4. ORGANISATIONAL REVIEW

4.1   Analysis of staff exit reports

4.1.1.   Internal factors

4.1.1.1 Governance

- Understanding of corporate governance. *It appears that there is no understanding of corporate governance within the council.*
- Understanding Council responsibilities as Government mandate. *It appears that Council does not understand its Government mandate.*
- The Council needs to become more strategic, as opposed to being involved in operational maters.
- Clarification of roles and responsibilities. *Lines of reporting seem to be blurred.*
- Delegation of power and authority. *Power and authority need to be properly delegated so that certain managers do not feel that they lack these attributes.*
- Treating symptoms and not the cause. *The Council needs to treat the cause of its problems as opposed to treating symptoms.*
- Empire structure within the authority. *There are empires within the Authority.*
- *There are no values and no culture sharing.*
- The code of conduct has to be adhered to and should also be extended to employees.
- Decision making processes are done at certain levels only and are not cascaded down to all levels.
- Adoption of ICASA strategic planning. A strategic plan was drawn but not cascaded to all for adoption.

4.1.1.2 Change Management

- Understanding change management means to plan, realise, control and stabilise change processes at both corporate and personal levels.
- Change management means the adoption of the Authority's strategies and structures to change external conditions. This requires re-engineering.
- Change management means it is not "business as usual".
- Change management means there has to be organisational development.
- Change management means developing inventory systems that indicate what and when actions were taken that affected the status of key resources.

4.1.1.3 Human Resources

Unavailability or lack of the following:

- Induction and orientation
- Performance plan/service level agreement and job profiling (consultant has been appointed)
- Appraisal system was in place but later suspended
- Functional and external training
- Career pathing and succession planning
- Skills development plan
- Equity plan
- Business plans for each section/directorate
- Clear roles for human resources maintenance and human resources development

4.1.1.4   General Observations

- Internal politics within the Authority. *No information sharing and people working in silos as opposed to teams.*
- Lack of communication processes. *No communication model.*

- Adherence to policies and procedures. *No adherence to these, there is, for example a lack of adherence to the procurement policy.*
- Observation of company protocol procedures, according to structure and reporting lines. *Not observed in terms of managers having authority.*
- Lack of confidentiality – example, staff speaking to the press.

4.1.2 External Factors

- The industry
- Technological advancement
- Development within the authority
- Shortage of skills
- Private competitors
- Poaching of employees for attractive packages/benefits

4.2 Main Problems Identified

4.2.1 Establishment of ICASA

In 2000 a political decision was taken to merge SATRA and IBA to form ICASA. The merger had its own processes. One of them was to deal with the structures as well as the systems and strategies which may be referred to as hard human element issues. But there are also soft human element issues. Most employees tend to resist change, rather than seeing change as an opportunity to initiate improvement. The success of a change project depends on the organisations ability to enable all its employees to participate in the various change processes. ICASA should have taken the opportunity to educate employees to realise that change is the continuous adoption of corporate strategies and structures for bringing about a difference in external conditions. Change is not an exception, but a steady ongoing process. Even after six years of change employees still find themselves in a state of shock. With training in change management councillors, and managers in particular, could have understood the phases of change and acted accordingly, so that they would have been able to successfully manage change

processes, without destroying people's motivation and commitment.

4.2.2 Taking over of new ICASA Council and Management (Strategic plan)

That was a period of transformation, transition and substitution. The new management drew a new strategic plan, as well as a mission and vision statement but were never implemented. A strategic plan, which should not be confused with an operational plan, should have provided the foundation and framework for a business plan. Strategic planning should be visionary, conceptual and directional in contrast to an operational plan.

Part of strategic planning is the development of the mission statement which conveys a sense of purpose to employees and projects the company's image to customers. The mission statement should set the direction in which ICASA should go. Once the strategy has been put into place it will be translated into specific policies for functional areas.

4.2.3 Corporate Governance

The Nagel Payne and Associates report should be read in conjunction with this section.

Corporate governance is the system by which business corporations are directed and controlled. It is the roles, duties and powers of the Government, the councillors and company management. It should include transparency and disclosure as well as the role of ICASA in society at large.

Councillors should provide guidance and oversight to the managers of ICASA. It is clear that council has both oversight and executive responsibilities. The status afforded to the councillors is necessary in order to enable them to fulfil their independent roles as prescribed by the constitution and the ICASA Act.

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The Chief Executive Officer should run the day to day operations and councillors should assist by giving the chief executive officer considerable freedom to manage the business operations. The responsibility for accurate accounting lies with management. However, checks on management in the area of accounting are to be made by the external auditor. Thoughtful strategic planning is of vital importance to the long range success of ICASA so that market changes and opportunities are recognised and acted upon.

Councillors and senior executives should conduct themselves honestly and ethically especially when there appears to be a conflict of interest. Councillors need a range of skills and understanding to be able to deal with various issues and they should have the ability to view and challenge management's performance.

4.2.4 Decision Making

Decision making processes are hampered by interest groups, which operate in terms of their own interest, rather than in the interest of ICASA as a whole. The procurement policy is one such example.

4.2.5 Performance Indicators

A performance indicator system, developed on the basis of well defined job descriptions, is missing as an instrument to clarify the responsibilities of different levels within ICASA and to support successful human resources management and quality management policies and procedures.

4.2.6 Communication Lines

Communication lines do not function effectively in either a vertical or horizontal direction.

4.2.7 Induction and Orientation within the Authority

Orientation/Induction

From Council level to operational level there is no induction and orientation. With an ongoing labour crunch, the development of an effective employee orientation continues to be crucial. Orientation serves as an important element of the recruitment and retention process. Proper orientation can help the employee to get "up to speed" much more quickly, thereby reducing the costs associated with learning the job. Employees in a new or strange situation will experience anxiety that can impede their learning ability to do the job. Employee turnover increases when employees feel that they are not valued, or are put in positions where they are unable to perform. Orientation indicates that the organisation values the employees and helps to provide the tools necessary for job success. An effective orientation programme will make a significant difference to the rate at which councillors and employees can become more productive. Let new council members and employees feel that ICASA always acknowledges and appreciates their valuable contributions

4.2.8 Motivation and Rewards

There is no system that motivates and rewards employees within ICASA, and no motivation by managers to inspire their subordinates, so that they can voluntarily do their best to achieve the objectives of the Authority.

5.   RECOMMENDATIONS

- Corporate Governance
- Good corporate governance promotes operational efficiency, professional management, clear lines of authority and good risk management. The Chief Executive Officer and the management team need to be given considerable freedom to run the business operations of ICASA. This freedom of operation is very important as it provides for a clear chain of command within operations and ensures that it is the top

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executives can be held accountable for the performance of the Authority.

- It is recommended that council should pay strict attention to the different roles and responsibilities of councillors and the Executive Management of the Authority.

CHANGE MANAGEMENT

- In many cases, the first effects of change on employees, leaders, and on performance levels, are negative. Most employees tend to resist change rather than seeing change as an opportunity to initiate improvements. They are afraid of losing something, because they have incomplete information on how the change process will affect their personal situation. Managers need to keep in mind those negative side effects of change. The success of a change project depends on the organisations to enable all it's employees to participate in the various change processes.
- It is recommended that the Authority starts a change management campaign.

STRATEGIC PLANNING

- A Sound Plan
  - ➢ Serves as a framework for decision making and for securing support.
  - ➢ Provides a basis for more detailed planning.
  - ➢ Explains the business to others in order to inform, motivate and involve them.
  - ➢ Assists benchmarking and performance monitoring.
  - ➢ Stimulates change and becomes building blocks for the next plan
  - ➢ Promotes organisational culture through its mission and vision.

It is recommended, that without delay Council and Executive Management develop a strategic plan to steer ICASA in the desired direction.

DESIGN PRINCIPLES

After the substantive merger took place in 2000, a new structure of ICASA was supposed to have been designed. The following principles should have been considered:

- The structure should have been streamlined, with minimal layers of management
- The appropriate span of control should have been built into the design.
- Activities should have been consolidated into focused and manageable units.
- It is recommended that the structure within certain departments, be attended to.

INTRODUCTION AND ORIENTATION

In the first few hours, the first few days and even the first few minutes you create a relationship that new employees would remember for the rest of their working lives. The bad news is that this is going to happen whether or not it was planned.

- It is recommended that an induction strategy be developed for both the council and employees (Consultant has been appointed).

MOTIVATION AND REWARDS

It is recommended that appraisal or performance appraisal systems should be developed and a buy in be sort and be implemented. Motivation originates when an individual experiences "tension", because of an unsatisfied need. This tension serves as an incentive for the conduct that is required to satisfy the need. Motivation is the driving force that develops spontaneously in a person, but the manager must strive to stimulate this driving force.

SKILLS DEVELOPMENT PLAN AND EMPLOYMENT EQUITY PLAN

It has been a Government requirement for the past six years that all existing organisations or corporations should submit their Workplace

Skills Plans. Skills development is part of an individual development plan which results in organisational development. Skills audits should be conducted for personnel to receive their development plan to close gaps or skills needed to execute their task or job professionally and efficiently. Employees need to attend to their deficiencies.

It is recommended that the HR department should be immediately capacitated by appointing a skills development facilitator since it is a Government requirement.

AUDITING OF THE HUMAN RESOURCES DEPARTMENT

It is important to note that gaps have been identified within the authority, and this causes a lot of dissatisfaction within the organisation. Human Resources should streamline the organisational structure and channels of communication.

Human Resources Management aims to help the organisation to achieve success through people. Its systems can be the source of organisational capabilities that allow the Authority to learn and capitalise on new opportunities. It is concerned with meeting human capital requirements and the development of process capabilities. In other words, the ability to get things done effectively.

Specific Human Resources Management aims are the following:

- Achieving high performance through people
- Enhancing motivation, commitment and job engagement
- Knowledge management
- Resourcing
- Human Resources Development
- Employee Relations

It is recommended that the Human Resources Department be audited and be aligned so that it may fulfil the following duties:

- Strategic management of people
- Development of integrated HRM systems
- Placing and gaining commitment to the Authority's mission and values
- Treatment of people as assets
- An approach to employee relations that is unitarian rather than pluralistic
- The performance and delivery of HRM as a line management responsibility

6. HIGH LEVEL IMPLEMENTATION PROPOSAL RELATED TO THE FINDINGS

Outlined below are recommended implementation steps that should be considered by ICASA for implementing the required changes, as recommended by Monyetla Executive Services:

The following steps should be followed in guiding the implementation process:

STEP 1:   Make a final decision

- Decide which of the recommendations are to be implemented
- Decide on implementation principles

STEP 2:   Develop a communication and change strategy

- Compile a comprehensive change management and communication plan. It must include a communication model for all stakeholders (employees). The aim must be to inform and to obtain buy-in and commitment. It is important to communicate what will change, what will not change, and what personal benefits employees will derive from successful implementation.

STEP 3: Inform stakeholders and employees in accordance with the communication strategy.

- Over and above written briefings arrange meetings and workshops with interested and affected parties to explain the rationale behind the decision which have been made.

STEP 4: Develop an implementation strategy (identify enablers/barriers)

- When developing an implementation strategy, all stakeholders, employees, and variables, should be considered.

STEP 5: Appoint an implementation team and compile a project plan

- Appoint a project team
- A comprehensive and detailed project plan with time lines should be drafted and tabled for approval.
- Customise role description and outputs per position.
- Ensure that relevant governance guidelines/policies are followed.

STEP 6: Approve the implementation plan and commission kick off

STEP 7: Monitor implementation and adherence to time lines

STEP 8: Identify opportunities for continuous improvement

- Establish a culture and mindset that change is never ending and that this implementation is just the beginning of the process. Create a forum where ideas are raised for continuous improvement opportunities.

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STEP 9:   Announcement

- Announce the completion of the implementation process.

RECOMMENDATIONS PERTAINING TO THE CHANGE PROCESS

Experience has taught us that some factors which need to be addressed during the change process are:

- The implementation of change can be very difficult. Since, when implementation is managed by experienced external consultants, the success rate for implementation increases, whilst the time to implement, decreases.
- Ensure ownership of changes
- Recognising the complexity of organisation redesign and implementation.
- Recognising that many interdependencies often call for complex project plans.
- Be sensitive to the softer issues since the organisation is linked to the living organism, change is sometimes rejected.
- Plan your timing carefully, since time scales can be tight, often with little flexibility.

Some traps to avoid

- Reliance on only one source of information.
- Ignoring issues for the sake of getting things done quickly. People often want to move quickly to full implementation.
- Placing too much responsibility on too few people.

CONCLUSION

In this report we have seriously considered the factors that cause high staff turnover at the Council. We have analysed the causes by looking at the report provided on exit interviews, with a view to determine what the employees had to say. We interviewed staff for a further analysis, and have recommended what we deem would be instrumental in creating a culture and an environment in which people will believe that they are valued.

All recommendations cited in this report are sound and will only yield the desired results with the commitment of all stakeholders.