

NTINGA O.R TAMBO DEVELOPMENT AGENCY SOC Ltd



SOC Ltd

JOB EVALUATION, GRADING AND REMUNERATION POLICY

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RESPONSIBLE MANAGER	Head: Corporate Services

TABLE OF CONTENTS

CONTENTS	PAGE
1. Preamble	3
2. Definitions	3
3. Legal Framework	3
4. Scope and Application	3
5. Objectives of Policy	4
6. General Policy Provisions	4
7. Procedures for Implementing Policy	4
8. Remuneration Management	7
9. Implementation and Monitoring	7
10. Communication	8
11. Policy Review	8
12. Budget and Resources	8
13. Roles and Responsibilities	8
14. Record Keeping	8
15. Penalties	9
16. Dispute Resolution	9
17. Authority	9

1. PREAMBLE

Ntinga O. R Tambo Development Agency SOC Ltd ('Ntinga' or 'entity') recognises its responsibility to conduct job evaluation (JE), Grading and remuneration practices in accordance with the letter and spirit of the Constitution of South Africa, the Employment Equity Act and the Labour Relations Act.

Ntinga aims to attract and retain competent human capital that will meet the needs of the Agency. Ntinga recognises that fair and appropriate job evaluation, grading and remuneration practices will promote the attraction and retention of competent staff to the entity. The policy will ensure that remuneration practices and job evaluation are applied transparently and consistently at Ntinga. It will also guide the processes and practices of remuneration in the entity.

2. DEFINITIONS

2.1 **Banding System** is another term for grading system. Bands are normally wider than grades and the Ntinga banding system has six levels/bands of decision making, and these Bands correlates with six levels of the organisation. Each band represents a distinct level of work based upon work complexity and the type of contribution to the organizations objectives as well as the worth of a job to an organisation.

2.2 **Competency** means the abilities and underlying characteristics of individuals that lead to, or promote superior job performance. Competencies include knowledge, skills and behaviours (sometimes referred to as behavioural competencies).

2.3 **Job Evaluation** means a systematic process to understand and size positions in order to determine the relative value between different positions. Ntinga uses the Paterson Grading model of job evaluation system.

2.4 **Total Package** means the total cost to Ntinga which includes basic pay, provident fund, employer and employee contribution to medical aid, 13th cheque and travelling allowance.

2.5 **Market Anchor** means the desired market salary level for a band.

3. LEGAL FRAMEWORK

The policy and procedures to manage JE and remuneration are derived from legal requirements and specifically the following Acts:

- Constitution of the Republic of South Africa, 1996
- Employment Equity Act 55 of 1998
- Labour Relations Act 66 of 1995
- Basic Conditions of Employment Act 75 of 1997
- Government Gazette- Provincial Gazette No. 1603, 22 September 2006
- Municipal Systems Act 32 of 2000
- Municipal Finance Management Act No 56 of 2003

4. SCOPE AND APPLICATION

This policy will apply to all positions that have been approved on the establishment (organogram) of Ntinga. The policy does not preclude the positions that have been approved by the Board of Directors which are outside the establishment as temporary positions in line with this policy.

5. OBJECTIVES OF POLICY

The objectives of the Ntinga O.R. Tambo JE, Grading and remuneration policy are to ensure a job evaluation and remuneration reward system that:

- 5.1 Ensures equal work for equal pay.
- 5.2 Allows Ntinga to compete effectively in the labour market and to recruit and retain high calibre staff.
- 5.3 Achieves fairness, equity and transparency in job evaluation and remuneration practices.
- 5.4 Provides remuneration rewards in line with the market, allowing the organization to achieve and maintain market related payroll costs and achieve its remuneration reward objectives in the most cost effective and economical way.

6. GENERAL POLICY PROVISIONS

6.1 Method of Job Evaluation

- 6.1.1 Ntinga presently uses the Paterson Grading model of job evaluation in order to size positions and ensure fairness and equity in the internal relativities of positions, and to allow comparability between positions in the organisation and the external market.

6.2 Linking of Bands with Pay

- 6.2.1 A broadband system of six bands is used by Ntinga and all positions are allocated to a band based on their job size.
- 6.2.2 Pay scales are attached to pay ranges within each band.
- 6.2.3 Pay scales are based on comparisons with the appropriate external market remuneration in terms of Ntinga's policy position from time to time, as outlined in this document.
- 6.2.4 Pay scales are based upon a total package- approach to remuneration.
- 6.2.5 Pay scales allow for a pay range from Minimum, Lower Guide, Midpoint, Upper Guide and Maximum. This pay range allows for flexibility in determining pay levels based upon skills required and level of decision making for the post.

7. PROCEDURES FOR IMPLEMENTING THE POLICY

7.1 Structural Arrangements

- 7.1.1 The Ntinga Management must develop an organisational structure and get approved by the Board of Directors, which:
 - a) Is consistent with the relevant legislation;
 - b) Will give effect to Ntinga's integrated development plan and strategic objectives; and
 - c) Is in accordance with appropriate and universal principles and norms of organisational design.
- 7.1.2 The Chief Executive Officer (CEO) of Ntinga must, as soon as he/ she has finalised or affected changes to the organisational structure of Ntinga, submit the proposals to the Board for approval.
- 7.1.3 A job description and post specification will be formulated for each post in the organisational structure in the agreed format.
- 7.1.4 The Head: Corporate Services must create and maintain the staff establishment on a manual & electronic database. The database will contain the following information relating to each position:
 - a) The designation / title of the position.
 - b) The level/band of the position as approved by the board after the position has been evaluated.
 - c) The department/division or other organisational unit to which the position is assigned.

d) Any other relevant information.

7.1.5 A departmental/divisional head wishing to create a new position in his/ her department/division must submit a written application, via the manager responsible for human resources management, through Head: Corporate Services to the CEO. This application must contain the following information:

- a) Details of the department/division or section where the post must be created.
- b) A full explanation of the functions, competencies and responsibilities of the proposed post in accordance with the approved JE & Grading system.
- c) The need for the post.
- d) The alternative solutions that were considered for performing the proposed functions allocated to the position, including re-organisation of work rather than creating the position.
- e) The reasons why each of the alternatives have been rejected.
- f) A cost estimate and an indication how the post will be funded.

7.1.6 The decision of the CEO with regard to an application for creating a new position is final.

7.1.7 The divisional Head may, on recommendation by the CEO, appoint employees on a temporary basis outside the approved establishment, when there is a temporary increase in the work of Ntinga due to:

- a) A disaster.
- b) The allocation of money to the entity for the continuation or completion of a specific project not provided for in the budget.
- c) A backlog in work.
- d) The seasonal nature of certain tasks.
- e) Special programmes established or managed by the municipality to combat poverty and unemployment.
- f) The remuneration of these appointments will be determined through consideration of market relevant rates.

7.1.8 Existing posts may be abolished upon request by a departmental head through recommendation by the CEO and get approval by the Board. The following process should be followed:

- a) The departmental head should submit a written application via the manager responsible for human resources management to the CEO.

- b) The application must state the reasons for abolishing the position and measures that must be taken to ensure that functions relating to the position would continue to be performed, if necessary.
- c) Ntinga will follow legal requirements as per relevant labour legislation in terms of dealing with any incumbents of posts to be abolished.

7.2 Job Evaluation in Paterson perspective

7.2.1 Each post will be evaluated in accordance with the agreed job evaluation system before any appointment is made to such post.

7.2.2 Where existing jobs that have been filled are evaluated, and the outcome of the grading differs from the current grading of the post, the following measures will apply:

- a) Employees whose currently salary notch is lower than the minimum of the applicable grade scale will be placed on the minimum of the applicable new salary scale.
- b) Employees whose existing total package salary is higher than the new grade maximum will retain their higher existing basic salary scale.
- c) Annual cost-of-living adjustments will be applied to the salary rate as retained by the employee.
- d) An employee who has retained his/her salary and scale, and who successfully applies for a promotion to a post with a grade maximum which is lower than his/her existing basic salary and scale, will continue to receive his/her existing salary and scale and annual cost of living adjustments will be based on his/her salary.

7.2.3 Positions that have been evaluated will only be re-graded where substantive and permanent material changes to the content of the post in respect of one or more of following has taken place:

- a) Responsibilities, tasks, activities and duties attached to the post.
- b) Frequency and complexity of work content.
- c) The application of a higher order of knowledge and know how than was previously required; and
- d) Identifiable factors increasing the physical or mental stress level.

7.2.4 Information demonstrating how these changes came about due to changes in the general context of work, or re-organisation of work relations should be submitted by the manager or employee requesting the re-grading of a post.

7.2.5 The Paterson system requires, written job descriptions that must be read and signed by job holders

7.2.6 Having written up job descriptions for all the positions, these jobs description are validated by HR then go to an Evaluation Grading Committee which proceeds to grade the positions. Firstly the position is located in a Band, depending on which level of decision making it falls into. It is then graded, high or low depending on whether it is supervisory or not, and finally sub-graded as described above. A job then has its final grade, A or B3, B5, etc. The Paterson system stresses that evaluation and grading assess the job content and not the wage assigned to each job, any job evaluation structure determines the basis of a wage structure.

7.2.7 Basic Principles

There are some crucial principles that apply with all grading events. Below are some of the most important key principles to keep in mind when grading.

- a) The process of job evaluation serves to ensure that jobs are fairly and equitably graded according to the relevant job factors (responsibility, impact, communication, etc) and reflect the internal organisational dynamics while sensitive to market trends on similar jobs.
- b) Job evaluation is about the level and weight of the job not about the incumbent or incumbent's performance or competencies.
- c) Job evaluation is not a promotion tool or a career enhancement tool and should not be used as such.
- d) The processes of job evaluation and re-evaluation are expensive and as such caution should be taken whenever data is collected to ensure that the possibility of re-evaluation on the basis of omitted data is minimized to the extent possible. Similarly the procedure defining when, how and under what circumstances will job evaluation requests be considered is outlined in the policy and must be extensively communicated to all employees.
- e) All job evaluation requests should be appropriately communicated with the rationale for the evaluation including all the appropriate documentation.

7.2.8 Jobs should be evaluated:

- a. When a completely new job is created or a dormant job that has not been

- filled/occupied for at least twelve (12) months is to be filled, or
- b. Typically once every three (3) years all jobs in the organisation should be evaluated. (It is expected that the lifecycle of most jobs is three (3) years in respect of dramatic changes to the job content and the job factors). As a practice job descriptions/profiles for all jobs in the organisation should be reviewed at least every year.
 - c. When new and substantive functions have been added or removed from the job.

7.2.9 Role players and their responsibilities are:

- a) Job Analyst
- b) Line Manager/Direct Superior
- c) Job Holder / Subject Matter Expert
- d) Grading Committee

7.2.10 Job Analyst

- a) Ensures that all details of the job are collected for evaluation.
- b) Ascertains that the job details as obtained are a realistic representation of all the job information.
- c) Cross checks and validates all information provided against a valid and up to date job profile.
- d) Benchmarks information with similar jobs in the organization and in the external market.
- e) Verifies data collected with current/previous jobholders, supervisors and other subject matter experts.
- f) Processes the information collected according to the job evaluation system and tools/software.
- g) Interprets results, provides reports and communicates same to the Job Evaluation Committee, supervisors/managers.
- h) Provides secretariat assistance to the Job Evaluation Committee.
- i) Conducts three yearly organization wide job evaluations.
- j) Pre-screens all evaluation requests and recommends appropriate action.
- k) Advises the committee of the implications of evaluation outcomes on the organizational structure, internal equity and the relations to similar/equivalent jobs.
- l) Recommends alternatives to evaluation requests that do not meet policy objectives.

- m) Recommends and facilitates job redesigns, enlargements enrichments etc
- n) Costs proposed job upgrades and implications thereof to salaries, incentive scheme and employee budget.
- o) Ensures the Job Evaluation Committee functions efficiently.

7.2.11 Line Managers/Direct Superiors

- a) Evaluate and recommend/not recommend a job evaluation request and inform the Department: Human Resources and the employee appropriately.
- b) Provide and verify job details provided by an employee.
- c) Recommend job redesign and other alternatives to evaluation requests.

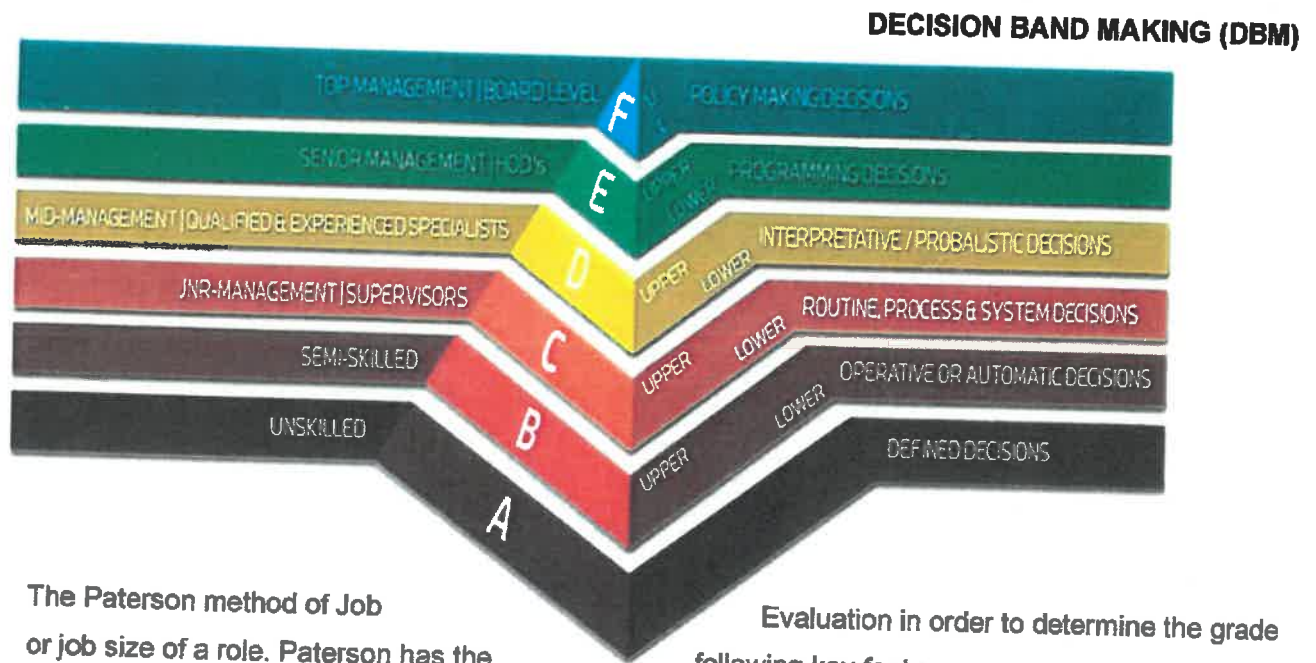
7.2.12 Job Holder / Subject Matter Expert

- a) Provide accurate job details.
- b) Provide any other job information that may not be covered in the job profile but has become a permanent feature of the job.

7.2.13 Job Evaluation Committee

- a) Quality checks on the evaluation and outcome thereof.
- b) Ensures that all pertinent job details have been considered in the evaluation.
- c) Ascertains the purported changes to the job that necessitates a job upgrade or down grade.
- d) Ensures consistency and internal equity in respect of jobs of equal value and responsibilities.
- e) Ensures that job evaluation process is fair and equitable.
- f) Ensures that jobs are not unduly over graded or under graded.
- g) Briefs Managers on their responsibilities and creates awareness in respect of roles of employees and the purpose of job evaluation.
- h) Manages the grievances emanating from job evaluations.
- i) Approves/disapproves the outcomes of job evaluations depending on the level of the job/post.

PATERSON GRADE HIERARCHY



- a) International system and is endorsed by the ILO (International Labour Organisation);
- b) Commonly used system in Southern Africa
- c) No regard for race or gender;
- d) Accommodates multi-skilling and broad-banding better than most other systems;
- e) Easy to understand, communicate and implement;
- f) Applies to all industry sectors, all levels;
- g) Aid to organisation design and development;
- h) Easy cross-reference to other systems of job evaluation;

There are seven major factors / dimensions to a Paterson Job Evaluation:

- a) Complexity
- b) Accuracy/tolerance
- c) Pressure of work
- d) Independence of operation
- e) Supervision given
- f) Consequence of actions/decision
- g) Competencies required

JOB EVALUATION & GRADING CORRELATION TABLE

PATERSON		PEROMNLS	TASK	JE MANAGER POINTS	TYPICAL HAY UNITS / RANGES	TYPICAL HAY REWARD LEVELS
CLASSICAL GRADES/ BROAD BANDS	SUB-GRADES					
A	A1	18/19	1	4-8	UP TO 72	4
	A2	17	2	12-17		5
	A3	16	3	21-25		6
B LOWER	B1	15/14	4	30-35	85-97	7
	B2	14/13	5	40-45	98-113	8
	B3	13	6	50-55	114-134	9
B UPPER	B4	12	7	60-65	135-160	10
	B5	12/11	8	70-75	161-191	11
C LOWER	C1	11	9	80-85	192-227	12
	C2	10	10	90-95	228-268	13
	C3	9	11	100-105	269-313	14
C UPPER	C4	8	12	110-115	314-370	15
	C5	8/7	12/13	120-125		
	D1	7	13/14	130-135		
D LOWER	D2	7/6	15	140-145	371-438	16
	D3	5	16	150-155	439-518	17
	D4	5	16/17	160-165	519-613	18
D UPPER	D5	5/4	17/18	170-175	614-734	19
	E1	4/1	18/19	180-195		
	E2	4/1	20/21			
E LOWER	E3	3/2	21/22		735-879	20
	E4/E5	2	22/24	880-1055	21	
	F1/F2	1	24/25	1056-1260	22	
F LOWER	F3	1+	25	1261-1800	23/24	
	F4	1++	26	1801-2550	25/26	
	F5	1++	26	2551-3580	27/28	

7.3 Banding Structure

There are six distinct levels of work within Ntinga as follows:

BAND	DECISIONS MAKING LEVEL	DESCRIPTOR	SUMMARY
F	Policy making decisions	Top Management	Corporate strategic direction and policy sign off
E	Programming decisions	Senior Management	Translation of corporate direction into organisation planning ,leads and manages the organisation or functional area functional area/s and Develops and recommends tactics and approaches needed to achieve functional and organisational objectives. Contributes to overall direction and strategy

D	Interpretative decisions	Middle Management And Specialists	Translation of organisation plans into functional plans and tactics Develops operational plans and oversees the implementation of work to achieve results. Develops and optimises systems and approaches.
C	Routine decisions	Supervisory And Junior Specialists	Applies some specialist technical expertise, gained through experience and vocational study.
B	Automatic decisions	Administrators And Technical Staff	Concerned with day-to-day administration in terms of clearly defined systems, procedures & routines and/or apply a routine, less dynamic technical expertise e.g. driving.
A	Defined decisions	Support Staff	Performs routine tasks e.g. cleaning/ messenger services /filing.

The description of portfolios as per above seeks merely to provide a broad framework to guide the decision banding method (DBM). The description is not exhaustive and not intended to be exclusive. Management is expected to use its insight where the portfolio seems not to fit fully the description provided above.

Senior management is defined as the first line of divisional/ departmental managers reporting directly to the CEO and falling under category E of this policy as outlined in the above decision banding structure.

7.4 Pay Scales

- 7.4.1 In developing appropriate pay scales the following factors shall be considered by Ntinga:
- a) The ability of the organization to recruit, retain and motivate staff in different categories at any particular pay market position.
 - b) Pay practices of private and public sector organizations with whom the organization must compete for skills.
 - c) The fact that Ntinga O.R. Tambo must, in certain areas, recruit skills in new areas of work internationally where there is a scarcity of local skills and knowledge.
 - d) The need to achieve a cost effective and economical payroll.
- 7.4.2 Ntinga O.R. Tambo shall participate in remuneration surveys that are deemed appropriate, in order to determine market remuneration levels.
- 7.4.3 As is generally the case in non profit seeking organizations, the policy for developing Ntinga salary scales shall be based on the lower quartile of the Industrial/Service market.
- 7.4.4 Where it is found that market premiums exist for certain categories of employees,

separate salary scales may be developed for those areas.

- 7.4.5 The pay scales shall be adjusted on 1 July annually by the percentage approved by the board, subject to the availability of budget.
- 7.4.6 The CEO will make a recommendation to the board with regards to the proposed increase. The board will make the final decision with regards to the increase based on factors including but not limited to the budget, related benchmarks, etc.
- 7.4.7 Once jobs have been graded and matching pay scale bands determined, any review of the job grade and pay implications thereof shall be approved by the Board of Ntinga.
- 7.4.8 Management is empowered to determine grading for new or redesigned portfolios having regard to the approved job grading and pay scales per this policy. All management graded portfolios must be presented to the Board for ratification.

8. REMUNERATION MANAGEMENT

8.1 Notches

There will be Minimum, Lower Guide, Midpoint, Upper Guide and Maximum notches for every Band and Sub-Band. All employees appointed within Ntinga should be appointed at the salary minimum for that post. Employees will only be appointed above the salary minimum point in exceptional circumstances, such as recruitment of scarce skills, etc. Such cases will be recommended by the Head of Human Resources Management through Head: Corporate Services supported by Chief Financial Officer and approved by the Chief Executive Officer.

8.2 Annual Increase Procedure

New pay scales will be developed annually in line with Ntinga Job Evaluation and Remuneration policy and procedure. These scales shall be used for employee annual salary review.

9. IMPLEMENTATION AND MONITORING

This policy will be implemented and effective once recommended by the Human Resource Committee and approved by Board of Directors. The human resources management section will be responsible for implementation and monitoring of the policy.

10. COMMUNICATION

The policy will be communicated to all employees of Ntinga using the full range of communication methods available to the entity and posted on the entity's intranet.

11. POLICY REVIEW

This policy shall be reviewed annually from its effective date to determine its effectiveness and appropriateness. This policy may be reviewed before that time as necessary to reflect substantial organisational etc. changes at the entity or any change required by law.

12. BUDGET AND RESOURCES

Targeted divisions/departments shall be responsible for budgeting for the implementation, monitoring and evaluation of the policy. Senior managers must take note of cost implications of the approved policy that should be borne by the respective divisions/department.

13. ROLES AND RESPONSIBILITIES

ROLE	RESPONSIBILITY
BOARD	<ul style="list-style-type: none">• Approves the establishment• Approves the JE system• Approves pay scales and increases
CHIEF EXECUTIVE	<ul style="list-style-type: none">• Recommends the establishment• Recommends a suitable JE system• Recommends pay increases
SENIOR	<ul style="list-style-type: none">• Request creation or abolition of posts• Supply job descriptions and job specifications
HUMAN RESOURCES	<ul style="list-style-type: none">• Custodian of organisational design, job evaluation and remuneration• Keeps record of approved structure• Keeps record of job descriptions• Facilitates grading process through approved system

14. RECORD KEEPING

All grading documentation and pay scales will be kept by the corporate services.

Changes in salaries of staff are kept in the amendment file and filed on the personal file of the employee by the HR department.

15. PENALTIES

Non-compliance to any of the stipulations contained in this policy will be regarded as misconduct, which will be dealt with in terms of the Disciplinary code and procedure.

16. DISPUTE RESOLUTION

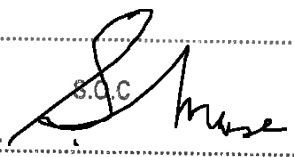
Internal dispute resolution processes shall be followed in the event of any grievances and disputes arising out of the implementation of this policy.

17. AUTHORITY

FORMULATED BY:  DATE 19/01/2021

CEO RECOMMENDATION:  DATE 19/01/2021

BOARD APPROVAL: DATE 19/01/2021

BOARD APPROVED COPY
NTINGA O.R. TAMBO DEV. AGENCY
Date:.....

Signature:.....