

**A Report on the implementation of the
Mobility/Exit Mechanism for members
of the SA National Defence Force and
the Employee Initiated Severance
Package for Public Service Act
Personnel with specific reference to
middle-management transformation**



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22 Aug 06

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Aim

- To inform the Portfolio Committee on Defence on the implementation of the Mobility/Exit Mechanism (MEM) for members of the SA National Defence Force and the Employee Initiated Severance Package (EISP) for Public Service Act Personnel (PSAP), with particular emphasis on the transformation of the DOD's middle-management

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Scope

- Exit Mechanisms
 - Overview from 1994 to 2005
 - Implementation of the MEM for SANDF members and EISP for PSAP
 - Analysis of the Impact of Implementation of the MEM and EISP
- HR 2010 imperatives and middle-management transformation
- Conclusion

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Exit Mechanisms: MEM

- Overview 1994 to 2005
 - Downsizing/rightsizing origins
 - Interim Constitution (Act 200 of 1993) Section 236(c)
 - Consitution (Act 108 of 1996) Section 24(1) of Schedule 6 and Provisions of the Interim Constitution continues in force, Sections 236(1),(2),(3),(6) & (7)(b) & (8), 237(1) and 2(a)
 - Above provisions were aimed at the **size** and **affordability** of the DOD and informed the Defence Review of 1998
 - Envisaged compulsory employer-initiated retrenchment
 - Overtaken by the availability of the Voluntary Severance Package (VSP) (July 1996) and the Employer Initiated Package (EIP)
 - The DOD steadily downsized towards 70 000, mainly via natural attrition
 - 60 107 personnel exited from 1996 – 2005 (20 902 via the VSP/EIP)
 - Rightsizing = E3 and R3 (PFMA requirement iro resource management)

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Exit Mechanisms: MEM

■ Legal basis

- GEPP Rule 14.8 and 20 amended
- Approved by National Treasury
- Minister of Defence approved 5 Jul 05 (to Section 55 of Defence Act [42 of 2002])

■ Intent of MEM

- Should lead to a tangible rightsizing progress
- Execute through realistic succession planning
- Guard against the exodus of expertise/scarc skills
- Advise members iro career progress as informed by the Transformation and Restructuring imperatives
- Choice to accept/reject offer – MEM is voluntary

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Exit Mechanisms: MEM (cont)

■ Guidelines for Succession Planning iro MEM

- Are functional groups/musterings constrained by critical shortages
- Status of ETD and learner throughput
- Maintenance of expertise
- Contribution to rightsizing (MTEF & longer)
- Contribution to race-rank distribution correction
- "Old" Service System contract expiries and renewal justified
- Succession planning:

- **Role of Services and Divisions**

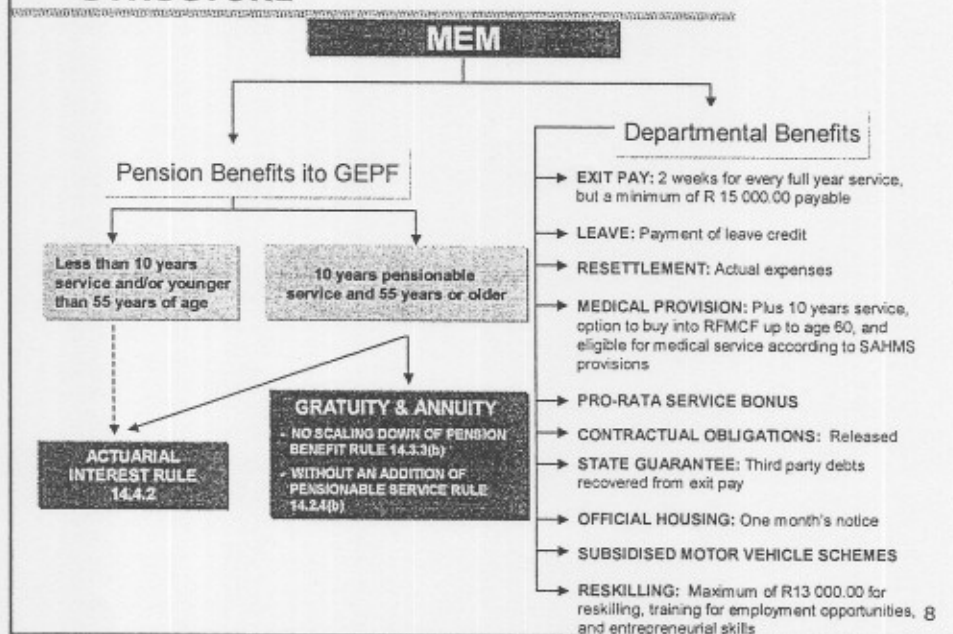
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Exit Mechanisms: **EISP**

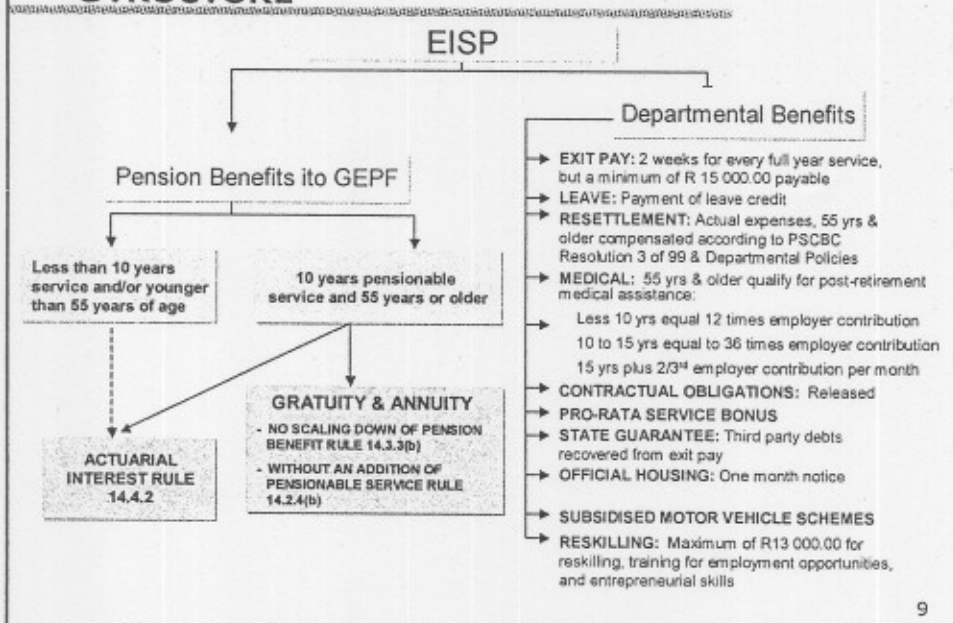
- Minister of PSA determination introduced the EISP wef 1 Jan 06
 - Ito Section 3(3)(c), Public Service Act, 1994
- DOD introduced the EISP wef 31 May 06
- EISP Benefits Structure
 - Pension benefits i to the Gov Employees Pension Law, 1996
 - Departmental benefits i to the Implementation Measures
- EISP Application
 - **Employees initiate** their separation via the EISP
- EISP Status
 - DOD expects 50 to 80 applications FY 2006/07
 - Possible 200 applications for the total MTEF period

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MEM FOR SANDF MEMBERS: **BENEFIT STRUCTURE**



EISP FOR PSAP EMPLOYEES: BENEFIT STRUCTURE



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Information Tables: MEM progress

Table 1: Approved MEM offers per Race and Gender as at 7 August 2006

RANK	AFRICAN		AFRICAN Total	COLOURED		COLOURED Total	INDIAN		INDIAN Total	WHITE		WHITE Total	Grand Total
	M	F		M	F		M	F		M	F		
MAJ GEN	0	0	0	0	0	0	1	0	1	6	0	6	7
BRIG GEN	2	0	2	0	0	0	0	0	0	16	0	16	18
COL	2	0	2	0	0	0	0	0	0	52	9	61	63
LT COL	13	4	17	5	0	5	0	0	0	123	20	143	165
MAJ	9	0	9	3	2	5	0	0	0	74	38	112	126
CAPT	8	4	12	0	1	1	0	0	0	32	29	61	74
LT	0	1	1	1	0	1	1	0	1	3	4	7	10
2LT	1	0	1	0	0	0	0	0	0	0	0	0	1
CPLN	1	0	1	0	0	0	0	0	0	0	1	1	2
WO1	5	0	5	8	0	8	2	0	2	165	33	198	213
WO2	7	1	8	16	0	16	6	0	6	82	21	103	133
S SGT	13	1	14	13	0	13	16	0	16	96	23	119	162
SGT	11	7	18	9	7	16	7	1	8	34	21	55	97
CPL	23	7	30	3	1	4	7	0	7	5	1	6	47
L CPL	5	0	5	2	1	3	0	0	0	3	0	3	11
PTE	52	0	52	2	0	2	0	0	0	2	2	4	58
AUX SERV	1	0	1	0	0	0	0	0	0	0	0	0	1
PSAP	1	0	1	0	0	0	0	0	0	0	0	0	1
Total	164	25	179	62	12	74	40	1	41	693	202	895	1,189
Per Cent			15.05			6.22			3.45			75.27	100

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Information Tables: MEM progress (cont)

- White male middle-management exits registered as at 7 Aug 05:
 - Colonels: 52 White males
 - Lt Colonels: 123 White males
 - WO1: 165 White males
 - WO2: 82 White males
- The MEM is therefore already leading to **an exit of 422 middle management White males** from the Regular Force, thereby creating capacity for the upward mobility of Designated Persons
- As new MEM offers continue to be approved on a continuous basis as an integrated part of succession planning, the above figure will increase

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Information Tables: MEM progress (cont)

- All male middle-management exits registered as at 7 Aug 05:
 - Colonels: 54 males
 - Lt Colonels: 141 males
 - WO1: 180 males
 - WO2: 111 males
- The MEM is therefore already leading to **an exit of 486 middle management males** of all races from the Regular Force, thereby creating capacity for the upward mobility of women
- As new MEM offers continue to be approved on a continuous basis as an integrated part of succession planning, the above figure will increase, thereby enhancing the advancement potential for women in middle management

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