

Section 8: Leave and Productivity Management

Leave Provision

HRM, in conjunction with line management, put effective controls in place to manage and monitor excessive leave days, which have amounted to leave liability of R16 060 878.85 as at the end of June 2017. The main strategic objective is to implement initiatives that will ensure that performance deliverables are achieved and that the leave liability amount is reduced. The principles implemented are as follows:

- I. Grant planned annual leave entitlement for line managers and employees, taking into account that peak operational requirements should be prioritised before leave approval.
- II. Encourage employees to utilise their 16-day compulsory leave per cycle at the agreed timelines. The ultimate aim is allow employees to rest and be revitalised to have a positive impact on their performance levels upon their return.
- III. In exceptional circumstances where operational requirements demand the business to drive productivity, leave extension is granted based on well-motivated requests from line managers to avoid forfeiture.

The diagram indicates the quarterly leave provision trend for the 2016/2017 financial year.

The graph shows the quarterly leave liability amounts against the total number of annual leave days and the percentage of deviation. During the third quarter, the leave liability reduced significantly due to the festive period, as most leave forms were only captured later.

Leave Encashment for 2016/2017 Financial Year

The Leave Policy prescribes the applicable conditions for leave encashment. It allows employees to sell up to a maximum of eight days non-compulsory leave in a financial year. This practice was primarily permitted only to former City employees, but was later extended to the rest of the organisation. This year a total number of 3021 non-compulsory days were encashed at a total cost of R1.8 million (R1 869 645). This amount contributed to the reduction in the overall leave liability. The procedure in respect of encashment/s is diligently managed in conjunction with the guidelines outlined in the policy document.

