



From the Editor

Wow, wow and wow!

So far 2010 has not disappointed on 3 fronts.

Wow to our new state of the art airport, albeit now "Shakaless"!

Wow 2010 World Cup - what a vibe and hype - vuvuzelas and flags! If you don't have a flag somewhere on your car these days you are just missing out! There are even tractors out there flying flags!

Wow to DRG Outsourcing – who recently scooped the First National Bank KwaZulu-Natal Top Business Portfolio Awards in the category Financial and Business Services - see our article alongside.

Shame to strikers who look to cripple our country at a time when the spotlight of the world is on us and it's our one chance to show off how good we can be. Unfortunately we're in the middle of "strike season" – see our article below as well as Charles's article on "Looking out for your top 20% talent"

As always, your comments, thoughts and input are appreciated – mail to

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Happy Reading!

Kim

Kim Odell - Editor



FIRST NATIONAL BANK KZN TOP BUSINESS PORTFOLIO AWARDS 2010

Charles Henzi

The 4th First National Bank KZN Top Business Portfolio Awards were held at a Gala Dinner held at the Elangeni Hotel on the 12 May 2010. The event was attended by an esteemed list of dignitaries and leaders from various government departments, municipalities and businesses across the province. An address by MEC for Economic Development and Tourism, Mr Michael Mabayukhulu was given who emphasised that KwaZulu-Natal has much success to celebrate and emphasised the need to continue to promote investment in the province in order to promote economic growth.

The 12th edition of the KZN Top Business Portfolio was launched at the occasion. Publisher Grant Adlam said, "The Portfolio is used to raise the profile of KwaZulu-Natal as a first class business destination in the ongoing drive to attract investors and entrepreneurs to the region.

In conjunction with the launch of the Portfolio an award is given in each economic sector to businesses that are making a contribution to the sustained economic growth of KwaZulu-Natal. Publisher Lalita Dhasiar-Ventura stated, "The FNB KZN Top Business Awards enable us to showcase the many outstanding businesses and organizations that drive KwaZulu-Natal's vibrant economy."

The winning project for the Partnership award, the top award of the evening is a well-established, proactive and ambitious public-private partnership between the eThekweni Municipality and the automotive industry in KwaZulu-Natal that is focused on developing the competitiveness of this industry. The partnership, established in 2002, enjoys the support of the major role players and stakeholders in the regional automotive industry.

The Award sponsors, FNB state, "As a proudly South African Bank, we congratulate all the deserving winners and believes that through rewarding this type of excellence in the industry, we create a better country and a better world".

Continued

The winners in each category are:

1. **Agriculture:**
Tongaat Hulett
2. **Mining and Quarrying:**
Richards Bay Minerals
3. **Manufacturing:**
PFK Electronics
4. **Utilities:**
Spring Lights Gas
5. **Construction:**
Edison Power Group
6. **Trade:**
McCarthy
7. **Transport, Storage and Communication:**
Grindrod
8. **Financial and Business Services:**
DRG Outsourcing
9. **Social and Community Services:**
University of KwaZulu-Natal Graduate School of Business
10. **Tourism:**
Ezemvelo KZN Wildlife
11. **Municipal (Investment attraction):**
iLembe District Municipality
12. **Government (Promoting socio-economic growth):**
KZN Department of the Treasury
13. **Partnership Award:**
Durban Automotive Cluster

DRG OUTSOURCING
Suite 3, Texmaco House, Jan Smuts Ave,
Winston Park, 3610 KZN, SA
tel (031) 767 0625 fax (031) 767 3280
email info@drg.co.za
www.drg.co.za

FIRST NATIONAL BANK KZN TOP BUSINESS PORTFOLIO AWARDS 2010 *continued*



David White, CEO of DRG Outsourcing, pictured receiving Top Honors in the Business and Financial Services Category, with from LHS, Grant Adlam and Lalita Dhasiar-Ventura of Top Business Publication, Elizabeth Maepa CEO First National Bank Public Sector Banking, and Mike Mabuyakhulu MEC for Economic Development and Tourism in KwaZulu-Natal.

REASON AND CRITERIA FOR AWARDS

Driven by a passion for development, the primary aim of the KwaZulu-Natal Top Business is to stimulate economic growth in the province. This aim is achieved by promoting KwaZulu-Natal, its top businesses, organizations, municipalities and government departments to the local and international investor market.

"Home grown, and sharing essential business support services with the province. DRG's success has been

though its ability to provide ongoing professional and reliable services to its KwaZulu-Natal clients, and to international companies in expatriate staffing relationships, where DRG provides human resource and administration support to staff working on contract within Southern Africa.

Enjoying what we do best... With good staff and associates, and good clients whom we service and value"
David White, DRG CEO

WE'RE ON STRIKE!

We're in the midst of "strike season" - rain or shine, recession or not, every year between May and September you can be sure that there will be disruptions as workers embark on industrial action. This year has been no exception - we have seen strikes by municipal workers, Transnet and Metrorail with more to follow - Eskom? Netcare? Are you affected? Could your employees be next on the bandwagon?

It is critical that companies manage strike action in a professional, unemotional manner - in the heat of the moment it is easy to forget that once the strike is over those employees will be back at work and you will be faced with relationships which are damaged and potentially destructive. What the law says...

PROTECTED STRIKES

The Labour Relations Act makes provision for "protected strikes" - those which;

- Have had the dispute in question referred to the CCMA/bargaining council in an attempt to have the matter settled peacefully by a conciliator/mediator; and
- The CCMA/bargaining council has issued a certificate confirming that conciliation has failed to settle the dispute or a period of 30 days has expired since the date of referral of the dispute; and
- Strikers have given notice in writing before they go on strike - in terms of the LRA the notice period is 48 hours, however, this may differ if the dispute has been referred to a bargaining council.

Note - You can't dismiss employees for going on a protected strike, as the employees are 'protected' by law from dismissal (Section 67(4) of the LRA). In fact, such a dismissal will be regarded as automatically unfair.

UNPROTECTED STRIKES

Strikes which do not follow the requirements of the law are "unprotected" and this may constitute fair reason for dismissal. In such instances ensure the following;

- Communicate clearly with striking employees that their strike is not in compliance with the law and that as a result they are not "protected" and can face dismissal if they do not return to work.
- If these are union members on strike communicate the same to the TU official and shop stewards.
- Make sure you follow up verbal communications by confirming them in writing.
- Should the employees continue to strike inform them again that the strike is not in compliance with the law and that as a result they are not "protected" and can face dismissal if they do not return to work, however in this instance, provide them with an ultimatum - ie; that if they do not return to work by time / date they will face disciplinary action and that this could lead to their dismissal.
- Again communicate this to TU official and shop stewards and, aagain, follow up in writing.
- If the striking employees do not return to work at the time of the deadline, be prepared to issue notices to attend a disciplinary hearing and to dismiss them en masse should they be found guilty of embarking on strike not in compliance with the LRA.

If you find yourself in the unfortunate position of potentially or actually facing strike activity, and are unsure how to deal with the situation, contact David White or Rachel Manzie at DRG Outsourcing.

Looking out for your top 20% talent!

As the World Economy emerges from the worst recession in recent times and the South African Economy follows suit, it is becoming increasingly important to review your enterprise's capability to retain and attract talent.

The employment market is sending out confusing signals; on the one hand employers have reduced employee numbers, held back on pay adjustments or awarded conservative increases; on the other hand there has been no restraint in union demands and we have seen the conclusion of many wage settlements well in excess of the prevailing inflation rate. The latter phenomenon, as witnessed in the past when good times prevailed, is bound to have a leveraging effect upon those salary levels determined by management judgement and discretion.

We are certainly not advocating a wholesale review of employee remuneration. This will become a consideration when economic recovery trends become robust. However, we do advocate taking a closer look at those people occupying roles providing delivery capacity crucial to maintaining and growing competitive advantage – the "top 20%" as described by Jack Welch, past CEO of GE Corporation. The term 'top' does not necessarily imply the most senior roles but includes individual team members

identified as delivering results beyond expectations, either as direct value creators or in support roles providing a performance enabling environment. As the insecurity induced by the recession recedes, people, who are aware of their value-adding capacity, may begin scanning the market for alternative employment and reward opportunities.

DRG Outsourcing, in conjunction with our strategic partner, Remchannel (a leading remuneration benchmarking and consulting service provider), can help you develop specific reward strategies for this 'top 20%' talent category. There is a clearly established global trend towards less conventional approaches to rewarding 'top 20%' team members, the philosophy being that, rather than their reward representing a component of fixed cost, it is now regarded as a direct investment in competitive advantage!

Not to forget the 'foot soldiers', those team members, the backbone of your enterprise delivering a solid contribution in support of your enterprise endeavours. We recommend a consciously determined reward strategy for them as well. We can help you to proactively review, determine and budget for adjustments to more equitable remuneration levels, so that you are prepared for this when trading conditions permit.

FLEXIBLE TALENT – rising from the ashes!

The re-emergence of the South African Economy will bring fresh opportunities for enterprises to spread their wings in the pursuit of growth, both locally and further a field.

Such opportunities will, in all probability, require an expansion of your talent pool, to reinforce delivery capability. However, you may either be wary of loading your fixed cost base at this time or, your capacity requirements may be very specific and of a finite duration.

Within the employment market we find very special individuals offering specific competencies and value-adding capacity, who prefer to remain independent, moving from one challenge to the next.

Given the fast pace of change in the world of business, quick response to opportunities and the need for nimble repositioning to accommodate and capitalise on changing circumstances, there is a well-established global trend towards the engagement of independent contractors to address very specific capacity needs.

DRG Outsourcing's Contractor Management Service Line provides a home for these highly-talented people in providing them with juristic entity status as well as a remuneration, benefits and taxation administration service. We match and connect them with an enterprise's specific capacity requirements, for the predetermined tenure.

For both parties, our Customer and our Contractor, we ensure that the contracting relationship proceeds without complication. The Contractor simply reports for duty and we take care of the rest.

Examples of such talent on offer are:

- Project Managers
- Engineers of all engineering disciplines
- IT specialists
- Draughtsmen
- Finance specialists
- Human Resource specialists
- Best Practice mentors and coaches

THE B.E.S.T. SERVICE

Businesses today are required to comply with a number of labour and other laws which, if they do not, can be costly and even be a threat to the longer term survival and growth of the business. In particular, the Employment Equity and Broad-based BEE Acts, if not managed properly and strategically, can put companies at serious risk as result of non-compliance.

DRG Outsourcing's BEE, Employment Equity, Skills Development and Training Co-ordination Service (B.E.S.T.) focuses on the three key, and interrelated, laws which are major features of doing business in South Africa, namely:

- Employment Equity Act, 55/1998
- Skills Development Act, 97/1998
- Broad-based Black Economic Empowerment Act, 53/2003

Through properly understanding the requirements of these laws, and then acting to both comply with and to proactively benefit from the legislation, this will result in a reduction in business risk by ensuring that the business meets its legal obligations.

THE B.E.S.T. SERVICE

This comprehensive service comprises the following activities:

MONITORING THE IMPACT ON THE B-BBEE SCORECARD

- Calculate the actual/current scores for the Skills Development and Employment

EQUITY ELEMENTS ON THE BEE SCORECARD

- Calculate the impact on the Scorecard as actions are implemented to improve scores in these scorecard elements
- Calculate the score on the Scorecard at the end of the Workplace Skills Plan (April) and Employment Equity Plan (October) periods

EMPLOYMENT EQUITY PLANNING (EEP) AND REPORTING (EER)

- Management overview and obtain Company mandate
- Prepare the Company's EEP
- Manage the consultation with, and meetings of the Equity Committee
- Prepare EER's for submission to the Department of Labour
- Ongoing review and maintenance of the EEP

SKILLS DEVELOPMENT PLANNING

- Skills Audit & Report: information collation; skills gap analysis; prepare a report
- Compile a Workplace Skills Plan (WSP) and Annual Training Report (ATR)
- Implement and oversee a Quality Management System
- Ongoing Maintenance: prepare for and manage SETA validation meetings

SETA CO-ORDINATION

- Liaison between the client and the SETA
- Make applications for Mandatory and Discretionary Grants, and identify and apply for Learnerships
- Source SETA accredited training providers
- Arrange training dates and enrol trainees with providers

SERVICE FEES

The service fees for the B.E.S.T. service depends on the size and complexity of the organization. A proposal will be prepared for clients' consideration following receipt of preliminary information.

For more information, contact: Tony Kruger, 031 7670625, tony@drg.co.za

Boost your scorecard - support an approved NGO *Help grow South Africa's Enterprise Development Sector*

Well targeted support to Public Benefit Organisations (PBO's) or approved NGO's not only unlocks desperately needed community development sector support but encourages growth of valuable social benefit initiatives and skills.

South Africa's BBBEE certification process recognises this value and rewards corporates with significant points value in their scorecards Enterprise Development category.

A 1% of gross annual turnover spend directed to a registered Public Benefit Organisation, whether in service hours value, or as a cash grant can equate to a 25 point improvement on the business's scorecard. This can significantly improve

the Level rating of the business.

Corporates should not underestimate the incredible value that this 'tax free' support brings to the beneficiaries and communities on the ground, particularly when the spend is directed through an audited and experienced NGO/PBO.

DRG Outsourcing is well placed as a certified BBBEE accreditation agency able to advise companies on social spend process and related scorecard points recognition.

For further information please call David White at DRG on 031 767 0625.

DRG Outsourcing Contractor Management Services *providing extraordinary solutions to extraordinary talent requirements!*

OUR SERVICE LINES

Each of our Service Lines is led by a seasoned professional, who, as a result of their career background and exposure to our very diverse Customer base, are well equipped to provide solutions customised to suit unique workplace needs

■ CONTRACTOR MANAGEMENT

DRG Outsourcing's Contract Employee Management service provides Contract Employees with the backing of a professional and reliable HR environment to cater for their HR needs. These activities include contracts, invoicing, statutory compliance, tax planning and returns, medical aid, corporate benefits, and other...

■ PAYROLL

DRG Outsourcing provides Payroll Management services to companies with 1-250 employees. DRG Outsourcing's service includes: Weekly/Monthly Payslips, Electronic Payments to Employees, Statutory Body Payments and Submissions, IRP5 / IT3a Electronic Files and Certificates, Management Reports and more...

■ RECRUITMENT

DRG Outsourcing has the capacity to identify and place candidates of high calibre, as well as offering a range of support services that takes the time consuming and costly burden of recruitment processing, from advertising through to short-listing, off your HR Specialist. Our subscription to a professional online network database and our select network of recruitment service providers enables us to source the best!

■ BEE SCORECARD SUPPORT

DRG Outsourcing's Broad-based Black Economic Empowerment support service provides a proven six-step approach, which covers a detailed analysis of an enterprise's

B-BBEE - related data, determination of a scorecard rating of current B-BBEE status and support in the development of an action plan to achieve the desired status.

■ EMPLOYEE INVESTMENT

A comprehensive service incorporating the full spectrum of employee reward: Role and competency profiling, job grading, pay structure design, performance leadership processes, incentive plan design and Reward Strategy

■ HUMAN RESOURCE 'BEST' PRODUCT

Our BEE, Employment Equity, Skills Development and Training Co-ordination Service (B.E.S.T.) focuses on the three key, and interrelated, laws, namely: Employment Equity Act, 55/1998, Skills Development Act, 97/1998, and Broad-based Black Economic Empowerment Act, 53/2003.

■ HR MANAGEMENT SERVICES

DRG Outsourcing is able to provide a full generalist HR Management service to our clients including: Developing appropriate letters of appointment/contracts of employment, acting as independent chairperson at disciplinary and grievance meetings, provide policy and procedure manuals and supporting documentation tailor made for Companies needs, conduct HR Audits to improve organisational effectiveness and reduce potential exposure to unwanted legal action. For small businesses we are able to provide our clients with their own cost effective HR Department via our retainer arrangements whereby we provide generalist HR advice and guidance on an ongoing basis.

DRG OUTSOURCING LIST OF SERVICES:

■ Contractor Management

David White

■ Payroll Management

Christy Chetty

■ Recruitment

Megan Shepstone

■ BEE Scorecard Support

Raoul Di Marco

■ Employee Investment

Charles Henzi

■ Human Resource Management

Rachel Manzie

For further information on each of these service lines call **(031) 767 0625** or visit: **www.drg.co.za**