identify strengths on which to build and areas in which change and improvement is needed;
- Conduct periodic client satisfaction surveys and inform the strategic direction of the Municipality.

PILLAR 7

EMPLOYEE RELATIONS

INTRODUCTION AND BACKGROUND

Employee Relations (ER) involves the body of work concerned with maintaining employer-employee relationships that contribute to satisfactory productivity, motivation, and morale. ELM has created a dedicated Department with vested interest to deal with matters related to ER. The vision of the Department is to create a positive employee relations climate that supports workforce safety, workforce capability, staff engagement and a high performance customer service culture. Furthermore, to develop strategies and policies in order to build sustainable ER.

It is a fact that ER is an integral component of Municipal operations and must be managed having regard to Municipal priorities, potential risks, cost and impact on service delivery. The foundation of Employee Relations is based on the following;

- Address ER issues;
- Encourage managers and supervisors to lead;
- Encourage employees to actively participate and engage in positive, productive and safe work practices;
- Inform managers and employees of the requirements, responsibilities and processes required for a positive employee relations environment and suitable business outcomes.

PRINCIPLES UNDERPINNING EMPLOYEE RELATIONS

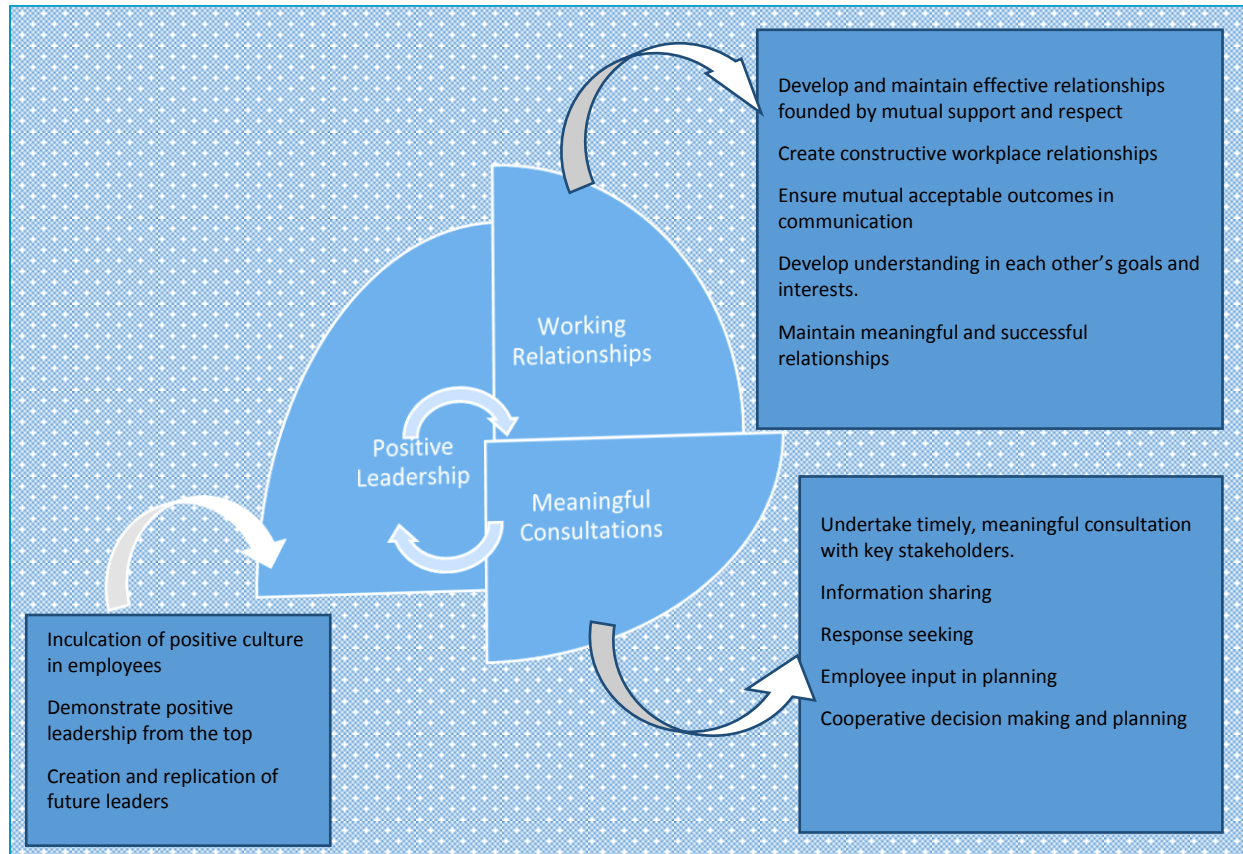


Diagram 10

The table above demonstrates the principles behind ER

Ideal ER in the 21st century

- Focus on the Municipalities priorities and values;
- Provide advice on employee relations issues;
- Utilise effective advocacy and equitable representation in consultative forums;
- Ensure effective communication with all stakeholders;
- Support organizational strategic direction;
- Adoption of proactive, rapid and innovative conflict management strategies;
- Focus on issues rather than individuals;

- Adopts integrated automated systems;

NATIONAL AND PROVINCIAL PERSPECTIVE

As a corporate responsibility, Managers must be savvy enough to implement management policies that would not create employer/employee friction that could bring the Municipality into disrepute. Additionally, as a legal responsibility, managers must be versed in Labour law requirements that would give them and the company an edge in arbitration hearings. Therefore employers need to arrange for Managers to be trained in the preparation of evidence at such hearings, as well as how to present such evidence successfully and convincingly to achieve fair judgment.

It is evident that South Africa yields a fairly high level of regulation in international terms. South Africa's labour legislation is among the most progressive in the world, providing for institutions to settle disputes and ensure fairness in the workplace. This was not always the case. Industrial relations in the apartheid era were characterised by high levels of racial discrimination, conflict, union repression, cheap labour policies and authoritarian management style.

The post-1994 labour legislation, the product of extensive consultation between government, labour and employers, has established institutions to nurture sound, co-operative industrial relations:

- National Economic Development and Labour advisory Council
- Commission for Conciliation Mediation and Arbitration
- Commission for Employment Equity
- Employment Conditions Commission
- Productivity South Africa
- National Skills Authority
- Unemployment Insurance Board etc.

In the context of Local Government, the South African Local Government Association (SALGA) was established as an autonomous association of municipalities with its mandate derived from the Constitution of the Republic of South Africa. This mandate defines SALGA as the voice and sole representative of local government. SALGA interfaces with parliament, the National Council of Provinces (NCOP), cabinet as well as provincial legislatures.

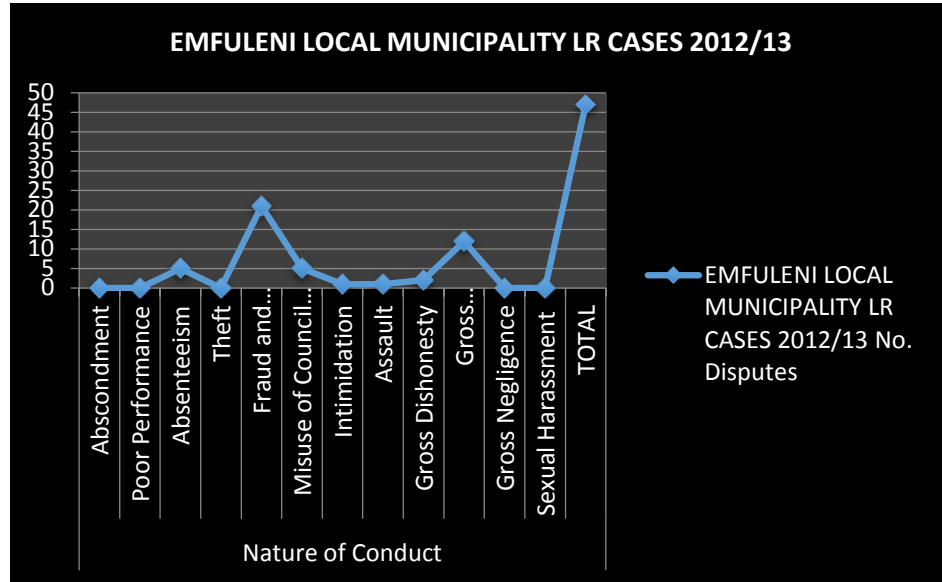
There are defined roles SALGA place however relevant and critical to this Pillar are;

- Advice and support – policy analysis, research and monitoring, knowledge exchange and support to members;
- Representation – stakeholder engagement; lobbying on behalf of local Government in relation to national policies and legislation;
- Act as an employer body – collective bargaining on behalf of our members; capacity building and Municipal HR.
- Strategic Profiling – building the profile and image of local Government locally and internationally.

ELM LR STATUS QUO ANALYSIS AND TRENDS

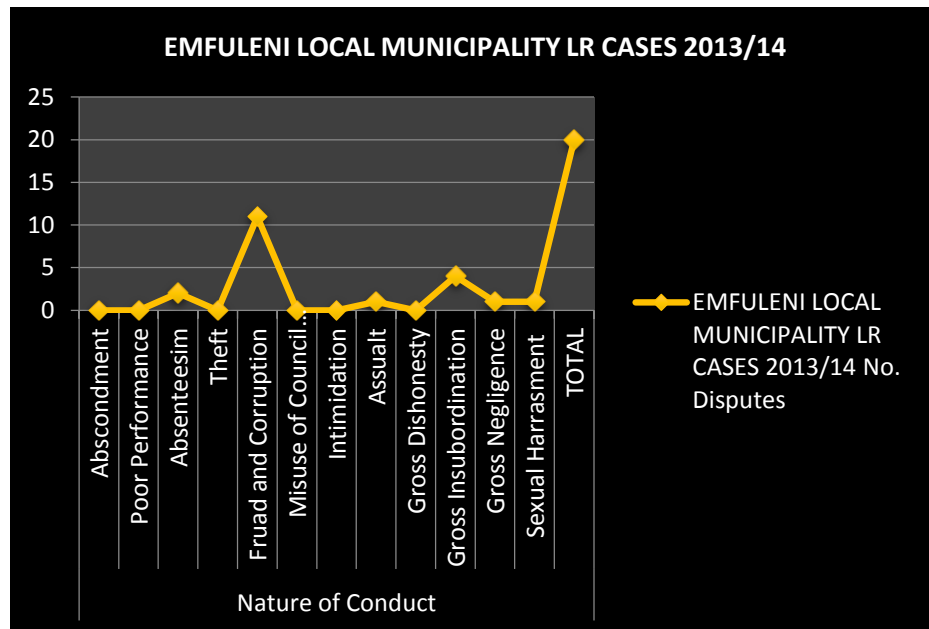
One of the key priorities vested with the LR Department is to ensure reduction of grievances, disputes, disciplinary matters and promotion of harmonious relationships between management and organised labour. The Department produces statistics of LR cases and their status on quarterly basis to the Senior Management Team. The Department has successfully organized a “relationship by objective” session in 2014 to build relations between organized labour and management. On the other side the Municipality has been challenged by illegal industrial actions which were exacerbated mainly by alleged management failure to resolve plant level grievances promptly. This painted a negative image to the Municipality and deteriorated the morale of the employees. Below is the analysis of disputes over three financial years.

EMFULENI LOCAL MUNICIPALITY LR CASES 2012/13



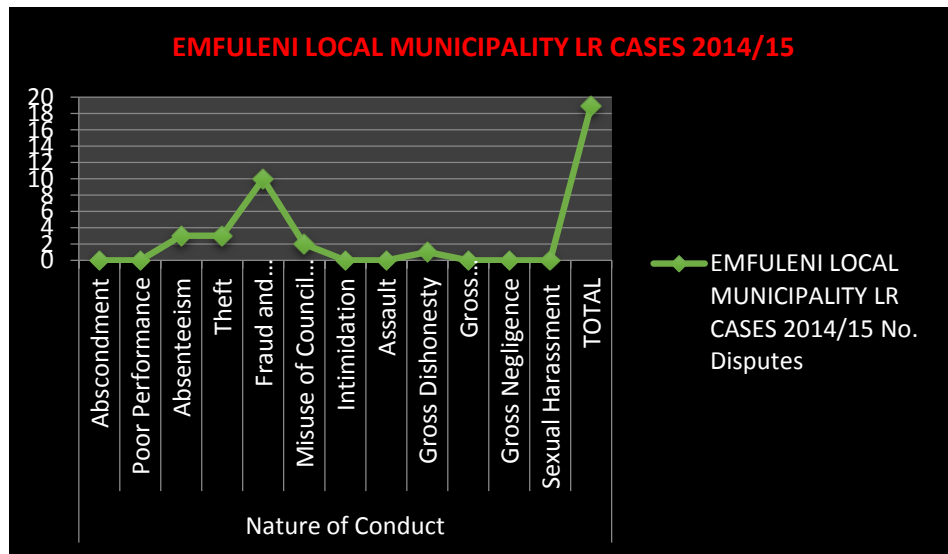
Graph b13

EMFULENI LOCAL MUNICIPALITY LR CASES 2013/14



Graph b14

EMFULENI LOCAL MUNICIPALITY LR CASES 2014/15



Graph b15

The above tables depict number of disputes over a three financial year period.

It is recorded that 86 disputes were handled over the past three financial years i.e. 2012/13, 2013/14 and 2014/15. It is further noticeable that 49% of these cases are related to fraud and corruption. Gross insubordination cases takes up 19% of the total cases logged. Absenteeism is on third with 12% and other cases share the remaining 20%.

From above analogy it is clear that the Municipality needs to adopt a targeted approach to deal with the issue of corruption and fraud, gross insubordination as well as absenteeism. The above statistical data excludes grievances or matters raised at the plant level formally and informally. There should be a joint concerted effort focusing on all HR arrays, be it design, environment, capacity, culture etc. An in-depth assessment and analysis should be conducted to inform the development of the LR strategy for ELM.

Similarly, LR Department is at the transactional stage of development noting that basic policies and processes are in place and employee relationship management is generally reactive. Above all primary focus is on compliance or crisis management. The ideal

stage of development is principled by proactive engagement and involvement of partners in defining implications in lieu of future scenarios.

Alignment of employee relations



Diagram 11

The table above showcases employee relationship management

KEY FINDINGS

- LR cases are recorded but not inclusively costed i.e. time, labour, legal, relationship, working environment etc.;
- Silo operations;
- No integrated ER and case management system;
- LR is habitually reactionary;
- Line management relinquish their LR responsibility to LR Department;
- LR not geared up to influence Organisational Strategy;

- Sometimes queries or grievances spiral out of control, resulting in situations where co-operation breaks down and the Municipality's mission is threatened;
- More often similar cases are handled without correcting the system or processes to prevent the recurrence.

CHALLENGES

- No synergy with LR related Departments;
- Capacity challenge exist in a form of personnel with legal background to defend LR matters in-house and minimize litigation costs;
- There is no well-coordinated and recorded resolutions system in relation to resolutions taken at consultative forums for future use or access to line Departments;
- Strike management framework and strategy is reactive in nature;
- Line managers are not capacitated to deal with strike management in their respective Departments;

RECOMMENDATIONS

- The establishment of a learning network to facilitate the sharing of information on best practices and lessons learnt with regards to employee relations;
- Procurement of integrated case management system;
- Physical decentralisation of LR support functions to Clusters;
- LR reports should reflect in-depth analyses, trends and informs the Organisational wide strategy;
- Development of information hub as a desktop management tool to administer employee relations in their Clusters or Departments;
- Develop frameworks and a culture of involving and listening to employees and their representatives through formal and informal mechanisms in order to promote effective employee relations, improve job satisfaction and secure the workforce's commitment to the objectives and priorities;

- Provide and maintain a comprehensive and modern set of LR strategies, policies and procedures to support and underpin local government's or a municipality's aim of being an employer of choice;
- Provision of training and development to line managers on ER;
- Appointment of personnel with legal background specialising in Labour Law;
- Training line management on strike management framework, strategy and sensitise workers;

PILLAR 8

INFORMATION SYSTEMS AND TECHNOLOGY

BACKGROUND AND INTRODUCTION

The purpose of an information system is to turn raw data into useful information that can be used for decision making in an organization. Similarly, Information Technology (IT) is the application of computers and telecommunications equipment to store, retrieve, transmit and manipulate data, often in the context of a business or other enterprise. Many information systems are designed to support a particular process within an organization or to carry out very specific analysis.

There is more pressure than ever for Human Resources to perform better, smarter, faster and cheaper while providing more value-added services to their organizations. While technology plays a critical role in enabling the transformation of HR from personnel management to business execution, technology by itself does not create this change. HR leaders must effectively use this technology to drive more business relevant conversation with line leaders.

Human Resources information systems and technology evolution

There are a wide variety of improvement opportunities in Human Resources and making sense of them is as complex as ever. Process optimization, self-service applications, shared services, enabling technologies, Human Resources service delivery model optimization and more. How you address these opportunities will directly affect your ability to effectively deliver the results business leaders expect. But how do Human Resources and the technology organizations that support them identify these opportunities?

ELM diagnostic report and status quo on integrated HR ICT system

Human Resources Department has not fully incorporated Information Technology and Communication systems as an enabler at ELM. Various gaps have been analysed during the analyses phase of this project and are reflected hereunder;

Recruitment and selection system

The current manual system is not only time consuming but it is prone to human error, primitive in nature, difficult to measure and open to manipulation. Online recruitment and selection system is the way to go with the following to benefit from:

- ✓ Automate communication with SMS and Email notifications to applicants and users
- ✓ Reduced risk of lost applications or fraudulent activities
- ✓ Automate most manual recruitment activities
- ✓ Allow hiring Managers to interact with HR easily and efficiently using notes, comments and candidate grading

Skills Audit Web Tool

The current Skills Audit took HR Department 18 months to complete as manual system was created and physical visits had to be made to gather, capture and analyse information. Additional personnel in the form of interns had to be sourced in this process to assist. It will be ideal that a Web based Skills Audit system has to be sourced as it has proven in most institutions to be efficient, cost effective and accurate.

Based on this experience it goes without saying that to conduct periodic Skills Audit utilising web-based tool the Department could take approximately less than three months to complete the project.

Payday-software system

ELM has been licensed by Pay day Software systems (PTY) Ltd to utilise pay-day software for the human resource management. The pay day software system contains various modules comprises of HR, Finance, EE, training and occupational

health and safety. Above all, it is capable of producing statistical data and various reports like OHS, EE, WSP etc. The system is compatible to be integrated with other known HR systems like Org plus etc.

The current status reflects that officials from HR have been trained to input employee profiles in the software system. The training was aimed at ensuring that all modules are optimally utilised.

The pay day software system is unable to produce the results licensed for due to none population of other modules. The system is as good as the input made to it. Only 10% of the system is used by HR.

It should be noted that all employees are captured but with insufficient information required to enable production of compliance reports like EE Reports, Workplace Skills Plans, Skills Audit etc. This implies that apart from capturing new engagements properly, there should be a programme to capture outstanding information of all existing employees.

Full utilisation will ensure consistent and accurate Human Capital data management and distribution. Furthermore this will improved turnaround time and effective Human Capital Management.

Employee Self Service

Pay Day Employee Self Service module (commonly known as ESS) is an on-line software system which allows employees to electronically apply, view and print IRP5's and pay slips. Also to query or capture any form of personal data, such as leave applications or change of address etc. All of this information and many more are forwarded to the HR and payroll system.

Purpose of the system

ESS is designed to make leave processes as effortless as possible by empowering staff to maintain their personal details, apply for leave online and view payslips and

IRP5s in a paperless environment. Capturing, approving and maintaining employees' leave becomes a streamlined paperless process.

ESS assists in automating business as well as maximizing Council's return on employee investment. This module integrates with Pay-day System which has EE, LR, Training, etc modules, and it significantly improves business processes and increases efficiency in the HR Unit by utilizing the right workflow.

The Municipality has taken a resolution to implement this system and is currently being rolled out to Clusters.

Core capabilities of ESS

- Allows employees to view the current and previous 12 months pay slips and IRP5's;
- Leave applications may be done on-line by each employee and is then updated automatically in the system;
- All transactions are authorized before processing takes place;
- The ESS Module interfaces real time with Pay-day's Payroll, Leave and HR modules, therefore there is no duplication of data;
- The ESS Module allows employees to manage and maintain information electronically with the click of a button;
- By means of an internal intranet, all employees have access to their personal information such as bank details, address, and leave balances, view of their payslips and IRP5 documents along with the feature to print their own copies of these documents;
- The end user maintains the above mentioned items by means of an application system. When the end user access the ESS and updates any of their data, the data will follow a predefined approval route before it is electronically accepted in the Pay-day system. This of course will result in a huge time saving effect.

Benefits of ICT

No longer was HR limited to being a series of isolated silos focusing on staffing, training, compensation and succession. Now HR could function as a set of integrated talent management processes designed to ensure a steady supply of high performing talent in critical job roles. The following are few of the benefits that can be derived from ICT;

- Leverages economies of scale to provide for cost effective service;
- Ensures the interoperability of its information systems with information systems of other institutions to enhance internal efficiency or service delivery;
- Eliminates unnecessary duplication of transactions in the administration;
- Ensures security of its information systems;
- Improved turnaround time;
- Professionalism;
- Allows HR to move from transactional “**paper pushers**” to strategic issues and business partner.

HR is evolving into a more technology-based profession because organizations need to:

- Streamline HR processes and reduce administrative burdens;
- Reduce HR administration and compliance costs;
- Compete more effectively for global talent;
- Improve service and access to data for employees and managers;
- Provide real-time metrics to allow decision-makers to spot trends and manage the workforce more effectively;
- Enable HR to transform so it can play a more strategic role in the business;

HR transformed to put focus and use energy where it is needed most

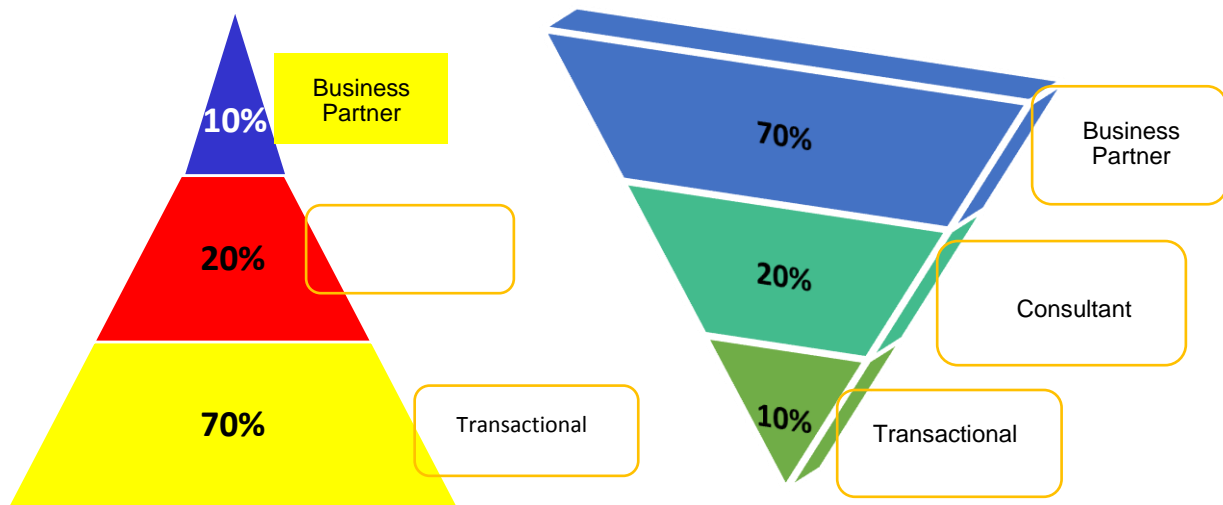


Diagram 12.

Above pyramids mirrors the current human resources status capability of ITC to take ELM HR to the desired destination

KEY FINDINGS

- Personnel is reluctant or not committed to use ICT as an enabler;
- ELM has one of the best HR systems although there are still gaps in it;
- Gaps on the employee information captured in the Pay Day software system;
- Reports are generated but due to time limitation and shortage of staff more often there is no sufficient time to analyse them to influence the Organisational Strategy and policies.
- Full utilisation of ICT may reduce the burden of shortages of staff;
- Valuable amount of time is spent on data capturing and creating long lists when positions are advertised;
- Inability of Job applicants to trace their job applications or ascertain if indeed they have applied both electronically or manually.

RECOMMENDATIONS

- Embark on the change management process for personnel of Human Resources, Pay Office, Labour Relations, Employment Equity and Occupational Health and Safety for the full utilisation of Pay Day System;
- Embark on the Pay Day software system data cleansing to ensure that up-to-date and other unavailable information of personnel is captured;
- Super-user to provide periodic reports on the full utilisation progress;
- Conduct ICT bench-marking exercise with public and private institutions on the best practice;
- Allow ICT to move HR from a transaction driven Department to a Business partner;
- Building capacity of Human Resources personnel in line with current trends in the HR fraternity to put more focus on strategic issues;
- Procure recruitment system to lessen the administrative nightmare of data capturing and improve on the turnaround time on recruitment and placement;
- Explore online application system.

PILLAR 9

RISK MANAGEMENT

Risks and risk Mitigation Strategies

HR Risk Management is a systematic approach of identifying and addressing people risks (uncertainties and opportunities) that can either have a positive or negative effect on the realisation of the objectives of an organisation. The adoption of a proactive risk management strategy to ensure successful achievement of the objectives is contained herein.

Risk	Likely impact	Risk Mitigation Options/ Strategies
Considering the current status, the proposals contained herein may be considered a bridge too far	<ul style="list-style-type: none">• Less vigour in implementing the recommendations	<ul style="list-style-type: none">• Implementation of quick wins• Implement change management programmes

Risk	Likely impact	Risk Mitigation Options/ Strategies
Lack of resources to implement the strategy in its entirety	<ul style="list-style-type: none"> • Limited implementation of the strategy 	<ul style="list-style-type: none"> • Strategy to be driven from the top • Collaboration with private sector on other interventions / recommendations • Source other funding methods with other Government Institutions
Lack of stakeholder buy in	<ul style="list-style-type: none"> • Less vigour in implementing the recommendations • Limited implementation of the strategy • Resistance to change 	<ul style="list-style-type: none"> • Change management • Undertake a deliberate strategy to promote the strategy and create awareness and understanding of its value, implications for ELM etc.

Table 12

CONCLUSION

A fully functional HRM and DS is critical in ensuring delivery at an institutional level. A Local Government wide HRM and DS provides a basis for defining the critical issues that need to be addressed and how they need to be addressed in order to ensure that the vision of a developmental Local Government is achieved.

This HRM and DS represents the first step in transforming Human Capital within ELM and is an attempt at defining the future status of HRM and DS within the Municipality.

Whilst this strategy may not address all the issues and challenges, the models presented herein provide a basis for defining critical areas of work that provide the basis for defining the value add of a developmental HRM and DS function.

ADOPTION AND APPROVAL:

Accounting Officer: _____

Date: _____

Council resolution no: _____

Document Information and Revision Log:

<i>Document name</i>	HRM and DS
<i>First approval / development Date</i>	

Revision date	Responsible	Council / Cluster resolution no	Remarks

ANNEXURE “A”

IMPLEMENTATION PLAN