

INFORMATION AND KNOWLEDGE BASE

HUMAN RESOURCES MANAGEMENT

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"Be the change you wish to see in the world" – Mahatma Gandhi

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HUMAN RESOURCES MANAGEMENT

7.1 Introduction

In any governing body it is the employees that make or break the organization. It is therefore important for the governing body to appoint the right people to take the human resources role seriously and devote the necessary time to this function.

The value statement should reflect the way the governing body views and values its employees. The basic conditions of *Employment and the Labour Relations Act* need to be followed as a minimum standard and for development purposes. Gender and diversity of staff require continuous attendance.

The *Labour Relations Act* was promulgated to advance economic development, social justice, labour peace and the democratisation of the workplace. The primary objective of the Act is to establish the following rights:

- Ensure fair labour practices.
- The freedom to join a trade union and have the right to strike.
- The freedom to form and join employer governing body.
- The freedom to form and join a federation.
- Engage in collective bargaining.
- Have access to the *Commission for Conciliation, Mediation and Arbitration*. (CCMA).

The basic conditions of the *Employment Act* were promulgated to advance economic development, social justice and enforcing basic conditions of employment. The Act covers the following aspects:

- Remuneration and deductions from salaries and bonuses.
- Termination of services.
- Conditions of employment.
- Children and forced labour.
- Leave entitlements.
- Handling of complaints.
- Union representative rights.
- The rights of the employer to manage, maintain efficiencies, uphold discipline and having direct access to employees.
- The right to lock out.

The governing body should have a human resources policy document which should at least cover the following areas:

7.2 Organogram

An organogram of the governing body and its personnel is a much-needed requirement. It is so much easier for everyone to understand if the governing body, the individuals and their jobs, and the reporting lines are in place. To complete the picture, the way volunteers fit into the structure should be indicated as well.

7.3 Recruitment, Appointments and Dismissals

The recruitment policy should cover the rules around the creation of new positions, the appointment into these positions, the minimum requirements for each position, an indication who decides on the salary level, and a decision on the steps to be followed during the recruiting process so that the right calibre persons can be appointed.

The governing body's employment contract, once signed, is a legal binding agreement between the employer and the employee and therefore needs to be comprehensive and provide for all matters of mutual interest between the two parties.

A good contract should, *inter alia*, cover at least the following areas:

- Name and address of employer and employee.
- Appointment date and probation period.
- Temporary or permanent employment offered.
- Remuneration and other benefits offered in both cash and/or kind.
- Termination of the contract – reasons and period of notice.
- The duties to be performed as an annexure to the contract.
- Hours of work and overtime payment.
- Dispute resolution and reference to the governing body's disciplinary code and procedures.
- Leave, sick leave, special leave, and public holiday entitlements.
- Any deductions, e.g., for food or accommodation supplied.
- Medical aid and retirement fund participation and disability cover. This is, however, not compulsory.
- Provision for a legal and binding signature by both parties.

The contract should, *inter alia*, also have, as annexures, the following information:

- A personal information form.
- Newly appointed staff member's identity document.

- Copy of applicant's driving licence.
- Certified copies of the qualification certificates.
- Proof that the employee is registered with the appropriate facility.
- Signed confidentiality agreement and/or restraint where necessary.

The appointment procedures need to consist of the employment contract, the confidentiality agreement, verification of credentials, the induction programme to be followed once the appointment is made, etc.

Terminations and dismissals need to be supported by standard procedural documents like notifications, report of a hearing, incapacity report, mediocre performance recordings, retrenchment forms, exit interviews, etc.

7.4 Job Descriptions

A job description for each position in the governing body is not a luxury but a necessity and is the result of a job analysis and job evaluation. It is essential for the level of compensation to be paid for the position. A job description personifies the position and the person's requirements for the position. Its content is completely within management's discretion.

An excellent job description further describes the nature of the job content and should cover at least the following areas:

- The job title, the staff member's immediate senior and the staff reporting to the person in that position.
- Responsibilities in detail or as a reference to parts of the standard operating procedures (SOP) that may apply to the job.
- The key performance areas (KPA's).
- The minimum qualification needed for the position.
- Characteristics and personality traits of the required person.

7.5 Performance Evaluation

Based on the key performance indicators (KPIs) and key performance areas (KPA's) in the job description, management conducts a performance evaluation review at least twice per annum. Performance evaluations are used not only to appraise the incumbent, but also to afford the employee a chance to speak about his/her experiences, the work environment, issues affecting his/her performance and proposals for the improvement. It is a two-way street which will result in a training and corrective action plan for implementation. KPA's as specified in the job

specification, as well as other targets set at the beginning of the year, form the basis for the evaluation process.

Reward and recognition, salary increases, and bonus payments should be linked to the results of these evaluations.

7.6 Conduct Rules

The code of conduct which includes the ethical code sets out the expected behaviour of employees during office hours. The fact that employees represent the governing body obliges them to conduct themselves in the best interest of the governing body, maintaining confidentiality, treating colleagues with respect, and dealing professionally with customers and suppliers. The dress code, the use of foul language, productivity, attitude, teamwork, obeying instructions, smoking rules, HIV, theft, drug- and alcohol abuse, harassment in the workplace and a reference to the disciplinary code, are all part of the conduct rules as to the way employees should conduct themselves. Please see Chapter 13 and 14 for further details

7.7 Grievances and Disciplinary Procedures

Methods to address staff grievances should be in place. Employees need to have a mechanism to express their dissatisfaction with aspects of their job or with an alleged violation of his/her rights. A concise policy and procedural document can provide the necessary guidance to employees feeling afflicted and indicate the procedures they need to follow for management to address their grievances.

The disciplinary code provides the principles on which the disciplinary procedures of the governing body are based on – principles such as fairness, the need for discipline, employee behaviour, management's approach to discipline, etc. The code covers areas such as attendance, performance, absenteeism, resistance to authority, undisciplined behaviour, safety, and dishonesty. For each of these areas an itemised breach list is given and for each item the action that will result from the violation is specified. Guilt could result in a written warning, a serious written warning, a final written warning, or outright dismissal, or if required, criminal charges could be laid.

The disciplinary procedures encompass the steps that must be followed to ensure a fair disciplinary process. The procedures cover the notice to the employee, time for the employee to respond, the right to state their views, assistance that might be called on, right to an interpreter, calling of witnesses, participants in the hearing process, the role of the chairperson at the

hearing, the chairperson's checklist, the findings, suspensions with or without pay and appeal procedures.

Disciplinary measures can only be initiated by the employer, whereas grievances are initiated by the employee.

7.8 Employment Manual

The employment manual captures the critical policies in a file and/or electronic format. Version control is important as the employment manual dictates the prevailing conditions of employment in the governing body. Examples of critical policies are:

- Leave.
- Working hours and overtime.
- Disciplinary code and procedure.
- Grievance procedure.
- Absenteeism.
- Confidentiality and restraint.
- Electronic communications and social media.

7.9 Whistle Blowing

The governing body must enable employees to report suspected wrongdoings and malpractices taking place in the governing body, without fearing the possibility of being subjected to reprisals and recrimination.

7.10 Employee Incentive Schemes

We all realise that humans perform best when bestowed with abundant praise and recognition. Except for saying thank you, some real money incentives are also essential to get the best out of people.

The following incentives, *inter alia*, should be considered:

- Performance-based bonuses.
- Monthly rewards for meeting certain job criteria.
- Long service awards.
- Deductions for not meeting certain job criteria.
- Choosing the employee of the month in a department.
- Suggestion box incentives.
- Acknowledgements at year-end functions.

7.11 Leave

The governing body should formalise its normal leave, sick leave, compassionate leave, and parental leave. The minimum requirements, as laid down by the basic conditions of *Employment Act*, form the basis. Certain sectors of industry have a sectorial determination laying down the minimum requirements.

Accurate record keeping of all leave granted is important as unnecessary extra leave granted or paid out is a costly exercise. With modern automated systems this could be an amazingly simple task. Pre-numbered leave forms will ensure that all leave taken is recorded.

It is important to note that normal leave is an entitlement, but the timing of leave is within management's discretion. Abuse of sick leave is a disciplinary transgression. Excessive sick leave may result in a termination of contract due to incapacity.

7.12 Payroll Systems

Payroll management is simplified with the excellent payroll systems on offer. Statutory deductions like *PAYE*, *Unemployment Insurance Fund*, *Skills Development Levy*, and other non-statutory deductions such as retirement schemes, pension- and provident funds and insurance and disability cover, are all automatically managed once set up in the system.

Good controls should be in place where staff work on a roster system and the expediting thereof is not always as originally planned. The payslip produced for the employee should comply with the minimum information disclosure rules. An overall reconciliation of the net salaries paid in the previous month versus the net salaries to be paid this month, before making the payment, could be an excellent high-level control.

It is a governing body decision whether the payroll is the responsibility of the finance department, the human resource's function or whether the work is outsourced.

7.13 Company Contributions

The governing body must decide which employee benefits it will offer to its employees. The governing body could conduct some research to ensure it remains competitive. Scheme offerings should be compared and understood before deciding on the specific scheme to be used. The decision to join a scheme adds cost to the governing body and a phasing in of contributions may be considered. Once introduced, the monthly deduction will run through the payroll system automatically.

7.14 Learning and Development

Learning and development (L&D) can either be a great plus to the governing body or just a bottomless pit of cost if not managed well. L&D should be planned by identifying weak performance areas, the solutions to the weakness, the choice of the right training (internal or external), prioritisation of the various areas and providing for the cost in the budget. An easy spread sheet, listing personnel on the left and training or performance weaknesses on the top with a 1 to 5 competency level rating in the block itself, will give a good overview of what is needed in the governing body.

The governing body should consider specialists that can assist with drafting a skills development plan and claim back employee development cost from the applicable *Skills Education Training Authorities* (SETA) as the governing body pays the *Social Development Levy* (SDL) as part of the payroll cost.

Training agreements may be concluded with employees, requiring the employee to ‘work back’ the acquired training.

7.15 Membership and Compulsory Registrations

Certain positions can only be filled by staff members belonging to a professional institution or registering with an industry body. Security personnel must be registered with PSIRA and nurses with the *Nursing Council*. Care givers must be registered with the Department of Social Development. These registrations are in most cases the minimum requirement for the position and the governing body must ensure that these certificates remain valid. Assistance with the payment of the fees, time off for training and attending workshops and seminars to keep their certificate current i.e., *Points for Continued Professional Development* (CPD), etc., can be considered.

7.16 Audits

An audit of the human resources function every third or fifth year is advisable. Changes in the environment and to labour laws and the implementation of their recommendations are a risk that can be addressed by such audits. An audit of the following areas, *inter alia*, is recommended:

- Employee contracts.
- Compliance with the *Labour Acts*.
- Attendance record.
- Job specifications and evaluations.

- Payroll system.
- Any other areas the governing body considers risky.

7.17 Service Level Agreements (SLAs)

Where services are provided between departments within a governing body and the heads of these departments do not report to the same person, a service level agreement (SLA) should be put in place. Such agreements may also be put in place where departments are continuously at loggerheads and excessive management time is spent on resolving issues. The agreement should be simple and should specify the services to be provided and the quality and regularity of the services.

7.18 Personnel Files

Personnel files containing the following information, *inter alia*, per employee should be kept in a safe place:

- Copy of identity document.
- The employment contracts.
- Certificates of qualifications.
- Employee Tax Certificate (IRP5) information.
- Unemployment Insurance Fund (UIF) information.
- COID related information.
- Job specifications.
- Performance evaluations.
- Disciplinary hearings.
- Leave forms.
- Other relevant information.

7.19 Employment Equity

Employment equity in the workplace is regulated by the *Employment Equity Act*. The purpose of the Act is to achieve equity in the workplace and to promote the fair treatment of employees, and the elimination of discrimination.

The Act compels governing body to:

- Not discriminate on grounds of race, age, sexual orientation, religion, culture, language, and HIV status.

- Not deny employment opportunities or benefits for reasons unrelated to ability.
- Correct the conditions of previously disadvantaged employees.
- Establish a fair employment equity plan for designated groups (black, coloured, and Indian) to achieve equity in the workplace. Structure a 5-year plan with specific objectives, numeric targets, etc.
- Address income differentials.
- Report yearly or two-yearly on the progress made against the plan.

The only governing body excluded from the *Employment Equity Act* are those that employ fewer than fifty people or have a turnover of less than R10 million per annum. It also depends on the industry category of the governing body.

7.20 Broad-Based Black Economic Empowerment (BBBEE)

Broad Based Black Economic Empowerment (BBBEE) has been introduced by government to speed up the economic empowerment process. Your governing body will most probably not be affected by the *BBBEE Act*, but there could be a moral obligation on the governing body to implement some of the objectives in the Act voluntarily.

The seven pillars that are measured for progress, with each pillar having a relative weighting, are Black ownership, Black management, employment equity, skills development, preferential procurement, entrepreneurial development, and socio-economic development.

The evaluation of the governing body is performed by an accredited verification agency which will complete a scorecard to indicate the level of compliance.

7.21 Volunteers

The use of volunteers by the governing body needs to be structured and must be supported by an agreement between the two parties, a signed indemnity, and a confidentiality agreement. The tasks (abridged job description) to be performed by the volunteer as well as hours of work, reporting structures etc. need to be in writing. In critical areas the volunteer must have the required qualifications and experience. Where appropriate, volunteers should be included in the training plan.

7.22 Human Resources Information Systems

Where the governing body employs a number of people, it should consider an information system data base. The systems on the market are inexpensive and are mostly modular. The governing body can thus start with the basics and then add on the other modules in time.

7.23 HIV/Aids Policy

The governing body should publish an HIV/AIDS policy which should cover the governing body's stance on the disease, testing for the disease, managing of employees that have contracted the disease, the governing body's support to those employees, confidentiality commitments, and the disciplinary steps to be taken against employees not adhering to the policy.

7.24 Occupational Health and Safety

The *Occupational Health and Safety Act* (OHSACT) is the cornerstone for workplace health and safety. The aim of the Act is to provide for the health and safety of all persons at work and the protection of persons other than persons at work against hazards to health and safety in connection with activities of persons at work.

7.25 Compensation of Occupational and Industrial Diseases

The *Compensation of Occupational Diseases Act* provides for compensation for disablement caused by an occupational injury or disease sustained or contracted by employees in the course of their employment or resulting from such injuries or disease. The governing body contributes to the fund based on its yearly payroll cost.

7.26 Unemployment Insurance Fund (UIF)

The UIF provides protection to workers who become unemployed because of retrenchment and/or other causes. Governing bodies should, when possible, assist ex-employees with their registrations and handling of queries in the process of remuneration by the fund.

7.27 Unions and Essential services

Unions are part of our lives, and our businesses are at risk if the relations between employer and employee go sour. The governing body is at risk whether insourced or outsourced. The best is to continuously work hard to ensure good relationships and always understanding. A strike is not always preventable, and the governing body should have a strike action plan that sets out all the steps to be taken in such circumstances. One cannot be caught unprepared. Where services are outsourced, the plan should be drafted with the service provider.

Please note that the care industry falls under the 'essential services' and as such the process of a planned strike must be followed with the CCMA. The CCMA will assist with a minimum service agreement and goes through the Essential Services Committee who advises on the processes and conditions of the strike. Your food and laundry services form part of the 'essential services.'

7.28 Minimum Wages

Minimum wages are published from time-to-time by sector and the governing body must adhere to these minimums.