

Human Resources and Organisational Management

Organisational Development

The institutional review process conducted in the year under review, led to significant restructuring and the organisational redesign. JPC’s Board approved the high level structure, a process which led to the recruitment, selection and appointment of Executives and Senior Managers. The Executive Management Team was fully functional with effect from 1 July 2015.

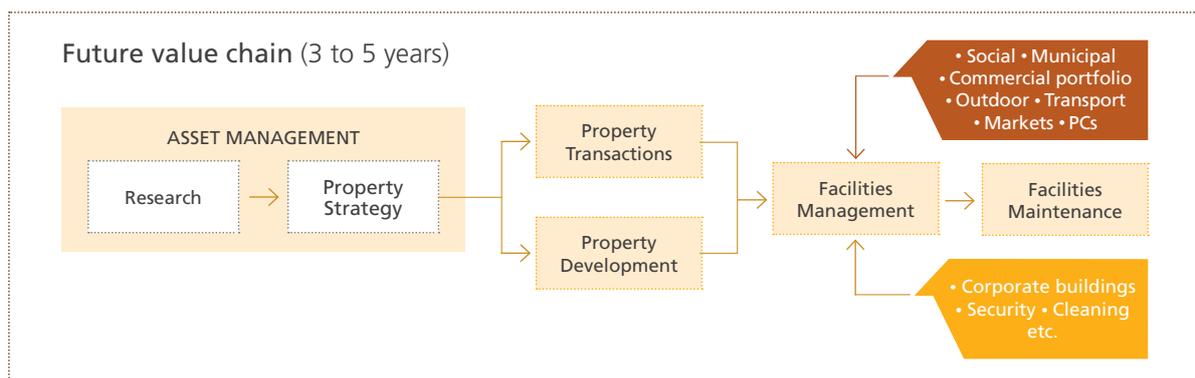
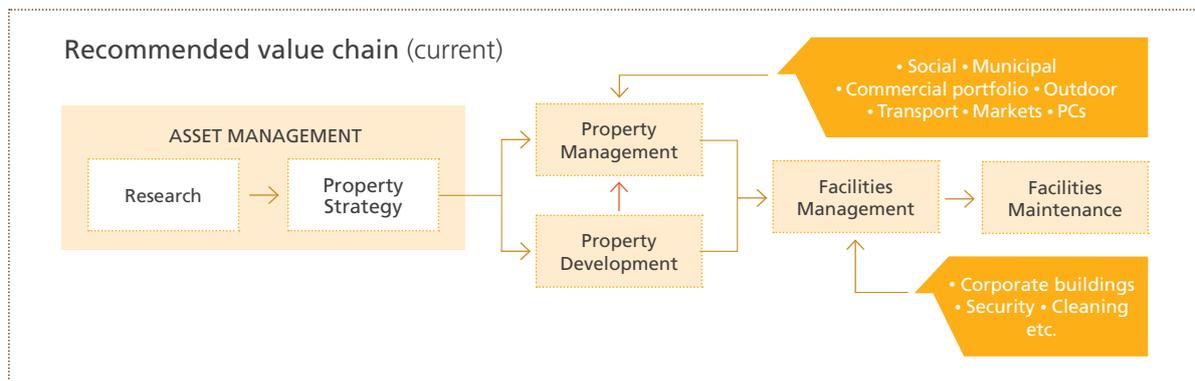
Phase Two of the Organisational Redesign process, which entails placing Employees in the new organisational structure, is on track. The organisational structure is designed to respond to the mandate of the Company by arranging the core functions to respond not just to the corporate strategy but to the GDS 2040 and to the Service Delivery Agreement.

JPC has gone through a transformation journey brought about by the integration of FMM, MTC and JPC. The outcome of the process is a unified JPC, with a vision to facilitate and enable the CoJ in using its property portfolio in the interests of strategic and transformative projects, positively impacting the lives of the residents of the City.

Leadership is critical to realising the vision and strategic objectives set by JPC. To this end, a rigorous process was initiated to appoint Executive and Senior Managers that will successfully lead JPC into this new era. The revised organisational structure for JPC, and particularly Portfolio Management, has been developed in a manner that seeks to help realise business objectives, while ensuring that existing Employees are all accommodated.

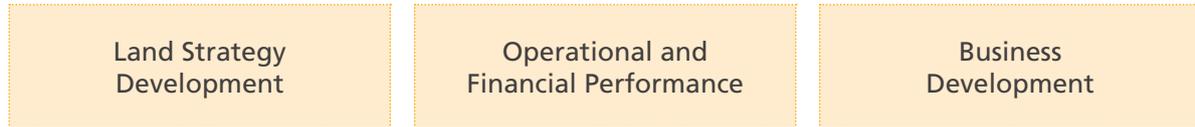
The leadership of Portfolio Management is committed to ensuring that Employees’ wellbeing and meaningful work engagement is provided for in an environment that respects and appreciates the value that each individual Employee brings.

The structure is designed to ensure sustainability of the land portfolio, by increasing the performance of the portfolio through dividing property management, to achieve social, economic, commercial and financial returns. The portfolio is designed to ensure that performance can be measured at a portfolio level, organisational level and at an individual level.



Asset Management

Asset Management is divided into three focus areas that will assess the sustainability of the land portfolio.



Facilities Management

Facilities Management is embarking on a team-based approach to day-to-day operations as illustrated below. Two main teams dedicated to planned maintenance and emergency maintenance will be established. These teams will be made up of the current general workers and artisans.

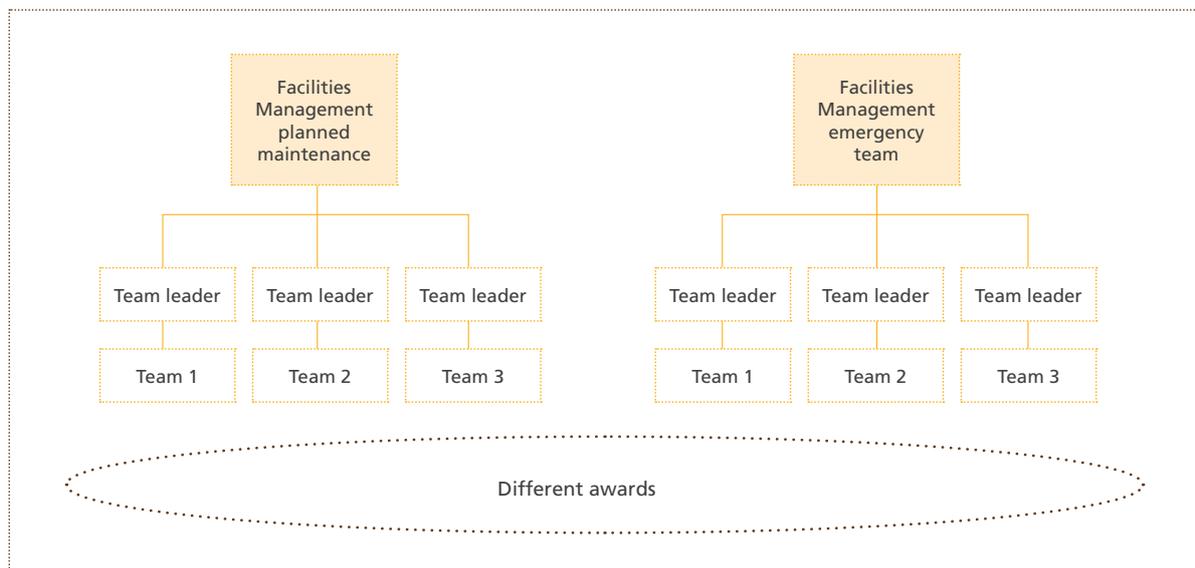


Fig 1: Facilities Management Implementation Framework

This approach brings JPC closer to its customers and ensures the optimal efficiency and effectiveness of its facilities services. The primary advantage of this approach is increased focus and interrupted service. The teams will function almost exclusively. The constant availability of planned team will ensure certainty, and the availability of the emergency team will ensure responsiveness.

Vital to the success of this approach, is investing time and effort to build and sustain a team culture. A team approach framework will be designed to ensure that there is broad understanding and buy-in to ensure long-term success. Creating a well functioning team is complex and communication with Employees is an essential tool in achieving cohesion. The benefits of the framework and team functioning will form part of a new branding process for JPC Facilities Management.

Property Management

JPC leadership have engaged in a number of processes geared to repositioning the organisation to ensure its long-term survival and sustained performance. Those that have been executed across the Company include:

- The formulation of the organisation strategy;
- Defining the service delivery model; and
- Designing the organogram.

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Integral to the organogram are the decisions regarding how best to structure JPC so as to have a positive, and the desired, impact on its clients. The aim is to position the Company as an expert organisation in property management. To achieve this it is critical for JPC to give consideration to the type of structure that will ensure that it achieves its future vision. Hence, the Property Management Division was reviewed to ensure continued optimal performance.

Going forward, Property Management will adopt the concept of **Portfolio Property Management**. Simply put, the properties under JPC will be managed as portfolios. With this portfolio property management approach comes the need to differentiate the portfolio – not all portfolios are the same, and not all portfolios will be managed by the same Employees. To address this, JPC is adopting a model of differentiating the property portfolio into portfolio A, B, and C. The portfolio under C will be the entry portfolio and A will be the advanced portfolio as depicted in the diagram below.

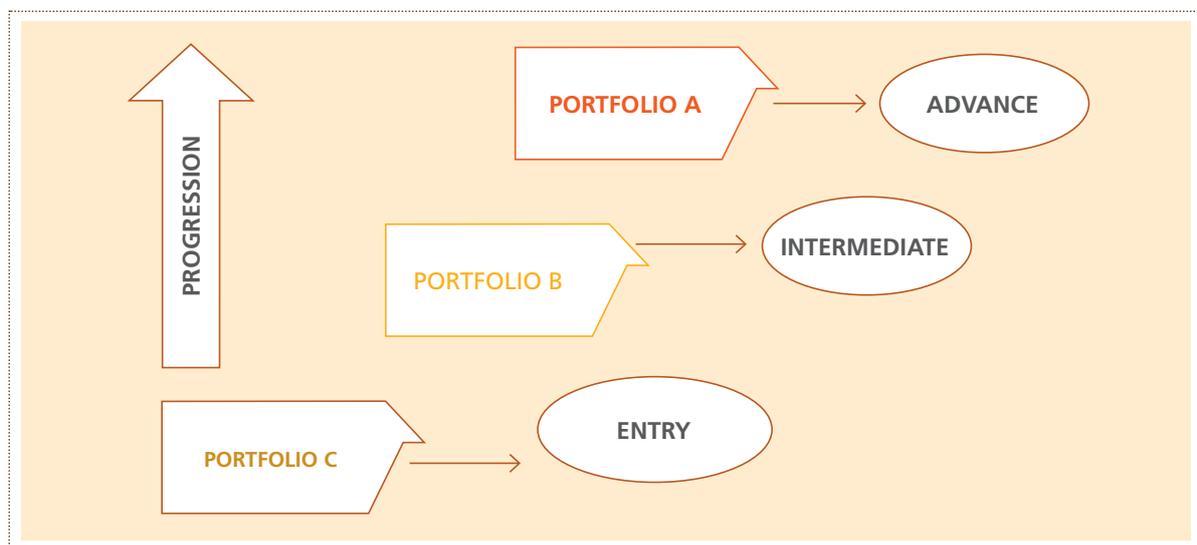


Fig. 1: Portfolio Property Model

As is evident in the diagram above, the Portfolio Property Model is an exciting new approach which will give Employees within JPC the opportunity to move, and assume responsibilities, across three challenging phases of property management. Each portfolio will comprise different types of properties. The model provides an opportunity for aspiring and experienced Employees in property management to manage varied properties gaining broad and invaluable experience.

This brings to the fore the concept of career management, a relatively new phenomenon in the broader sphere of the public service. While the differentiation of the property portfolio may serve to further the JPC's strategy on many levels, it entrenches career management, which in turn, facilitates with the attraction and retention of Employees.

The categories explained:

Entry: Employees new to a skill or attribute, often a professional at the Employee or entry-level in the organisation. However, it may also describe a seasoned professional with limited exposure to a specific area.

Intermediate: Employees with detailed knowledge in a given area and capable of taking operational responsibility in that area. Often this person is at a mid-level within the organisation, and has supervisory responsibilities.

Advanced: Employees with mastery of a skill, often the highest ranking individual with skills in a given area in the organisation. However, it may also describe a lower-level professional with specialised knowledge in an area. Notwithstanding this exception, certain competencies can only be demonstrated by a senior or very advanced practitioners.

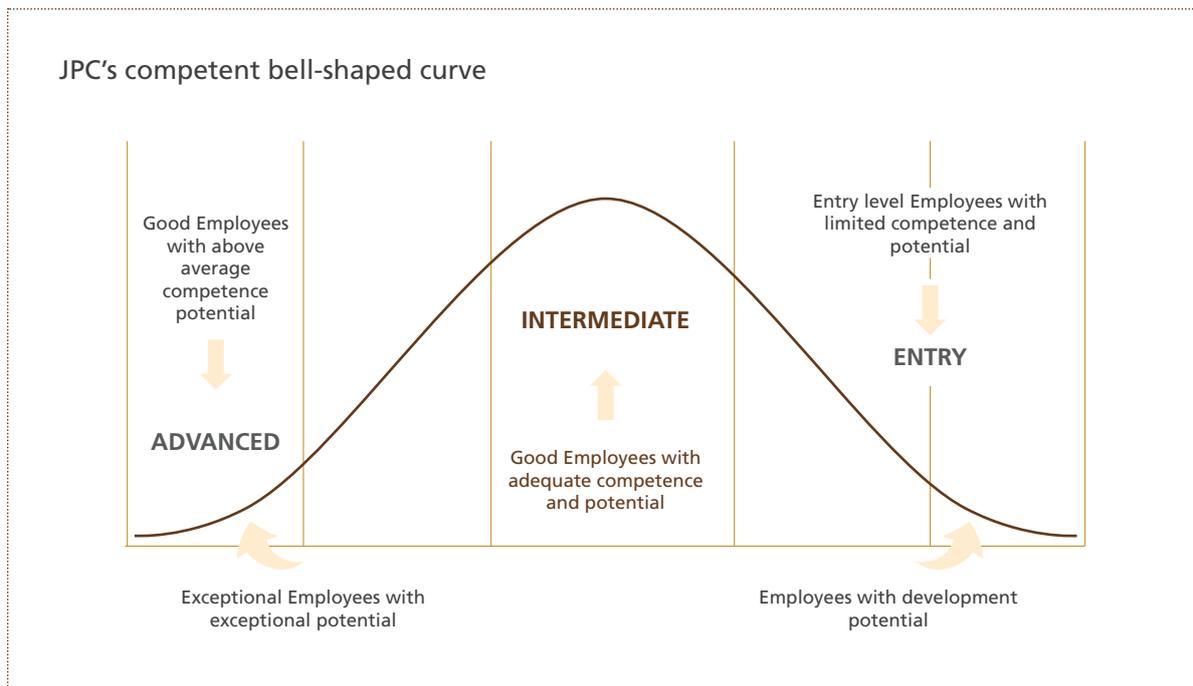


Fig. 2: JPC Competence Curve

Organisational Approach to Property Development

Based on the JPC strategy, the intention is to grow this department's capacity over time.

All JPC Employees who are currently involved in property development or have professional skills in architecture, quantity surveying, engineering, project management (construction), building design, etc. will be moved into the newly constituted Property Development department.

Over time, JPC intends to hire contracted professionals to fill the required roles on a project-by-project basis. As the work load and the demand for full-time professional resources increases, these resources will be hired on a full-time basis. In addition, the need for skills training in project management in this particular section, has been identified. Capital projects to be undertaken by the Property Development department include:

- Any current and future "major works/project" work that used to be undertaken in FMM will be incorporated into the new Property Development department to ensure all functions and processes relating to projects are in one work environment;
- The current capital projects for the portfolio will remain in this department; and
- Any capital projects initiated through JPC's investment strategy.

Career Management

Career management is strategic in orientation and must link directly to longer-term objectives. The Company's intent, as articulated in its mission, objectives and goals underpin the direction or coherence required for managing careers.

Career management can be defined as:

- An ongoing, collaborative process between Employees seeking to develop their full potential and achieve their career aspirations, and the organisation seeking to ensure that the necessary Human Resources are available to meet its objectives; and
- Career management encourages personal performance and professional growth, strengthens job security and provides an edge for attracting and retaining talent.

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What it means in practical terms for JPC Employees

JPC is embarking on a bold and visionary approach to portfolio management, which includes establishing exciting new process for career management in the Property Management Division. However, for this to succeed, delivering the desired operational performance, it is critical that all Employees understand the implications and expectations within this approach.

Practical implications of the model:

- All the Employees within this model will be referred to as Portfolio Property Specialists;
- The categories outlined provide for proper Human Resources planning processes;
- The difference will be clearly defined in the different categories – Entry (C), Intermediate (B), and Advanced (A);
- Each category will have different types of properties;
- The Land Strategy will tweak the portfolio content;
- Asset Management will provide a quarterly report on the performance of each portfolio;
 - This will allow for performance conversations;
 - How to implement remedial measures;
 - Reviews, if any;
- The three portfolio categories will be given performance targets, i.e. R50 million, R30 million, R20 million, etc;
- Category C, which is the entry level, is a developmental category that will provide growth opportunities for people aspiring to a career in property management;
- There will be a pool of Admin Employees led by a senior admin person;
- The model proposes specialisation on Admin and Property Management;
- There will be a rigorous performance management framework put in place to ensure sustained high performance. The following will be put in place;
 - Performance standards;
 - Number and level of client violations;
 - Risk register;
 - Types and number of returns;
 - Issues resolutions process;
- The complexity of the categories will differ;
- Client relations will also provide reports on how categories perform in relation to client service;
- With regard to the size of the portfolio the following will be the norm:

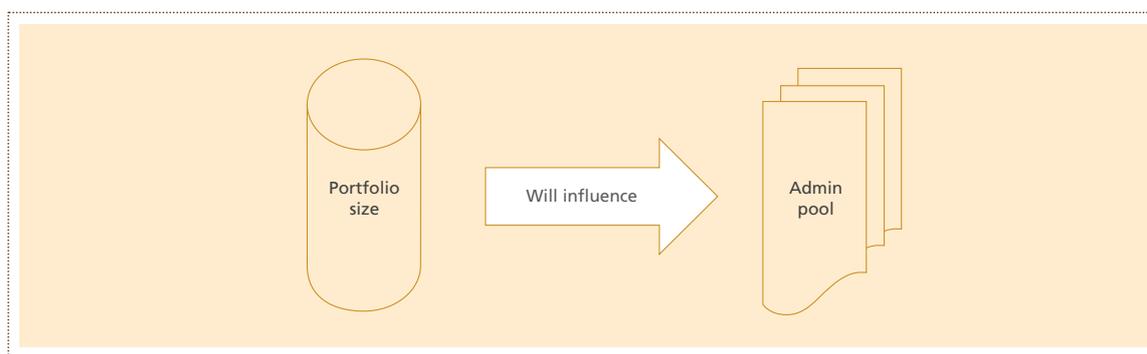


Fig. 3: Portfolio Size and Admin Pool

- Executive Managers/Senior Managers will be measured on the movement of Employees across the categories;
- The categories will be property driven and not vacancy driven;
- If an Employee in category A moves down to category B, the salary of such an Employee will be frozen; and
- The three categories will be assessed in terms of performance and the results of the assessment will give an indication on organisational performance.

Implications of selected talent management processes

JPC is committed to a culture of continuous improvement, Employee development as well as improved people and organisational management in order to sustain its reputation. It is important that as this approach is implemented, JPC maintain a positive outlook with regards to talent management. The talent management mind-set must consider appointing high calibre people in the most value-creating jobs, and having a strong bench, as critical to achieving the aspirations of the organisation. The talent mind-set must be reinforced with accountability for the strength of the talent pool at all levels. Going forward, a deliberate effort has to be made to interrogate the talent management processes in light of the career management model being implemented in property management.

Talent management processes	A Positions (Advanced)	B Positions (Intermediate)	C Positions (Entry)
Recruiting	<ul style="list-style-type: none"> Requires serious investment in selecting right people due to strategic risk of poor decisions. 	<ul style="list-style-type: none"> Fair levels of investment in selecting individuals. 	<ul style="list-style-type: none"> Low levels of investment in hiring due to ease of replacement of function.
Remuneration	<ul style="list-style-type: none"> Determined by performance. 	<ul style="list-style-type: none"> Determined by job level. 	<ul style="list-style-type: none"> Determined by market price.
Performance management	<ul style="list-style-type: none"> Must actively distinguish and recognise good (A players) from other performers to enhance upside. 	<ul style="list-style-type: none"> Reiterate expectations of job, enable progression across job levels and manage inadequate performs. 	<ul style="list-style-type: none"> Maximise efficiency and cost effectiveness; eliminate sub-par performances.
Professional development and career path	<ul style="list-style-type: none"> High degree of development. differentiation required. Opportunities actively sought and tailored. Careers of individuals centrally managed. 	<ul style="list-style-type: none"> Job enrichment options to retain core and high performers through training, recognition and reward. Active assistance to develop B players into A players. 	<ul style="list-style-type: none"> Career management responsibility of individual with support from organisation to the extent it meets with WC requirements and is not too costly.

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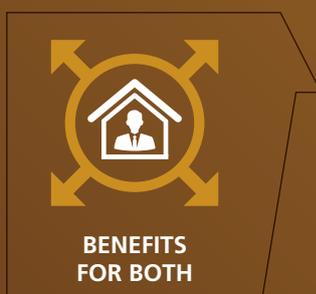
Benefits of the career management approach



- Provides information and support to plan, pursue and take responsibility for their own careers;
- Helps Employees to acquire new skills, knowledge, diversified experience and self-confidence while minimising skill obsolescence; and
- Improves the quality of working life for those who seek more control over their lives and careers and greater job satisfaction.



- Provides better knowledge of Employee placement and interests, allowing Management to improve the efficiency and effectiveness of HR processes;
- Improves firm continuity and performance through systematic training and acquisition of experience;
- Creates a more flexible and adaptable work force with greater capability of responding to change and improves the reintegration of previously seconded Employees or those affected by work force adjustment;
- Attracts potential recruits and leads to greater retention of valued Employees; and
- Provides an opportunity to communicate more openly and demonstrate greater commitment to Employees.



- Fulfills a prerequisite for empowerment;
- Assures that members of EE target groups receive an equitable share of developmental opportunities; and
- Contributes to broader understanding amongst colleagues and technology; and transfer (knowledge, expertise, practices) between organisational components.

Organisational Approach to Placement

Phase Two of the Organisational Redesign process is on track and entails placing Employees in the new Organisational Structure. This process is directed and monitored by the Placement Committee, which operates in line with formalised Terms of Reference. A Placement Framework and Procedure also regulates the process and details the mechanism that will be implemented in addressing potential implications. The new structure is being populated in a fair manner with suitable Employees that will ensure that JPC is able to meet its mandate. JPC is committed to ensuring that legal obligations are met and that all Employees are dealt with in a legally fair and transparent manner. The Placement Committee's activities are overseen by an independent party that will issue a report on whether placements were done in line with the agreed upon framework and terms of reference.

Key to the success of reorganisation is the way in which the prospective future employment arrangements for Employees are handled. Continuity of service provision, especially in the context of the public sector with the duty to citizens, is critical. Employees will naturally be concerned about their future careers and in some cases continuity of their employment. Key elements in the process, such as communication with Employees and trade unions, Employee morale, Employee training, etc. are considered important.

Competency Framework

During this period JPC completed the Competency Framework, which is a model that broadly defines the blueprint for excellent performance within an organisation. This assists JPC in easily identifying the behaviours that drive successful performance and enable the Company to deliver on technical expertise effectively. Defining how tasks should be performed is particularly important in establishing common ground around work practices.

Competency is a combination of skills, job attitude and knowledge, which is reflected in job behaviour that can be observed, measured and evaluated. It is considered a determining factor for successful performance. The focus of competency is behaviour, which is an application of skills, job attitude and knowledge.

A Competency Framework is a structure that sets out and defines each individual competency (such as problem solving or people management) required by individuals working in an organisation or part of an organisation. The term competencies describes the behaviour that lies behind competent performance such as critical thinking, analytical skills, and describes what people bring to the job. Generally the framework will consist of a number of competencies, which can be applied to a broad number of roles within the organisation and sector.

The Competency Framework will be the basis for all HR functions and serve as a linkage between individual performance and business results. It provides a clear behavioural link to the strategic plan, i.e. defining how Employees are expected to behave in delivering the priorities set down in key corporate documents. Behavioural competencies are a signal from the organisation to the individual of the expected areas and levels of performance. They provide the individual with an indication of the behaviours that are valued and recognised.