

III Managing Compensation

Contents

- Introduction 39
- Job Descriptions and Job Titles 41
- Codes of Remuneration (COREs) 43
- Job Evaluation 45
- Salaries 49
- Benefits and Allowances 53
- Overtime 55
- Working Environment 57
- Labour Relations 59

Further reading

- Guide on Job Description and Job Titles
- Introduction to COREs and the Occupational Classification System
- Guide on Job Evaluation
- Guide on Practices for Individual Benefits and Allowances
- Guide on Financial Calculations
- Guide on Misconduct
- Disciplinary Code and Procedures (PSCBC Resolution No 2 of 1999)



INTRODUCTION

DEPARTMENTS HAVE NEW POWERS TO MANAGE COMPENSATION

The new management framework gives departments powers concerning the management of compensation. The emphasis is on supporting efficient and effective service delivery; providing appropriate incentives for employees; and equal pay for work of equal value as well as other labour standards.

Departments have the power to define jobs and to grade them. At the same time, the Regulations introduce various systems to prevent discrimination and nepotism; to ensure value for money; and to improve information flows. These systems include:

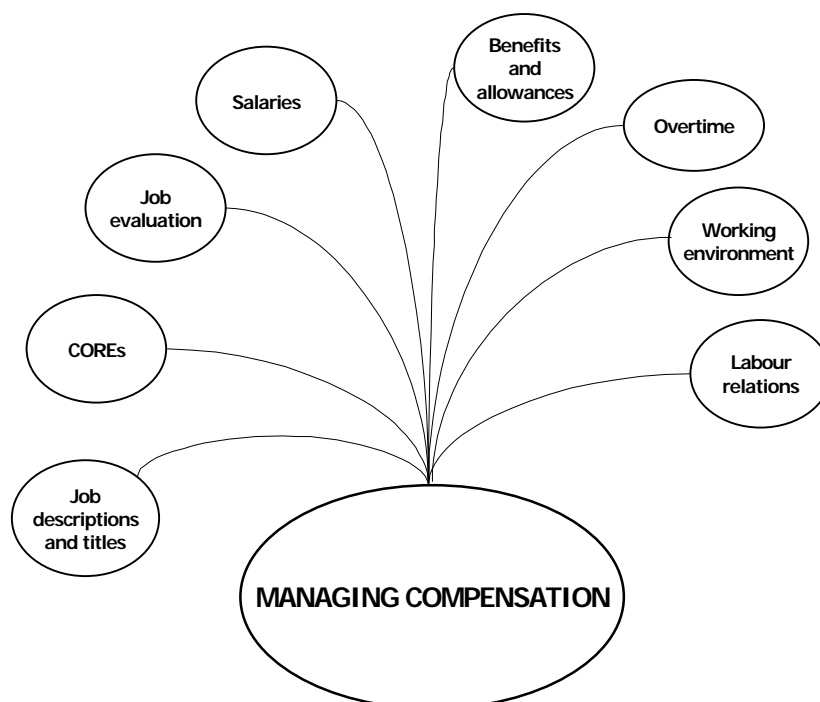
- Job descriptions for all posts or groups of posts;
- A job evaluation system that should increasingly ensure equal grades for work of equal value;

- Collective agreements to determine benefits, allowances and overtime, which give departments some flexibility to set policy but lay down clear commitments to employees; and
- Codes of Remuneration (COREs) that introduce a new system of categorising jobs to permit analysis of public service employment and give departments advice on job design and on grading jobs.

The Regulations also provide measures on overtime, work environment, negotiations and the management of misconduct.

The following guidelines are included in Part III of the Guide:

- Job descriptions and job titles
- Codes of Remuneration (COREs)
- Job evaluation
- Salaries
- Benefits and allowances
- Overtime
- Working environment
- Labour relations



DEPARTMENTS SHOULD EXERCISE DISCRETION

In implementing the new systems, departments must balance several obligations:

- They must take collective agreements into account.
- Where they have discretion, for instance in administering benefits, they must establish policies and practices that are equitable and fair to employees.
- At the same time, they must avoid unnecessarily rigid commitments to employees that would limit service delivery or inflate costs.
- They must also avoid unaffordable commitments by costing all measures and carefully approving them.

COLLECTIVE AGREEMENTS ON REMUNERATION, BENEFITS AND ALLOWANCES

Since the Personnel Administration Standards (PAS) have had the status of collective agreements, some sections will remain in force until they have been renegotiated in the appropriate forum. This implies that if an existing job conforms with the description in item 1 of a PAS, then the relevant items in the PAS will continue to determine its grade, prospects for rank and leg promotion and set the parameters for more detailed departmental job descriptions. As a rule, changes in grading or job descriptions of larger occupations will be negotiated at sectoral level, and not in departmental councils.

The collective agreements on benefits and allowances supersede similar determinations in the PAS. Also, the collective agreement on remuneration and grading permits the use of equivalent indicators of competency to those set in the PAS. For example, indicators such as experience or alternative qualifications may be used, instead of the prescribed requirement for particular qualifications.

JOB

DESCRIPTIONS AND JOB TITLES

INTRODUCTION

This guideline looks at the following aspects of job descriptions and titles:

- Requirements of the Regulations;
- Implementing job descriptions and job titles; and
- Negotiating and /or consulting changes.

REQUIREMENTS OF THE REGULATIONS

The Regulations prescribe that departments must compile job descriptions and job titles for each post and/or group of posts.

This means that your department must maintain appropriate job descriptions and review them at least every three years. Job descriptions should outline the main objectives and inherent requirements of the job, and indicate possible career paths for the job-holder.

IMPLEMENTING JOB DESCRIPTIONS AND JOB TITLES

You should develop formats for job descriptions that take into account service delivery mandates and needs; the nature of jobs in your department; the circumstances of your department; and the possible impact of job descriptions and titles on negotiations and conditions of service.

Job descriptions must assist you in the following ways:

- Encourage managers and employees to develop a more consistent understanding of the responsibilities attached to a post;
- Ensure that all employees have a defined career path; and
- Encourage departments to review employees' responsibilities to ensure that they align with departmental objectives.

There is the danger that job descriptions could lead to excessive rigidity, so that employees refuse all tasks not included in their job descriptions. For this reason, you should ensure that job descriptions clearly allow the post incumbent to perform related tasks, even if they are not specified. They should also avoid too much detail.

You do not need to adopt a single format for all jobs in your department. There is little point in developing a highly complex description for a relatively simple job.

As a multipurpose source of job information, job descriptions and job titles should be completed as a matter of priority to assist job evaluation, as well as the advertising and filling of posts.

A Guide on Job Description and Job Titles has been developed by the Department of Public Service and Administration to assist departments with the drafting of job descriptions.

NEGOTIATING AND/OR CONSULTING CHANGES

You should read this section together with the guideline on labour relations that appears later in Part III of this Guide.

Under the new Regulations departments have the power to modify job descriptions and grading, in the process of changing work organisation.

Job descriptions, as such, would probably not have to be negotiated. However, if changes in job descriptions affect the grading of filled posts and the benefits, etc. of employees, such changes may have to be negotiated.

Collective bargaining or consultation is, in any case, probably not necessary if changes only affect an individual employee. In the case of an upgrade, it should be consulted collectively. However, changes in grading that affect larger groups of employees, must be negotiated.

De-linking a job from the former PAS

A department may decide to institute a new job title and job description, and in doing so, explicitly de-link the job from the former PAS. In this case, the department will have to negotiate a new employment contract with the employee, which could affect grading and eligibility for rank or leg promotions. This approach is advisable only where a department is designing a fairly unique job.

De-linking does not make sense where employees form part of large national cohorts that are subject to sectoral bargaining, for instance health personnel, or where a law requires a particular title, for instance for district surgeons.

Maintaining a link with the former PAS

A department may explicitly maintain the link between a job and the former PAS. This means that no change occurs in the employee's conditions of service even if the job description or title is modified.

CODES

OF REMUNERATION (COREs)

INTRODUCTION

In this guideline you can find out about the purpose of COREs, and how to link posts to COREs and the Occupational Classification System.

THE PURPOSE OF THE COREs

The Regulations require the Minister for the Public Service and Administration to develop COREs in order to:

- Categorise employees by occupation;
- Advise departments on reasonable requirements for the different occupations;
- Assist departments with defining and grading jobs;
- Provide the linkages between job weight ranges and salary ranges for each occupation; and
- Advise departments and employees on potential career paths for all employees.

COREs provide guidance

For each salary level, COREs indicate the possible job content; give advice on the necessary and desirable competencies that a post incumbent would need; and provide indicators of the competencies, and desirable characteristics for employment and promotion.

The COREs can be used to assist departments in making decisions about the awarding of salaries; about career pathing; the compilation of job descriptions; work organisation; requirements for appointments; and developing employees.

LINKING POSTS TO COREs AND THE OCCUPATIONAL CLASSIFICATION SYSTEM

An executing authority must link all the posts in her/his department to a relevant CORE, with a salary code indicating the CORE and the more specific occupation in terms of the Occupational Classification System.

Existing employees

The linking of existing employees on or after 1 July 1999, must take place with the retention of their current salaries.

New appointments

All new appointments and promotions must be done in terms of an appropriate CORE. The linking should take into account the nature of the job and the career prospects of the employees affected.

Centralised linkage

PERSAL/PERSOL (hereafter referred to as PERSAL) will translate occupational classes that can be linked to a single CORE programmatically. If an executing authority does not agree with the linkages that have been made in this way, she/he should contact

PERSAL directly.

Decentralised linkage

Where an occupational class could be linked to more than one CORE, the department will have to assign individual posts or groups of posts to the appropriate CORE and occupational category.

Using the relevant PERSAL code

If you do not use the correct codes as indicated in the COREs, PERSAL will not authorise the salary payment of the incumbent.

Departments must use the relevant salary code for each CORE and the occupational classification code for each occupation. You will find a list of codes for COREs and occupations in the document *Introduction to COREs and the Occupational Classification System* contained in Volume I of the COREs.

JOB

EVALUATION

INTRODUCTION

The Regulations require departments to use job evaluation increasingly to assist them in achieving cost-effective work organisation and to determine appropriate remuneration.

This guideline aims to assist you in implementing job evaluation by alerting you to some key considerations. If you need more detailed advice, you should study the *Guide on Job Evaluation* which is available from the Department of Public Service and Administration.

Your department should identify funds that it could use if job evaluation indicates the need to upgrade posts.

SETTING UP A JOB EVALUATION UNIT

The Department of Public Service and Administration has trained job analysts in national departments, provincial administrations and in the health sector. The arrangements for setting up job evaluation units are as follows:

- National departments will establish their own units;
- A unit for the health sector will assist provincial departments of health, unless they choose to use the provincial units; and
- Other provincial departments will use the unit in their province.

Some steps to consider

If you are responsible for setting up a job evaluation unit, you should consider the following steps:

- Decide on the location of the unit, its size and composition;
- Decide whether analysts should be full time or not;
- Determine the responsibilities, functions and procedures of the unit, including the method for keeping records;
- Identify suitable staff for training as job analysts and panellists, and ensure that they undergo the full training;
- Develop appropriate delegations for those concerned;
- Ensure that all members of staff have a basic understanding of what job evaluation means and how it would affect them; and
- Develop a detailed policy on the implementation and application of job evaluation.

SETTING UP A JOB EVALUATION PANEL

Each national department and provincial administration should have its own job evaluation panel. The health sector should have its panels as well.

National departments, provincial administrations and the health sector need to define the location, functions and working procedures of their job evaluation panels.

Departments will have to determine the size of the panel. This will depend largely on the amount of work expected. They also have to decide on its composition, term of membership, and whether employee organisation representatives will participate.

Finally, they have to determine how often it will meet; whether meetings will be open; what happens if consensus cannot be reached; and how it will keep records.

DETERMINING A POLICY FOR A JOB EVALUATION UNIT

How to develop the policy

The process of developing the policy should be inclusive, and you can use the expertise of employees who have received training in job evaluation. You should also consider consulting broadly about the policy within the department.

Where job evaluation units serve more than one department, the policy should reflect agreements among those departments.

Prioritising jobs for evaluation

Given limited capacity, units need a clear sense of which jobs to evaluate first. Different stakeholders will see some occupations or jobs as under-graded, and will therefore lobby for them to be prioritised. You may encounter some of the following situations:

- The Regulations require evaluation of high-level vacancies and new jobs;
- Management will have priorities for evaluation, usually based on the perception that they cannot attract or retain particular skills;
- Employee organisations will argue that some jobs, typically at rather lower levels, are under-graded; and
- Individual employees may want their jobs evaluated.

Since job evaluation may lead to a higher salary, decisions on priorities may cause considerable conflict and discontent. For this reason, the policy should define:

- A process for submitting requests which may come from managers, individual employees and/or employee organisations;
- Criteria for ranking requests, including the reasons given for the request, the numbers affected, and the significance of the job for the department; and
- How decisions about priorities are taken.

Clear policies, criteria, procedures and responsibilities

Your departmental policy should guide the implementation of job evaluation to ensure effectiveness and minimise conflict. It should determine:

- The department's approach on changing job grades, including how to award grades where job weights fall in an overlap zone. Generally, departments should minimise upgrades. The Regulations permit upgrades only where departments will have sufficient funds for the foreseeable future;
- How to cost grade changes, and who will be responsible for costing them;
- Who takes the final decision on whether or not to change the grade of a job;
- How the decision will be communicated to the relevant supervisor and jobholder and components involved in implementation, especially personnel and finance; and
- A procedure for reviewing decisions on job grades, including how requests for review can be made, the criteria for reviews and who will take responsibility for the review process. Generally, the procedure should make provision for a review by the panel. It could be followed by normal internal grievance procedures.

INFORMATION MANAGEMENT AND IMPACT ASSESSMENT

Departments should assign responsibility for analysing grade changes to ensure no undesirable trends emerge. To assist this

process, the Regulations impose extensive reporting requirements for job evaluation.



employee, or to the post. If it is awarded to the employee, the grading of the post would

SALARIES

INTRODUCTION

Under the new Regulations, the public service will continue to have a central salary scale, negotiated at the Public Service Co-ordinating Bargaining Council. Sectors and departments will, however, have far greater freedom to grade posts and to award salaries if they do not violate existing collective agreements, have the necessary funds and can give sound motivation for changes.

This guideline deals with the following issues:

- Greater flexibility;
- Managing risks;
- Grading posts;
- Granting higher salaries;
- Salary range progression; and
- Reporting requirements and costing models.

GREATER FLEXIBILITY FOR DEPARTMENTS

In practice, if your department has the funds, managers will have greater flexibility to attract and retain employees.

For a vacant post

Your department may allocate a salary and grade based on a job evaluation, to a vacant post.

You may also allocate a higher salary if necessary to attract more skilled employees. In this case, you may award a higher salary to the

determine the salary of future incumbents.

This may be done as long as it does not contradict a collective agreement.

For a filled post

Your department may change the grade or notch of filled posts:

- On the basis of a job evaluation; or
- In order to retain employees.

These changes must be negotiated in the relevant sectoral or departmental council.

DEPARTMENTS MUST MANAGE THE RISKS

The new flexibility also opens the door to great risks which departments need to manage. In the absence of stringent controls:

- Continual changes in grading without negotiations could be seen as undermining the collective bargaining system, leading to labour disputes and unrest;
- Uncontrolled increases in personnel cost could put pressure on departmental budgets;
- Managers could indulge in nepotism or favouritism; and
- Employees could complain of unfairness in salaries, which could lead to severe demoralisation and the loss of skilled employees.

GRADING POSTS

In grading posts, the Regulations require departments to take into account:

- Relevant collective agreements;
- Results of job evaluations, if available;
- The performance of employees;
- Funding in both the current budget and the foreseeable future; and
- The need to recruit and retain personnel with appropriate competencies.

You should take note that grading and rank/leg promotions previously included in the Personnel Administration Standards (PAS) have been protected by collective agreement.

Evaluation of a job may yield a score linked to more than one salary level. In these cases, the department has the discretion to choose the grade, considering the cost, the need for appropriate incentives and departmental policies in this regard.

GRANTING HIGHER SALARIES TO ATTRACT OR RETAIN EMPLOYEES

Departments should establish rigorous controls over the granting of higher notches or grades in order to attract or retain skilled personnel. These controls should apply to individual employees or to groups of posts. Any decision of this kind should require the approval of the executing authority.

Departments should establish a policy for dealing with these cases. The policy should require managers to do certain things:

Record reasons

You should record the reasons for raising the salary, and report on it as required by the Regulations. The reasons may include the following:

- Vacancy or turnover rates for the post;
- Offers by other potential employers;

- Demand for the relevant skills compared to the supply of skills in the economy as a whole;
- Changes in the salary attached to the post in real terms over the past five years; and/or
- Other evidence of difficulty in attracting and/or retaining employees at the existing salary.

Have you explored alternatives?

You also need to record the evidence that you have explored all other possibilities to recruit and retain the relevant employees, such as considering the working environment, career pathing and outsourcing.

Demonstrate fairness

Demonstrate that the decision will not create an anomaly or disparity compared to other employees. Departments should be able to justify the awarding of higher salaries to other employees with similar competencies and skills.

Ensure sustainability

You must be able to demonstrate that you have sufficient budgeted funds available, including carry through funds for the MTEF, to sustain the increase.

SALARY RANGE PROGRESSION

The Regulations give departments the discretion to provide internal promotions for some occupational categories or employees. The concept of salary range progression then replaces the idea of rank or leg promotions.

Criteria in the Regulations

The Regulations require that employees must demonstrate greater competencies and good performance in order to progress to a higher grade. Employees must also take on greater or more complex responsibilities.

Managers should not simply pile on additional tasks, but instead you should ensure that the employee will exercise new or higher level

competencies or responsibilities.

Greater value for money

Departments should try to avoid granting automatic salary range progression to occupations. Such commitments may have unintended consequences in the future, including unsustainable carry-through costs and an unnecessary increase in the grading of posts.

The Regulations require that departments must plan work in a manner that will provide better value for money. To that end, managers should re-organise work so that when an employee moves up a salary level her/ his job increases in complexity or responsibility.

REPORTING REQUIREMENTS AND COSTING MODELS

The Regulations require that your department includes information in your annual report that will indicate salary trends. These requirements mean that departments must develop substantially better information systems on salaries.

The Department for Public Service and Administration will, upon request, assist departments to develop costing models to estimate the short- and medium-term cost of changes in salaries for their workforce or individual occupations.



discretion to define departmental policies on how to implement agreements and set procedures for applying for and recording

BENEFITS AND ALLOWANCES

INTRODUCTION

This guideline aims to assist you to implement collective agreements regarding benefits and allowances in your department; and to draft departmental policies and procedures.

IMPLEMENTING THE COLLECTIVE AGREEMENTS IN YOUR DEPARTMENT

Collective agreements have replaced the sections of the Public Service Staff Code (Code) and Personnel Administration Standards (PAS) that previously covered matters of mutual interest.

In the past

The former Code and PAS were cumbersome to administer. Although they regulated benefits and allowances, they did not make a sufficiently clear distinction between administrative procedures and the actual benefits and allowances themselves. Subsequently managers found it difficult to administer the procedures and employees were not sure about their entitlements.

Aims of new collective agreements

The new collective agreements aim to remedy this situation by defining clearly what the employer owes to employees. They do not change any existing commitments to employees. But, they give managers greater

benefits. In the process, departments must avoid two pitfalls:

- New departmental policies may not give employees additional benefits or allowances, that are not provided in the collective agreements; and
- New departmental policies must not violate any commitments made to employees in the collective agreements.

In order to avoid excessive demands on your personnel who manage benefits and allowances, departments should develop new policies and procedures gradually. It is recommended that you focus first on the cases where the existing policies and procedures are inefficient, unfair or otherwise undesirable.

You can obtain more detailed guidance from the *Guide on Practices for Individual Benefits and Allowances*, as well as from the *Guide on Financial Calculations* from the Department for Public Service and Administration.

GUIDELINES FOR DRAFTING DEPARTMENTAL POLICIES AND PROCEDURES

Your new departmental policies should aim to guide your managers in administering benefits and allowances. These policies may not reduce or alter the commitments made in collective agreements or regulations. Exceptions to the agreements must be approved by the

Department for Public Service and Administration.

Within the context of departmental policies, procedures should define how employees can apply to obtain a benefit or allowance; how departments will decide on whether to grant one; and how records of the decision and expenditure will be kept.

Your policies and procedures should honour certain principles:

Accessibility

They should be as simple as possible and written in easily understandable language. At least one version should be in English.

Equality

They should not discriminate on the basis of race, gender or disability, or treat employees in equal circumstances unequally.

Fairness

They should ensure fairness in administrative terms. This means that decision-makers must give reasons for their decisions and applicants must have some way to appeal against the decision.

Not costly

They may not impose unexpected or unauthorised costs on departments. Also they must facilitate auditing of payments, and must take tax implications into account.

Include controls

They should establish control measures to prevent corruption or nepotism in granting benefits and allowances.

Reviews

They should establish an information system that permits review for fairness, effectiveness and expenditure. A timetable for these reviews must be set up, for instance, every six months managers should analyse who receives which

benefits by race, gender, level and occupation.

As far as possible within these principles, policies should delegate decision-making power to the lowest possible level.

CONSULTATION AND NEGOTIATION

Policies and procedures often have a substantial impact on employees and must be consulted or negotiated. The guideline on labour relations that appears later in Part III gives some suggestions on managing consultation and negotiation.

OVERTIME

INTRODUCTION

PSR V.E and the collective agreement on overtime (PSCBC Resolution No 3 of 1999, Part VII) now regulate overtime in the public service. They aim to prevent past abuses of overtime, which in some departments led to soaring costs, particularly for employees already on high salary levels; substantial inequalities; and an undermining of the public-service ethos.

This guideline deals with policies on overtime, overtime for senior managers and control measures.

POLICIES ON OVERTIME

A department may only compensate employees for overtime if it has a policy that meets the requirements of PSR V.E.5 and the collective agreement on overtime.

Your department's policy on overtime should meet the following criteria:

When overtime is allowed

- Only work performed in excess of the normal working hours may receive overtime compensation.
- Managers should minimise overtime work.
- Managers should only authorise compensated overtime when your department or component has to take on additional tasks for a relatively short period. This could be because of vacancies, transformatory projects and/or short-term requirements due to changes in circumstances.

When overtime is not allowed

Managers should not authorise overtime compensation in the following circumstances:

- When employees have to attend courses;
- When employees work voluntarily during leave; and/or
- When a manager thinks an employee deserves a higher salary.

How to compensate for overtime

Managers must know whether to provide payment or time off as compensation for the overtime. Here they need to take into account existing collective agreements and the availability of funds.

Limits on overtime

Employees may not work above a specified number of hours of authorised overtime in the course of a week or a month.

OVERTIME FOR SENIOR MANAGERS

In 1998, Cabinet made the following decisions regarding overtime and the senior management service:

- They could only receive overtime pay in exceptional circumstances.
- Overtime pay could not constitute over one per cent of the department's salary bill for the senior management service.

This decision reflects the fact that managers receive higher salaries and benefits largely

because their greater responsibilities require them to work flexible hours. Departments should reward managers for outstanding work by recognising excellent performance, and not with time-bound pay.

If a particular department or section consistently incurs high overtime costs, it should assess the relative expense of creating more posts or of bringing in part-time or short-term employees.

CONTROL MEASURES AND PROCEDURES CONCERNING OVERTIME

Your department should develop procedures on overtime to ensure that your managers authorise overtime beforehand in writing; file the documentation for reporting and auditing purposes; and inform the finance and personnel section in writing so that they can ensure payment.

Managers are responsible for ensuring that employees actually perform overtime for which they receive payment. They can do this, for instance by providing supervision or by defining the number of hours of compensated overtime an employee may work to complete a particular project.

To keep track of the costs and effects on employees of compensated overtime, your department should develop simple information systems that capture the following details of employees who work overtime:

- Personal details,
- Components and occupations,
- Hours worked, and
- Amount paid or time off provided.

The formula for calculating overtime appears in the *Guide on Financial Calculations* that is available from the Department of Public Service and Administration.

WORKING ENVIRONMENT

INTRODUCTION

PSR VI B, C and D establish broad requirements on working hours, emergency work and health and safety. To avoid misunderstandings, departments should establish unambiguous policies and norms in these areas.

This guideline suggests that your policies and procedures should include working hours; emergency work; and health and safety.

WORKING HOURS

Every employee and supervisor should know the rules on working hours. This means that your department must communicate unambiguously when work starts and ends, and the time for lunch breaks.

In establishing working hours, you should take into account the:

- Needs of customers for accessible services;
- Needs of employees, for instance, the need to work flexible hours; and
- Requirements of the *Basic Conditions of Employment Act* with respect to working time.

EMERGENCY WORK

Emergency work differs from overtime work in the following ways:

- Management cannot anticipate the need for emergency work; and
- A department that fails to perform

emergency work will cause a negative impact in the broader community.

A policy on emergency work should define the following things:

- What comprises emergency work; and
- Who has the authority to require employees to perform emergency work.

HEALTH AND SAFETY

Departments should take note of the requirements of the *Occupational Health and Safety Act* and legislation on compensation for occupational injuries and diseases.



LABOUR RELATIONS

INTRODUCTION

The new Regulations mean that work organisation and grading, which were previously dealt with centrally through the Personnel Administration Standards (PAS), now fall in the jurisdiction of individual executing authorities. As a result, negotiations may take place in departmental or sectoral councils. This poses challenges for executing authorities.

Government is committed to the development of a more democratic workplace and to co-determination. That means that departments must consult labour, as a critical stakeholder, on all measures that affect employees.

This guideline presents some of the challenges facing departments; a discussion on when it is appropriate to negotiate and when to consult; and information about negotiating forums.

LABOUR RELATIONS CHALLENGES

Labour relations poses a range of challenges for you as an executing authority. Here are some suggestions to consider:

Democratising the workplace

Government is committed to the development of a more democratic workplace with inclusive decision-making procedures and structures. That means that departments must consult with employee organisations on all measures that affect employees. And they must also help both managers and employee

representatives to improve their capacity for consultation and negotiations.

The need for clear mandates

On principle, executing authorities must be the source of mandates for negotiations. Obviously, however, an executing authority should obtain from management and her or his negotiators, the information needed for sound decisions.

Your negotiators must have clearly defined and costed mandates. If they don't, then there may be conflict and unexpected fiscal burdens on the department.

To assist in costing, the Department for Public Service and Administration can provide recent figures on employment by occupation and level in a department, as well as the cost of other commitments such as overtime.

Deciding on negotiations or consultation

When making policies or taking steps that may affect conditions of service, your department must determine whether the matter requires negotiation or consultation. Negotiations generally conclude with a formal signed agreement; ideally, consultation should also lead to agreement, but with less formality. In either case, your department should be open to the views of organised labour.

The decision on whether to negotiate, consult or simply implement a policy hinges on the extent to which it forms a matter of mutual interest.

There is no hard and fast definition of “mutual interest.” Criteria include:

- Whether the matter has financial implications for employees;
- Whether management proposes a deviation from the *Basic Conditions of Employment Act* requirements;
- Whether a formal agreement already exists; and
- Whether a measure has a definite outcome for employees, or merely sets guidelines for a decision by management.

Setting aside time for consultation

Employers often think they have consulted employee organisations, only to find that employee representatives still feel ignored. Negotiators should set aside sufficient time for consultative processes, and ensure that labour is adequately represented. They should consider the opinions of employee representatives seriously and, where appropriate, modify their initial positions.

To minimise capacity demands on both employee organisations and employer representatives, and to permit more informal solutions, you should use consultation as far as possible.

Deciding on an appropriate negotiations forum

If your department sees negotiations as necessary, you must decide on the appropriate forum. The *Labour Relations Act* establishes a complex network of bargaining forums, with councils in departments, sectors and provinces as well as the overarching body, the PSCBC.

When trying to decide on which forum to use, you should balance the relative ease of negotiating in smaller forums against the importance of maintaining consistent standards for major occupations across departments.

If a matter must be negotiated, you as the executing authority must determine the appropriate forum. Generally, matters that are transverse within a sector will be dealt with in sectoral councils; and matters that are transverse for the public service as a whole go

to the PSCBC.

Matters that affect only a single department may only require consultation, which should take place in a departmental council.

NEGOTIATIONS FORUMS

The public service has the following negotiations forums:

- The PSCBC, which covers all public servants;
- A sectoral council for Safety and Security, which covers all employees of the South African Police Service and the Department of Safety and Security;
- A sectoral council for educators, and
- Negotiations councils in national departments and provincial administrations.

The PSCBC is in the process of establishing sectoral councils for Health and Welfare and for General Public Administration. The latter includes employees not covered by any other sectoral council.

Every department should establish a negotiations forum. The level of formality and capacity required will depend on the size of your department and the need for negotiations.

Departments should not pursue the formal registration with the Department of Labour of negotiations councils until a policy for the public service as a whole has been developed.

MANDATING PROCEDURES AND IDENTIFICATION OF NEGOTIATORS

Executing authorities have responsibility for managing negotiations in their own departments. In addition, in sectoral councils and the PSCBC, the Regulations provide for co-operation between executing authorities and require that they must determine who shall manage collective bargaining.

Considerations for setting up the negotiations team

For responsible and efficient negotiations, you

need to do the following:

- Identify a chief negotiator for the relevant forum, and a backup team;
- Develop processes for fast and reliable costing of demands and employer proposals; and
- Establish reporting and mandating procedures for the negotiators, which must permit a rapid response to demands in order to avoid unnecessary conflict.

Generally, an executing authority or head of department should not participate directly in normal negotiations, although they may have to intervene if serious conflicts arise.

Departmental negotiations teams should be as small as possible, given the probable work load. Negotiations teams in councils that include several departments should include representatives from each department, and set up an appropriate schedule for caucuses.

Requirements of the negotiations team

The negotiations team should have:

- Sufficient power to permit some flexibility in mandating and negotiations;
- Knowledge of employment practices, negotiations and labour relations, and costing; and
- The ability to work together as a team under the clear authority of the chief negotiator.

In addition, the negotiators must have the power to co-opt individuals with specialist knowledge, as needed.



[← Back to Contents](#)