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Finding solutions to SA's Labour Market Challenges

Our second annual employment conference that we hosted yesterday at Emperor's Palace was an enormous success with feedback from the more than 120 delegates bearing testament to the relevance of the programme, quality of the speakers and the frank, pragmatic discussions held on the most pressing issues facing employers today.

This year's event was a step up from last year with a speaker line-up that included Advocate Anton Myburgh SC, NUMSA's general secretary Irvin Jim, CCMA Director Cameron Marojane and Employment Equity Commission Chair Tabea Kabinde.

Framing the conference with the political context that is keeping many of us up at night, Justice Malala kicked off the day with his insights into what is going on and what the signals are that we should be keeping an eye out for as guidance on the immediate future of the country. Although much of what we're experiencing is depressing, Justice used his usual charm and managed to find the funny in what could otherwise be a rather depressing subject leaving the audience feeling hopeful that our democracy is still alive and well.

Tackling the most pressing issues

Topics tackled ranged from the challenges being experienced by corporates around transformation, realities of dispute resolution, impacts of recent labour amendments and national minimum wage implementation, the risks posed by violence in strikes, and the state of collective bargaining.

Please see our Top 5 Take-Aways at the bottom of this article for a summary of what you should be doing to keep your organisation "labour market fit."

Skills development the key to real Transformation

During the morning's panel, EE Chair Tabea Kabinde, fellow commissioner and GBS Managing Director Thembi Chagonda, and leadership development specialist Darren Graham of Joint Prosperity, unpacked the barriers to effective Employment Equity.

Their view is that the continued belief that "buying in" skill is the answer is the primary cause of organisations failing to achieve their EE goals, particularly at senior management level.



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Much is related to the failure to review job profiles that have simply had “AA” or “EE” slapped on to them without consideration of the practicalities and realities of access to education and the workplace for PDI candidates.

The panellists all supported the notion that true transformation comes through the effective utilisation of structured, consistent and disciplined skills development initiatives focused on PDI employees, in driving strategic career pathing, succession planning and leadership development.

Darren Graham shared some excellent insights into the paradigm shift required during recruitment including the need to look at assessing the potential and personalities of the candidates in question, rather than their match to the skills and experience expected. Skills and experience can be readily (and relatively easily) achieved, providing the individual being developed has the necessary foundations.

If you're interested in learning more about how Joint Prosperity can help your organisation, please contact your local GBS office.

Strategic Transformation

Too few organisations are leveraging the Transformation opportunities provided under the amended Broad-Based Black Economic Empowerment scorecards, the tax incentives like ETI and skills development funding.

Based on her experiences assisting organisations, Thembi Chagonda shared examples of how a more strategic focus on transformation at a big picture level translates into improved EE goal setting and target attainment. She encouraged delegates to connect the dots by choosing to access opportunity and leverage the various elements instead of simply checking boxes to comply.

Thembi welcomes questions from clients who might want to understand how they could leverage their transformation opportunities in a more strategic way, please don't hesitate to contact her at thembi@globalbusiness.co.za.

In conclusion Tabea Kabinde reminded employers present that transformation is not just a paper exercise but something that should involve the destruction of stereotypes and a commitment to reviewing status quo that doesn't speak to the diverse and inclusive workplaces the Employment Equity Commission is striving for.

Time to admit legislators made a mistake?

Professor Haroon Borhat shared the research and key findings around the National Minimum Wage, amendments to LRA s198 limiting flexibility of labour and the use of Temporary Employment Services (TES) and the Employment Tax Incentive.

The conclusions were both worrisome and encouraging. Sadly, the evidence-led research ahead of negotiations around the National Minimum Wage was ignored in the decision to settle on R3500 per month. And whilst the moral debate around the challenge of living on such a low base cannot be questioned, the reality of the economic impact this places on business and the resulting job losses cannot be ignored.

A conservative estimate of the job losses from the DPRU research indicates that even at R3000 per month, as many as 700 000 jobs will be lost when the new minimum wage is introduced. Sadly, unless the process is halted, which is unlikely given the current political volatility, only time will tell what the real damage to jobs, especially those occupied by vulnerable workers, will be.

On the plus side, the research proves that initiatives such as the Employment Tax Incentive (ETI), often referred to as the Wage subsidy, has had a positive impact on workforce employment absorption of particularly under 20 year-olds. The research further dispelled myths that the ETI displaced older workers, disproportionately favoured industries like TES and resulted in lower wages.

SA workplaces categorised by conflict

The increased number of disputes being lodged at the CCMA and other dispute resolution forums is an indicator that effective conflict management is severely lacking within most organisations. Rather than focusing on the need to expand capacity of these forums to manage the escalating workloads, CCMA Director Cameron Marojane says organisations should be building internal mechanisms that avoid, where possible, dispute and focus on constructive problem solving and conflict management.

This theme was later explored during the presentation by Advocate Anton Myburgh SC when he covered the rise in violence during strikes and the challenges being faced by stakeholders in maintaining a robust collective bargaining environment within a legal framework that balances the rights of both employers and employees.

NUMSA's General Secretary Irvin Jim concurred, stating that the violence seen in strikes is not endorsed by the trade union but is, in his opinion, a result of the violent history we come from and the adversarial stance adopted by employers.

In an address that pulled no punches, Irvin Jim tackled the current political turmoil, focusing on the real issues at hand: the challenges felt daily by the masses of unemployed individuals and the working poor who are struggling to keep both their families and their extended families going on wages that cannot meet the rising cost of living.

He reiterated that the trade union, and the workers they represent, are not averse to negotiating lower settlements, given the current economic realities, providing that employers play open cards and are willing to reward increases in productivity with a share in the profits that ensue.

In a robust discussion on the State of Collective Bargaining at the conclusion of the programme, panellists Advocate Anton Myburgh, Irvin Jim and Jonathan Goldberg reaffirmed that the current structures of collective bargaining and Majoritarianism are likely to remain in place but that the process of wage negotiation should change to one that is more collaborative where employers begin the negotiation process at a realistic point, enabling trade unions to negotiate more positively thereby eliminating the chances of strike action.

Networking for Success

Another addition to this year's conference was the Exhibition Room where 13 top suppliers were present to provide delegates the opportunity to explore services that would enable their workplaces. We are grateful to the exhibitors for their participation and for the many great giveaways that were available to our delegates.

Exhibitors:

Da Vinci Institute, Emergence Growth, Express Employment Professionals, Harambee, Imagemakers, Joint Prosperity, Juta, Mpekwani, MMI Holdings, PMI, SAGE, SASLAW and SABPP.

Congratulations to those delegates who walked off with fantastic prizes.

GBS Trending in South Africa

Our Tweet team, also a development on previous years, was tweeting up a storm, sharing insights live from the conference using the hashtag #GBSConf17. In fact, our hashtag trended at number 7 in South Africa yesterday morning, a testament to the value and interest created by the speakers and their presentations.

For those on Twitter, why not search for the hashtag now to benefit from the great insights and nuggets shared yesterday? While you're at it, follow us on <http://twitter.com/GBSinSA> to keep up with the latest information in the labour law space.

5 Key Take-Aways

In keeping with GBS' belief in developing pragmatic solutions, the key take-aways from this exceptional event were:

1. Take a more strategic approach to Transformation leveraging opportunities presented by BBBEE, Employment Equity and Skills Development;
2. Build your own talent rather than buying it in by creating structured development programmes that drive succession planning, leadership development and career pathing for especially Designated Groups;
3. Review your internal dispute resolution mechanisms, aiming to mitigate conflicts and encourage solutions-orientation;
4. Shift your thinking from adversarial to collaborative during wage negotiations, focusing on finding win-win opportunities; and
5. Recognise, and act on, the role that business can play in creating an environment conducive to inclusive growth and job creation

What to do if you missed out

For those who are kicking yourselves for missing out, please note that our 2018 conference dates will be announced shortly. This event promises to get bigger and better each year and we highly recommend that all businesses send a delegate to what is arguably the premier employment conference in the country.

Mid-Year Labour Update

For those around the country who were unable to get to JHB for the conference, why not book your seat at the [Mid-Year Labour Law Update](#) happening in a city near to you in June 2017?

Jonathan Goldberg will be taking delegates through the top developments in the labour law environment, unpacking case law and providing the usual pragmatic advice and solutions for implementation in your business. This year's event promises to be bigger and better with some exciting new developments planned. What this space! If you're interested in learning more about this event or how to leverage the opportunities presented above, please get in touch with us. Visit our website www.globalbusiness.co.za

Till next time

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