



# 11. ENABLING OUR PEOPLE

## 11. ENABLING OUR PEOPLE CONTINUED...

### 11.1 LEADERSHIP AND EMPLOYEE DEVELOPMENT

#### Labour Practices and Decent Work

##### Management Approach

Umgeni Water recognises the importance of its employees in the delivery of its strategic goals and objectives. The organisation has embraced the principle that its organisational goals and human resources needs are mutual, compatible and strongly inter-dependent. Umgeni Water's Human Resources policies encourage a focused, skilled workforce and good employee relations thus creating a healthy working environment.

##### Employment

Umgeni Water seeks to maintain a workforce that will enable it to deliver quality services to all its stakeholders. In the year under review a Five-Year Workforce Plan, aligned to the strategic objectives of the organisation, was developed and approved and will ensure current and future workforce needs are met. The priority outcomes of this Workforce Plan are:

- Attracting and retaining the right people,
- Developing a high performing workforce,
- Promoting collaboration,
- Creating a vibrant and positive workplace culture,
- Supporting Diversity through Employment Equity,
- Improving Performance, and
- Supporting a Healthy and Productive Organisation.

For 2011/2012 the workforce by employment type/category, and race and gender is shown for the parent company, in Table 11.1 and Figures 11.1 to 11.3.

Table 11.1: Employment (parent) by type/category, race and gender for permanent employees and Board in 2011/2012.

Employment Type/Category	Total	Male				Female			
		Indian	African	Coloured	White	Indian	African	Coloured	White
Top Management	4		1		1		1		1
Senior Management	28	8	5	2	4	4	4		1
Professionally qualified and experienced specialists and mid-management	117	22	30	4	17	11	25	2	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	430	52	208	8	29	26	97	5	5
Semi-skilled and discretionary decision-making	150	2	132	1		3	10	1	1
Unskilled and defined decision-making	2		1				1		
<b>Total</b>	<b>731</b>	<b>84</b>	<b>377</b>	<b>15</b>	<b>51</b>	<b>44</b>	<b>138</b>	<b>8</b>	<b>14</b>

Figure 11.1: Employment status by type/category



Figure 11.2: Employment status by gender

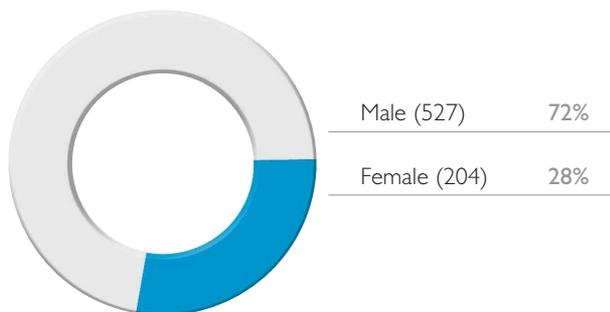
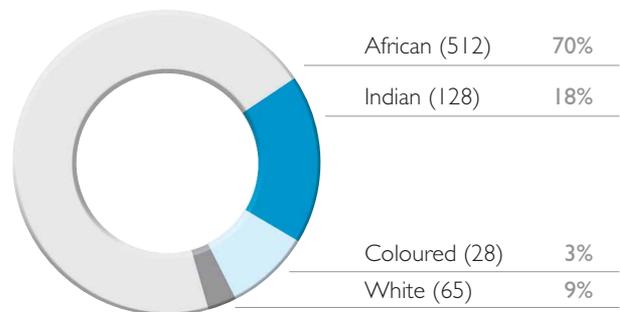


Figure 11.3: Employment status by race



All Umgeni Water's employees are based in KwaZulu-Natal. The parent establishment, comprising employees that were in the system during the period July 2011 to June 2012, included 731 permanent employees and a total of 123 contract employees, in-service trainees and graduate trainees.

All full time and fixed term contract employees are provided with the following benefits: provident fund or retirement fund, housing allowance and medical aid. All 204 female employees were entitled to maternity leave, of which fourteen (14) took maternity leave and returned to work after their leave.

#### Recruitment and turnover

Recruitment and turnover numbers for 2011/2012 are shown in Table 11.2.

In 2011/2012 there were one hundred and forty eight (148) new recruits, comprising:

- Forty-nine (49) permanent employees
- Ninety-nine (99) contract employees

Most of the new engagements were in the age range of 20-40 years and across all employee types/categories.

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In 2011/2012 the turnover was eighty-seven (87), including:

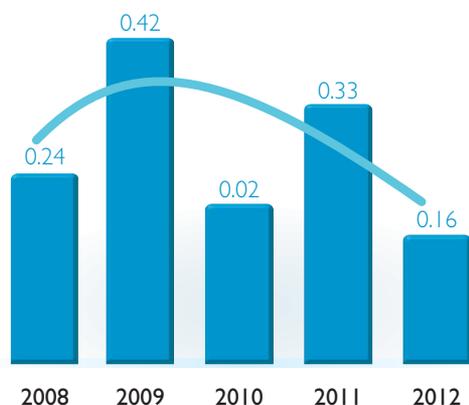
- Thirty-eight (38) resignations,
- Twenty-seven (27) completion of employment contracts,
- Nine (9) from natural deaths,
- Five (5) normal retirees,
- Four (4) dismissals, and
- Four (4) from medically boarding (disabilities).

The turnover percentage is 9% and is less than the industry benchmark of 10.3%.

Table 11.2: Recruitment and Turnover in 2011/2012 - showing age range, race and gender

Age Range	Total	Male				Total	Female				Total
		Asian	African	Coloured	White		Male	Asian	African	Coloured	
<i>Recruitment</i>											
20-30	60	0	29	0	0	29	8	21	1	1	31
31-40	75	6	43	0	0	49	1	24	0	1	26
41-50	13	1	4	1	6	12	0	0	0	1	1
<b>Total</b>	<b>148</b>	<b>7</b>	<b>76</b>	<b>1</b>	<b>0</b>	<b>90</b>	<b>9</b>	<b>45</b>	<b>1</b>	<b>3</b>	<b>58</b>
<i>Turnover</i>											
20-30	33	0	12	0	1	13	2	18	0	0	20
31-40	18	0	9	0	2	11	0	5	2	0	7
41-50	12	1	5	0	2	8	0	2	2	0	4
51-60	13	1	10	0	1	12	0	1	0	0	1
61-70	11	1	6	0	2	9	1	0	0	1	2
<b>Total</b>	<b>87</b>	<b>3</b>	<b>42</b>	<b>0</b>	<b>8</b>	<b>53</b>	<b>3</b>	<b>26</b>	<b>4</b>	<b>1</b>	<b>34</b>

Figure 11.4: Disabling injury frequency rate



### Labour/Management Relations

Umgeni Water has aligned all its policies to ensure these are, at minimum, compliant with all relevant legislation, such that the rights and well-being of its employees can be safe-guarded and protected.

Umgeni Water has a Collective Agreement with its union, NEHAWU, and sixty-six per cent (66%) of the total workforce are members of the union of which fifty-six per cent (56%) are within the collective bargaining unit. Umgeni Water and the union met at least quarterly in 2011/2012, excluding special meetings that were needed. Notwithstanding a collective agreement, Umgeni Water is committed to information sharing and to always giving reasonable notification to organised labour regarding any significant operational changes that may affect employees directly or indirectly. During the year, management actively engaged labour regarding concerns raised and sought to achieve resolution of issues without any stand-offs or disputes being formally submitted to external dispute resolution agencies.

### Occupational Health and Safety

Umgeni Water has established joint management-worker health and safety committees throughout its operations in order to strengthen its health and

safety programmes. Membership of its committees includes union shop stewards. The committees meet on a monthly basis and discuss pertinent occupational health and safety issues, report any incidents and deviations and identify actions for further investigation, as may be needed. The organisation collects, analyses and assesses key statistics relating to occupational diseases, rates of injuries, lost days and absenteeism, amongst others. Figure 11.4 shows the disabling injury frequency rate trend.

Umgeni Water's health and safety representatives have significant knowledge and expertise and are actively involved in health and safety in the workplace. The occupational health programmes, which are aligned to the Occupational Health and Safety Act and standards, assist employees in the following areas:

- Provision of health education.
  - Provision of guidance and counselling.
  - Management of employee assistance programme.
  - Primary health care including minor ailments treatment and referrals where necessary.
  - Workplace observation and intervention if circumstances become hazardous to health.
- Medical Surveillance Programmes are conducted annually to screen employees exposed to hazardous environments.

### Skills Development

Staff skills development remains essential at Umgeni Water to enable staff to excel in their individual and organisational roles and functions and deliver on the organisation's strategy. Umgeni Water annually develops and submits a Workplace Skills Plan to EWSETA, which identifies the skills needs of the organisation. Skills training and development is effectively being achieved through the following avenues, amongst others:

- Training and development.
- Learnerships and apprenticeship.
- Bursary programme.
- Graduate trainee programme and Internships.
- Assisted education.

### Training and Development

Table 11.3 shows the average hours of training per employee, by gender and by employee category.

- All categories of employees were exposed to training.
- Training is equitable between male and female (as per the existing complement).
- In 2011/2012, over 9,016 hours were spent in training and development for 571 employees.

**Table 11.3 Training Hours by occupational level, gender and per employee in 2011/2012.**

Occupational Levels	Total Employees	Total Female	Total Male	Training Hours per Employee	Total Hour per category
Top Management.	2	2		8	16
Senior Management	14	5	9	15	210
Professionally Qualified and Experienced Specialists and Mid-Management.	76	21	55	24	1,824
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foreman and Superintendents.	398	84	314	15	5,970
Semi-Skilled and Discretionary Decision Making.	57	9	48	12	684
Unskilled and Defined Decision Making.	4		4	8	32
Non-Permanent.	20	7	13	14	280
<b>Grand Total</b>	<b>571</b>	<b>128</b>	<b>443</b>		<b>9,016</b>

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### **Learnerships and Apprenticeships**

Umgeni Water has a pool of forty eight (48) learners in its Learnerships and Apprenticeships programme, all of which are scheduled to complete their level 4 (final level) of the programme and undergo trade tests - in Mechanical Engineering, Electrical engineering and Instruments - by June 2013.

### **Bursary and Graduate Programme**

Umgeni Water has offered bursaries to ten (10) students for tertiary enrolment in the fields of Civil Engineering, Mechanical Engineering and in Finance. During the year, three (3) students completed their studies in Civil Engineering on schedule and are currently enrolled as Graduate Engineers.

### **Assisted Education**

Fifty (50) employees are on the Umgeni Water assisted education programme of which 62% are enrolled in programmes that are directly targeting critical and scarce skills for the organisation.

### **Graduate and In-service Trainees**

Seven (7) graduates are enrolled in engineering, science and other required professional fields in the organisation. Umgeni Water's graduate trainee programme is a two-year mentorship programme aligned to guidelines provided by professional registration bodies, such as, South African Council for Natural Scientific Professions in the case of scientists.

Eleven (11) students from the Institute of Higher Learning were recruited into the Work Integrated Learning Programme, which is a one-year mentorship programme that provides continuous integrated theoretical and practical learning experience. The students are exposed to learning in Laboratory / Analytical methods and Process Control. Students trained by Umgeni Water are generally successful in gaining employment within Umgeni Water or elsewhere in the sector after completing their development programmes.

Umgeni Water has committed to a mentorship programme where it trains civil and chemical engineers, engineering technologists and technicians in accordance with the Engineering Council of South Africa (ECSA) guidelines for professional training. At the end of the reporting period the organisation had a total of ten (10) engineers in the programme.

During the year under review, Umgeni Water partnered with National Treasury in training and developing graduate engineers, technologists, process controllers and technicians with specific emphasis on meeting the skills shortages in the municipalities in KwaZulu-Natal and OR Tambo District Municipality in Eastern Cape. As part of this programme, thirty eight (38) trainees were enrolled for a period of five years.

### **Pre-retirement training**

Employees from age fifty five (55) to sixty five (65) were exposed to pre-retirement training and counselling. This is undertaken annually, aligned to the expected number of retirees and assists employees with managing their retirement benefits.

### **Key Memberships and Associations**

Organisational and employee memberships are shown in Table 11.4. These straddle governance, strategy and risk, water, science and engineering, natural resources and social impact management, business, finance and accounting, standards, occupational health and safety, amongst others. These help ensure the organisation keeps abreast in its core fields, participates in sector knowledge sharing and retains and enhances its core and distinctive competencies.

**Table 11.4: Key Membership and Associations**

Category	Total Female
Governance, Strategy and Risk	Institute of Directors in Southern Africa (IoDSA) Institute for Futures Research (IFR) Institute of Risk Management South Africa (IRMSA) Ethics Institute of South Africa (EthicsSA)
Financial and Business	South African Institute of Chartered Accountants (SAICA) Association of Corporate Treasurers of Southern Africa (ACTSA) National Business Initiative (NBI) Durban Chamber of Commerce and Industry Pietermaritzburg Chamber of Business (PCB)
Product Quality, Infrastructure Stability, Research, Innovation, Science and Technology	Water Institute of Southern Africa (WISA) Engineering Council of South Africa (ECSA) South African Institute of Civil Engineers (SAICE) construction industry development board (cibd) South African Institute of Chemical Engineers (SAICHe) American Water Works Association (AWWA) International Water Association (IWA) Project Management Institute Umgeni Water UKZN Chair in Water Resources
Community and Environmental Sustainability, Science and Technology	International Association for Impact Assessment (IAIASa) South African Council for Natural Scientific Professions (SACNASP) Institute of Waste Management
Employee and Leadership Development, Operational Resiliency, Operational Optimisation	South African National Standards Association (SABS) South African Institute of Draughting Institute of Safety Management Fire Protection Association of South Africa Electrical Contractors' Association NACE International South African Right of Way Association (SARWA) South African Council for Professional and Technical Surveyors (PLATO)

**Performance, Alignment to Strategy and Remuneration**

Umgeni Water implements a three-component performance management system which ensures that all employees have conceptual knowledge and understanding of the role and purpose of their jobs in relation to the organisation's strategy, whilst having an explicit understanding of their own performance objectives and targets.

In this regard, each year following review of the organisational strategy, key performance indicators and targets, all divisions of Umgeni Water develop divisional plans, indicators and targets, which are then cascaded further to individuals, who develop individual performance agreements with line management.

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The Board of Umgeni Water and Executive Management, respectively, assess organisational and divisional performances against targets on a quarterly basis, whilst formal corporate-wide employee performance assessments are undertaken twice a year. The performance management at Umgeni Water is development orientated, which is intended to cultivate effective human resources management and career development. As a result, appraisals are used to provide feedback and coaching to individual employees concerning their job performance.

Performance, which is then clearly linked to strategy, is further linked to remuneration in that performance bonuses are paid subject to all of the following requirements being met:

- The organisation's balanced scorecard targets have been substantially met as set out in the shareholder's compact,
- The divisional balance scorecard targets have been met as per divisional business plans,
- The individual performance targets have been met as per individual performance contracts, and
- The organisation can afford to pay the performance bonuses.

Through this structured performance management process, Umgeni Water ensures implementation of its strategic goals through skilled, competent, motivated and committed employees, whilst recognising and rewarding good performance.

**Table 11.5: Ratio of remuneration of women to men by occupational category in 2011/2012**

Occupational category	2011/2012	2010/2011
Top management	1.3	0.7
Senior management	1.0	0.9
Professionally qualified and experienced specialists and mid-management	1.0	0.9
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0.9	0.9
Semi-skilled and discretionary decision making	0.9	1.2

### Diversity and Equal Opportunity

Umgeni Water's workforce by employment type/category, race and gender is shown in Table 11.1 and Figures 11.1-11.3. The organisation annually submits an Employment Equity Plan to the Department of Labour and prepares quarterly equity reports to track the status of its workforce diversity against its plan.

### Human rights

#### Investment and procurement practices

Umgeni Water has committed to a system of acquisition of goods and services that is fair, equitable, transparent, competitive and cost effective and promotes the objectives of Broad-Based Black Economic Empowerment. Furthermore the organisation strives to ensure it facilitates an efficient and cost effective system of management of goods and services for its water business throughout the elements of Demand, Acquisition, Logistics and Disposal.

In the year under review, the organisation had improved its procurement systems through: continuing to improve its supplier database; continuing to reduce the number of expired contracts which posed a risk to the organisation; and through developing procurement and disposal plans aligned to legislation and the strategic objectives of the organisation.

In the reporting year, Umgeni Water enhanced its BBBEE Policy, which will enable more equitable procurement of goods and services from black owned entities and training on the new policy was scheduled for July 2012.

In the year under review, a total number of forty-four (44) hours of training were provided to employees on policies and procedures concerning aspects of human rights relevant to Umgeni Water's operations.

#### **Child and Forced Labour**

Umgeni Water, as a state-owned entity, subscribes fully to National Legislation which ensures a healthy and safe work environment for its employees. The organisation's Human Resources Policies comply and are in line with the Labour Relations Act (Act No. 66 of 1995), Basic Conditions of Employment Act (Act No. 75 of 1997) and their relevant Codes of Good Practice. Umgeni Water recognises that its employees are the organisation's most valuable asset and continues to be a socially responsible organisation which does not practise child and forced labour.

#### **Non-Discrimination**

During the year zero incidents of discrimination were reported.

#### **Indigenous rights**

Umgeni Water subscribes fully to the Bill of Rights in terms of the Constitution of the Republic of South Africa (Act 108 of 1997). During the year there were zero (0) reported incidents of violation of rights of indigenous people in any aspect of the organisation's business.

#### **Human Rights Remediation**

Zero grievances related to human rights were filed.

Students from Mangosuthu University of Technology on a visit to Umgeni Water Laboratories



