

# CHAPTER 3

## HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

### 3.1 INTRODUCTION

The purpose of this human resources management is to render a professional support service that is well aligned to the Municipality's Integrated Development Plan (IDP) as well as to the needs of the Municipality's stakeholders and customers.

The key functional areas for the directorate responsible for human resources include:

- Personnel benefits and payroll administration
- Employee relations
- Training and development
- Organisational development
- Staff provisioning
- Occupational Safety and risk management
- Employee wellness

#### The main programmes include:

- Development and implementation of an Integrated Human Resources Strategy;
- Design and implementation of organisational structure aligned to the municipality's IDP;
- Formulation and implementation of human resources programmes that are consistent with IDP;
- Development of the organisational human resources, including Councillors;
- Implementation of the HIV/AIDS strategy and employee wellness programme
- Development and implementation of retention and talent management strategies;
- Maintenance of a labour relations environment that is conducive to and that promotes organisational stability and harmony;
- Facilitation of employer–employee relationship to resolve disputes and to create a culture of healthy interactions and tolerance;
- Provision of management support and leadership on pertinent organisational issues; and
- Implementation of the Task Job Evaluation System

### 3.2 INTEGRATED HUMAN RESOURCE SYSTEM

An integrated Human Resources System (ARMS) was installed in 2006 incorporating payroll, leave administration, equity reporting modules, etc. The use of the system has helped to improve the accuracy of human resources administration and enhance the organisational capacity to meet the municipality's obligations relating to legislation, such as the Basic Conditions of Employment Act, Labour Relations Act, Employment Equity Act, Skills Development Act, Occupational Health and Safety Act, etc.

### 3.3 EMPLOYMENT EQUITY

The Employment Equity Plan, developed in September 2006 for application in the period between 2006 and 2011, intends to achieve equity at the workplace, making the municipal workforce organisational culture that is non-discriminatory, and values diversity and legitimises the input of all employees. The plan was developed in a participatory way, with representatives drawn from the Unions and the Employment Equity and Training Steering Committee. Furthermore, an organisational audit has been undertaken to assess the municipality's employment policies, practices, procedures and the working environment.

The success and competitive standing of Council's core activities and service delivery hinge critically upon the quality of its human capital and continual development of a competent and motivated workforce. The 5- year Employment Equity Plan was adopted by Council and it guides the organisation's human resources practices in promoting: employment equity, the recruitment of employees from designated groups, and the advancement of appropriate gender representation in the organisation. Organisational equity targets were set out in the Employment Equity Plan, which simultaneously ensures compliance with the requirements of the Department of Labour.

A range of human resources policies and strategies were formulated to advance initiatives to address historical employment inequalities, as well as wider organisational transformation goals. The latest employment equity achievements are shown in the Equity Profile Table (below)

<b>TOTAL WORKFORCE: PERMANENT STAFF AS AT JUNE 2008</b>		
<b>(POST LEVELS 0-22)</b>		
<b>Gender &amp; Race</b>	<b>No. of Employees</b>	<b>Percentage</b>
White males	332/4288	7.74
White females	182/4288	4.24
African males	2252/4288	52.50
African females	1110/4288	25.90
Coloured males	227/4288	5.29
Coloured females	123/4288	2.87
Indian males	36/4288	0.84
Indian females	24/4288	0.56

<b>EMPLOYEES WITH DISABILITIES</b>		
<b>(POST LEVEL 0-22)</b>		
<b>Gender &amp; Race</b>	<b>No. of Employees</b>	<b>Percentage</b>
White males	5/41	12.20
White females	1/41	2.44
African males	24/41	58.54
African females	7/41	17.07
Coloured males	2/41	4.88
Coloured females	2/41	4.88
Indian males	0	0.00
Indian females	0	0.00

<b>EMPLOYMENT EQUITY TARGETS FOR FIRST 4 TOP MANAGEMENT LEVELS (POST LEVEL 0-22)</b>		
<b>Gender &amp; Race</b>	<b>No. of Employees</b>	<b>Target</b>
White males	25	17
White females	2	4
African males	26	18
African females	14	19
Coloured males	3	4
Coloured females	1	5
Indian males	2	5
Indian females	2	3

### 3.4 ORGANISATIONAL STAFF BENEFITS

The Municipality facilitates the provision of staff benefits from various service providers authorised to practice at local government. The municipality assists with the internal administration as well as subsidising the staff members in order to ensure access and affordability to such services by the employees of Buffalo City Municipality.

<b>PENSION FUNDS</b>	<b>No of members</b>
Cape Joint Pension Fund	64
Cape Joint Retirement Fund	1721
SAMWU National Provident Fund	972
SALA Pension Fund	47
Eastern Cape Local Authorities Provident Fund	710
Government Employees Pension Fund	340
Liberty Life Provident Funds	322
Beacon Bay Provident Fund	29
Local Government Pension Fund	43

<b>MEDICAL AID FUNDS</b>	<b>No of members</b>
Bonitas	1012
LA Health	457
Key Health	288
SAMWUMED	348
HOSMED	44
Medicover	1
Fedhealth	1

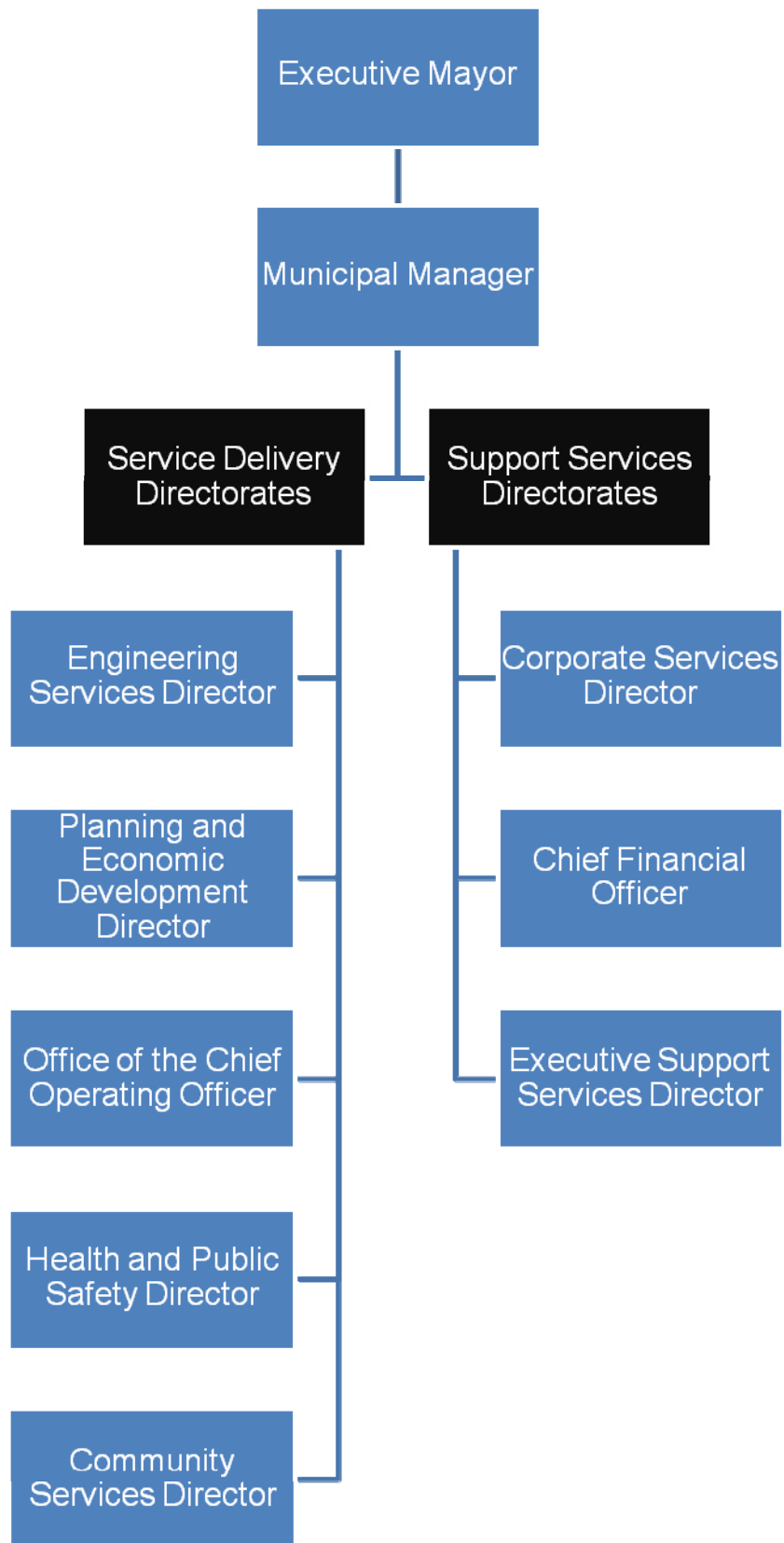
According to the human resources files **2151**(figures as at 30 June 2008) staff members are members of medical aid funds (compared to 1709 in 2006) and 4248 belong to pension funds (compared to 4156 in 2006). We are unable to comment on any assessment of future risks or liabilities regarding these funds.

### **3.5 TRANSFORMATION & SKILLS RETENTION**

In as far as transformational programmes, skills retention and staff wellness, Buffalo City Municipality has approved the implementation of the following strategies in 2007/2008.

- Council approved a Talent Retention Management Strategy in order to address the challenge of scarce skills. Various initiatives that flow from this Strategy are in the process of being implemented.
- Various skill development programmes in terms of the Workplace Skills Plan have been implemented in order to provide employees with skills or to develop existing skills.

### 3.6 ORGANISATIONAL STRUCTURE AT 30 JUNE 2008



### 3.7 STAFFING LEVELS AS AT 30 JUNE 2008

Directorate	Authorised complement	Actual	Vacancies
Directorate of Executive Support Service	77	61	16
Municipal Manager	22	17	5
Office of the Director of Finance	511	424	87
Directorate of Corporate Services	170	146	24
Directorate of Engineering Services	1428	1203	225
Directorate of Development & Planning	247	212	35
Directorate of Community Services	1626	1496	130
Directorate of Health and Public Safety	686	598	88
Chief Operating Officer	78	51	27
<b>Total</b>	<b>4845</b>	<b>4208</b>	<b>637</b>

In addition to the above, there were 559 temporary staff members as at 30 June 2008. In order to reduce these totals, Council adopted a strategy whereby temporary staff who had served over 2 years had to be prioritised for permanent appointment.

A new computerised database for recruitment of temporary staff was also established and it is in use.

### 3.8 STAFF COSTS REFLECTED AS A PERCENTAGE OF TOTAL INCOME

As a result of a decision taken by SALGA to advise all local municipalities to reduce their staff costs to 30%, and also due to a requirement for the Restructuring Grant allocation from National Treasury that personnel expenditure be a maximum of 30% of total income, Buffalo City Municipality commenced a project to reduce staff costs. The reduction in staff costs as a percentage of total income is set out below:

	2003/04 R	2004/05 R	2005/06 R	2006/07 R	2007/08
Salaries	409,091,379	437,831,280	462,044,162	514,182,464	568,376,876
Total Income	1,184,083,265	1,547,182,469	1,605,062,291	1,744,683,977	2,605,504,880
Salaries % of total income	35%	28%	29%	29%	28,2%

The percentage as at 30 June 2008 was 28,2%. This reduction has largely been achieved by non-filling of posts.

### 3.9 EMPLOYEE WELLNESS

Buffalo City Municipality places great emphasis on employee well-being and in 2007 various initiatives were undertaken under the theme of employee wellness; namely:-

- In April 2007 an HIV/AIDS Prevalence study and employee Health Survey was conducted by means of a VCT (*voluntary counselling and testing*) and KAP (*knowledge attitude and practices*) programme and the result indicated that 8.98% of employees HIV positive.
- Access to Comprehensive treatment for HIV positive Employees: BCM has entered into the unique public-private partnership with DCA/BCOB with regards to an HIV/AIDS project. On disclosure the BCM employee and

immediate family members will receive treatment similar to that of a person on Medical Aid.

- A peer education system was established to assist with management of HIV/AIDS this is ongoing.
- Counselling of employees for various problems such as trauma, post traumatic stress, alcohol and drug dependency, depression, stress etc is conducted by an Employee assistance practitioner
- A wellness week was held for Councillors and Employees which enabled them to check various health matters such as blood pressure, cholesterol, Blood Glucose, Dental as well as Eye testing. This also gave Safety, Skills Development and Department of Labour to share information. A Biokinethetist also did special checks on some of the employees with very detailed reports on their health status.
- Breast Examinations conducted on Employees in Directorate Community Services.
- Health Risk assessments done on Wellness Days.
- Biological Monitoring in Occupational Health ongoing and services are taken to the employees in their specific work environments.
- New Wellness Centre was also completed and it is now functional.

### 3.10 EMPLOYEE QUALIFICATION PROFILE

#### Section 3.10.1: Employee qualification profile as at 30 June 2008

Employment category	Below NQF 1		Highest level qualifications held by employees																				Total		Total
	M	F	NQF 1		NQF 2		NQF 3		NQF 4		NQF 5		NQF 6		NQF 7		NQF 8		Unknown		M	F			
			M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F					
<b>Leadership &amp; governance SOC 100</b>																									
Councilors			4	2	3	1	11	6	23	19	4	9	1	1	1	2							47	40	87
																							0	0	0
<b>Senior officials and managers SOC 100</b>																									
Directors											2		2			1							4	1	5
Financial Directors													1										1	0	1
City/Municipal/District Manager																	1						1	0	1
Department/Division Heads													10	2		2	1						11	4	15
Plant Managers													23	7		1	1	1					24	9	33
Information technology													1										1	0	1

Employment category	Below NQF 1		Highest level qualifications held by employees																					
			NQF 1		NQF 2		NQF 3		NQF 4		NQF 5		NQF 6		NQF 7		NQF 8		Unkn own		Total		Total	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F		
<b>Professionals SOC 200</b>																								
Health care										6	1	2	5									8	6	14
Public safety/Emergency services										22			1									22	1	23
LED												2	1						1			2	2	4
Water conservation/treatment										8	2											8	2	10
Waste												2										2	0	2
Parks/community facilities								4		10	7	1										15	7	22
Public transport																						1	0	1
Land management										4	1	7										11	1	12
Housing administration												1										1	0	1
Roads								2		3												5	0	5
Electricity										17		5										22	0	22
Information technology										2	1											2	1	3
Corporate Services/Core administration										6	5		4									6	9	15
Core finance									2	4	2	6	3									10	7	17
<b>Technicians/associated professionals SOC 300</b>																								
Health care										8	8	2	6	1								14	9	110
Public safety/Emergency services										13	2											13	2	160
LED										8	2											8	2	4
Water conservation/treatment												2	2									2	2	4
Waste											1												1	62
Parks/community facilities										52	0											52	0	40
							1		3													40	0	40
							0		0													53	6	105
							3	4	6	1		1										53	6	105

Employment category	Below NQF 1		Highest level qualifications held by employees																						
			NQF 1		NQF 2		NQF 3		NQF 4		NQF 5		NQF 6		NQF 7		NQF 8		Unkn own		Total		Total		
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F			
							7	0		2		0											2		
Public transport									6		4	3											10	3	0
Land management											20	1	3	6	2								26	1	41
Housing administration											6	3											6	3	9
Roads									2		3												30	1	31
Electricity											22												22	0	22
Information technology											6	1											6	1	7
Corporate Services/Core administration											19	2	1	1		2							31	4	72
Core finance										8	11	1	5	7	9								18	3	50

Employment category	Below NQF 1		Highest level qualifications held by employees																			Total		Total
			NQF 1		NQF 2		NQF 3		NQF 4		NQF 5		NQF 6		NQF 7		NQF 8		Unkn own					
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F		
<b>Clerks SOC 400</b>																								
Health care								4	6	4	1										8	23	31	
Public safety/Emergency services								5	1	5	1										10	31	41	
LED											1										0	1	1	
Water conservation/treatment								2	5	4	1										6	20	0	
Waste									3		0										0	13	13	
Parks/community facilities								1	1	2	5										34	62	96	
Public transport								4	2	0	0										1	2	3	
Land management								8	4	8	1										16	14	30	
Housing administration								2	1	3	2										5	37	42	
Roads								1	2	1	4										2	0	8	
Electricity								2	4	1	1										3	15	18	
Information technology									2	2	6										2	8	10	
Corporate Services/Core administration								1	2												7	26	47	
								7	2	40	9										47	11	169	
								7	4		5											9		

Employment category	Highest level qualifications held by employees																							
	Below NQF 1		NQF 1		NQF 2		NQF 3		NQF 4		NQF 5		NQF 6		NQF 7		NQF 8		Unknown		Total		Total	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F		
<b>Service workers SOC 500</b>																								
Public safety/Emergency services									102	18	36	4										138	22	160
<b>Craft &amp; related workers SOC 700</b>																								
Public safety/Emergency services											7											7	0	7
Water conservation/treatment											54											54	0	54
Parks/community facilities											24	5										29	0	29
Public transport											8											8	0	8
Land management											15											15	0	15
Roads											6											6	0	6

Employment category	Below NQF 1		Highest level qualifications held by employees																			Total	
			NQF 1		NQF 2		NQF 3		NQF 4		NQF 5		NQF 6		NQF 7		NQF 8		Unkn own		Total		
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M		F
<b>Plant &amp; machine operators SOC 800</b>																							
Health care							1														1	0	1
Public safety/Emergency services							2														2	0	2
Water conservation/treatment	6		20		2		5		4	3											60	3	63
Waste					2		2		7												31	0	31
Parks/community facilities			90		3		1		2												16	2	170
Public transport							1														13	0	13
Housing administration							3														1	0	1
Roads	7		9		8		6		9												39	0	39
Electricity			10		8		6		4	1											38	1	39
Information technology									4	1											4	1	5
Core finance					2		2		8												12	0	12
<b>Elementary occupations SOC 900</b>																							
Health care			3	2	2	4	5	8	4	8											14	22	36
Public safety/Emergency services			4		7	2	1	0	3	1											24	5	29
Water conservation/treatment			26																		27		
			5	1	5	3	2	2	3	2											5	8	283
Waste			15	7	7	6	4	3	2	2											29	19	
			2	1	7	1	5	4	5	6											9	2	491
Parks/community facilities			18	1	6	6	5	1	3	1											34	11	460

Employment category	Below NQF 1		Highest level qualifications held by employees																			Total	Total
			NQF 1		NQF 2		NQF 3		NQF 4		NQF 5		NQF 6		NQF 7		NQF 8		Unkn own				
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M		
			9	7	8	7	5	5	1	8											3	7	
Public transport			5	4	3	2	2	4	5	0											15	20	30
Land management			6	2		4		2													6	8	14
Housing administration			3	5	2	4	4	3	2	5											11	17	28
Roads			10		3		1		1												16		
Electricity			6	2	0	3	5	3	2	2											3	10	173
Information technology			95		8	2	7	3	2	2											13		
Corporate Services/Core administration				1																	0	1	1
			2	1		5		6		6											2	28	30
Core finance			4	4		1			1												4	35	39
<b>TOTALS for whole enterprise</b>																					27	12	401
																					81	35	6