

# 4

## Human Resources and Organisational Management

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*Exterior of refurbished old Council Chamber*

## Human Capital Management

### Organisational Redesign and Placement

The crafting of a new JPC business strategy dictated that the JPC conduct an institutional review and this process culminated in the company undergoing a major organisational redesign process, aligning the structure of the organisation to meet its strategic objectives. All key elements of the organisation were reviewed and reconfigured, with the architectural review ensuring JPC and its resource base is optimally positioned for effective and efficient service delivery.

With the organisational architectural work largely having been completed, the emphasis has largely been on the people component and ensuring a rigorous approach with regards to the drafting of organisational job descriptions, the introduction of job titles and associated naming conventions, and the evaluation of newly defined roles.

Notwithstanding the importance of the above factors as the key building blocks in transforming the JPC into a high performing organisation, this process was also undertaken under the auspices of fairness and transparency. The process ensured full comprehension and engagement on the part of employees, and especially in regards to the placement of employees.

The JPC developed a sound framework for the placement process of employees that was jointly developed by a management team and employee representatives.

The change management and communications approach kept employees informed of progress and their inputs were solicited at all material times. The nature of mediums for the staff engagements ranged from road shows, newsletters (multi lingual), focus groups, flyers (multi lingual), and individual one on one consultations.

The organisation's placement process served to bring about closure to the organisational restructuring and was informed by a leadership ethos of ensuring that there was no job losses experienced.

### Skills Development

With the finalization of the new organizational design and the placement employees into their new roles within the structure, the next focus was skills development. The skills development drive was driven by an approach that:

- Properly positions and utilises of the expertise that exists in JPC.
- Develops a multi-skilled and flexible workforce through career development plans in line with the strategy that enables the organisation to adapt rapidly to changing operational requirements.
- Develops measures to upskill employees with the focus on technical skills, leadership and generic skills.

In addressing the above, the JPC has formed partnerships with several services providers and institutions, specifically SAPOA and WITS, in order to provide property related training to employees. The training is a correlation between theoretical and a practical training with the emphasis on gaining work experience, accreditation, and eventually professional designations.

This model has assisted the JPC in creating high working and performance standards that meets the business performance work standards. The model will ensure that employees perform to their full potential and have ability to make informed decisions and deliver on business objectives. It will also contribute towards improving the following essential business outcomes:

- Increase productivity and quality of work
- Improve customer satisfaction
- Improve employee engagement and motivation
- Encourage innovation
- Improve employee morale
- Reduce staff turnover and absenteeism

## Human Capital Management continued

JPC in partnership with SAPOA and Wits University held a Certificate Award Ceremony for a total number of eighty one (81) employees who completed the first two courses: twenty seven (27) Senior Managers were enrolled on the Municipal Finance Management Program (MFMP) as part of ensuring compliance with National Treasury regulations.

The Matriculation Certification Programme also continued and the examination for all 16 registered matriculates took in June 2016 and with July seeing the next intake of employees for the matric programme .

The 2016/2017 Workplace Skills Plan was submitted to the Services SETA in April 2016 for the application of mandatory grants. The WSP training initiatives will focus on the critical and legislatively required, functional/ technical and generic competencies.

SAPOA and MFMP programs have progressed positively and have had a positive impact on employee's knowledge and practical skills that can be immediately implemented.

### SAP Payroll Integration and Rollout Project

The SAP Payroll Integration and Roll-out project reached its final milestone, the Go-Live stage that saw the HCM team providing over-shoulder training as part of ensuring readiness and a smooth transition and successful implementation of SAP and the running of the Payroll Operations. The focus for HR has been to embed the HR processes by creating awareness amongst employees.

The system changes that employees will experience are in respect of the following aspects:

- Leave Management: Employees with zero annual leave balance will have any leave taken recorded as unpaid leave
- Manual payslips instead of electronic payslips.

JPC and COJ are engaged in negotiations to finalize salient elements of the Service Level Agreement to ensure its approval and sign off.

### Change Management

HCM has undertaken a structured approach to deliver on the change management agenda by identifying key themes that will feed into the transformation and drive change management. These themes are aimed at winning the "hearts and minds" of employees and indirectly influencing them to deliver on the strategic agenda and to yield benefits of effective change management. The following key focus areas were identified:

1. Organisational Rituals
2. CEOs' roadshows.
3. Staff engagements interventions

JPC has adopted the "Employee Birthday Celebration Ritual" for employees who have celebrated their birthdays so far. On the day, employees have received birthday cards with a special message written by the CEO and also had the opportunity to have cake and a chat with the CEO. This ritual has helped to build social bonds between employees and the employer. Employees have shown a positive response to this initiative and were impressed with what the organisation is doing to show that it cares about its employees.

In the quarter under review, one hundred and four (104) employees in total were invited to birthday celebrations.

“Short Personality Profile” interviews were also conducted with employees celebrating their birthdays in the particular month in order to get to know the employees and take their pictures to showcase on the day of the birthday celebration.

Birthday Celebrations and “GET TO KNOW YOU” activities form part of the Change Management initiative and that is one of our key focus areas to drive effective change in the business. Human Capital Management has conducted five birthday celebrations so far as part of the change management initiative and this initiative will continue until the end of the year.

### Talent Acquisition (Recruitment and Selection)

The objective of talent acquisition endeavors is to employ the right people with the right skills, whilst at the same time complying with recommended best practices and legal requirements of the talent acquisition policy that is focused on capacitating the organization.

For the period from July 2015 to June 2016, the organisation made seventeen (17) appointments into key strategic positions.

Position	Engagement date	Department
Manager Land Regularisation	01 January 2016	Office of the CEO
Legal Advisor	01 January 2016	Office of the CEO
Company Secretary	01 January 2016	Office of the CEO
Senior Manager: Marketing Communication	07 January 2016	Corporate Services
IT Helpdesk Supervisor	01 February 2016	IT
Internal Control	01 August 2016	Office of the CEO
Specialist: IT	1 October 2015	IT
Creditors Clerk	01 November 2015	Finance
Receptionist	01 November 2015	Corporate Services
Financial Accountant	01 November 2015	Finance
Assistant Manager: Strategic Technical Support	01 November 2015	Office of the CEO
Senior Manager: Internal Control	01 August 2015	Office of the CEO
Head: Human Capital Management	01 October 2015	Corporate Services
Head : Strategic Management	01 July 2016	Office of the CEO
Executive Manager: Corporate Services	01 July 2015	Corporate Services
Executive Manager: Portfolio Management	01 July 2015	Portfolio Management
Executive Manager: Operations CRM	01 July 2015	Operations CRM

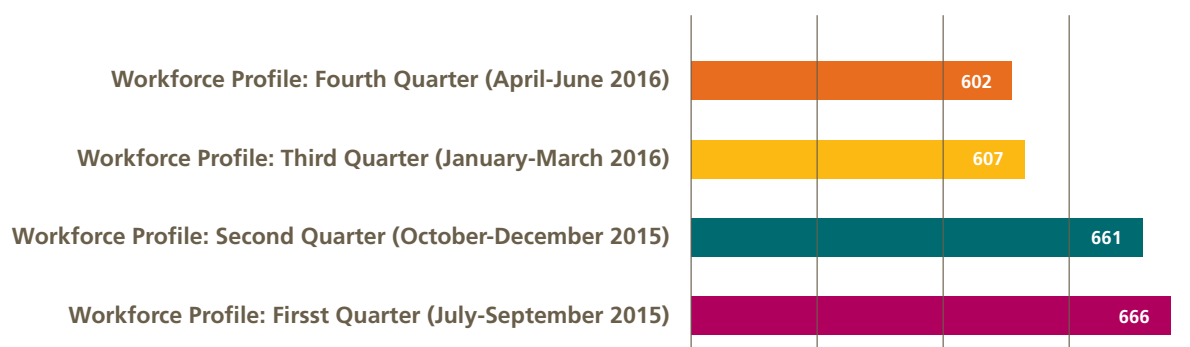
## Employment Equity

Employment Equity demographic status indicates that the JPC has a total staff compliment of 602 employees as of the end of June 2016 including people with disabilities and temporary staff.

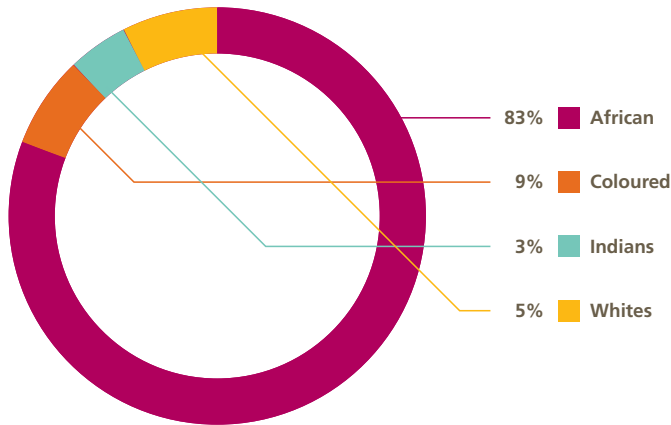
Note: **A**=African, **C**=Coloured, **I**=Indian and **W**=Whites.

Occupational levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	M	F	
Top Management	2	0	1	1	0	1	0	0	0	0	5
Senior Management	1	0	0	0	1	0	2	0	0	0	4
Professionally qualified and experienced specialists and Mid-management	17	0	4	6	16	1	2	3	0	0	49
Junior Management, Superintendents and Management	119	4	5	12	47	8	2	5	1	0	203
Semi-skilled/Administration	108	7	3	1	41	8	0	2	0	1	171
Unskilled and defined decision making	76	10	0	1	67	15	0	0	0	0	169
<b>TOTAL PERMANENT STAFF</b>	<b>323</b>	<b>21</b>	<b>13</b>	<b>21</b>	<b>172</b>	<b>33</b>	<b>6</b>	<b>10</b>	<b>1</b>	<b>1</b>	<b>601</b>
Temporary Employees	0	0	0	0	1	0	0	0	0	0	1
<b>GRAND TOTAL</b>	<b>323</b>	<b>21</b>	<b>13</b>	<b>21</b>	<b>173</b>	<b>33</b>	<b>6</b>	<b>10</b>	<b>1</b>	<b>1</b>	<b>602</b>

The graph indicates the staff profile respectively for 2015/2016 financial year. The analyses illustrate the significant decrease in terms of the staff deduction in comparison to the previous quarters.

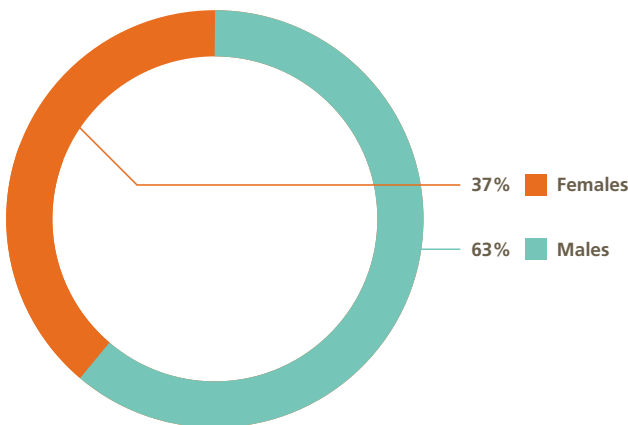


### Racial Split and Gender Split as at End June 2016



Overall Racial	JPC Total			
	A	C	I	W
Actual	83%	9%	3%	5%
<b>Target</b>	<b>78%</b>	<b>4%</b>	<b>2%</b>	<b>16%</b>
Gaps	5%	5%	1%	(11%)

The graph and table above shows that designated racial groups referred to as Blacks are over-represented, whereas the non-designated group referred to as Whites are under-represented by 11%. The under-representation has also been identified as a barrier in the EE plan and corrective measures are needed to close the gap against the set target.



Gender Split	Males	Females
Actual	63%	37%
<b>Target</b>	<b>50%</b>	<b>50%</b>
Gaps	13%	-13%

The key gender profile highlights that the JPC is characterised by a high representation of male employees in all occupational levels and under representation of female employees, especially in the first three top occupational levels. The corrective action is for the JPC to actively target females from under-represented racial groups namely White, Indian, and Coloured, especially for the top Senior Management and professionally qualified Middle Managers. This trend is a challenge experienced within the sector and HCM in conjunction with EE committee and leadership will implement initiatives to attract, develop and retain women. This outreach has been identified as essential in order to ensure an all-inclusive gender appreciative culture conducive to transformation.

## Employment Equity continued

### Performance Management & Succession Planning

The Human Resources department has embarked on the process of embedding performance standards that entailed developing performance standards for all new job profiles by focusing on the following tasks:

1. Determining the total number of jobs per division
2. Profiling and evaluating jobs
3. Categorising jobs that are similar or related
4. Determining common Key Performance Standards
5. Defining performance standards (methodology or principles)

Common Performance Standards for the following occupational categories have been finalized:

- Executive Managers
- Senior Managers
- Middle Managers/Operational Managers/Supervisors
- Administrators
- IT

### Employee Benefits

Employee Remuneration is based on all-in inclusive packages (total cost to company), including Employer Contributions towards benefits such as pension, housing, and medical aid. These employee costs represent 51.17 % of JPCs' expenditure.

#### Salary Bill for 2015/2016 Financial Year (July 2015 – June 2016)

Salary Bill for 2015/2016 Financial Year				
Quarter 1	Quarter 2	Quarter3	Quarter 4	YTD
50 529 948	68 904 984	50 899 947	56 371 990	226 706 869

#### Leave Provision for the Period Under Review

Leave Provision for 2015/2016			
Quarter 1	Quarter 2	Quarter3	Quarter 4
12 072 630	14 261 917	14 725 916	15 231 393

#### Overtime Costing for the Period Under Review

Overtime Costing for 2015/2016				
Quarter 1	Quarter 2	Quarter3	Quarter 4	YTD
1 019 455	987 011	1 084 090	1 096 370	4 186 926.00

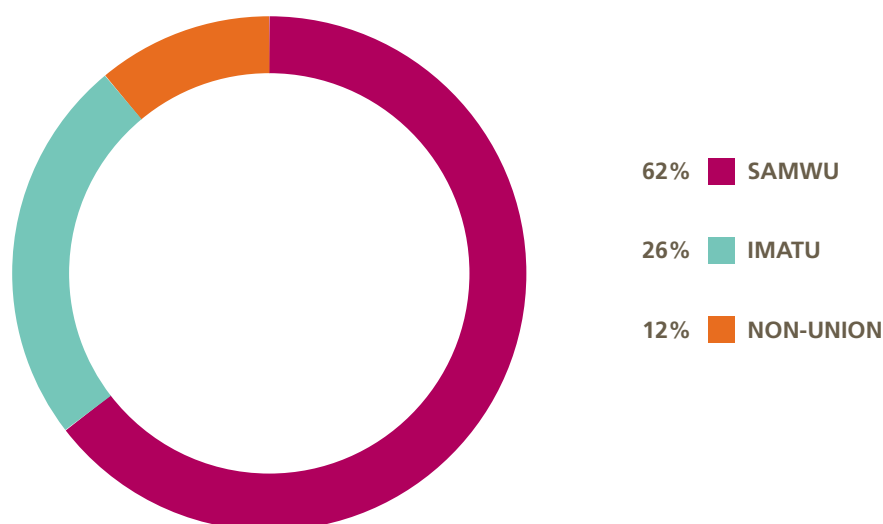
## Disciplinary Matters and Outcomes

### Local Labour Forum

HCM, in consultation with the Executive Management team, have adopted relationship building initiatives aimed at building and maintaining a conducive relationship with organized labour. These relationship building initiatives are seen as a drive from management to revive the LLF.

### Union Representation at JPC

The graph below indicates that from a total staff complement of 602 employees, as at end of June 2016, 533 employees of JPC are unionized and only 72 employees are non-union members. These numbers necessitate a very structured and sound labour relations approach to ensure a harmonious working environment.



### The Pikitup Agreement and Parity Exercise

The COJ parity benchmarking exercise has commenced, however in this quarter it had to be halted as a result of unprotected strikes that took place in February, March and April 2016. A final agreement was concluded on 15 April 2016 and in terms of this agreement COJ will implement a common salary scale adjusted/ notched for tenure with progression based on performance.

### Misconduct

For the period under review nine (9) cases were reported and/or processed. Below are the details and the status of these cases.

Case Description	Outcome
Insubordination and Insolence	Employee was formally charged and a disciplinary enquiry instituted and the employee resigned prior to the disciplinary hearing and the matter was closed.
Absenteeism	Employee was formally charged and a disciplinary enquiry instituted and the employee was found guilty and dismissed.



## Disciplinary Matters and Outcomes continued

Case Description	Outcome
Gross Insubordination and Negligence	Employee was formally charged and a disciplinary enquiry instituted and the employee was found guilty and a Final Written Warning was sanctioned.
Misappropriation of company property (goods)	Employee was formally charged and a disciplinary enquiry institute and however, the employee resigned prior to the disciplinary hearing and the matter was closed.
Gross Misconduct, gross negligence and gross dishonesty	Employee was formally charged and a disciplinary enquiry instituted and the employee was found guilty and a Final Written warning was sanctioned.
Gross Misconduct, gross negligence and gross dishonesty	Employee was formally charged and a disciplinary enquiry instituted and the employee was found guilty and a Final Written warning was sanctioned.
Absenteeism	Employee was formally charged and a disciplinary enquiry instituted. the employee was found guilty and a Final Written Warning and referral to EAP was sanctioned.

### Disputes

For the period under review two (2) disputes were received and/or processed. Below are the details and the status of these cases.

Case Description	Outcome
Unfair Labour Practice (Acting allowance)	The dispute was arbitrated by the CCMA and the matter was dismissed on technical grounds (CCMA didn't have the jurisdiction to adjudicate the dispute).
Unfair Labour Practice ( Disciplinary measures)	The dispute was arbitrated by the CCMA and the matter was dismissed on technical grounds (CCMA didn't have the jurisdiction to adjudicate the dispute).

### Grievances

For the period under review three (3) grievances were lodged and processed. Below are the details and progress:

Case Description	Outcome
Reported the line manager in that he took a company property and never returned it.	The matter was investigated and the line manager was charged with misconduct. However, the line manager resigned on 8 March 2016 pending the finalisation of the hearing (see misconduct cases above).
Acting allowance being stopped.	The matter was investigated and escalated to step 2 of the grievance procedure. However, the employee waived his right and referred an unfair labour practice dispute with the CCMA. (See dispute cases above).
Reported an unfair treatment from the line manager.	The matter was investigated and escalated to the step 3 of the grievance procedure. However, the line manager resigned and the matter was deemed as finalised.

## Employee Wellness

HR engagement sessions were held with all employees on the provision of EAP services and other focus areas.

An organizational wellness plan for 2016/2017 is being developed for implementation in the financial year. The plan will encompass all pillars of employees' wellness and a wellness profile will be developed to advise further business planning.

### Human Resources Policies

The following Human Capital Management policies were reviewed and approved by the Board with effect from 23 May 2016:

- Leave Management Policy
- Remuneration strategy and philosophy
- Travel and Subsistence Policy
- Organizational Structures and Employee Mobility
- Talent Acquisition
- Performance Management
- Training and Development
- Employee Mobility
- Organizational Structures and Maintenance
- Code of Conduct
- Job Evaluation
- Travel and Subsistence Policy
- Employee Health and Wellness Policy
- Employment Equity and Transformation Policy
- Payroll Management Policy
- Gender Policy

HCM will conduct roadshows to workshop all policies with line managers and respective employees to build awareness and educate employees particularly on the policies that impact on them directly. The objective is to ensure compliance and adherence to all policies and the implications for non-compliance.

HCM has also has conducted a workshop on the disciplinary and grievance policy and this will continue into next quarter.

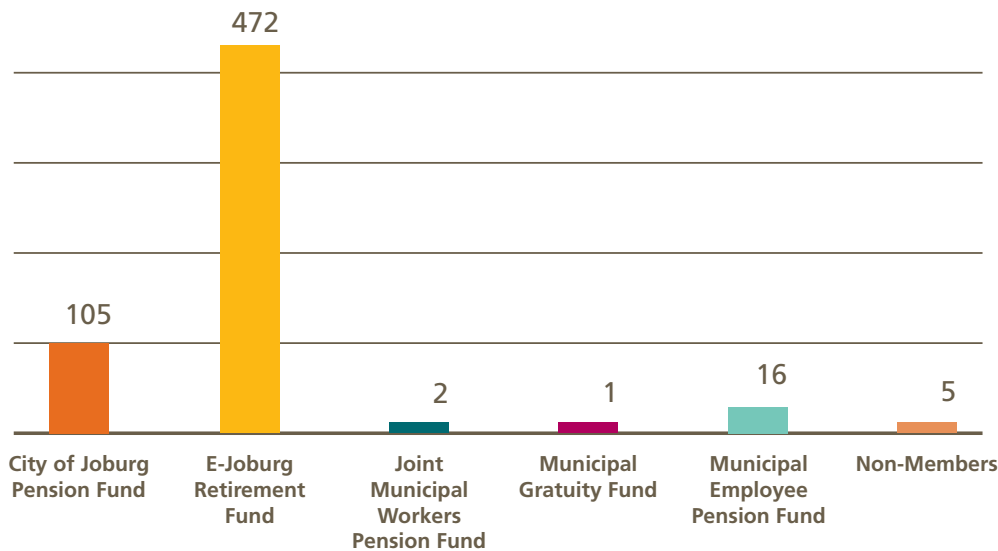
## Employee Benefits

### Pension / Retirement and Provident Fund Membership

Pension Fund Membership	Total	Remarks
City Of Joburg Pension Fund	105	Defined Benefits
E-Joburg Retirement Fund	471	Defined Contributions
Joint Municipal Workers Pension Fund	2	Defined Benefits
Municipal Gratuity Fund	1	Defined Contributions
Municipal Employee Pension Fund	16	Defined Contributions
Non-Members	5	Ftc
<b>Total</b>	<b>600</b>	

## Employee Wellness continued

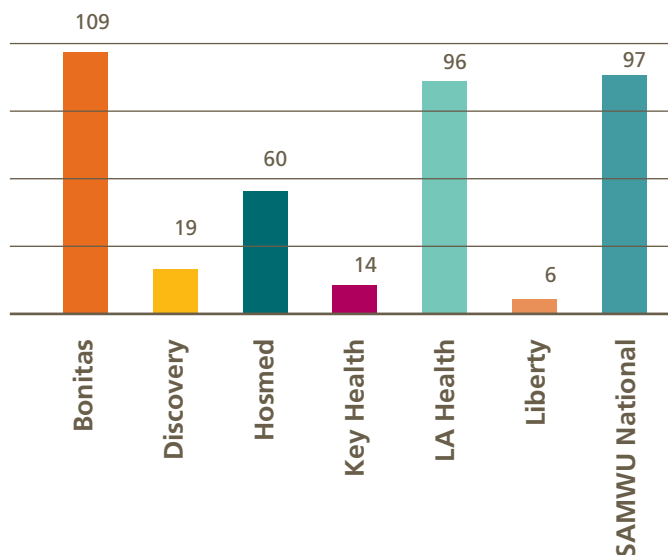
In terms of the JPC's Collective Agreement on Conditions of Service, it is compulsory for all employees to belong to a pension fund of which the company contributes 18% towards. The preferred defined pension fund is E-Joburg Pension Fund, however, employees who already belonged to one of the above mentioned pension funds will continue with these former funds. The graph below shows the pension fund distribution.



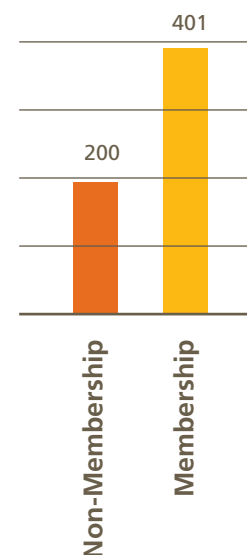
## The Accredited Medical Aids Schemes Memberships

Medical Aid Scheme	Membership
Bonitas	109
Discovery	19
Hosmed	60
Key Health	14
La Health	96
Liberty	6
Samwu National	97
<b>Total Membership</b>	<b>401</b>

### Medical Aid Schemes



### Medical Aid Membership



The graphs above indicate the accredited medical aid schemes and the membership distribution of each scheme. They also show the non-membership of employees, of which the majority falls within the lower levels and income earners. JPC encourages employees to belong to one of the accredited medical aid schemes as the well-being of its workforce is vital. A healthy workforce increases productivity and achieves excellent results. The 60/40 split rule applies towards medical aid of which the company contributes 60%, capped at an amount of R2 500.

One (1%) of employee' belongs to an alternative private medical aid scheme and have provided proof to indicate membership with other medical aids. In respect of non-membership, management is in the process of investigating alternative solutions in partnership with other stakeholders to accommodate such special cases. The key element of non-membership is due to legacy and affordability.

### Staff Movement

**Recruitment:** It is reported for during this period under review.

*Note: A=Africans, C=Coloureds, I=Indians and W=Whites.*

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	0	0	0	0	1
<b>TOTAL PERMANENT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
Temporary Employees	0	0	0	0	1	0	0	0	0	0	1
<b>GRAND TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>

JPC has made a conscious decision to only appoint critical key positions that are motivated and appointments are effected.

## Employee Wellness continued

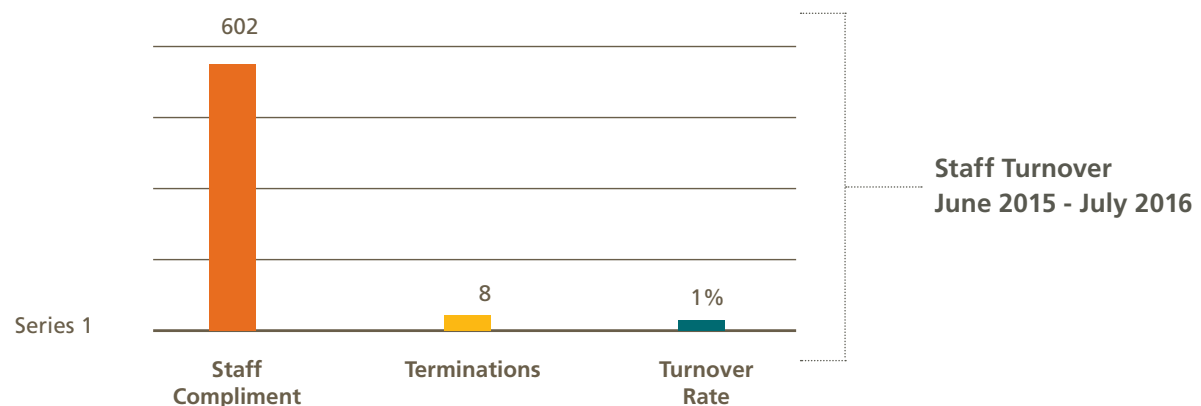
**Terminations:** It is reported that for the period under June 2016, a total of seven (7) terminations were actioned.  
*Note: A=Africans, C=Coloureds, I=Indians and W=Whites.*

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	1	0	0	0	0	0	0	1	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	1	0	0	0	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making	1	0	0	0	0	0	0	0	0	0	1
Unskilled and defined decision making	2	0	0	0	1	0	0	0	0	0	3
<b>TOTAL PERMANENT</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>7</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>7</b>

The terminations as reported for the under review mainly consisted of four retirements, two resignations, and one deceased. Additional retirements are expected within the first quarter for year 2016/2017.

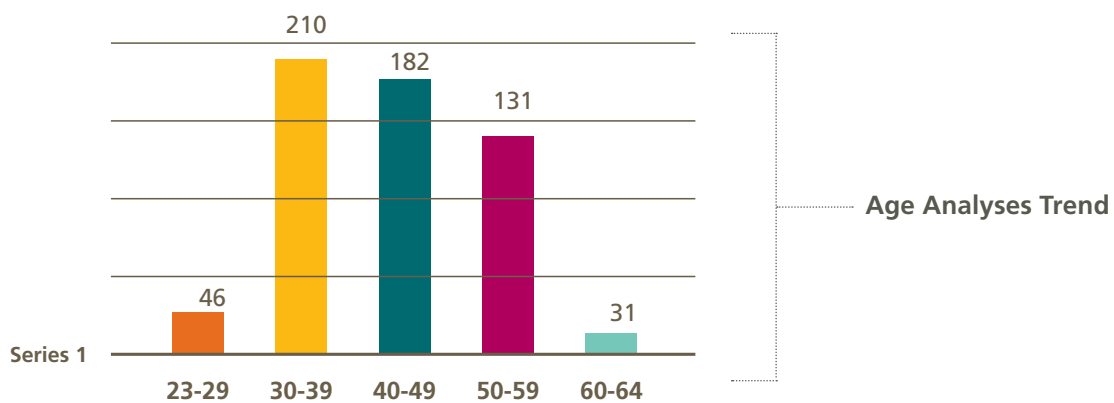
## Staff Turnover

The provision for leave pay raises a concern as the liability poses a liquidity risk in the event that leave has to be paid out and the current leave liability is R22 442 553 in totality. As part of managing the leave liability, HCM in conjunction with line management, will ensure stringent adherence to leave management principles such as compulsory leave and forfeiture if not utilised.



The graph above indicates that the staff turn-over rate of 1% as of end June 2016, and this is at an acceptable level. The organisation will focus on programmes that will ensure retention of critical and scarce skills. The initiative of transfer of skills will be a focus area to ensure business continuity. Mentoring and coaching programmes will be introduced to skilled aged employees to mentor and coach the up-coming youth to acquire skills through on the job training interventions

### Age Analyses Trend



The age analyses trend indicates that JPC has an ageing workforce with the majority of employees in the age group 50-59 and above. This analysis supports the need for interventions to concentrate on building capacity and assist with workforce planning.

### Occupational Health & Safety Programmes

In partnership with the City’s Group Safety, Health and Environment (SHE) Department, JPC attends quarterly meetings to review and discuss current support systems that help to guide and promote good health for all council employees. The benefit to JPC is that a platform is created for all state owned companies (SOC’s). This allows representatives from each SOC to find solutions to common health and safety challenges; those as identified in their respective areas of control. The platform encourages the City to be aware of safety and health programmes that should take priority as and when necessary.

Equally important is getting the basics right and having the right supportive systems in place. This includes also having the right personnel on board; a dedicated team to promote good employee health and safety.

#### Challenge

Unlike the other SOC’s, including the City, JPC does not have an established OHASA unit to manage occupational health and safety matters and compliance, on a fulltime basis. It is issues like this, for example, where the basics need to be reviewed and properly aligned to promote safety and health fulltime.

## Occupational Health & Safety Programmes continued

### OHASA Progress

In the month of April, JPC submitted quarterly reports to the Group SHE department that would reflect the state of compliance at the offices; Forum 2 Braampark and, other buildings occupied by JPC employees. The compliance rating scoring has not been finalized as yet by the City for reporting purposes.

In the month of May, great emphasis was placed on the importance of:

- The turnaround to SOC's reporting fatality cases,
- The consequences of an SOC being penalised for reporting COIDA claim after the cut-off period of 7 working days and,
- The effectiveness of the existing quarterly SHE reporting.

The Shared Services Unit has also embarked on a journey to create staff awareness on JPC's First Aiders who have been certified to administer first aid treatments that are within their span of control.

In the current period April to June 2016, there have been no partnership programmes on health and safety matters. There is focus on promoting internal support measures to manage occupational health, safety and compliance at the SOC's.

The roadshow programme is meant for all MD's/ CEO and their respective appointees as the target audience. The roadshow will be conducted by the Group SHE Department. The roadshow programme theme will place focus on the role of accountability and highlight CIODA statistics and other critical health and safety areas.

In the previous three quarters, employees were exposed to educational programmes on an ongoing basis in partnership with the City and other SOC's. To date, employees have been provided with useful education on breast cancer, stress management, and hypertension. The City also promotes World Health Themes such as Kidney Month to all council employees to promote wellness education. The Health Department plays a support role on health education promotion.

### Internal Safety Support

JPC has a team of well-trained appointed representatives in Fire Fighting and First Aid to support cases of an emergency evacuation. All safety equipment and gear is regularly serviced as stipulated in the Occupational Health and Safety Act no. 85 of 1993.

Employees working with possible safety hazards are provided with protective clothing and gear. The use of machinery is managed with the aid of safety signage which supports the reporting on Occupational Injuries and Disease (COIDA); below find the status on reported cases of occupational injuries for the period under review.

27 Boxes, Melville: A 2400m<sup>2</sup> retail centre in converted shipping containers

