

## From the Editor

Employment Equity, Skills Development, Industrial Relations, Retrenchments. Facts and figures and real life accounts, this edition of SOURCE has it all!



I hope that you enjoy our last issue for 2009; that articles assist you in your business and that others inspire you.

Most businesses will be breathing a sigh of relief as we close off on 2009 and holding their breath for a more stable 2010. One thing's for sure – 2010 will be an exciting year for all South Africans!

Bring it on!

As always, your comments, thoughts & input are appreciated - mail to kim@ep.co.za

Happy Reading!

Kim

Kim Odell  
Editor



2010 landing soon ...

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# RETRENCHMENT COUNSELLING

## A critical ingredient in downsizing

Cost cutting in an economic downturn is often necessary to ensure a company's profitability and competitiveness. With the salaries' bill often being a company's single biggest expense, people are a prime target for cost reduction which has led to a global trend of downsizing. There is no easy way to conduct this retrenchment and as an employee there is no way to control it. However, as Sutton (2009) highlighted, it is often not WHAT is done but HOW it is done that can make all the difference in terms of how the individual copes with retrenchment.

Being retrenched is traumatic. Not only does one have to deal with the embarrassment and panic of losing one's job but also with the harsh reality of a future loss of income. Through the experience of counselling retrenched individuals and research on the topic, it has become evident to me that there is a typical cycle that retrenched individuals move through. It is not a single event that just happens.

The first phase is obviously the emotional reaction to being retrenched. Emotions experienced are diverse and include anger, embarrassment, self-blame, panic, depression etc. These are very normal reactions and affected individuals will experience all or some of these emotions, and sometimes re-experience them. They need to express their feelings, not bottle them up, and often this is difficult to do at home as their families are also affected by the retrenchment. The retrenched individuals may feel they cannot talk to their family members whom they feel may already be burdened by the retrenchment. The emotional experience of being retrenched has often been likened to the Elizabeth Kubler-Ross' stages of mourning which include the phases of denial, anger, bargaining, depression and acceptance. In

a normal grief reaction individuals will pass through these phases in their own time. Similarly, retrenched individuals will pass through these emotional stages as they mourn the loss of their job.

Once emotions have been adequately dealt with, individuals enter the phase of acceptance which leads to future planning which is critical in the reintegration process. The danger, however, lies when individuals get stuck in the emotional phase. Being overwhelmed by emotion can immobilise the individual from thinking rationally and planning for the future. Positive actions such as compiling a CV or strategizing how to market oneself can seem an impossible task.

For the decision makers in a company, the idea of retrenching staff is extremely stressful and the management will also experience an array of emotions from anger, then depression and by the time they present to the staff, they have passed through this emotion as they have grown accustomed to the idea of the retrenchment. For some managers, compassion to the employee, which is so critical at this time, is then sometimes extremely difficult to display. Their role is to execute a retrenchment and to do this they need to curb their emotion.

As a result, managers are often not able to provide the emotional support required by the affected individuals in order for them to progress to the phase of acceptance.

In my experience through conducting retrenchments as well as facilitating retrenchment counselling, whilst the legal requirements in a S189 Operational Requirements Consultation do not prohibit the employer from discussing the retrenchment with employees individually,



## RETRENCHMENT COUNSELLING - continued...



it can be impractical due to the number of staff who could potentially be involved. For the staff member, a common reaction is fear, disbelief and sometimes a feeling of betrayal that their manager, with whom they have a close relationship, did not have the decency or sensitivity to warn them or discuss with them this life altering event on an individual basis. This can create an initial impression of the company 'handling the retrenchment badly'. Little does the staff member know that whilst S189 doesn't prevent a softer, more humane approach, managers are so afraid of failing to follow the legislated steps of the process that they often do nothing other than follow those steps to the letter of the law and no more. Their desire to be found to be fair at the CCMA overwhelms their wish to be empathetic and caring to their soon-to-be-ex-staff members, especially given the potentially huge financial price of such a failure.

Given that it is extremely difficult for the internal staff involved in the retrenchment process to provide adequate support required by affected staff during a retrenchment process, an objective external provider can often assist companies through the provision of focused retrenchment counselling. The core purpose of retrenchment counselling is to help the individual cope with the emotional reactions and then to become energised and motivated so that they are able to start planning for the future. Guidance on CV preparation, sourcing and responding effectively to job advertisements forms part of the retrenchment counselling process.

This approach to retrenchment counselling is structured and can be conducted in two sessions on site to prevent too much disruption at work. Where more complicated reactions are encountered, these individuals may be

referred to external psychologists for further assistance.

Companies can, and do, say it is the responsibility of the affected individuals to arrange their own counselling if they feel they need it and technically, they may well be found to be correct and adhering to the letter of the law. However, the spirit and intent of the law might be better served if, instead of abdicating their responsibility in the emotional side of retrenchment process, they accept that responsibility and use counselling as a way to mitigate the adverse effects of the dismissal as stated in S189(2)(iv). When an individual has been retrenched, the last thing they are likely to spend their savings on is counselling for themselves. There is pressure to remain 'tough' in these times and the individual is left to cope on their own. Investment in counselling by the company for retrenched staff is minimal compared to the return on the investment which will be experienced by the individual, as well as the perception it creates with remaining staff at the company.

There is an enormous emotional backlash in companies where downsizing has taken place. Colleagues who are fortunate enough to have retained their jobs in a company that is carrying out retrenchments are also affected by the retrenchment of colleagues. Some may feel relieved and some guilty that their jobs were spared. Some start living with the fear that they might be the next to go. "The way many companies conduct large-scale downsizing decreases efficiency, morale, and motivation on the part of remaining employees. It also increases voluntary turnover among high performers and compromises a company's ability to attract strong talent in the future, as potential employees wonder how risky it is to take a job there." (Guthridge, McPherson, Wolf,

2008). Reducing staff can have major implications on the internal culture as well as the external reputation of the company and it is not easy to rebuild that reputation once the culture has been damaged.

Steps such as offering retrenchment counselling can help protect a company's brand by highlighting its commitment to their employees who remain as well as making retrenched employees feel nurtured throughout the process. Furthermore, I believe that organisations with a conscience have a responsibility to ensure that retrenched employees do not 'get stuck' in the emotional reaction phase of the process. Through offering retrenchment counselling to staff, this can be avoided and they can ensure that their staff are well positioned to take up new career opportunities and move forward in their life. All parties win from investing in retrenched employees, so companies should take responsibility: through an investment in retrenchment counselling, what could be the lowest point in an employee's life could be turned into an opportunity to facilitate the employee's transition to a new job, and demonstrate the values of the organization in the process.

### References:

Guthridge, M & McPherson, J & Wolf, W "Upgrading Talent," [mckinseyquarterly.com](http://mckinseyquarterly.com), December 2008.

Sutton, R. "Good Boss, Bad Times," [mckinseyquarterly.com](http://mckinseyquarterly.com), May 2009.

The author, Debbie Brien, is an independent HR Consultant and registered psychologist. She has over 10 years experience in the recruitment industry and now runs Talent Optimisation HR Consultancy. Debbie can be contacted on 082 925 3190.

## DRG Outsourcing welcomes on board Jenna Rogers



The province in KZN has a population of 8,505,383. 10% of which have a hearing loss in varying degrees, 1% Profoundly Deaf (85,054), 3% Extremely Hard of Hearing (255,160), 6% Hard of Hearing (510,320).

I am one of the Profoundly Deaf. I lip read - hearing " sound" with the aid of hearing aids, I must then be facing the person making

the sound, and I will be able to lip read what they are saying. I am unable to speak on the phone - but with email and sms' I can keep in contact with anyone I need to.

Sign language became my 1st language after I started at Fulton School at the age of 6.

I matriculated in 2002, and then went to Varsity College in Pmb. I studied Business Management, Computer Literary and PRISA (Public Relation in South Africa) and a year of B.Comm- I found this very hard having no interpreter- but did my best and made some wonderful friends.

After my studies I faced a big challenge - finding employment - not an easy task for anyone let alone me and thousands of others who are profoundly deaf / extremely hard of hearing or hard of hearing.

In the 3 years that I have been seeking employment, I have been to numerous employment agencies and countless companies. I have managed to find work with different companies over these three years – but only on a short contract or temporary basis.

I kept knocking on the doors of companies - I thought that if they met me and saw that I was normal and could speak that eventually I would knock on the right company door. They kept saying that they will contact me but never did. My biggest hope was to work in a very good successful company.

By July 2009, in my search for employment, I had reached the Hillcrest / Gillitts area. I had covered Durban, Pinetown, Westville and Kloof by this time.

I came into the DRG Outsourcing Company office – the building had a nice fresh new look. I met Tony Kruger. He was very polite and after chatting for a short while I gave him my CV . I think this must have been about the 327th CV I had handed out!

Tony and I kept in touch via email. After about two months I had an appointment for an interview. I was really excited. I had found the right door, at last. I felt my interview with Dave White and Tony Kruger went very well. Finally... DRG wanted to employ me! This, as you can imagine was fantastic news!

There is a 65-70% unemployment rate of the deaf population in South Africa.

The deaf have dreams like other people. And they also do have wonderful ideas for business – the sad part is that there are very, very few doors that are open to them and therefore they are unable to begin their dreams.

Just being employed is considered an achievement, in a deaf person's life.

## EMPLOYMENT EQUITY REPORTING

Do you employ more than 150 employees?

Have you missed the 1 October deadline for submitting your Employment Equity Report (a legal requirement)?

The good news is that you have until 15 January 2010 to report on line – go to "online services" click on "employment equity online reporting". You will need to register as an online user first – have your Employment Equity Reference number handy – if you do not have this call 021 309 4000 ask for Employment Equity and quote your PAYE/SARS number.

**Tip:** Most payroll packages provide for Employment Equity reports to be generated. However the usefulness and accuracy of these reports relates directly to what you input – so if you have not inputted the race, gender and occupational

level of all employees then the reports will be of no use.

For those of you who have done your Employment Equity Report – Was the section on "Employees with Disabilities" blank?

Surveys done in South Africa have shown that people with Disabilities have not had the same employment opportunities than those who are not disabled. Only a minority are employed. Statistics have shown that only 0.5 of disabled people are represented in the workforce.

## Employee Reward Strategy

### Enhancing your investment in people

The Reward Consortium will, with our processes and products, help you to maximise your investment in people by encouraging them to understand, identify with and contribute directly to the achievement your business objectives, and then to recognise their contribution through an effective approach to reward.

#### EMPLOYEE REWARD:

Whilst employment may be regarded as a significant cost of doing business we encourage enterprises to regard this aspect as an investment in delivery capacity; therefore, employee reward should be actively managed as an integrated strategic initiative.

We help you to develop an Employee Reward Strategy incorporating:

- Getting the base right using a modern Job Leveling instrument and pay database to design the right remuneration structure
- Structuring individual preference/ tax-effective remuneration packages
- Crafting a customised Performance Incentive Plan, which integrates with a

Performance Leadership Process, ensuring that reward is perceived as an entrepreneurial outcome of required performance behaviour; not simply an entitlement!

#### THE OUTCOME:

Employee behaviour characterised as "Highly Engaged People Taking Self-Inspired Action!"

The Reward Consortium, with DRG Outsourcing, HR TorQue Outsourcing, and Quattro Financial Services as partners, will help you to make your salary budget your best investment.

For more information contact Charles Henzi.

### DRG OUTSOURCING LIST OF SERVICES:

- Employee Investment  
Charles Henzi
- Strategy and BEE Facilitation  
Jeff Blackbeard
- Human Resource Management  
Tony Kruger
- Training  
Lindiwe Bhadi
- Recruitment  
Megan Shepstone
- Contract Management  
David White
- Payroll  
Christy Chetty
- Sales and Marketing  
Raoul Di Marco  
Megan Shepstone

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

## CRIMINAL CASES

### - When to deal with the matter internally/dismiss

Melany Bydawell - HRTorQue

In cases of fraud/theft in an organisation and where the organisation intends to report the matter to the Police for investigation, we generally advise our clients to attend to the internal disciplinary hearing first. This avoids situations where the person may be arrested and placed in custody for a period of time, waiting for the legal process to take its course. These processes are often lengthy and can cause inconvenience to the organisation that may want to replace the staff member,

particularly if this is a key member of staff. To avoid inconvenience and frustration, an option is to convene and finalise the internal disciplinary hearing first, and arrange for the Police to be on site to attend to the criminal matter thereafter. Recently we have had cases where SAPS have informed clients that they are unable to attend to the matter from a criminal perspective because the employee has been dismissed. This is not correct and we suggest that in such instances you

dispute this with the officers concerned and report the matter to the authorities in need. The internal disciplinary procedure is conducted separately to criminal proceedings and dismissal is based on the 'balance of probabilities' versus 'beyond reasonable doubt'. The charges may also vary, for example, the internal charge may be phrased as 'gross dishonesty and misconduct in that the employee misappropriated company funds for R100 000 and the criminal charge may be 'fraud'.



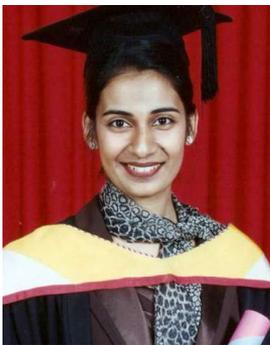
## Personal Profiles

### RACHEL MANZIE

Rachel studied in the UK and obtained a BA (Hons) degree in Business Studies specializing in Human Resources and Industrial Relations and gained a postgraduate Diploma in Personnel Management. In total Rachel has around 15 years Human Resources experience within various HR positions within public

services, manufacturing and within Citigroup before entering the HR consultancy world.

Within DRG Rachel works within the HR Service Line specializing in industrial relations and acting as SDF coordinator within our specialized HR development product/platform (see below).



### DILSHAAD (DEE) SHAIK

Being passionate about people progression within the corporate world, motivated me to specialize in HRD. Having been an academic most of my years, DRG has embraced and empowered me with the platform to merge my academia into the real work zone via a

customized internship. Currently I am the Skills Development administrator, being the key liaison between our clients, their facilitators, the SETAS and their training providers.

