Njabulo Mashigo
on how we HEINEKENised our new company

AI ARRIVES IN HR
PAGE 38

18  From STEM to STEAM
20  Ditch “cookie cutter HR practice”
22  Mentorship can take you from bottom to boss
GIVE HOPE TO FELLOW SOUTH AFRICANS

BREAK THE CYCLE OF POVERTY

MAKE A DIFFERENCE

DONATE TODAY

*Donations are tax-deductible and count towards your Corporate Social Investment

With your support Out of the Box can give hope, education, skill, and opportunity to disadvantaged, and uneducated South Africans.

BECOME A SPONSOR

Skills Development Centre
Creating an Employed South Africa

☎ 011 872 0967/8
✉ nina@outofthebox.org.za
🌐 www.outofthebox.org.za
WANT A GENIUS IN A BOTTLE?

Use second generation Artificial Intelligence to bottle the insights, knowledge and decision-making skills of key experts in your company and scale their expertise up across your enterprise.

Rapidly create and deploy Virtual Experts with near limitless capacity in almost any environment using world-first TOM (Tacit Object Modeller) technology.

- Deploy your experts’ knowledge and insights throughout your company.
- Develop your next generation leaders today.
- Expand people’s capacity and effectiveness across the enterprise.
- Enhance organisational performance to warp speed.
- Retain organisational knowledge and insights after experts retire.

Make a quantum leap ahead of your competitors with world-first Artificial Intelligence technology.

For a “no obligations” demo of how a Virtual Expert is created, contact Alan Hosking (011 888 8929 or alan@hrfuture.net).
Any business that is not seriously looking at reinventing itself is due to feel the effects of their failure to respond to unstoppable market forces. Conversations with Executives have revealed that many are grappling with their own success. “If it ain’t broke, why fix it?” is their mantra. But that mantra is a legacy of a mechanical mindset of a Newtonian world - a world in which machines dominated. The world has however moved beyond the confines of Newton’s laws into a quantum world in which laws and principles previously considered sacrosanct have been turned upside down.

This means that, if you wait until your business is broken before you start thinking of fixing it, you’ll be overtaken by your competition who have no regard for your past success. This means you have to fix your business before it’s broken. And do you know what fixing a successful business is called? Reinvention!

I’m not telling you to reinvent yourself because someone else told me about it or because I read it somewhere and thought it sounded smart. I share this with you as a “serial reinventer”. In the 16 years that HR Future has been supporting Executives and HR Professionals with global and local content, we have reinvented ourselves a number of times … and we’ve just done it again.

One of the more obvious things you will notice about our reinvention is the new look of our cover. Staring from this month, we will be featuring, on our covers, HR Directors and other role players who are making an impact in their companies, communities and/or country.

And this month, we feature Njabulo Mashigo, HR Director of Heineken SA, who shares their story of creating a common culture for their employees after the company was separated from Brandhouse. Read the interview on page 8.

But reinvention is not simply a cosmetic procedure – giving your “face” a nip and tuck and thinking you’re 10 years younger while your blood pressure, cholesterol and your homocysteine levels are off the charts. You’ll still be in danger of heart attack and/or stroke, and you’ll simply end up a good looking corpse.

You have to address the unseen as well as the seen. Again, that’s what we’ve done. We’ve firstly ensured that the way we deliver content has evolved to align with the way people consume content. Whereas we started out a decade and a half ago with just a print magazine, we now distribute content on multiple platforms and in multimedia formats – print, online, digital, video, audio and at live events.

Secondly, we’ve reinvented ourselves by enhancing the services we provide to our target audience. With the increasing role of technology in the human capital space, we last year acquired a technology partner which, over the past 12 years and at a development cost of R30 million, has developed world-first second generation Artificial Intelligence (AI) system which moves beyond traditional data mining AI and enables companies to bottle the insights, intuition and gut instincts of their experts to scale that expertise up to be available across the enterprise. As companies see the potential of this AI to help them reinvent themselves, they have one common response: “How soon can we get it?”

A third way we have reinvented ourselves is by sharpening our focus regarding our target audience. Previously we have treated our audience as one large group. We have now segmented it into two distinct groups: HR Directors and HR Managers/Professionals. While we have always featured content that would be appropriate for HR Directors, we are placing a greater focus on the needs of HR Directors and this issue features three HR Directors. Next month, we will be announcing more developments regarding HR Directors.

I mention all of this not only to update you regarding the direction we’re taking but also to demonstrate that, if we can reinvent ourselves, so can you!

Alan Hosking
alan@hrfuture.net

Follow us on Twitter: @HRFuturemag.
Join the HR Future, family – to become a member, contact Monique at monique@hrfuture.net.
DRINK RESPONSIBLY

Alcohol reduces driving ability; don’t drink and drive.

Don’t drink and walk on the road, you may be killed.

Alcohol abuse is dangerous to your health.

Drinking during pregnancy can be harmful to your unborn baby.

As part of our commitment and strategy, HEINEKEN SA strives to raise awareness and educate communities that it serves about responsible drinking. We have put plans in place to partner with more NGO’s, communities and different stakeholders to ensure that all our campaigns have an impact.

Not for Sale to Persons Under the Age of 18. Drink Responsibly.
INTERNATIONAL WATERS
12 GLOBAL MASTERCLASS
Understand the science of work
14 HR SECRETS
Let’s fix HR reporting once and for all
16 EMPLOYEE ENGAGEMENT
Impact of employee engagement on customer loyalty

FEATURES
18 ON THE COVER
From STEM to STEAM
20 ON THE COVER
Ditch “cookie cutter HR practice”
22 ON THE COVER
Mentorship can take you from bottom to boss

STRATEGY
24 RISK MANAGEMENT
Manage risk on a planned and proactive basis
26 RETIREMENT
Don’t quit … recommit!
CONTENTS

28 MANAGEMENT
Can you spot bad apples? (Part 2)

GLOBALISATION
30 TALENT MANAGEMENT
Do you have a global talent strategy?

HOT BUTTON
32 REMUNERATION
Gain and retain key talent through these rewards

BREAKFAST
36 REPORTBACK
Seen at the latest HR Future Breakfast club

TECHNOLOGY UPGRADE
38 WORD OF MOUSE
Artificial Intelligence arrives in HR

LEGAL
40 JUST IN CASE
When is an employee an employee and not?

46 BORDER CROSSING
Time is of the essence

MORE TO LIFE
48 WELLNESS
Teach your children delayed gratification
Meet our panel of expert contributors

Njabulo Mashigo
page 8

David Creelman
page 14

Enid Lizamore
page 18

Mapula Wanjau
page 20

Hanifa Jassiem
page 22

Nicol Mullins
page 24

Michelle Moss
page 26

Matt Haddon
page 28

Kevan Hawley
page 30

Dr Mark Bussin
page 32

Daniela Christos
page 32

Rob Bothma
page 38

Dr Brian van Zyl
page 40

Julian Pokroy
page 46

HR Professionals wishing to contribute articles can send them to Alan.
alan@hrfuture.net

Photographs: www.depositphotos.com
www.unsplash.com

HR FUTURE is SA’s human strategy magazine published by Osgard Media as a support to all HR Executives, Chief Executive Officers, Managing Directors, Financial Directors, HR practitioners and senior line managers who are committed to creating shareholder value through human capital.

The views expressed in articles featured in HR FUTURE are the views of the relevant authors and do not necessarily reflect the views of the publishers.

Claims for non-receipt of magazines must be made within three months of publication of the issue. Claims made thereafter will not be honoured free of charge.

© 2017 All rights reserved. No part of this publication may be reproduced in any form or medium without prior written approval from the editor.

ISSN 1608-8506
Looking for something innovative and out of the ordinary, but with a sound approach, to motivate your people? Tried the usual “rah, rah” type motivation workshops and found the effects lasted for not much more than a week?

HR Future Executive Editor, Alan Hosking, has created a powerful, highly interactive in-house Motivational Masterclass that will take your team on a four-hour journey (09:00 – 13:00) to enhance the way they think, work and live, delivering to you a team that is engaged, united and focused.

Having completed a series of highly successful Editor’s Masterclasses around the country, Alan is now conducting this Masterclasses on an in-house basis to meet specific needs in companies to energise and inspire a flagging workforce.

What others have said about previous Editor’s Masterclasses

“Extremely effective way of motivating people. Thanks.”

“Absolutely fantastic”

“Eye opener.”

“This Motivational Masterclass:

• changes the way people think, see and hear;
• reveals and unpacks the three deepest needs that drive every human on the planet;
• triggers a deep and lasting desire in people to reach above themselves in all they do.

Book an In-house Motivational Masterclass for your team now! Email Alan (alan@hrfuture.net).

Ask Alan about his other Editor’s Masterclasses which include:

1. Managing Multiple Generations in the Workplace;
2. Agile Leadership in a VUCA World;
3. Age Management for 50+ High Performers;
4. Stress and Fatigue Reduction for High Performers;
5. Influencing Skills for Business Leaders; and
6. Parenting Skills for Young Professionals.
How we HEINEKENised our new company

In 2015, HEINEKEN separated from its Brandhouse JV. HEINEKEN SA’s HR Director, Njabulo Mashigo, shares with Alan Hosking some of the inside information about how they created a new culture for the “new” company.

How was the restructuring of HEINEKEN managed after the separation from the Brandhouse JV?
The first thing was the legal separation process, just making sure that we were compliant with the conditions set by the Competition Commission. We had labour law imperatives to observe such as the several 197 transfers from Brandhouse into HEINEKEN we had to deal with. This happened over phases. Needless to say, we also had to make sure that the absolute basics were in place to welcome the now new employees of HEINEKEN South Africa.

Brandhouse employee transfers constituted a third of the organisation. We also had Sedibeng Brewery employees, a stand-alone HEINEKEN Brewery producing for Brandhouse prior to the separation, that also had to be integrated into the new HEINEKEN South Africa.

What has been the highlight of the process for you?
I think the highlight for me was creating over 300 new jobs that hadn’t existed before, which enabled us to contribute to the creation of employment in South Africa, which we all know we so desperately need.

We now have over 900 total staff complement in our organisation. On-boarding was interesting because sometimes we had one or two people joining us. In a big month, there would be five or 10 people starting, then we sometimes had batches of 30 or 40 people being transferred because we didn’t have one big transfer from Brandhouse.

We marked our one year anniversary (of the official separation announcement from the Competition Commission) on 1 December 2016 with a huge celebratory cake marking this milestone. So that’s our official date but, in terms of the full operation, 1 April is what I would say is when we were fully running and in absolute control of our business.

With people coming from different entities, was there a clear on-boarding process?
The on-boarding process has been interesting because, while we were a start-up, we were still part of a much bigger organisation. HEINEKEN international has been around since 1864 so we had quite a lot to learn about HEINEKEN as a company. We’ve focused our on-boarding on two core elements:
1. The HEINEKEN stories – HEINEKEN, the organisation, its Dutch origins, it’s becoming an international organisation;

2. Who we are as HEINEKEN Southern Africa; and the importance of HEINEKEN SA to the region and international business all of this intentionally crafted to create the connect with our employer brand. We ensured that our MD Mr Ruud van den Eijnden presented in almost all on-boarding processes. That way he also got to connect with his employees whilst they also got to know him.

We have more than 80,000 employees around the world, so it’s important to know who we are in that context because that always helps people to remember they are part of a bigger entity. From a regional point of view, we in South Africa are part of the African, Middle Eastern, Eastern Europe region.

The South Africa Story talks to why we thought the separation from the JV was best for us.

We like to tell people our South African Story. Inevitably we have hired across the liquor industry such as from SABM and Distell to contribute in creating our proudly South African entity.

So, in terms of the composition of our “new” organisation, it has been very important to look at how to bring all of these cultures together and then start to create a HEINEKEN culture. You can imagine with a third of our organisation being ex Brandhouse and another third being ex Sedibeng, those were pretty dominant cultures. We also have enough SABM and Distell people for that to have an impact, so it was very important quite quickly to ask what the HEINEKEN behaviours are, who we are as HEINEKEN, and really start to seek clarity around the culture we wanted created. We therefore had to “HEINEKENise” people from that perspective, and from a cultural point of view.

How would you describe the HEINEKEN culture?

A huge aspect of it, and a big difference for a lot of people, is our entrepreneurial spirit, so one of our behaviours is to act like an entrepreneur. I picked that one specifically out of the five because it takes some adjusting for a lot of people. Almost in every instance, all the people that came in from other organisations were used to a more hierarchical, top down, structure, almost waiting for permission to do something.

From a HEINEKEN point of view, especially with the senior people that we recruited, it was a case of saying to them, “OK, so what are you going to do now? You need to own it. Being a start-up, almost every process, everything you touch, can have your fingerprints on it.”

We had hired senior people to run our various teams and divisions and the organisation, so it was about quickly getting them on board and getting them to own their behaviours and saying to them, “Go out and conquer. Be entrepreneurial!”

People were asking, “Can I? Can’t I?” so we did a lot to manage their uncertainty by, for example, setting up leadership forums which looked at our executives and all their direct reports to cascade the power and the leadership. It was interesting for me to see how people felt everything revolved around six or seven people, the executives. It was therefore important for us to say to people, “You have the leadership.”

Because of the entrepreneurial spirit, there’s a lot of room for one of our behaviours called “learn to improve”. It’s about knowing you can make mistakes and try to figure things out as long as you’re learning in the process. It’s about always perfecting and improving the process. We looked at how to tap into each other’s’ strengths to actually try to create this new organisation.

To read the full interview, visit www.hrfuture.net, go to the April 2017 issue and select “How we HEINEKENised our new company”.

We have more than 80,000 employees around the world, so it’s important to know who we are in that context because that always helps people to remember they are part of a bigger entity.
Surround yourself with our experts

Get knowledge, understanding and wisdom from our global and local experts who share their insights to help you lead and manage your people with excellence.

Easy access on our multimedia platform:

- Printed magazine
- Digital magazine
- Web site
- Live events
- Audio articles
- Weekly newsletters

Become an HR Future member for R1 450 ex VAT for 12 months and grow your career, your company and your country.

Email monique@hrfuture.net with the word “JOIN” in the Subject Line and she will be in touch to assist you.

Visit hrfuture.net
Understand the science of work

Professor Alan Hedge shares insights on ergonomics and productivity with Alan Hosking.

How do you define ergonomics to managers and their employees?
Ergonomics is “the science of work” and it is the discipline that looks at how to design workplaces, work tools and work practices to improve the performance, comfort, health and safety of workers.

Do most modern workplaces have a culture of safety and wellness, or is this a challenge?
In general, all companies need to adhere to whatever the country’s health and safety regulations are. In South Africa there is a draft ergonomics regulation that will be part of the general health and safety requirements. Companies should therefore pay attention to this and should strive to create healthy workplaces, because their workers are the most expensive and valuable asset.

PROFILE

Alan Hedge is a Professor in the Department of Design and Environmental Analysis at Cornell University in New York. His research and teaching activities focus on issues of design and workplace ergonomics related to the health, comfort and productivity of workers. Alan has edited, co-authored and co-edited numerous books, published 41 book chapters, and a wide range of articles and reports on ergonomics and related topics. He has received two awards from the Human Factors and Ergonomics Society, is a Certified Professional Ergonomist and a Chartered Ergonomist, a Fellow of three ergonomics societies, and a founding member of the International Society for Indoor Air Quality and Climate (ISIAQ). He is on numerous editorial boards and is past president and past chair of numerous societies. The current President of the International Ergonomics Association recently said of him, “He is perhaps the most often cited ergonomist in the media.”
How important is it to have processes in place for employees to report injuries?
The draft ergonomics regulation will require that companies have an injury reporting process in place. However, this alone is not the best approach for an optimal ergonomics programme, because reporting injuries once they have happened does not prevent the injury from having occurred. The best approach is to have an ergonomics reporting system in place (we call it participatory ergonomics) that allows employees to identify possibilities for improving the workplace, the work tools and their work. That gives them ready access to the services of a trained ergonomist, it lets them report injuries once they have occurred, and it encourages regular employee participation, for example having monthly meetings to discuss ergonomic improvements to the workplace. When this is done, there is an overall quality improvement in the work that is performed and there is a reduction in the injuries that occur.

What type of work environment is best for preventing injury?
Environments that expose employees to know risks or to minimal risks, and that foster a strong ergonomics culture that focuses on improving the workplace to help improve the performance of workers is best.

What type of ROI is a workplace that introduces an ergonomics programme looking at, and over what period?
From studies of over 40 different companies in the USA, the average return on investment is 17 to one. In other words, for every dollar that a company invests in good ergonomics, they can expect a return of $18.

Most people would tell you ergonomics in the workplace is just about having the correct chair or computer screen height. What else is involved?
Ergonomists think about the workstation as being like the cockpit of a car. In a car, you have to think about where the driver is positioned, and then decide whether the driver can easily see through the windshield and see the car displays, and whether their hands can easily reach the steering wheel and the gear lever. If all you had in a car was just a good driving seat, the car wouldn’t work that well.

So, in the office, having a good chair is a good start, but in itself is not sufficient. Being able to adjust not only the height but also the position of a computer screen is important to maintaining a healthy head and neck posture, and this is becoming especially important as more and more companies give their employees screens to look at. This is why ergonomists strongly recommend the use of monitor arms that allow the user to not only change the height of the screen but also the horizontal position of the screen, the distance of the screen from the eyes and the angle of the screen, all while freeing up the workspace that normally would sit below and behind a computer screen that is standing on a desk.

Being able to adjust the position of a keyboard and mouse or other input device is important. Recently, the availability of sit-to-stand desks, whether as a retrofit product to an existing desk or as a new desk, allows the user to sit for some of the time and stand for some of the time, and adjust the height of the work surface to their sitting or standing elbow height so that they are working in a more comfortable and more neutral posture.

Being able to change from sitting to performing standing work is increasingly being shown to be important to the overall health, comfort and productivity of workers. Research studies have shown that productivity increases can be 17% or more when users can work in this way.

If the user is working with a laptop computer then the availability of a stand for a laptop computer that raises the screen closer to eye height, combined with a wireless keyboard and mouse has been shown to reduce neck strain by 17% and to increase productivity by 17%.

The ideal lighting conditions for a computer screen is the darker the environment the brighter the screen looks, whereas for paper it is exactly the opposite. This often creates lighting problems in workplaces. Ideally, a workplace should have an ambient light level of around 250 to 350 lx. This is not optimal for reading paper documents, which requires at least 500 lx for optimal visibility. Also, once we hit our forties, the optical density of the structures in the eye begins changing and we need more light to get the same level of visibility that we had as a teenager. Providing users with a freestanding adjustable task light resolves these problems. Research by the Canadian National Research Council has also shown that this lighting solution can increase productivity by up to 24%.

How does having an ergonomics programme serve to keep staff motivated and prevent high turnover?
From the research that we have done, we have found that a good ergonomics programme that is also part of the employees’ benefits package shows the employee that the company actually cares about their well-being. From our research, we find that employees are happier when they are working in workplaces that are more comfortable and more satisfying, and they are also healthier and more productive.
Let’s fix HR reporting once and for all

Address your reporting issues so that HR can drive the business.

By David Creelman
My clients often start a discussion by describing their vision of advanced analytics. However, the discussion usually veers to today’s reality of getting basic HR reporting right. This topic has been around long enough that there’s no excuse for it still being a problem in your organisation. Let’s fix it once and for all.

**Current state**

Many organisations have reached a point where they have the essentials pretty much in place. They can report on headcount, turnover, salaries and so on. If you don’t have the essentials, then you need to work on that; luckily the path to getting there is pretty clear, it just takes time and an investment in decent technology and processes.

As soon as you go beyond the bare essentials, companies get into trouble. They get busy as heck producing loads of reports, but those reports have little value. HR reporting doesn’t come cheaply and if the HR organisation is devoting a big hunk of budget to something that has little value then that’s got to be addressed.

**Why reporting (beyond the essentials) often has little value**

There is a certain fascination with numbers that leads managers to want lots of them. Unfortunately, most managers have never had training in being “data savvy” and so they make a lot of poorly thought out requests that are expensive to fulfil, but don’t add value.

Here are the kinds of problems you’ll have to confront:

- **Idle curiosity:** A manager notices there are a lot of artistic people in the company and wonders how many employees have Fine Art degrees. Why? Well, they were just curious;

- **Presentation madness:** A manager wants to impress their boss and they decide the way to do that is to fill their presentation with numbers. Where do they get numbers? They ask the HR reporting team to crank out loads of data so they can cherry pick a few choice numbers; and

- **Lack of clarity on what they really need:** A Board member has heard that engagement is important and so asks for a report for engagement broken down by function, level and region. The resulting 500 page report doesn’t help them get to the heart of a business issue so it gets pushed aside.

People have reasons for wanting HR reports, but often those are not sufficiently well articulated to be good reasons.

**How to solve the problem once and for all**

HR reporting cannot simply be a service function that fulfills whatever requests for data they get. They need to be a decision support function that asks questions, provides advice, and says no to low value requests.

This shift requires three things:

1. You have to change the HR reporting team’s mandate and communicate it to managers.
2. You have to build processes that help them ask appropriate questions, prioritise requests, and make it possible to say, “No”; and
3. You have to train them to be data savvy so that they can provide helpful advice to managers.

The company as a whole may also need training:

- All managers should have some training in being “analytics savvy” and having good data judgment. Most managers have a decent sense of this, but you should give them a framework so they can be more crisp in their thinking and avoid some of the common traps (such as Presentation Madness).

- Senior executives need to enforce a culture of wise use of data and analytics, not just a blanket endorsement of it. If a manager is making a presentation where the numbers are irrelevant the leadership should ask “How much did it cost the organisation to get those irrelevant numbers?” If the manager has cherry picked data to support their case then leadership should chide them on trying to fool people. If we are serious about making decisions based on data; we won’t put up with window dressing.

**What’s the underlying key to being data savvy?**

The underlying key is that data and analytics must always serve a purpose. We must start with defining the question that needs to be answered. In a properly run HR reporting function, the question of, “So what?” never arises. The question, “What metrics should we report?” should never arise either. Getting clarity about purpose is hard work, but it will transform HR reporting into a value adding activity. HR reporting is a fixable problem that we’ve been living with far too long. Prove you’ve sorted this one out and you’ve got a real example of how HR can drive business results.

Employee engagement represents, at its core, a measure of the worker’s emotional commitment to their company and its values and vision. It is one of the fundamentals of running a successful business and the jewel in the crown of the most successful companies worldwide. By taking this into account, it is interesting to observe in which way employee engagement actually relates to improving customer relations and increasing customer loyalty.

In this era of digital marketing, companies’ main focus is boosting sales by using various targeting tools for attaining new customers. The main drawback of this approach is that customers are much more easily gained than retained. This article attempts to explain the fundamentals of understanding the customer experience and the relation of extrinsic and intrinsic factors which influence customer loyalty.

Laws of Customer Experience explained
In 2008, Temkin Group, which specialises in customer experience, published an article entitled The Six Laws of Customer Experience, in which they took an in-depth look at the ways in which customer experience operates. Two laws that were described in the list resonate very well with the topic of this article, namely:

4. Unengaged employees do not create engaged customers; and

Organisational commitment of workers has a much bigger influence on the overall performance than a success of any particular business unit.

Look after your employees and they will look after your customers.

By Emma Miller
5. Employees do what is measured, incentivised and celebrated.

By glancing over these two points, it is easy to conclude two things – in the time where it is getting easier and easier to find brands that have good business practice, it is key to have your employees motivated and focused on attaining and retaining new customers. For that particular reason, it is necessary to communicate this well with customer relations and equip workers with the tools and energy to do this job as best as possible.

Customer loyalty VS employee engagement, correlation or causality

Kevin Kruse, the author of We: How to Increase Performance and Profits through Full Engagement wrote a very interesting article a while ago focusing on the relationship between positive business outcomes and the engagement of workers. According to the studies he conducted, coupled with the research done by a Swiss team of scientists, organisational commitment of workers has a much bigger influence on the overall performance than a success of any particular business unit. This conclusion points to causality rather than to simple correlation between performance and worker happiness, which goes in line with the argument that a happy worker leads to a happy customer.

Customer service and customer relations

More and more companies are including programmes intended to increase their customer retention rates. The basic customer loyalty programmes, such as incentivising return shoppers, can always give a solid boost, but targeting so-called ‘checkout dropouts’ with more advanced remarketing tactics also has the potential to increase the sales. All of these are done through implementing the advanced customer service strategies. A very successful way of gaining concrete data, tracking sales and building stronger connections with your customers is by using CRM systems, or Customer Relation Management tools.

The CRM is designed to allow a company to evaluate the needs and behavioural patterns of all customers. Bain and Company conducted a survey including 362 companies and their perception of the success level of their customer service. A clear 80% of surveyed businesses believed that their service was superior. The reality was very different, with as little as 8% of paying customers quoting this same superiority in their experience. They called this the delivery gap.

This is where CRM tools come into play. By giving you concrete data on purchases and preferences of your customers, as well as mapping the progress of the company’s relationship with its target market, CRM allows you to observe, comprehend and then much more easily reduce this gap. To take things one step further, some companies started using virtual receptionists, who use natural language analysis to comprehend user experience and create a more positive customer response across all communication channels.

Engaging employees for the big win

The usual business practice of stimulating workers with financial benefits and expecting that the job itself will keep your employees content is slowly being proven wrong. Study after study shows that, although higher pay cheques may make employees less dissatisfied, they do not necessarily make them more satisfied and engaged. For this reason, modern workplaces are moving ever more towards improving employee engagement in more creative ways, such as:

• defining concrete target goals and keeping everyone in the loop about the progress;
• empowering the workforce by giving every individual a sense of ownership through involving them in the decision-making processes, making labour more meaningful;
• giving employees flexibility when necessary, and taking care of their overall well-being; and
• rewarding candidness and honesty, and supporting manager fairness.

By having a finger on the pulse of your employees and being responsive to their needs while encouraging collaboration, acknowledging success and praising failures as a normal part of the work process can give your company a much-needed impetus to focus more on retaining a healthy customer base in the future. By implementing a more relaxed approach to conducting business and tracking your customers and paying attention to their needs and practices, a positive change in the company is most certainly assured.

Emma Miller is a marketer and a writer from Sydney, Australia. Her areas of focus are digital marketing, social media, start-ups and latest trends. She’s a contributor at Bizzmark blog, bizzmarkblog.com, and a mother of two.
The arts can bridge the gender gap in the workplace.  
*By Enid Lizamore*

Recent estimates show that, if women’s participation in labour markets in the Middle East and Africa equalled that of men’s, the regional GDP could rise by 47% over the next decade, making an economic impact of $600 billion. However, women still face challenges entering the workforce, and the unemployment rate for women in some countries in the region is as high as 40%.

Gender discrimination aside, unemployment can exist because of a skills gap between first-time job seekers and employers. At the same time, the world is changing in the digital age, and so are career opportunities. Many of today’s students will end up working in jobs that don’t exist yet, and with the Fourth Industrial Revolution driven by digital and smart technology, the demand for skills in Science, Technology, Engineering and Mathematics (otherwise known as STEM) is on the rise.

With this in mind, it is essential to upskill youth, and particularly young women, and ignite an interest in STEM, so they learn the computational and problem-solving skills critical for finding employment or becoming successful entrepreneurs.

**Impact of empowering women**

There is significant gender disparity in STEM fields globally, with only 16% of female students graduating from STEM subjects, according to the World Economic Forum. While the Middle East is making strides in closing this gap, with women making up 30% to 70% of the enrollees in computer science programmes, in African countries like Kenya and South Africa, women only make up 15% and 18% of the ICT workforce, respectively.

Today more than ever, we are acutely aware of the need to close the gender gap in the technology industry and in all STEM fields. Women’s representation in these fields is not only a matter of fairness, but our economies and societies also lose out when we fail to engage half of the world’s brainpower in our engines of innovation.

So it’s essential that we create a culture where more women are attracted to STEM fields. That’s why Microsoft started a movement, inspiring girls, as well as the parents, educators and nonprofits who encourage and support them, to #MakeWhatsNext.

Not only does this open up opportunities for careers in the technology industry, but in our increasingly digital world, STEM skills also offer a leg up for
those wanting to become researchers, consultants, business managers, teachers and many more.

**Introducing the arts to Maths and Science**

One of the most positive steps on the path to encouraging women to study STEM subjects is the shift to add art and design to STEM, to form STEAM.

Innovation has been strongly associated with Science, Technology, Engineering and Mathematics. However, Art and Design are poised to transform our economy in the 21st century, just as Science and Technology did last century. This is because, even though the digital revolution is driven by technology, we are going to have to think more creatively to get the most out of technology.

**So, how does this link to gender equality?**

At the most basic level, there is the perception that women tend to be naturally attracted to the more creative careers. Beyond this, there tends to be a student engagement problem in terms of the diversity in the STEM fields. STEAM addresses this by using the Arts as an on-ramp to STEM for under-represented students. It uses design methods to approach STEM subjects creatively and make them real-world-relevant to all students, not just those already interested in Mathematics and Science.

**Transforming the economy and creating gender equality**

Not everyone will want to – or should go into – STEM fields, but the point is to reach those who could contribute to these fields but are turned off by a difficult Mathematics class, a boring Biology class or not seeing other women represented in the world of STEM. This speaks closely to the purpose behind #MakeWhatsNext, which is to shift cultural norms and challenge girls to stay in STEM so they are empowered to solve the problems they care about most, from finding solutions to climate change, to curing cancer.

Ultimately, STEAM is people-centric, not subject-centric; it puts student personality and individuality at the forefront. Bringing art into the mix is about sparking female – and all – students’ imagination, and helping them learn to innovate by applying creative thinking and design skills to STEM subjects. This unlocks a variety of new ways to use STEM skills in adulthood, whether seeking employment or starting a new business.

It’s not about stereotyping women as not having the capability to take part in the world of STEM as it stands. Rather, it’s about finding a way to make what are becoming essential 21st century skills, as accessible to as many different types of people as possible, by creating diverse opportunities to learn. And by doing this, we are empowering women to achieve as much as possible, to bridge the gender gap in the world of work.

Enid Lizamore is the Head of HR at Microsoft SA, www.microsoft.com.
Ditch “cookie cutter HR practice” says Mapula Wanjau
Policy-governed human resources management is a relic of the past. Today, it’s almost impossible to have profitability without HR policies and practices that work with people to help them realise their own career growth ambitions.

“Our people are our most important asset,” is a harried business phrase. Company after company intones it both internally and externally. Yet precious few businesses walk their “our most important asset” talk, and what goes on behind most closed Human Resources doors makes it clear that people continue to be standardised, categorised and herded in the workplace.

The career journey is no longer linear. It’s entrepreneurial, lateral and full of detours. People are now a lot more corporate street-savvy. Vocational growth comes through risk-taking, innovation and agility. It’s defined by competition both within the working environment and from outside. It must be tempered by compliance, though. It’s ring-fenced by business strategy, and its reward is experience.

For HR practitioners, this is a challenging environment … but rich rewards beckon for those who get it right.

In any workplace, there are likely to be as many demands placed on employers as there are people who fill the jobs. Everybody is an individual. Everybody is differently motivated and everybody wants different rewards and incentives. Think of a young working mother versus a recent graduate whose biggest concern is paying off the car he’s just bought. These people may have identical job descriptions, yet their personal circumstances mean the employer must create a working environment that keeps them both committed, loyal, productive and motivated. When businesses overly standardise their human resources policies and practices, they run the risk of alienating and losing staff.

Finding and retaining good people – people who will work alongside you to grow your business – remains as challenging as ever. Lose your star performers, and you cut to the heart of business growth ambitions. You haemorrhage experience and you send a detractor out into a competitor business. You put your business back in the starting blocks; needing to on-board replacement staffers, instill company culture and persuade people to stay in spite of your one-size-fits-all approach to leading people.

The function of HR is two-fold:

1. unlock people potential for profitability; and
2. work with individuals to realise career ambitions.

It’s almost impossible to have one without the other.

Now, more than ever, businesses do battle with each other for good people. The digital environment (with numerous career networking sites) has spurred an environment in which networking for career growth is a mouse click away. It’s put HR at the heart of delivering on business growth strategy. The HR team needs not only to perform for the business. It must also perform for the people who work there.

At Diageo, we are clear: we invest in individuals. We are in partnership with every staff member for their own career growth because we believe everyone has potential. Diageo is a global organisation (the local business demerged from Brandhouse about 15 months ago). There is huge opportunity to leverage our global resources, footprint and experience while we continue to build our corporate brand locally. So the business competes for excellent people with a number of other consumer brands. These brands are better known, and apparently more attractive employers. It demands more of our HR function. It means we need to tailor attractive alternatives to the standard cookie cutter job offer.

The role of the HR practitioner is not so much to fill vacancies, manage KPAs and announce promotions and resignations through blanket “all staff” emails. It’s to break barriers and to build a web of relationships that reward people for who they are, for their contribution to the bottom line and for their hunger to grow.

HR must partner with corporate leadership to help define, and deliver on, the culture the business wants to create. The partnership must embrace diversity, and put people at the centre of it all. Management and employees must create business strategy together. They must create the business culture strategy together, and they must create the corporate engagement strategy together. If they don’t, they will simply co-exist in the same corporate structure.

Mapula Wanjau is the HR Director at Diageo SA, www.diageo.com.
When wanting to advance professionally, we often look to courses that may assist us in honing or broadening a specific skillset. What is often overlooked – and can be an invaluable tool in elevating existing capabilities – is the acquisition of a mentor.

Mentorship is simply about having the support you need to achieve personal goals. Whether it’s learning an unfamiliar system or transitioning into a new job role, human beings are more effective with the right support.

In a broader context – and in South Africa particularly – mentorship plays a very important role. Many individuals still don’t have the luxury of a tertiary education. Coaching and mentorship enables new opportunities. Education is fundamental to

Mentorship can take you from bottom to boss

Use these tips to find yourself the right mentor.

By Hanifa Jassiem
personal and professional development, yet learning doesn’t only happen in a classroom.

Coaching and mentorship assist in bridging gaps between knowledge and skill. Many skills cannot be acquired from a textbook, but rather through seeing and experiencing these skills in action.

What is a mentor?
A mentor is often described as a person who guides and supports another person towards reaching their personal goals. A mentor engages their mentee by building trust, and tailors their guidance according to their mentee’s specific needs.

Ultimately, a mentee chooses who they recognise as their mentor, whether this person has been assigned to them in a professional capacity or not.

Mentorship vs coaching
There is much debate on the difference between mentorship and coaching, and a quick Google search will result in many views.

I think coaching typically involves teaching a practical skill, such as how to use Microsoft Office. There is usually a finite outcome, within a shorter or predetermined period.

Mentorship is likely to involve a longer relationship with its desired outcome based on what the mentee needs, rather than what the mentor wants to achieve – but it doesn’t mean a mentor can’t teach you a practical skill.

I prefer not to let semantics get in the way: coaching and mentorship are often interchangeable and equally important.

Mentorship programmes
Advice for those seeking mentorship? First understand what it is you require help with and write down your specific expectations. This goes a long way towards finding the right mentor.

At Ackermans, we have a number of development programmes that include a coaching and mentorship component. This supplements the classroom training with practical on-the-job coaching and ongoing guidance and support.

In addition, it is important for companies to have employee development as a core part of its ethos. Ackermans promotes a culture of continuous learning and has a plethora of formal training programmes available to employees. More importantly, we encourage employees to take responsibility for their own success.

Finding a mentor
There is no one-size-fits-all approach, and finding a mentor should be based on what you need.

Based on my experience with professional mentors, I believe that asking the following questions may help you find a suitable mentor:

- Do they set an example that resonates with me?
- Are they genuinely interested in what I am looking to achieve?
- Do they listen more than they speak?
- Do they challenge my thinking?
- Do they guide me towards finding my own solutions instead of simply giving me answers?

If the answer is, “Yes,” to all, then they’re more likely to be a good mentor.

And for those considering adopting a mentee, is there any benefit to you? I believe there is. Through mentoring others, you also learn from the experience and have the opportunity to enhance your own skills.

Mentorship is simply about having the support you need to achieve personal goals. Whether it’s learning an unfamiliar system or transitioning into a new job role, human beings are more effective with the right support.

– from communication to leadership. Mentors also reap the reward that comes with knowing they’ve played an integral role in someone else’s success.

I often refer to the Jack Welsh quote: “Before you are a leader, success is about growing yourself. When you become a leader, success is about growing others.”

Open yourself up to finding a sincere connection with someone who makes you feel inspired and motivated to be your best.

Hanifa Jassiem is the HR Manager: Talent and Culture at Ackermans, www.ackermans.co.za.
Manage risk on a planned and proactive basis

Employers in Africa react to currency volatility and high inflation.

By Nicol Mullins

Milton Friedman, a Nobel Prize winner, wrote, “Inflation is always and everywhere a monetary phenomenon.” When inflation is on the rise, an employer’s first reaction might be: what increase should we provide to our employees? How is the market reacting? What are our peers considering? This reaction, based on Milton’s research, clearly will compound the problem if the solution is monetary based. Inflation can be triggered by currency volatility. Currency volatility might seem like a new rising phenomenon, but it has been present for many years.

In many countries, a legacy practice was to set budgets based on cost inflation plus a bit. This was possibly driven by negotiated settlements and unions seeking to negotiate for improvements to their members’ quality of living. In fairness, companies have always preferred to take a market view but when the market practice is inflation plus a bit, they then are by default following this practice. If you typically follow this practice, what will your organisation’s response be when inflation hits 30%, 40% or 50%? Would you still align to the local inflation rate? In economic terms, we need to look at the supply and demand of skills in a market. The cost of labour is directly impacted by the supply and demand of skills in the specific market. The inflation, devaluation and depreciation of a currency bring about uncertainty. Uncertainty affects many aspects of business and has a direct impact on productivity.

Supply and demand in a specific market determines the compensation in the market and not inflation, depreciation, devaluation or the cost of living. Inflation, devaluation and depreciation of a currency bring about uncertainty. Uncertainty affects many aspects of business and has a direct impact on productivity. All of the above, but not limited to, leads to currency volatility in a specific market.
Currency volatility poses a risk to any organisation. Risk can be dealt with in various ways. It can be accepted, monitored, transferred or mitigated:

- Accepting a risk is an option. But when one has limited control over a specific risk, the mere acceptance of it might not be the best decision to make;
- Monitoring through gathering information on market reaction is a second response. But monitoring may expose another risk which is the organisation’s inability to meet the market reaction due to operational or financial implications;
- Transferring the risk would typically mean stating, calculating and paying salaries in hard currency. This, however, may not be legally possible in all countries and once again the organisation may open itself up to the risk of the volatile exchange rate; and
- Mitigating the risk is not taking the risk away but, rather, acknowledging the risk and defining the approach to be taken if a specific set of parameters is met. Defining a framework to mitigate currency volatility provides certainty in times of uncertainty.

There is a difference between reacting and responding to risks. A reaction is typically a quick decision driven by emotions in response to a tense situation.Responding, on the other hand, is a well thought through decision based on evidence and made in a calm manner. To ensure an organisation can respond and not react to a problem, the response should be defined in advance when emotions are not dictating decisions. Designing a framework for decision making when there is certainty, clarity and most importantly time, will provide an appropriate response. A pro-active approach also provides sufficient time for stakeholder buy-in and sign-off so that the response is clear, concise and considered. This systematic approach helps to ensure that an objective rather than an emotional response is provided, that the

In economic terms, we need to look at the supply and demand of skills in a market. The cost of labour is directly impacted by the supply and demand of skills in the specific market.

Nicol Mullins is a Senior Consultant at Mercer, www.mercer.com
Don’t quit …
recommit!

Top executives adopt a new retirement strategy.
by Michelle Moss

Not knowing when to quit is fast becoming the defining characteristic of an entire generation of senior executives who have no intention of being put out to grass on retirement.

They are fit, healthy and have lots of living to do. They simply don’t fit the traditional mould of the tired, out-of-touch old-timer with nothing left to contribute.

These experience-rich Peter Pans in their late 50s, 60s and early 70s are reshaping our understanding of retirement by exploring new career choices, fresh business ventures and radical changes of direction.

Retirement has been turned into unretirement as mature managers embark on an encore career. These seniors focus on renewal and reinvention. They don’t quit, they recommit!

US and UK observers note various demographic and socio-economic factors behind the trend.

Baby-boomers are now reaching retirement. They are products of the prolonged upsurge in the developed world’s population after World War Two. Thanks to better healthcare, nutrition and healthy lifestyle choices, there are lots of them around – more numerically than their Generation X successors.

This creates a shortfall. Organisations can’t always fill all gaps in senior ranks, enabling fit, energetic, experienced Baby-boomers to reinvent themselves as consultants or mentors.

Another driver of the encore phenomenon is continued desire for personal meaning.

After three or four decades in one field, many seniors wish to explore new subjects or develop interests that were once a side-line, but may now become the basis for a second career; perhaps as a photographer, graphic artist or guitarist in a wrinkly rock band.

Many re-equip themselves with new skills or go back to university to study subjects they could not pursue 30 or 40 years ago because job prospects came first.

Seniors also feel a desire to make a difference or ‘give back’. For example, the US Peace Corps report that 6% of volunteers are now over 50.

Teaching, research, coaching and mentorship are favourite avenues for seniors looking to put their knowledge and life experience to work.

Clearly, societal benefits can be significant and recently the British government and a private sector partner announced that £4 million was being made available to explore how the skills and experience of the over-50s can best be tapped.

In the US, many colleges already tap these skills. To give one example, the School of Professional Studies at Columbia University employs retired senior executives as mentors for students.

Eagerness to ‘give back’ is also evident in South Africa as a growing number of senior executives consider their unretirement options and look for personal renewal.

Locally, a rules-based trigger is also evident as outdated requirements at many corporates insist that senior staff retire at a specific age.

This is difficult to understand in contemporary South Africa as we face increasing shortages of top business talent, managerial skills and executive knowhow. It is important that companies find ways of utilising their mature managerial assets rather than writing them off.

In such circumstance, old-fashioned executive retirement seems unreasonable. Unretirement is a rational alternative and we can expect more and more top performers to give us this type of encore.

Michelle Moss is a Director at executive search and talent management company Talent Africa, www. talent-africa.co.za, a member of the Signium Group.
Age Management for 50+ High Performers

Manage age as an asset.

This world-first in-house half-day programme shows senior high performers how to prevent, reverse and slow down the conditions of physical, mental and emotional ageing.

- Increase mental, emotional and physical energy and agility.
- Raise current performance levels.
- Extend your career lifespan.
- Shed years off your real age.

For more information and to book a programme for your senior leaders, contact Age Management Coach Alan Hosking on 011 888 8929 or alan@hrfuture.net.
Can you spot bad apples?

Part 2

Three ways to make good apples great.
By Matt Haddon

During the 1800s, apple-farming was at an all-time peak due to being relatively easy to farm and transport and, while the fruit did not require much attention, the farmers still needed a keen eye to distinguish a quality apple that was filled with utter deliciousness.

There is something great about biting into a big, shiny, red apple. The juices fill your mouth and immerse your senses. The feeling is clean, healthy and essentially positive. The same is said for any “good apple” or an employee that presents any of the following character traits:

• Strong initiative and creative problem solving;
• Great skills in customer service (even with the tough ones) as well as with fellow colleagues;
• Adds value to the workplace;
• Productive attitude and temperament;
• Knowledgeable of services and salon systems;
• Little or no disciplinary action taken against them; and
• Maintains bona fides and acts in good faith towards the salon.

Companies benefit greatly from good employees. Customer service improves. Turnover increases. Costs drop. The company attains a concrete pillar on which the business can grow and reach long-term goals. Companies can buy an asset, such as new equipment, that will definitely increase sales by a specific amount, but a great employee has no limit as to how much the company can benefit.

The important factor is that as the company benefits, so should the employee. So what’s the best way to motivate and empower employees to reach their best potential? How do we make a good apple great?

1 Distinguish Motivational/Demotivational Factors
Hertzberg, a psychologist in the 1960s, distinguished a two-factor theory that analyses the different aspects of a person’s job, and places each aspect into that which can either motivate or demotivate the employee. Demotivating job factors are called Hygiene Factors and are related to important issues such as insufficient salary, abusive work environment, lack of job security, unfavourable work conditions, lack of infrastructure and so forth. If controlled properly, these factors will prevent demotivation, but will not motivate or empower the work force.

Factors that positively affect the workforce are called Motivational Factors, and include such things as incentive plans, positive workplace relationships, performance rewards, and career development. These factors build up upon the average, and can be used to improve performance and sales.

Workplace analysis can help an employer determine these factors, as well as prevent any
issues that have previously gone unnoticed. Ask the employees and clients for their perspective. Ask for suggestions on systems and methods, as well as any treatments or products that may be better than what the salon currently has. Employee’s will appreciate being heard, and will be even more motivated to put the changes in place.

2 Mutual Development
A relationship of mutual growth and development should be established between an employer and employee. Each party’s efforts should be in the interest of the other and result in perfecting skills and processes that will benefit both sides in the present and future. Criticism should be limited and only done as a means to improve for future success.

Employees appreciate a work environment where there is room for personal progression and improvement, also employees that aim for this are normally well motivated and proactive in the workplace hence it is in the best interest for employers to enable their employees and help them in improving their skills, as this will attain loyalty and good will.

3 Reward
Employees that perform well should be rewarded. Not getting an efficient reward for exerting a large amount of effort will frustrate employees and will prevent any possibility of the same amount of effort in the future. There are two types of rewards, namely, extrinsic which are rewards that are external to the employee, such as winning a prize, or a certificate, being the employee of the month or reaching a higher commission percentage. The second type is related to the internal reward experienced by the employee. Intrinsic rewards refer to the emotional effect of getting a pat on the back, or a ‘thank you’ after a hard day’s work, or a hug from a client after giving them a great service. These rewards can be addictive to an employee and generally result in a pleasant working environment.

Do you have a global talent strategy?

A global talent management strategy is essential for successful offshore forays.

By Kevan Hawley

Perlmutter proposed that “the degree of internationalisation of a firm could be estimated by the mentality and orientation of its executives”.

No truer words have been said as most successful companies have successful strategies and processes in place due to good, insightful and courageous leadership. When it comes to operating in offshore environments however, we have found good leadership to be a little lacking. The skills sets required by employees to work offshore are far more complex and difficult to find. Domestically, we get away with technical competence being the driver. In offshore operations however, Global Skill Sets (GSS) are required more often than technical competencies. Globalising companies need to ensure they have a development and feeder strategy in place to ensure that the global talent and global competencies are being developed throughout their ranks.

These Global Skill Sets that successful global companies require for success aren’t trained-in overnight nor are they learned in a month or two. It takes several years of exposure, training, coaching and mentoring to instill them in your global worker and, remember, not all employees can cope in this international game. Don’t send the wrong people … Select them … Manage their talent.

Thirty percent of global assignees fail and it’s this figure that’s going to dent your bottom line.

Q: Where does this process begin?

A: At the top, where it has to become a fundamental strategy in the most senior management ranks.

Does this happen? Is there top management buy-in? Is it taken seriously? These are questions that, more often than not, receive a, “No,” or a, “Possibly,” as an answer.

Everything takes three times longer to achieve on international assignments if your assignees don’t have the right skills. They often pack up and come home or, worse still, they become “brownouts”.

Take your time and find the right person and prepare them before they go. Don’t be fooled by the employee who has been an “expat” before …

There are five kinds of assignees and you should be interested in only one of them.

Strategy

1. Recognise that, if you want to be successful offshore, you need talented and competent people and that does not just mean technically competent. They have to have “international fit” and GSS in healthy doses;
2. If top management does not buy into the need to develop global talent and doesn’t want to support it then, as a global Talent Manager or HR Director, it’s probably time to find another job;
3. Set up prerequisite training modules that all people who are going to be exposed to offshore operations have to complete or be licensed in before you let them loose. If they don’t want to attend the training and think they are beyond it then don’t send them;
4. Include the assignee’s family on the training as
spent my entire career in the US. The next head of General Electric will be somebody who spent time in Bombay, in Hong Kong, in Buenos Aires. We have to send our best and brightest overseas and make sure they have the training that will allow them to be the global leaders who will make GE flourish in the future.”

13. Ensure every failed assignment and failed repatriation is thoroughly debriefed by a specialist to establish causes and then plug those gaps in your system.

On international manager had this to say: “After investing over a million dollars in my overseas assignment, I thought someone, somewhere in the organisation would want to know what I learned … I was wrong.”

Remember that it costs a large amount of money to deploy people offshore, so why not take the time and effort to insure against failures. Get a strategy in place. Ensure you understand the management science behind this game and use it to gain a positive ROI.

What’s your strategy? ■

* “Brownouts” are managers who do not return prematurely but are nevertheless ineffective in performing and executing their responsibilities. Estimates are that between 30 and 50 % of expatriates fall into this category. (Copeland and Lewis)

Jack Welch, put it quite well:

“The Jack Welch of the future cannot be like me. I...
Gain and retain key talent through these rewards

These favourite forms of reward will keep your employees happy, loyal and motivated.

By Prof. Mark Bussin, Daniela Christos, Monica Pregnolato and Prof. Anton Schlechter

Around the world, workplace demographics have changed and employees that obtain scarce skills are a rarity. In countries such as the United States and South Africa, ethnic minorities are entering the labour market. Employers now need to focus on employee retention. In South Africa, experienced employees over the age of 50 will be exiting the labour market over the next 10 years, leaving a hefty skills gap which is presently unaddressed by the current education system. This has led to a circumstance that deems it crucial for employers to nurture and cultivate their young talent more importantly to retain this talent despite the increasing difficulty that has arisen as a result of skilled professionals of all races choosing more frequently to change jobs in an effort to satisfy their need for quick career development and progression. Studies depict that when a reward package is aligned to the personal preference of the employee, they are more likely to stay longer at the organisation as well as to be more engaged at work.

Turnover of key talent correlates with both direct and indirect costs to an organisation. Examples of these costs are the processes of recruitment and selection, the loss of productivity, quality shortfalls, the loss of morale among the remaining employees, negative impact on customers or clients and the loss of the organisational knowledge that the employees take with them when they leave. The tangible and intangible costs to the company are estimated to be higher than the annual salary of a departing employee. For such reasons, the retention of human capital or human resources has become a business imperative, in terms of running a successful and sustainable business.

What can be done to solve the problem?

To succeed in the so-called war for talent, employers need to have a clear understanding of how various reward factors influence whether talented employees choose to stay or leave an organisation. Cohorts of employees, such as those coming from diverse demographic groups, have different expectations and demands of their work environment. As a result, a one-size-fits-all retention

Studies depict that when a reward package is aligned to the personal preference of the employee, they are more likely to stay longer at the organisation as well as to be more engaged at work.
strategy has proven not to be effective. What then, is the ideal total reward mix of reward elements that will retain skilled employees from specific demographic groups?

Key reward elements to attract, motivate and retain essential talent
The notion that organisations should develop relevant and targeted reward packages and retention strategies to best suit multiple needs, across different demographic cohorts (generations, genders or race groups), has been the focus of research over the last few years. Within the South African context, it has been found that specific reward strategies are related to the retention of Generation X, female employees and black professionals.

A total rewards model that involves the integration of five key elements that attract, motivate and retain the talent required to achieve desired business results and lead to employee job satisfaction and engagement namely was developed by WorldatWork and comprises the following elements:

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Overall</th>
<th>Male</th>
<th>Female</th>
<th>Black</th>
<th>White</th>
<th>Gen Y</th>
<th>Gen X</th>
<th>Baby Boomers</th>
<th>Non-management</th>
<th>Middle management</th>
<th>Senior management/executives</th>
<th>Matric</th>
<th>Under graduate</th>
<th>Post-grad</th>
</tr>
</thead>
</table>
(1) **Remuneration**: cash provided by an employer to an employee for services rendered;
(2) **Benefits**: programmes that an employer uses to supplement the cash remuneration an employee receives. These satisfy protection needs;
(3) **Work-life effectiveness**: organisational practices, policies and programmes as well as a philosophy that actively supports employee’s efforts to be successful within and outside the workplace;
(4) **Performance and recognition**: involves the alignment and subsequent assessment of organisational, team and individual efforts towards the achievement of business goals and organisational success. Recognition gives special attention to employee action, efforts, behaviour and performance; and
(5) **Development and career opportunities**: comprises learning experiences designed to enhance employee skills and competencies. Career opportunities involve plans to help employees pursue their career goals. These are relational needs that bind workers more effectively to an organisation as they satisfy individual’s needs such as personal development and fulfilment.

**Background**

Pay (compensation/remuneration) is the most commonly cited reward element used in retention strategies. In reality, though, pay has been found to be the fifth most common reason for leaving an organisation. The most important rewards that retained talented workers from the fields of science, technology, financial services and information technology were financial rewards, recognition and developmental opportunities. In a study of employees in South Africa and Singapore, it was found that employees were retained most effectively when provided with challenging assignments and fulfilling work, as well as incentive and performance bonuses. Others found that reward elements relating to personal comfort including medical aid benefits, social relations at work, pension and contractual obligations did not retain employees. The lack of value placed on traditional retention strategies such as work-life balance practices, for example, extra vacation time, childcare facilities or teambuilding exercises, was evident.

**What the study said**

We conducted a study on reward preferences according to the various demographics. The WorldatWork rewards model was utilised, stating the various rewards as remuneration; benefits remuneration; work-life balance; performance and recognition; development and career opportunities. In order to determine the reward preferences for different demographics, we chose to focus on the demographics of gender, race, generation, company position and education. The results are provided in table 1.

The results of the choice-based conjoint analysis revealed that all respondents considered financial rewards (Benefits, Performance and Recognition, Remuneration, Career, in that order) as relatively speaking the most important components in their total rewards package that would lead to their retention. For most demographic groups, the remaining three places (ranked) were Career Advancement, Learning and Work-life balance. Work-life balance was found to be relatively more important for Generation Y than career advancement. For those employees with only a matric qualification and those in non-managerial positions, access to learning opportunities were the least important in their retention.

**Conclusion**

Although the trend of preferences changes from time to time, the most modern trend seems to take preference over benefits. Ensure your employees are receiving the benefits they so value and your company will prove to be more successful in gaining and retaining key talent.

**Dr Mark Bussin** is the Executive Chairperson at 21st Century Pay Solutions Group, www.21century.co.za, a Professor at University of Johannesburg, Professor Extraordinaire at North West University, Chairperson and member of various boards and remuneration committees, immediate past President and EXCO member of SARA, and a former Commissioner in the Office of the Presidency. **Daniela Christos** is a Candidate Human Resources Practitioner at 21st Century Pay Solutions Group. **Monica Pregnolato** is Head of Remuneration and Benefits at City of Cape Town, www.capetown.gov.za, and **Prof. Anton Schlechter** is a Full Professor of IOP (UCT) and HOD: School of Management Studies (UCT), www.uct.ac.za.
Introducing our new income-based

DYNAMIC SAVER OPTION
AND HOSPITAL PLAN

Identical in every way, except how much you pay.

Family takes care of family – that’s why our new Maxima Dynamic Saver option and Hospital Plan gives everyone the same great benefits, but your staff only pays what they can afford.

This means they can enjoy excellent benefits, whether they prefer the simplicity of a hospital plan or a savings option with added day-to-day benefits, with a monthly contribution that is based on their household income. Identical benefits for everyone, at a rate they can afford.

To find out how our Dynamic options will help our family to take care of yours, contact our SMME unit on 082 455 8739 or email charlie@fedhealth.co.za

Maxima Dynamic Saver from R1 039pm
Maxima Dynamic Hospital Plan from R876pm

Family takes care of family

FEDHEALTH
The HR Future Breakfast Club on 14 March at the Bryanston Country Club was a full house event, with Andries Keun, Managing Director: Africa of Thomas International sharing key insights on how to “Build a powerful Employee Engagement Strategy for 2017 and Beyond”. Judging from the buzz in the room, guests enjoyed the networking and interaction with the speaker. Save the date for our next Breakfast Club event on 27 July!
Artificial Intelligence arrives in HR

Here are four ways in which AI will impact on HR.

By Rob Bothma

With our smart devices becoming ever smarter, and the growing role these devices are now playing in the workplace in collecting and disseminating data, the ideal environment for Artificial Intelligence to start playing a meaningful role in HR is being created. However, before exploring the nature of Artificial Intelligence in HR, let’s first at least define in layman’s terms what it exactly is.

Artificial Intelligence (or, AI as it’s often referred to), is the area of computer science where computers and systems are developed in such a way that they start behaving much the same way that we humans do. To be able to achieve this, systems need to have the ability to “learn” in order to continually expand their knowledge base which they use to make their automated decisions.

If we look at the world around us we quickly see how AI is already having an impact in our lives. We see self-driving cars, smart roads, intuitive personal assistants like Siri and Cortana to name just a few. One thing that can definitely be said, AI is here and is fast becoming embedded in our daily lives.

In essence, AI is what is connecting people to machines and machines to other machines.

There are basically two levels of AI that we find today:

There is the more Basic level, where systems have a predefined set of parameters to use for its decision making processes. Of course, being a computer, the amount of parameters stored is almost unlimited so, for example, a computer that is able to play Chess just has to have every move and consequence thereof mapped out, then as soon as its opponent makes a move, the computer is able to see every single permutation as a result of that move to then make its decision on what its next move should be.

The big difference here is that the computer is not able to reason or describe its thought processes used to make the decision. They are simply mechanical, that is, the computer does not actually think for itself.

Then there is a more Advanced level of AI where systems are able to accurately simulate human
reasoning. Not only are these systems able to “think” for themselves, they have the ability to “learn” on a continuous basis growing their knowledge base as well as being able to provide explanations for any decision made.

In the article “Artificial Intelligence and HR: The New Wave of Technology” written by Meghan M. Biro, there are four ways that the author believes that AI has the potential to have an enormous impact within the HR function.

1. **Personalisation:** AI is helping organisations to provide a more personalised experience with regards to learning, by capturing meaningful employee data relating to a wide range of learning experiences and behaviours. In essence the same types of algorithms that are able to “learn and recommend” by analysing your choices of where to shop or what to eat, will “learn and recommend” when it comes to employee training, and will over time make the whole training experience more meaningful and efficient, and the outcomes more effective.

2. **Workflow automation:** It is being predicted that AI is poised to become a serious game-changer when it comes to workflow challenges. In the next few years, we should see the advent of software that will automate hiring processes such as interview scheduling, employee performance reviews and employee on-boarding. In addition, we are also looking at software that will be able to provide answers to basic HR questions with regards to the organisation.

3. **More efficient recruitment and selection:** One of the challenges facing HR is accessing base data from individuals, as it is this base data that is required for systems to be able to analyse, especially during the recruitment and selection processes. With the advent of more advanced predictive analytics using natural language, which is still in its relative infancy, systems will soon be interacting with prospective employees through speech as well as being able to “scrape” data from social media sites such as Facebook and LinkedIn, thus having the ability to build up a comprehensive profile of the prospective employee as part of the recruiting phase, which will allow HR to more effectively either weed out undesirables or identify true potential much faster, with fewer mistakes.

4. **Better prediction models:** AI has the ability to get to know your organisation almost better than you do. Whether it’s predicting future turnover rates, employee engagement levels, concerns regarding employee communications and any other unexpected hidden issues that would usually take years to surface, AI will more than likely be one step ahead of you, especially when it comes to cost savings and organisational efficiencies.

In summary

There currently are some HR systems touting their AI functionalities, but many of these are just systems utilising basic decision trees with no ability to “learn”, that some clever marketer has decided to market as an AI solution. True AI HR solutions need to have the ability to “learn and grow” as more and more data is made available, thus ensuring that the decisions made are based on all of the current data and not just some outdated decision tree.

**Rob Bothma** is an HR Systems Industry Specialist at NGA HR, www.ngahr.co.za, a Fellow of the Institute of People Management and past non-executive director and Vice President of the IPM, co-author of the 4th Edition of *Contemporary Issues in HRM* and member of the Executive Board for HR Pulse.

**References**

http://converge.xyz/artificial-intelligence-hr-new-wave-technology/

*Artificial Intelligence and HR: The New Wave of Technology*

- Meghan M. Biro.
When is an employee an employee and not?

Investigation to establish whether an employment or independent contractor relationship exists.

By Dr Brian van Zyl

The Labour Appeal Court, in Phaka and 19 Others v Commissioner Ronnie Bracks, The National Bargaining Council for the Road Freight Industry and UTI South Africa (Pty) Ltd (Mounties Division) (2014) 25 SALLR 111 (LAC), had the opportunity of considering the following important issues:

(a) What approach should be followed when interpreting the definition of “employee” so contained in s213 of the LRA?
(b) What approach should be followed when interpreting the rebuttable presumption of an “employee” encompassed in s200A of the LRA?
(c) In the scenario where a company wishes to set up an owner/driver business module that consists of contracting with individual drivers (directly or by means of legal entities) to perform courier services on behalf of that company, what is the nature of the contractual terms regulating the contract between the company and the owner driver that will indicate that this does not amount to an employment relationship but indeed is an independent contractor relationship?

Overview

Appeal against the decision of the Labour Court not to review and set aside award of bargaining council

The appellants appeal against the decision of the Labour Court (Bleazard AJ) handed down on 29 May 2013 in which he dismissed their application to review and set aside the award of the first respondent (“the arbitrator”) under the auspices of the second respondent, the National Bargaining Council for the Road Freight Industry (“the bargaining council”).

The arbitrator dismissed the claims of the appellants alleging that they had been wrongfully or unfairly dismissed and subjected to unfair labour practices by the third respondent (“the company”).
Arbitration award: appellants were not employees but independent contractors

In his award, dated 25 March 2011, the arbitrator held that the appellants were not employees of the company but were in fact independent contractors.

Only an employee has the right to refer an unfair dismissal or unfair labour practice dispute to a bargaining council in terms of s191 of the LRA, and hence the arbitrator held that he lacked jurisdiction to deal with the referrals.

The appellants brought their review application in terms s145 and/or s158 of the Labour Relations Act 66 of 1995 (“the LRA”) on the basis that the decision was unreasonable, irrational, and not supported by evidence and facts before the arbitrator.

The correct inquiry is whether the arbitrator was correct in finding that he lacked jurisdiction because the appellants were not employees.

Pertinent facts of the case

Two referrals to arbitration were made by the Retail and Allied Workers Union (“RAWU”) on behalf of the 19 individual complainants.

The first referral, on behalf of five of the appellants, alleged that there had been a termination of contract or unfair dismissal and sought the reinstatement of those five appellants.

The second referral, which named as applicants all but one of the appellants, alleged an unfair labour practice.

Scheme of owner-drivers

The disputes relate to what has been described as an empowerment initiative initiated by the company in which it set up a scheme of employing owner-drivers to render client services on its behalf.

The initiative has a long-established track record realised over a number of years within the road freight industry, and enjoys the unqualified approval and support of the bargaining council.

The appellants are aggrieved about the relationships of locatio conductio operis established under and in terms of that empowerment initiative.

They contend that a contract of employment (locatio conductio operarum) subsisted notwithstanding the apparent existence of a relationship of independent contractor established in the explicit terms of the contract between each individual appellant and the company.

Findings of the Labour Court of Appeal

Issue: whether appellants are employees

The crisp issue for determination on appeal is whether the appellants were employees or not.

The court a quo formulated the question in issue accurately and succinctly as follows:

“At the centre of the dispute is whether a written contract that each of the applicants concluded with the third respondent constituted a contract of an independent contractor or an employee. Allied to this is whether, notwithstanding the express provisions of the contract, the applicant were nevertheless employees by virtue of the presumption included in s200A of the Labour Relations Act.”

Definition of employee: s213 of the LRA

The definition of “employee” in s213 of the LRA reads as follows:

“‘employee’ means -
(a) any person, excluding an independent contractor, who works for another person or for the State and who receives, or is entitled to receive, any remuneration; and
(b) any other person who in any manner assists in carrying on or conducting the business of an employer.”

s200A of the LRA

Section 200A of the LRA enacted a presumption as to who was an employee for the purposes of the LRA.

It was common cause that it was applicable in this case.

Section 200A(1) provides:

“Until the contrary is proved, a person who works for, or renders services to, any other person is presumed, regardless of the form of the contract, to be an employee, if any one or more of the following factors are present:
(a) the manner in which the person works is subject to the control or direction of another person;
(b) the person’s hours of work are subject to the control or direction of another person;
(c) in the case of a person who works for an organisation, the person forms part of that organisation;
(d) the person has worked for that other person for an average of at least 40 hours per month over the last three months;
(e) the person is economically dependent on the other person for whom he or she works or renders services;
(f) the person is provided with tools of trade or work equipment by the other person; or
(g) the person only works for or renders services to one person.”
Nature of the company’s business
The company operated as a courier company on a fixed route basis, with regular and recurring collection times, primarily for financial houses.

At the arbitration hearing, it led the evidence of three witnesses: d’Almeida, a senior employee; the managing director Wagner; and an erstwhile employee, Moeng, who now successfully operates his own independent business having resigned as an employee to take up a contract as an owner-driver in terms of the empowerment initiative. Their evidence was largely unchallenged.

Owner-driver programme
The company introduced the scheme in the 1980’s in the interests of productivity, empowerment and efficiency.

After a consultation process with the company’s employees, agreement was reached in terms of which existing employees were offered the opportunity to participate in the owner-driver programme.

The success of the programme, according to Wagner, was evident from the number of drivers who had contracted as such throughout South Africa, many of them providing more than one route, and some earning more than R100 000 per month. Moeng, for example, ran six routes on behalf of the company, his business having grown over the years from one single route.

He operated through a close corporation which employed its own employees, who were not employees of the company.

The owner-driver model that had been developed entailed the contracting of individual drivers (mostly former employees with their own vehicles acquired with the financial and related support of the company) to perform courier services on behalf of the company.

These contracts had been developed over the years and took the form of a standard contract.

Participation in the scheme had always been voluntary.

1. Required to resign
Those owner-drivers, who were previously employed by the company, were required to resign from the company, thereby terminating their employment relationship.

2. Ceased to receive any employment benefits
Thereafter, the owner-driver ceased to receive any benefits associated with employment.

3. Standard written contract between company and owner-driver regulated the relationship subsequently

After resignation, the relationship between an owner-driver and the company would be governed by the standard written contract concluded between the company and the owner-driver or a separate juristic person, usually a close corporation, if the owner-driver chose to operate through such.

4. Company held no financial interest
The company had not and never has had any financial or other relationship in any close corporations owned by owner-drivers or with whom the company had contracted as part of the owner-driver scheme.

5. Company offered assistance to set up and run business
The company did, however, offer assistance to owner-drivers so as to enable them to set up their businesses and continue to run them successfully.

6. Company did not own vehicles
The vehicle used in the execution of duties under the contract was owned and operated by the owner-driver, not by the company, though it was often acquired with the assistance of the company.

However, the company enjoyed no rights of or incidental to ownership over the vehicles of owner-drivers.

7. Owner-driver employs employees
With the development of their businesses, some owner-drivers had been able to acquire more than one vehicle, employ drivers to perform the services they had contracted to provide under the contract and, in some cases, ceased to perform the services themselves.

Wagner, the Managing Director, testified that the company was primarily geared towards servicing the major banks by providing daily for cheque, bills of exchange, credit card and internal documentation collection and distribution.

Relationship between company and banks
The relationships between the company and the banks were strictly governed by service level agreements and, if the stipulated service levels were not met, then there were financial consequences, including penalties, for the company.

The times within which documents had to be collected and/or distributed were determined by the banks with whom the company contracted.

Stipulated routes and times part of agreements between company and owner-driver
The driver had to adhere to a scheduled collection and delivery programme, with stipulated stops at set times.
These stipulated routes were incorporated into the agreements concluded between the company and owner-drivers.

**Penalties applicable**

A failure to adhere to the stipulated times or service level agreements would result in penalties being imposed as against the company.

In circumstances where the failure was attributable to the owner-driver then, under the contract concluded between the owner-driver and the company, penalties could also be imposed on the owner-driver.

**Cancellation of contracts: repeated breaches**

Repeated breaches by the company of the service level agreements - including breaches committed by owner-drivers whilst performing services under their own contracts - could result in the cancellation of the agreements between the company and its clients.

The standard form contracts concluded between the company and owner-drivers reflected this reciprocity between what was expected of the company from its clients and what the company, in turn, required from owner-drivers.

**Recognised in terms of BBBEE**

The scheme and the elements of it have been recognised in the Code of Good Practice on Broad Based Black Economic Empowerment (“BBBEE”) for the Transport Sector as a worthy initiative providing real and meaningful opportunities for the development of business ownership and the economic empowerment of individuals (GN 1162 of 2009 in Government Gazette 32511 of 21 August 2009).

**The contract between the company and the owner-driver**

In accordance with general principle and doctrine, the contract fell to be interpreted by having regard to its plain and unambiguous language understood contextually and purposively (see Natal Joint Municipal Pension Fund v Endumeni Municipality 2012 (4) SA 593 (SCA) at paragraph [18]; Bothma Batho Transport v S Bothma and Seun Transport 2014 (2) SA 494 (SCA) at paragraphs [10]-[12]; and Dexgroup (Pty) Ltd v Trustco Group International (Pty) Ltd 2013 (6) SA 520 (SCA) at paragraph [16]).

**1. Relationship between the parties not one of employment**

The contract repetitively and in clear language recorded that the relationship between the parties was not one of employment. Thus, clause 2.1 of the contract provided that the company

“hereby engages the services of the Contractor who shall effect the collection and delivery of goods on behalf of (the company) according to the route structures detailed in Annexure A”.

The company maintained that this clause expressly reflected an intention that the appointment effected under the contract was one of an independent contractor for the purpose of providing services in the form of the collection and delivery of goods according to the specified routes.

Its contention was supported by clauses 2.4 and 2.5 which were even more explicit.

**Clause 2.4 provided that the company**

“hereby appoints the contractor which accepts the appointment as an independent Contractor for the purposes of providing (the company) with the service”.

Clause 2.5 in turn read as follows:

“It is recorded that nothing in this agreement, whether expressed or implied, shall be construed as creating the relationship of either employer and employee or franchisor and franchisee between the parties.”

The agreement, thus, expressly excluded any intention to constitute an employer/employee relationship.

And, lastly, clause 11 expressly recorded that the contractor and his employees were not employees of the company and that nothing in the contract rendered them to be such.

**2. Owner-drivers not entitled to employment-related benefits**

It provided, further, that they were not entitled to recover any benefits or emoluments that would normally accrue to employees of the company.

**3. Owner-drivers responsible to provide vehicles and replacement vehicles**

In addition, clauses 3 and 7 of the contract obliged the contractor to provide the vehicle that was a sine qua non for the execution of the services under the contract and a cell phone.

This obligation extended to the hiring of replacement vehicles and ensuring that the vehicles were properly licensed and roadworthy. Such clauses were not usually found in employment contracts.
owner-drivers through close corporations;

- secondly, some were still engaged in on-going contracts while the contracts of others had been terminated through the effluxion of time or on grounds of breach of contract arising from poor or non-performance;

- thirdly, some of those individuals, who employed employees, had registered as employer contributors to UIF, SDL and COIDA;

- fourthly, the company had assisted some of the individuals to set up their businesses and acquire cars;

- fifthly, the individuals were paid after submitting invoices, with some being registered for VAT, none of them were paid a salary, but were paid a contractually agreed amount determined with reference to the number of routes they were contracted to service and the distance of those routes; and

- sixthly, they admitted to having resigned from employment with the company before taking up the owner-driver contract.

It was submitted, on behalf of the appellants, that, despite their participation in the empowerment initiative, they remained employees on a par with other drivers employed by the company.

**Arbitration award**

The arbitrator, as stated, held that the appellants were not employees.

1. **Definition of employee: s213 of the LRA**

He commenced his analysis with reference to the
definition of an “employee” in s213 of the LRA and said:
“The first part of the definition under section 213 reflects the common law concept of an employee. Under the common law, an employee is someone who works under a contract of service (locatio conductio operarum) as opposed to a contract for services (locatio conductio operis). The definition explicitly excludes independent contractors. The second part of the definition is much wider than the first and, but for the express exclusion, would cover independent contractors and even partners and brokers. The courts distinguish between people ‘assisting in the carrying on or conducting of a business’ who would be employees and those persons ‘performing work or services which have the effect of providing such assistance’ who, as independent contractors fall outside the scope of the definition of employees.”

2. s200A of the LRA
The arbitrator proceeded then to consider the implications of s200A of the LRA and correctly stated the legal position as follows:
“Section 200A of the LRA seeks to assist vulnerable individuals in establishing employee status. Although section 200A leaves the definition of ‘employee’ unchanged, it creates a rebuttable presumption that a person who renders services to any other person is presumed, regardless of the form of the contract, to be an employee, if any one or more of a list of seven factors are present. Thus even if the contract of work purports to be that of independent contractor, if any one of the listed factors is present, that person is presumed to be an employee:

... The general principle in law is that if a person alleges a state of affairs, that person must prove it. Section 200A shifts that burden of proof to the employer party to show that the person is not an employee if any one of the seven factors is present. The factors [listed in section 200A(1) (a) to (g)] are drawn from jurisprudence in our civil Courts.”

The arbitrator, thereafter, considered the tests that have been developed in our jurisprudence which inform the factors underpinning s200A(1) of the LRA.

3. Consideration of the tests relating to the relevant factors
This included a consideration of the control test, the integration or organisation test, the dominant impression (or multiple) test and the public policy test.

4. Statutory presumption has been rebutted
He had regard to the applicable case law and decided that the appellants were independent contractors and not employees and that the statutory presumption had been rebutted by the evidence in this instance.

The arbitrator concluded as follows:
“Turning to the evidence presented at the hearing it is clear that the majority of the Applicants were employees of the Respondent before and that they had been invited to be part of this empowerment scheme. None of the Applicants was forced in any way to participate in the scheme. They did so voluntarily. This was further established by the fact that despite all of them stating that they did not understand the terms and conditions of the contract they renewed these contracts without seeking any advice on them.”

Starting point: relevant contract
The learned judge proceeded from the premise that the legal relationship between the parties had to be gathered primarily from a construction of the contract which they concluded.

Also examined the realities of the relationship
In this regard, he referred to SA Broadcasting Corporation v McKenzie (1999) 20 ILJ 585 (LAC) at paragraph [10] in which the Labour Appeal Court held that, in seeking to discover the true relationship between the parties, the court must have regard to the realities of the relationship and not regard itself bound by what they have chosen to call it.

He went on to examine those realities and concluded that the statutory presumption had been rebutted.

There was, accordingly, no employment relationship and that the arbitrator was correct in his finding that he lacked jurisdiction.

Conclusion reached by the Labour Appeal Court: no employment relationship
In the view of the Labour Appeal Court, the arbitrator and the court a quo reached the right conclusion for the right reasons.

Insofar as the company deducted PAYE from the amounts payable to the owner-driver, it did so in pursuance of a responsibility imposed upon it by the income tax legislation in relation to the taxation of independent contractors.

Dr Brian van Zyl is a Director of labour law firm Van Zyl Rudd and Associates, www.vanzylrudd.co.za.
The heading of this article speaks for itself.

When applying for any kind of visa under the Immigration Act 13 of 2002 “the Act” (as amended) there is always a degree of urgency. Relocating to South Africa, or anywhere for that matter, is a serious step which does not accommodate indecision. Therefore when a decision has been made then, generally, applicants for visas need to move rather quickly and decisively.

Arrangements have to be made regarding the applicants’ home, study arrangements for children and logistics surrounding vehicles and personal possessions.

In an ideal immigration scenario, visa applications through Embassies, High Commissions or Consular Offices or even those that are brought inside South Africa should therefore then move with some alacrity.

However, this is generally not the case. The purpose of this article is not to deal with service delivery issues but rather to deal with the time delays occasioned thereby. By way of example, an investor who is intending to start a business in South Africa would have done his or her homework, viability assessments, feasibilities and the like. The point where they decide to actually make the investment and make the move is where time becomes of the essence.

Dealing only at this point with the business visa aspect referred to in this paragraph, a long and arduous process needs to be followed and the question that comes out at the end of that process is whether the business visa applicant still has the appetite to make the quite considerable investment which he or she would have to make in order to start a business in South Africa. Assuming that the business is a “national interest” business as specified by the Department of Trade and Industry, the next phase, after doing the formal business plan for feasibility and viability, is to submit that business plan together with all supporting documentation to the Department of Trade and Industry’s investment facilitation division. At that department, a full and proper investigation is made into the viability aspects to ensure compliance with all of the business aspects, whereafter the Department of Trade and Industry submits a recommendation to the Department of Home Affairs. During this process, a submission is also made to the Department of Labour in order to get a recommendation letter from them.

Whilst the Department of Trade and Industry does move with a certain degree of urgency, the same cannot be said for the other allied departments who must also report and/or make decisions in the matter.

Therefore a period of time elapses from the date of submission of the requests to the before said departments, before an application can be lodged with the South African Department of Home Affairs through its Embassy, High Commission or Consular Office.

The recommendation letter from the Department of Industry is submitted, as stated above, directly to the Department of Home Affairs and therefore the applicant would not have had sight and would not even know whether it was a positive or a negative recommendation made. This is all very frustrating.

Then comes the day of submission of the business visa application to the Department of Home Affairs through its Embassy, High Commission or Consular Office and then the wait begins.

The application is taken in either through the VFS Office if there is one in the country concerned or the Embassy, and the matter is then referred on to the Department of Home Affairs Head Office Adjudication Team at Pretoria.

It is almost impossible to predict how long it will take for that adjudication process to be completed. Two to three, or event four months or sometimes even longer is the norm.

The question asked at the beginning of this article
as to whether the investor has the appetite to wait that long for an outcome when he or she is seeking to invest in our country and advance the economy and create jobs arises.

One of the more popular types of visas applied for is that of the Intra Company Transfer Work Visa. This is the visa that is applied for where a multinational has offices outside of South Africa and wishes to transfer one of its permanent employees to South Africa on secondment for a maximum duration of four years. The company relationship has to be that of a holding, subsidiary, filial or associated company to the overseas company.

This type of application has come under the spotlight somewhat over the last while because there has been a degree of abuse of this category of visa.

Be that as it may, this type of visa would have to be backed by documentary proof of the relationship between the overseas and local company and should technically be one of the quicker visas to apply for because of its relative simplicity.

However, this is not always the case. For reasons unknown to me, the Department of Labour very often gets involved in the matter and does inspections of the South African office, does an informal “audit” of the amount of South Africans working for the company and inevitably this causes delays in these type of applications.

This type of visa therefore sometimes falls victim to long time delays for the before said reasons. It is also important to note that certain Embassies or High Commissions are notorious for being incredibly slow in dealing with these administrative processes. All of this does not bode well for this category of visa in some instances.

The next category of visa that is struck by an unnecessary and avoidable time delay is the General Work Visa.

This type of visa requires advertisement in the National Printed Media in order to attempt to secure the services of South African Citizens or permanent residents, and it is understandable that that process in fact takes time as applicants have to be interviewed and assessed.

This element of the process however does not stop at that point as a submission then has to be made, proving the advertisement and details of the interviews to the Department of Labour who then conduct their own investigation, very often embarking upon a recruitment drive of their very own.

This appears to be an unnecessary and avoidable step as advertisements in the National Printed Media coupled to proper interview process records should be sufficient to demonstrate the inability to secure a South African citizen or permanent resident for the position.

The problem is that the Department of Labour then sits on the application for periods literally of three to six months and sometimes even more.

They do not permit communication with their office, will not communicate with the visa applicant directly to make enquiries and very seldom make any contact with the employer, save to sometimes conduct an inspection of premises and again an “audit” of South Africans working for the company.

When they have done their assessment, if the position is still open and available, the Department of Labour submits their recommendation letter directly to the Department of Home Affairs and all that the visa applicant will get will be an SMS or e-mail confirming that the letter has been sent directly to the Department of Home Affairs. No indication is given as to whether it is a positive or negative recommendation.

All this does not bode well for a company that has been looking rather urgently to source a skill that they have been unable to source locally.

An alternative to the advertisement and Department of Labour process is to petition the Director General of Home Affairs for a waiver of these requirements. This waiver would have to put forward a convincing argument as to why it would be superfluous to advertise and approach the Department of Labour.

The waiver process itself is also not a brief process and can take months to finalise.

To sum up, and I apologise for being repetitive, will the job still be open? Will the visa applicant still be interested in coming to South Africa to take up a position and put their lives on hold pending the dirty process? You can be the judge and answer that question.

Critical Skills Visas do bring some shining lights into the situation. The Critical Skills Visa list specifies trades, professions and occupations that are deemed to be “critical” and if an applicant has provided proof of the SAQA evaluation of their qualification and is registered in the professional body for that trade or professional occupation, then they can lodge their Critical Skills Visa application, obviously including the other administrative documentation for such visa, and it is our experience that these visas do get processed on a “fast track”. There is some light at the end of the tunnel!

I have also not specifically dealt with the other categories of visas as they are mostly urgent in terms of relocation aspects and arrangements that have to be made in that regard. However, let it suffice to say that speed is not one of the qualities imbued in the visa processing ethic.

Julian Pokroy is one of South Africa’s leading immigration specialist attorneys, www.immigration.org.za, and currently heads the Law Society of South Africa’s Immigration and Refugee Law Specialist Committee and the Immigration, Nationality and Refugee Law Committee of the Law Society of the Northern Provinces. He is a member of the South African Law Reform Commission Committee.
success, happiness and fulfilment are the three common goals that every human strives for in life. But we not only want it for ourselves. We also want it for our children. Many hard working, successful parents sadly end up with adult children who do not achieve success, happiness and fulfilment, and it’s all thanks to their parents.

In the late 1960s and early 1970s, Stanford Professor Walter Mischel conducted a series of tests with children that resulted in some very interesting findings. Known as the Stanford Marshmallow Experiment, it briefly consisted of a range of young children being placed in a room with a marshmallow in front of them on the table. They were told that, if they did not eat the marshmallow, when the adult returned in 15 minutes, they would get two marshmallows. The aim of the experiment was to assess the children’s ability to delay the immediate gratification of eating the marshmallow in front of them in exchange for a greater reward at a later stage. The children were then observed while the adult was out of the room. The observation revealed some interesting and at times humorous findings. Some of the children just could not wait. They ate the marshmallow immediately. Others waited a short while then succumbed to the temptation.

Others seemed determined not to eat the marshmallow and covered their eyes, turned around so they could not see it, kicked the table or pulled their hair to distract themselves or sang to themselves in their efforts to delay gratification.

In a nutshell, over time, it was established that the children who delayed gratification had far better outcomes in later life than those who opted for instant gratification.

So how do we help our children to learn delayed gratification?

One of the key factors, researchers established, is a reliable environment – a home environment where children grow up being promised things and those promises are fulfilled. Children who have parents who keep their promises have a far better chance of being able to delay gratification, simply because they learn from young that they get what they’re promised.

Think about the promises you make, keep and/or break regarding your children. If you’re not considering it important to keep promises and find ways to excuse yourself or justify why you have not kept a promise, you’re shutting down your children’s delayed gratification, and closing down their chances of success in life.

More and more parents are willing to accept responsibility for the way their children turn out, should they not turn out as the parents would have wanted them to. So often parents choose to blame someone or something else – it’s the school, or the government, or the police, but it’s never their fault.

There are exceptions, but generally speaking, we get the children we raise.

Fathers also play a significant role in helping their children acquire delayed gratification. And this is something that comes to them quite naturally, without their even being aware of it. That merely shows another good reason why children need a father in their lives as they’re growing up. Fathers very seldom do things for their children immediately. They make them wait. A little boy may ask his father to play soccer with him in the garden but the father will say, “Not now, my boy. I just want to go to the toilet.” And the child will have to wait a while. Of course, if the father comes out of the toilet and plays soccer, that’s a desired outcome as the child has learnt to wait, knowing the delay will be worth it.

So, don’t give your children everything their little hearts want, keep your promise to them, and you will be contributing to their success, happiness and fulfilment as adults!

Alan Hosking is the Publisher of HR Future magazine, www.hrfuture.net. He helps leaders acquire new leadership skills to lead into the future, and is an age management and self-mastery coach to senior executives. Alan is the author of best seller What nobody tells a new father, available at amazon.com.
"SOMETIMES, IT FALLS UPON A GENERATION TO BE GREAT
YOU CAN BE THAT GREAT GENERATION.
LET YOUR GREATNESS BLOSSOM"

- NELSON MANDELA

NELSON MANDELA INTERNATIONAL DAY TEAM EVENT
ORANGE FARM, GAUTENG    17 - 21 JULY 2017

JOIN HABITAT IN PARTNERSHIP WITH THE NELSON MANDELA
FOUNDATION AND THE @6 COMMUNITY DEVELOPMENT ORGANISATION
OF ORANGE FARM AND BRING MADIBA’S LEGACY TO LIFE

Together, we are that great generation.

NELSON MANDELA FOUNDATION
Living the legacy

In partnership with @6 COMMUNITY DEVELOPMENT ORGANISATION  nmd@habitat.org.za  +27 (0)21 657 5640
THINKING CHAIRS. NOW OPEN.

Apply for our Flexible Executive MBA. Its ranked in the top 1% globally*

*as ranked by the Financial Times

www.henleysa.ac.za