



PORT WORK DEVELOPMENT PROJECT

Consolidated Stakeholders Workshop:

'Planning Together a Project That Services Our Needs'

Durban Container Terminal Auditorium 4th Floor Parkade, 22-23 September 2011

Background

The South African Port Work Development Project was designed and developed to boost industry competitiveness of a key transport industry player in South Africa, namely Transnet. In response to competitiveness challenges at Transnet, the organization has undertaken numerous efforts in recent years to boost productivity of its port operations and improve workplace relations. Against a background of continued competitiveness challenges, an agreement was signed between the International Labour Organisation (ILO) as implementing agent, Transnet (Durban Container Terminal, DCT) as the ports authority and operator, and the Flemish government as the donor.

This ILO-Transnet project intervention mix aims to include a combination of social dialogue initiatives, workplace improvement measures and port worker skills development toward the development objective of 'creating decent employment for men and women'. A number of consultations had taken place between the ILO and relevant stakeholders in the creation of the project document which serves as the basic agreement between the ILO, Transnet and the Donor. Consultations were also made with Labour and DCT Management representatives in August and September 2011 regarding the intervention mix. Labour constituents are represented by two unions namely SATAWU (South African Transport and Allied Workers Union) and UTATU (United Transport and Allied Trade Union), and management by the DCT sector. As a result of separate consultations with stakeholders it became clear that a consolidated stakeholders' workshop was required to discuss and co-create the intervention mix and to create a platform for social dialogue on the complex challenges faced by DCT port workers, users and clients and other stakeholders.

The first consolidated stakeholder workshop was scheduled to take place on 23rd – 24th August 2011. However, the workshop could not continue at the time as a key stakeholder, workers' union SATAWU, withdrew from the process citing the need for another project information sharing meeting with SATAWU National, the ILO and Transnet Management. An information sharing session was thus held with the relevant stakeholders at the ILO Pretoria office on 6th September 2011. At this session there was an agreement by all parties present to proceed with the consolidated stakeholder workshop which was subsequently scheduled for 22nd – 23rd September 2011.

The main objectives of the consolidated workshop were thus to bring (for the first time) the different stakeholders – i.e. Labour, Management, Donors and ILO – together to gain a shared understanding of the project, to jointly provide inputs into the design and planning of measures and activities of the project, and lastly to achieve a shared ownership and commitment to the project.

Each workshop participant received a workshop booklet on the first day of the proceedings. The workshop methodology was highly participatory and interactive. This was based largely on the premise that each participant held valuable information, insight and experiences that could be relied upon to achieve the workshop aims. In this regard group constellations were ever-changing throughout the two days and were randomly formed through a card system (controlled by the facilitators) which allowed for group variation and stakeholder diversity. There were only two presentations made during the two days, one by the ILO Chief Technical Advisor (CTA) and the other by a Durban Container Terminal (DCT) client, and the rest of the outputs were produced by workshop participants themselves.

The content of this report provide only the outputs produced by workshop participants during the two days of deliberations. These outputs are supported by visual representations provided by a member of the facilitation team.

The workshop was formally opened by Neeran Ramjathan, the project's Chief Technical Advisor (CTA), from the ILO. In his opening message the CTA reiterated the need for social dialogue and for all stakeholders to jointly contribute to the creation of the Port Work Development project implementation strategy. The CTA also raised the following four areas that have a critical impact on the project:

- i) Expectations of the workshop;
- ii) The project timeframes;
- iii) The non-negotiables;
- iv) The way forward.

Ramjathan then continued to share his ideas on the elements listed above.

I. Expectations of the workshop:

- It is an important opportunity to jointly craft the project.
- Through social dialogue, at the end of the workshop, we could collaboratively provide more structure to the project and provide some of the main building blocks to be used as the foundation of the project going forward.

II. The project timeframes:

- To date most of the activities, including separate consultations and information meetings with different stakeholders, have been part of the preparatory phase of the project;

The next phases will constitute the diagnosis, design and planning phases which may continue up to the end of 2011, and thereafter implementation should start in earnest over another year or so.

III. The non-negotiables:

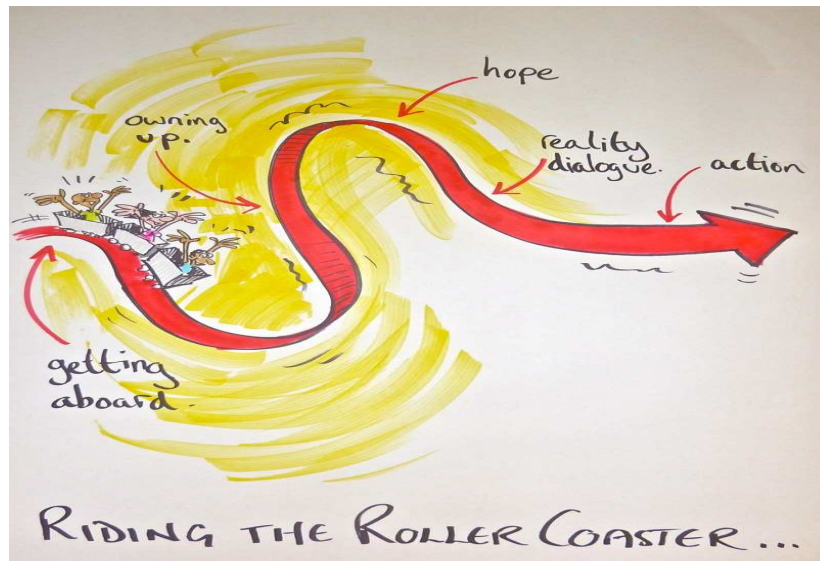
- The CTA mentioned upfront that there is already a signed agreement for this project between the ILO, Donor Agencies and Transnet. What this means is that some of the parameters of the project are already defined, such as for example including the following:
 - There is a defined amount of money made available by the donor for the project.
 - The project has a timeline of two years for Phase I and if successfully implemented there is an option to approach the donor for further funding and the possibility of spreading the project to other Port Terminals in South Africa and in the Southern Africa region.
 - There are four project outcomes, as detailed in the basic agreement, and this should remain intact. However, there is room to jointly co-create activities and activity clusters.
 - This project will not run in isolation of other relevant DCT/Transnet transformation projects, but it should rather dove-tail with these efforts and initiatives, of particular relevance are initiatives of the People Transformation Project. This project will be guided by a Steering Committee comprising of representatives from ILO, Transnet Management, SATAWU and UTATU. The relevant monitoring, reporting and evaluation mechanism will be instituted.

IV. The way forward:

- At the end of the workshop, it would be critical to have concrete building blocks that will help all stakeholders to build a project plan for the immediate next steps.
- The project will be working closely with the People Transformation Project team.

Following the introductory remarks by Ramjuthan, the facilitators introduced the workshop agenda and proceedings. They read out the objectives of the workshop and laid down the ground rules to which all participants agreed. The facilitators then hypothesised that participants may “ride the roller coaster” during the two-day interactions. It may be that at first, everyone will get on board and may then experience despair, followed by owning up to the challenges, then reaching a high point of hope from where reality may sink in and the situation may stabilize in a

drive towards action. A visual display of the hypothesis as captured by the graphic facilitator is depicted in the following picture.



Participants were thereafter asked to express their ambitions about Durban Container Terminal (DCT) and explore their willingness to contribute towards the economic prosperity of South Africa. This statement was metaphorically captured in the following illustration symbolising the strategic contribution of the people – i.e. DCT employees – in upholding the flag pole – i.e. DCT, which makes a significant contribution to the South African economy and welfare – i.e. the flag.



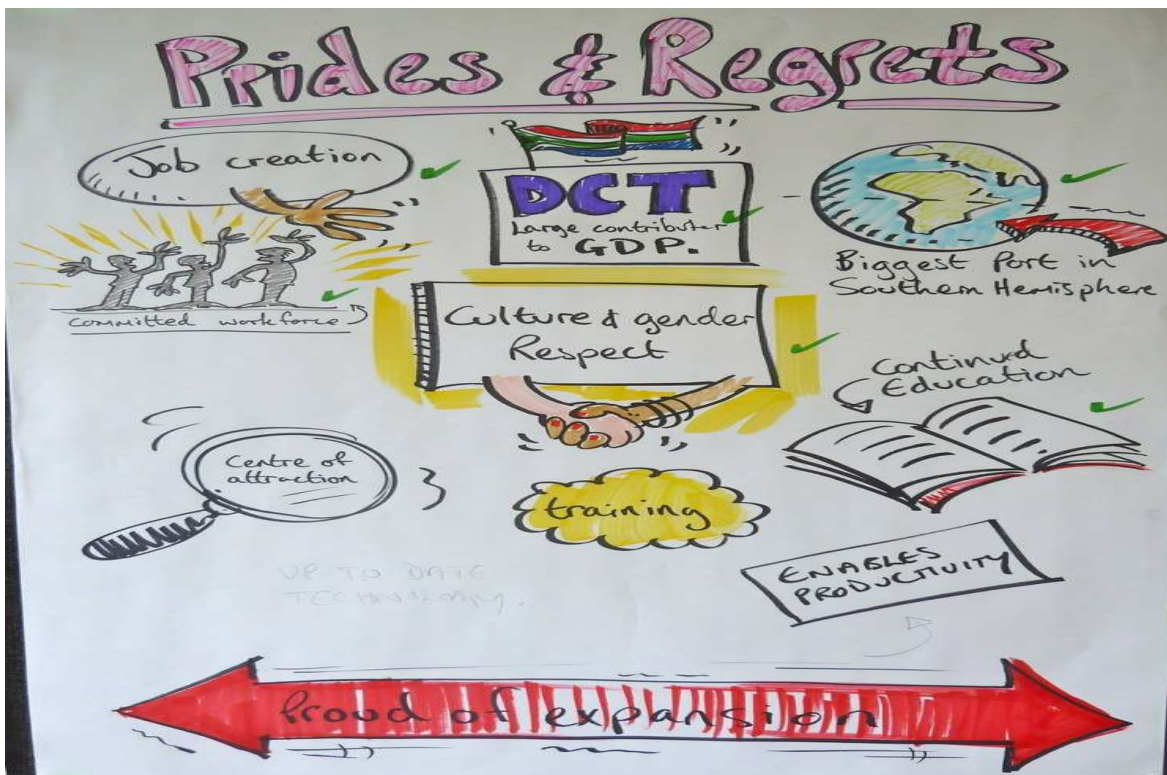
The above exercise was conducted in a group setting and served as an 'ice-breaker'.

DAY 1

The facilitators introduced the workshop programme to participants and introduced the themes for discussion on Day 1. The outcomes of these deliberations are captured below.

a. Prides and Regrets

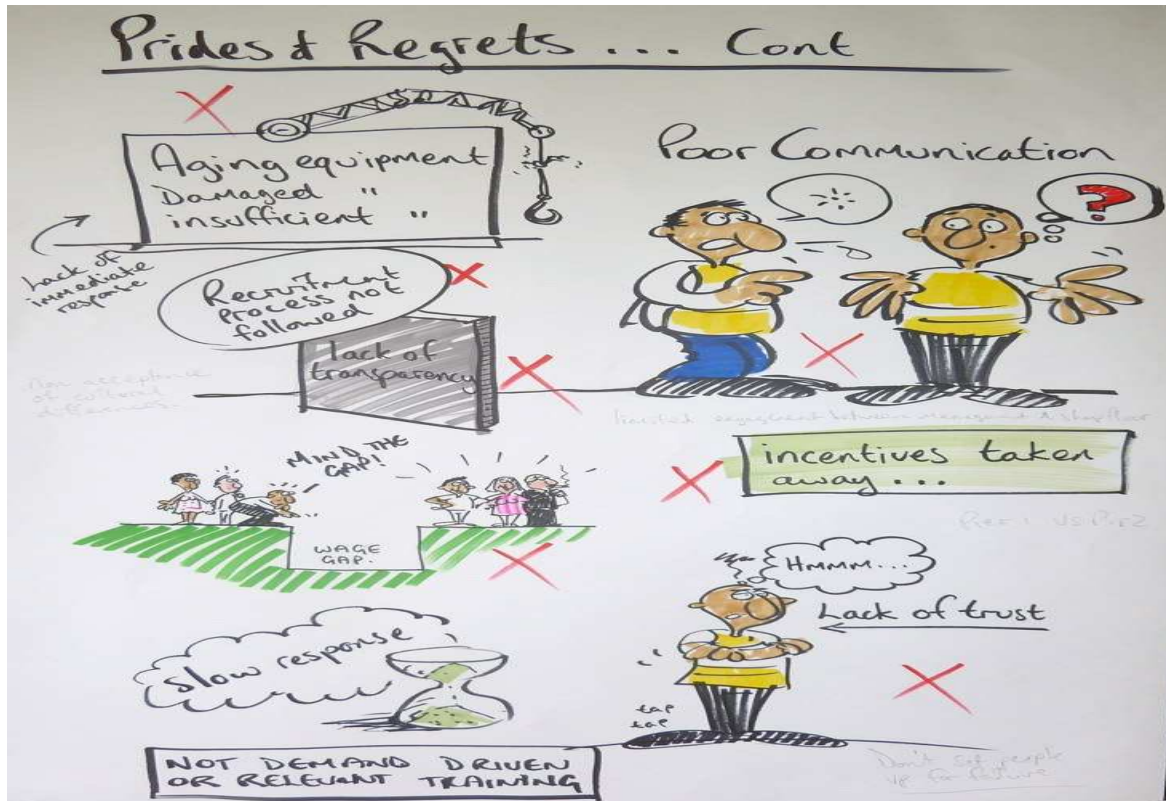
Participants were divided into random groups and asked to identify their positive (prides) and negative (regrets) experiences with DCT. Participants reported back to plenary and all participants were given a chance to 'vote' on the outputs of all the groups' feedback. The prides and regrets below are listed in the order of the ratings, i.e. from highest to lowest, and the number of votes per item is also indicated. **Prides**



1. DCT makes a significant contribution to the country's GDP (31 votes)
2. DCT offers opportunities for growth, development and employment (including assistance to employees to further their education / training) (28 votes)
3. DCT offers job security and promotes social responsibility (23 votes)
4. DCT has significant job creation capacity (15 votes)
5. DCT is the "centre of attraction" in the country (8 votes)
6. DCT expansion enables a more productive working environment (9 votes)
7. There has been increasing appointment of women at DCT (7 votes)
8. DCT has a committed work force (6 votes)

9. DCT is the biggest port terminal in the country and handles large volumes (5 votes)
10. DCT recognizes diversity of culture and gender (3 votes)
11. DCT uses up-to-date technology (1 vote)

Regrets

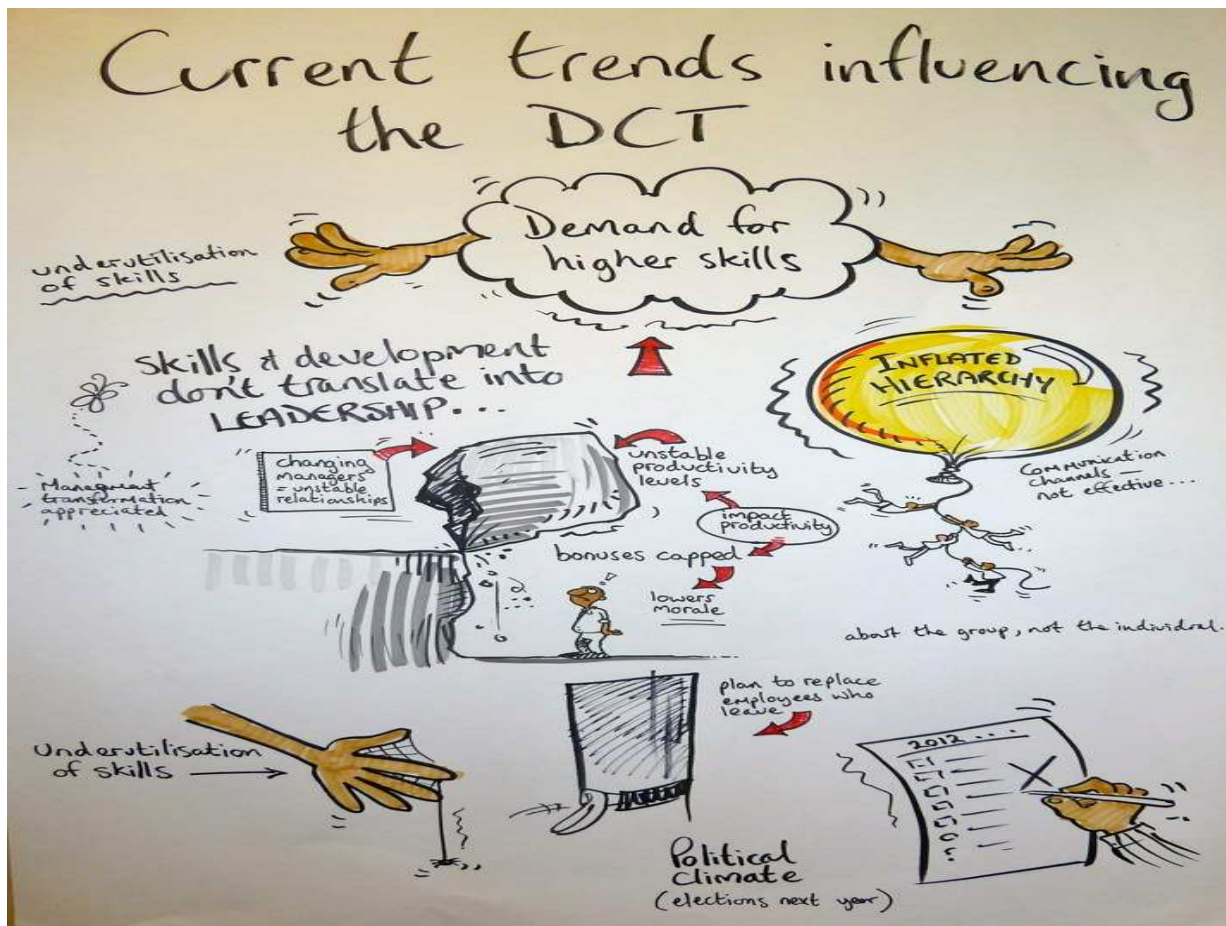


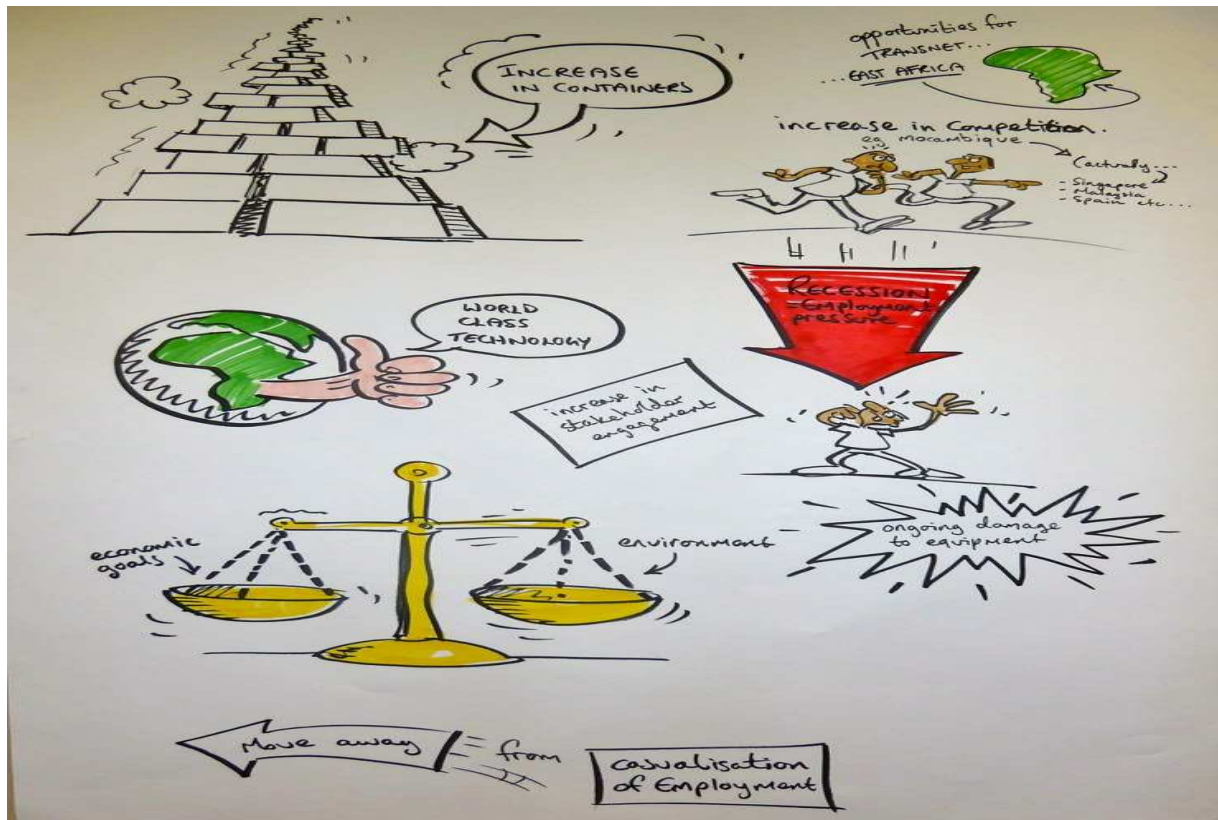
1. There is a lack of immediate response in the replacement of ageing equipment at DCT (investment is made after demand/equipment is often insufficient) (34 votes)
2. Incentives bonuses have been taken away from some units (28 votes)
3. The workforce culture is often challenging – mistrust and lack of accountability prevail (16 votes)
4. There is a divide between Pier 1 and Pier 2 employees (15 votes)
5. DCT does not operate at optimum productivity (13 votes)
6. The recruitment process at DCT is not always followed properly (11 votes)
7. There is a wage gap between grades, e.g. DAV and OLE (8 votes)
8. Cultural differences are often not embraced or accepted among DCT colleagues(5 votes)
9. Non-implementation of signed agreements (4 votes)
10. Training is often not related to or realized in career paths of employees (4 votes)
11. There is interference from external parties, e.g. labour brokers (4 votes)

12. There is limited engagement between Management and the shop floor, often due to poor communication (3 votes)
13. There is damage to equipment due to lack of ownership and lack of discipline among some in the workforce (3 votes)

b. Trends at DCT – random listing (no ratings given)

The group constellations were changed and participants were asked to commonly identify the current trends that shape the development and future of DCT. These trends should be considered in the project implementation. Participants reported back to plenary. The trends are listed below in no specific order as ratings were not assigned.



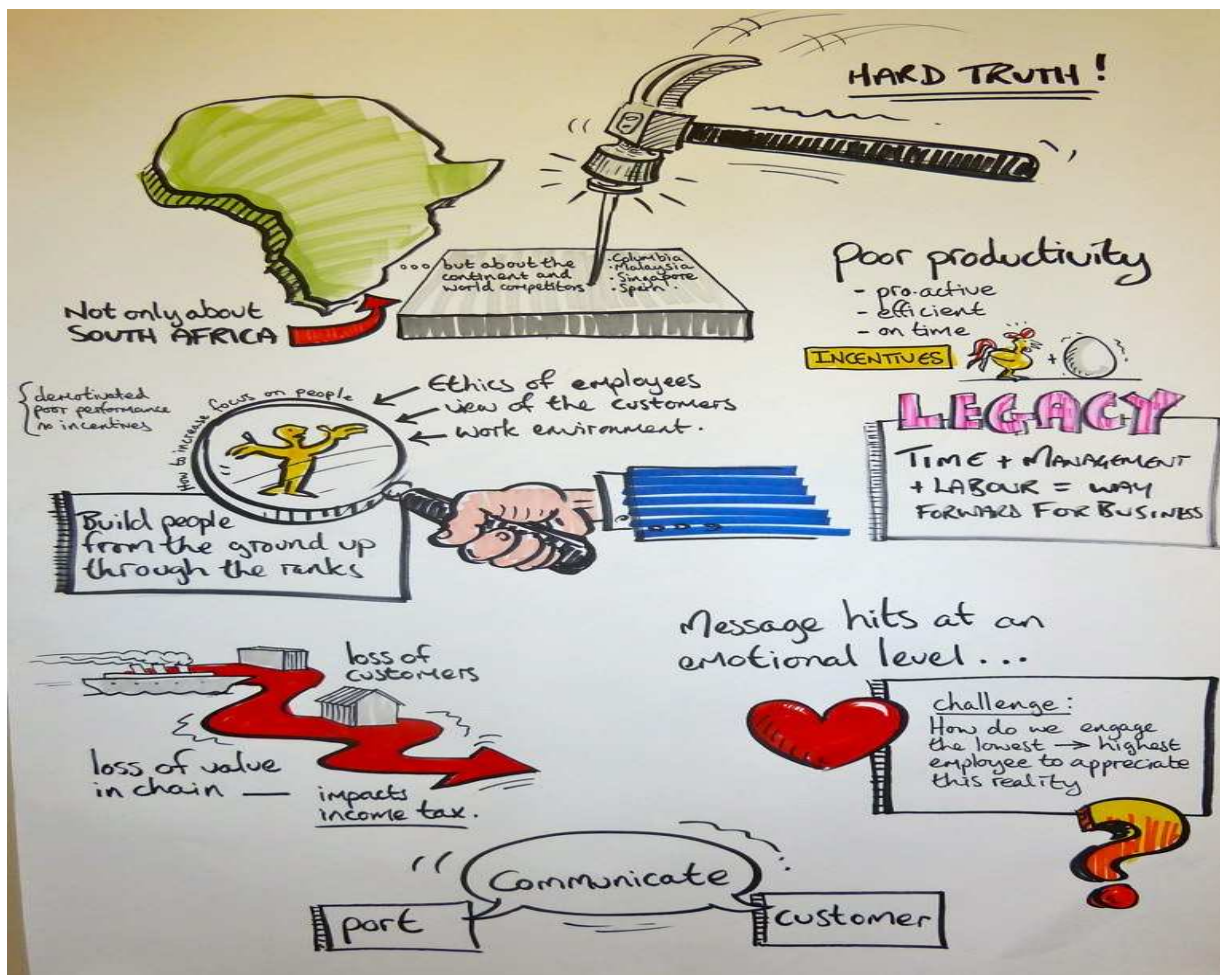


- There has been significant growth in ship sizes and volumes at DCT and certain pressures associated with this growth.
- There are trends towards increased containerization.
- A trend not found very favourable among some participants, is that opportunities are presented to external parties first and internal parties are often not considered.
- There have been government indications that TPT could manage port operations in Kenya and Tanzania – this may present opportunities to DCT employees.
- The economic recession has and continues to impact negatively on performance and growth at DCT.
- The transformation at management level is a welcome trend.
- Higher skills levels are demanded in the changing economic climate and this could lead to further people development.
- There have been more employment opportunities.
- There is an increasing need to balance environmental and economic goals.
- DCT is moving toward the use of world class and the latest technology.
- There has been an increase in stakeholder engagement.
- A concerning trend is the non-enforcement of safety compliance rules.
- The trend in constant changing of management structures impacts on relations and productivity.
- Political trends may determine moves towards privatization.
- There are definite trends towards increased competition from international players.

- A concerning trend is the under-utilisation of technical skills of some DCT employees.
- Trends of poor planning in employee replacement lead to delays and impact on quality.
- The non-payment of bonuses led to definite declines in productivity and efficiency, and further led to a decline of employee morale.
- There have been trends of unstable productivity levels.

c. The Voice of the Client

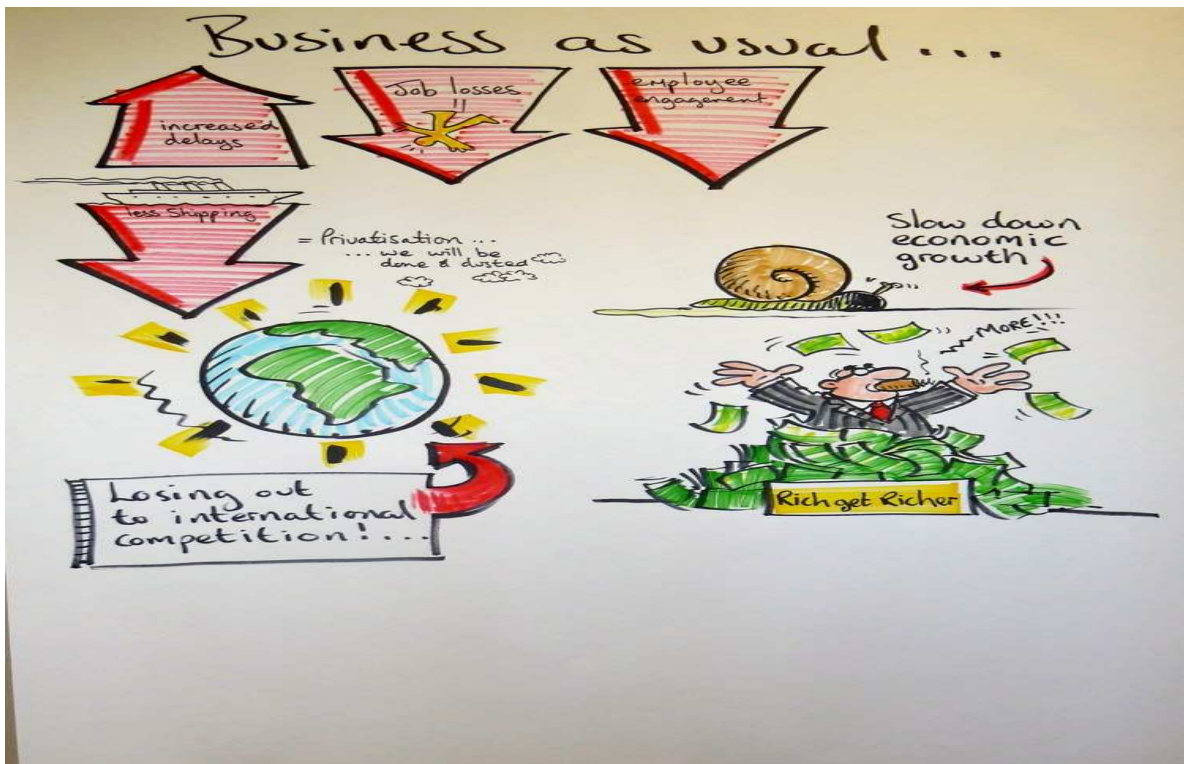
The picture below illustrates the inputs and critique presented by Andrew Thomas, CEO of Ocean Africa and a client of DCT.



The client's presentation was well received by participants and presented an opportunity to jointly reflect on the inputs and draw conclusions for further proceedings.

c. If We Do Not Manage To Get This Right

Following the presentation by the client, participants were divided into different groups again and requested to deliberate on scenarios of “just doing business as normal”. Below is a summary of the outputs that were clustered during the plenary feedback sessions. The feedback below is not listed in any particular order or priority.



- Business as usual will result in increased delays, which will further lead to decreasing volumes handled at DCT, leading to less customers and eventually job losses. It is a self-perpetuating cycle and not desirable for anyone in the value chain.
- If we do not manage to get it right, economic growth may slow down and given the strategic economic importance of DCT to the country's economy, it will affect South Africa's economic muscle.
- Business as usual will mean loss of competition to international competitors and decreases in the number of shipping line visits .
- If we do not manage to get it right, there will be a decline in employee engagement.
- Business as usual will mean the rich will become richer and the poorer will become poorer.
- Business as usual may lead to privatization, which neither Management or Labour want to see happen.

d. How we tackled change in the past: Recommendations for Change

Moshe Motlohi, manager of the DCT Transformation Project Unit, provided a brief overview of previous change initiatives and projects that DCT engaged in. He shared his perspectives on those initiatives and brought participants on the same page as to what came out of previous initiatives, what proved successful and what not. Participants were requested to take down their own notes which they later shared in their assigned group.

The following drawing captures the inputs from Motlohi and feedback from participants.



The recommendations for future transformation projects below were presented by group spokespersons during the plenary sessions. The recommendations are listed in no particular order or priority.

Future change initiatives should:

- Focus on increased participation and connection between Management and the Shop Floor. This will involve
 - Structured communication that addresses all levels
 - Engagement and full participation at a functional level
 - Synergy and team work emphasizing that everyone has a role to play
- Keep away from egos, pride and selfishness. The focus should not be on claims for glory.
- Develop a common vision.
- Pay due attention to change of mindsets at the ground level. This may comprise of
 - Employee recognition and appreciation which may stimulate healthy competition
 - Setting up mini businesses that involve employees in decision-making and the shaping of their future
 - Capacity building through exposing employees to other companies and organizations
 - Training and development seen through from start to finish, and which will not only reduce accidents but also lead to career progression
- Ensure that all team members participate fully and have ownership of the initiative.
- Champion changes in management focus and measurement targets.
- Develop sustainable measurement systems and targets that are relevant and aligned to customer business requirements.
- Involve a *GEMBA approach*: Go look and see, ask why and show respect.
- Involve an acceptable bonus incentives scheme that is benchmarked on the Pier 1 scheme.
- Recognise that top-down approaches to change often fail. Sufficient buy-in is required from all parties.
- Pay due attention to social dialogue and work at strengthening Management-Labour engagements.
- Pay attention to employment equity.
- Involve the Six G's and reward team work.
- Continue with Skills Development Programs as it provides relevant skills.
- The process should be transparent and fair.

At the end of Day 1, the facilitators used the visual representations posted on the venue wall to provide an overview of the day's proceedings and the content covered.

Day 2

At the start of Day 2 of the workshop, the facilitators highlighted key outcomes of Day 1 and presented an overview of Day 2's proceedings. The discussion themes and outcomes are captured below.

a. Ten Things That We Can Build On

For the first activity of Day 2, participants were divided into random groups and asked to identify the good from the past and present which future change initiatives at DCT can use as a foundation. The feedback reports of the groups were presented by spokespersons during the plenary session, after which everyone was requested to vote on the importance of the building blocks presented. These are listed below in order of the ratings each received. The 'votes' of each are indicated next to the item.

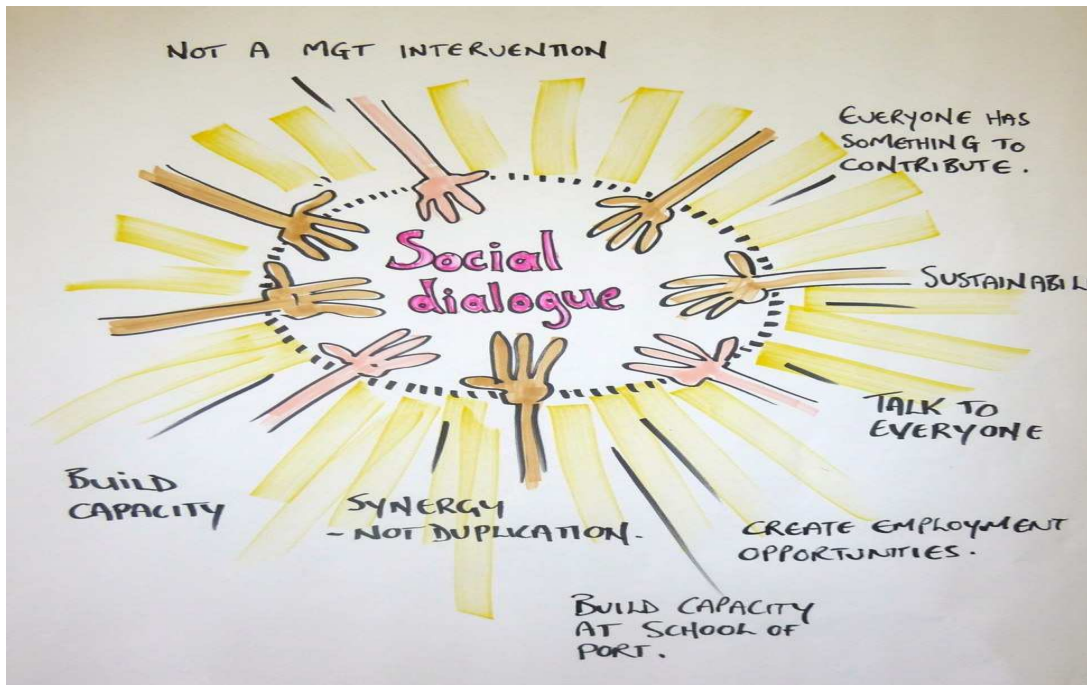
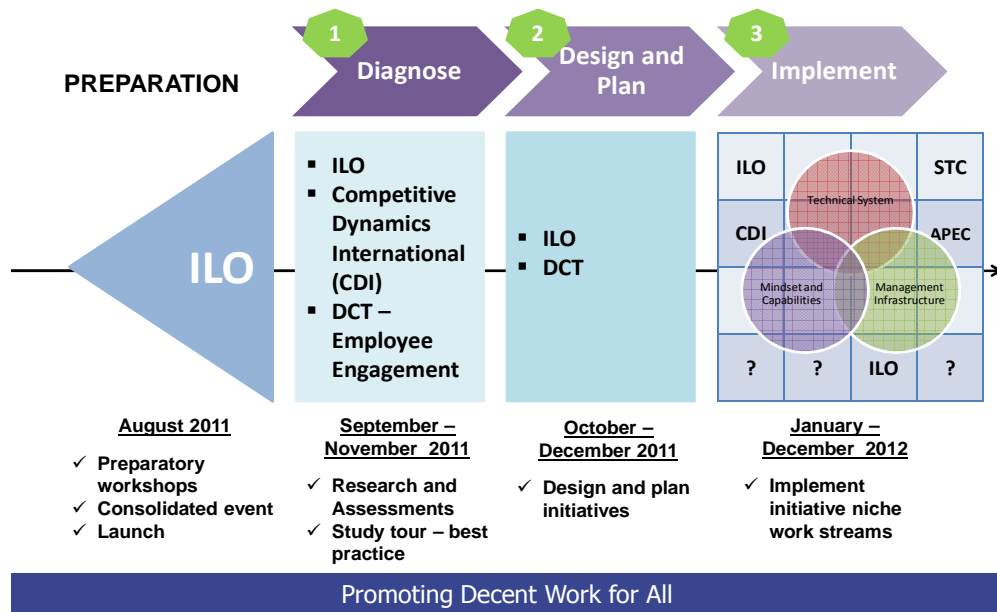
1. An incentive bonus that is acceptable to both Pier 1 and Pier 2 (46 votes)
2. A focused maintenance strategy and equipment replacement programme (33 votes)
3. Frontline engagement: employee engagement and full participation by Management and Labour in change initiatives(23 votes)
4. Information and knowledge sharing (14 votes)
5. Team work (11 votes)
6. System drivers – self-dispatching ('the Cosmos way') (6 votes)
7. Employee wellness (a success of the past, but currently a problem area) (6 votes)
8. Adherence to safety measures (3 votes)
9. Review what 'has made us good in the past' and build on that (2 votes)
10. Strengthen internal social dialogue to resolve productivity issues (1 vote)

b. Presentation by Neeran Ramjuthan – Vision for the Upcoming Project Phase

Neeran Ramjuthan presented the perspective of the authors and designers of the original project document. He shared the overall and immediate objectives of the project as a basis for discussions by participants on what they envision for the next project period. His presentation is captured below, followed by a graphic presentation of Ramjuthan's views as captured by the facilitator.



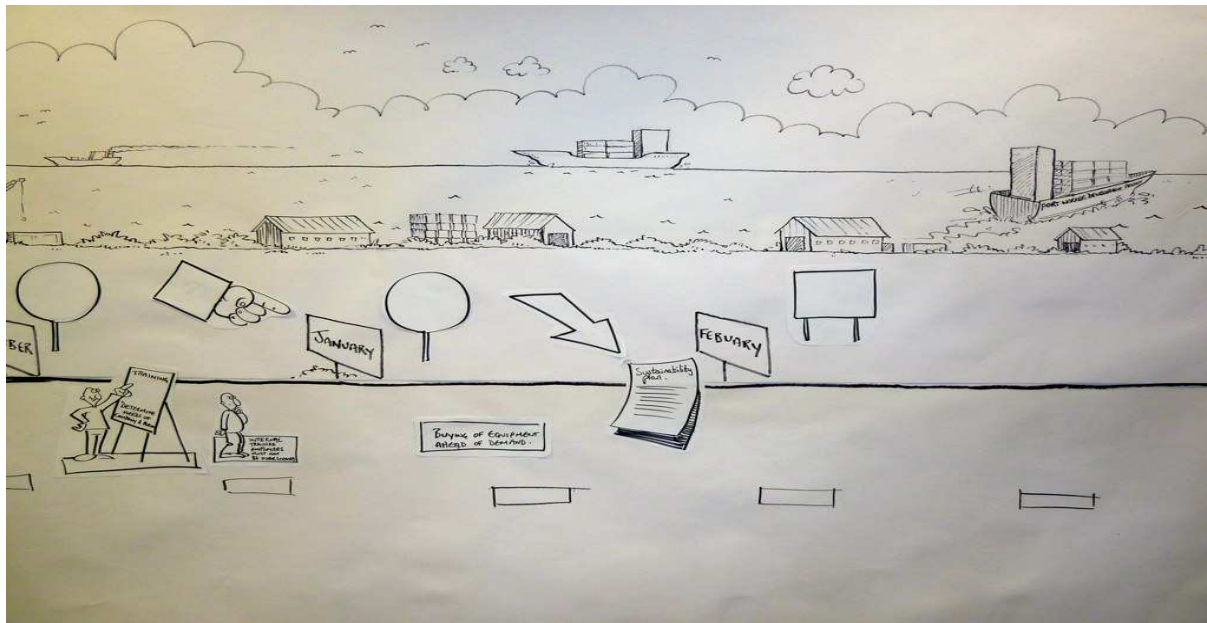
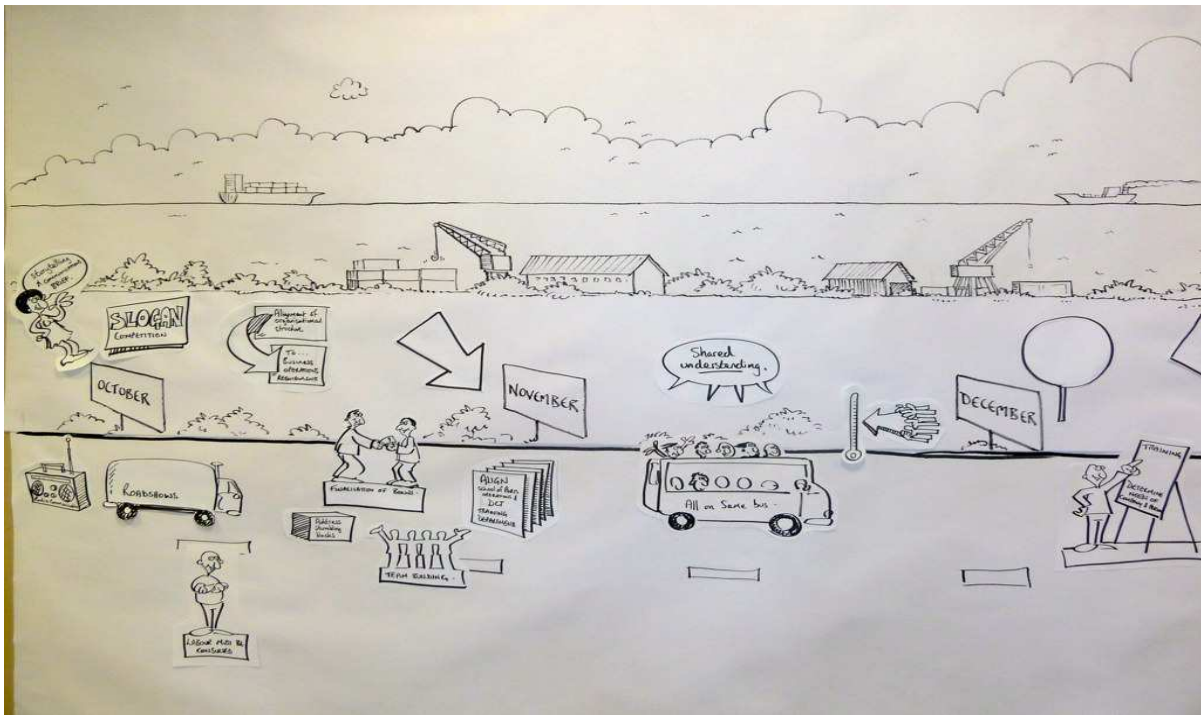
INTERNATIONAL LABOUR ORGANIZATION



Following the presentation by Ramjuthan, participants were divided into random groups again and jointly crafted their variations of the vision for a successful project planning phase. They

were requested to identify milestone activities from October to December 2011, which will set the tone for implementation in 2012.

The drawings below illustrate the milestones for the project implementation as envisioned by the groups on a “vision board”.



c. Our Rules of Engagement

Following the above session on deliberations about the project's vision and milestones in moving toward that vision, participants were divided into random groups again and asked to think about and draft their own guiding principles to articulate their commitment to collaborate in this project. Participants were particularly encouraged to incorporate the following central issues, i.e. (a) what makes this project particularly worthwhile and valuable?; (b) what aspects and behaviours do we need to respect and hold up to make this project successful?; (c) what culture and values do we want to observe and nurture in taking this project forward?; and, (d) how do we want to deal, interact and communicate with each other?

Spokespersons reported back to plenary and all participants' views were requested on the "rules of engagement". The rules acceptable to all are listed below in no particular order or priority.

We commit to engage in social dialogue in the interest of all stakeholders.

We are committed to engage and treat each other with respect and dignity irrespective of levels.

We commit to participate fully in this initiative and follow through for the success of DCT.

We commit ourselves to honesty and integrity.

We will improve communication between Management and Labour. Communication will be open, honest and regular.

We will set clear goals and targets and work according to a common understanding.

We will *live* TPT values.

We will ensure that all employees are involved in the process.

We will make sure that *issues* are addressed and not *individuals*.

We will ensure the promotion of good work ethics.

We will ensure the alignment of our 5 focus areas, i.e. safety and health, cost, quality, people and speed.

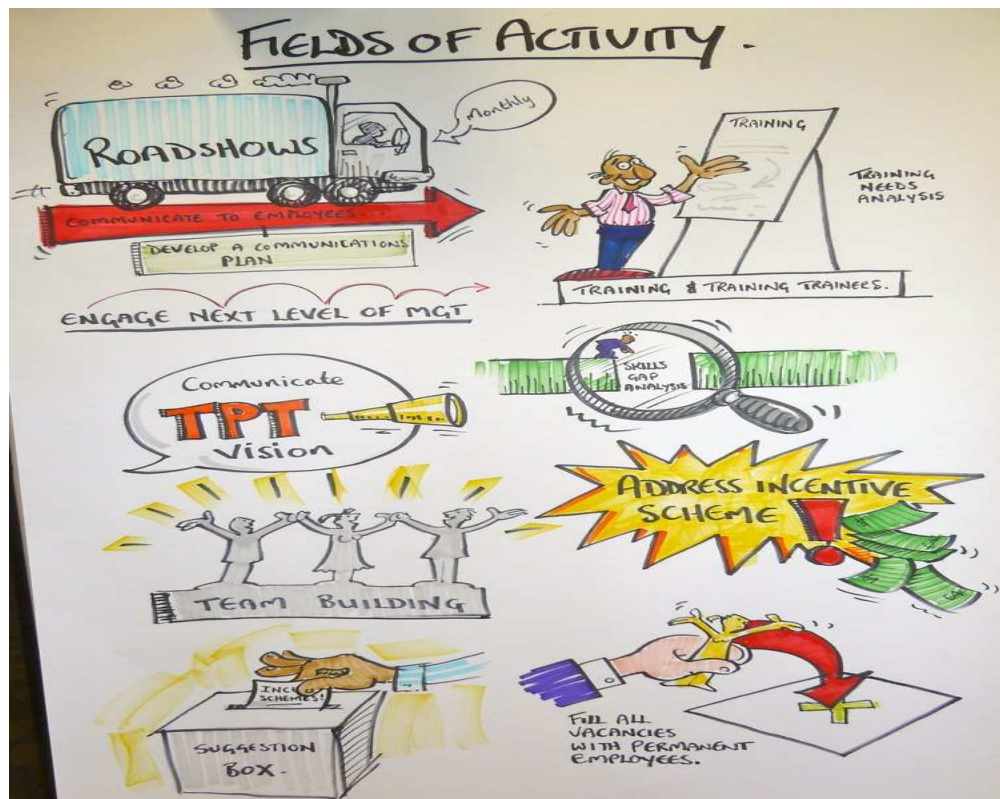
We will adapt to new ideas and innovations which lead to change.

We will deliver on our promises. We are committed to the success of this project.

d. Fields of Action for October to December 2012

Participants were thereafter requested in their groups to discuss topics and issues to be addressed during the next three months of the project planning phase. Group outputs were presented during plenary and all participants were given the opportunity to vote for their three most important activities. The fields of action are listed below in order of the ratings assigned, which is from the highest to the lowest. The number of votes is also provided in brackets next to each item.

1. Set-up engagement structures (30 votes)
 - a. Engage next level of managers and employees
2. Implement the incentives scheme (29 votes)
3. Develop a communications plan, e.g. monthly road shows, suggestion boxes, communicate TPT vision, team building (17 votes)
4. Do a training needs /skills gap analysis across grades and functional areas (14 votes)
5. Provide training and train trainers on the new work system (9 votes)
6. Develop focused asset care strategies to improve equipment reliability (9 votes)
7. Fill all vacancies with permanent employees (9 votes)



e. Measures and Solutions

During this last deliberation session, participants were given the opportunity to join their most relevant subject group to discuss objectives for the fields of action identified above. The groups were requested to formulate pragmatic and feasible objectives for each field of action. The objectives are listed below including the relevant milestones, measures, and task/role assignments. The fields of action and related objectives are listed in no particular order.

Field of Action: Training

Objective: To identify the gaps that prevents us from being a world-class business

- Identify the leadership (mid-October 2011), DCT
- Train leadership on benchmarking (ILO, SPO, Nov 2011)
- Leadership benchmarking in teams to identify the gaps (Nov 2011, DCT)
- Train leadership to become trainers / coaches to close the gaps
- Acquire baselines for diagnosis to determine where we are now (4 weeks)
- Provide feedback on the diagnosis during 5th – 7th December 2011
- Train team members, 16th January 2012
- Train supervisors on the 5 Focus Areas, i.e. speed, cost, safety, people, quality

Field of Action: Communication

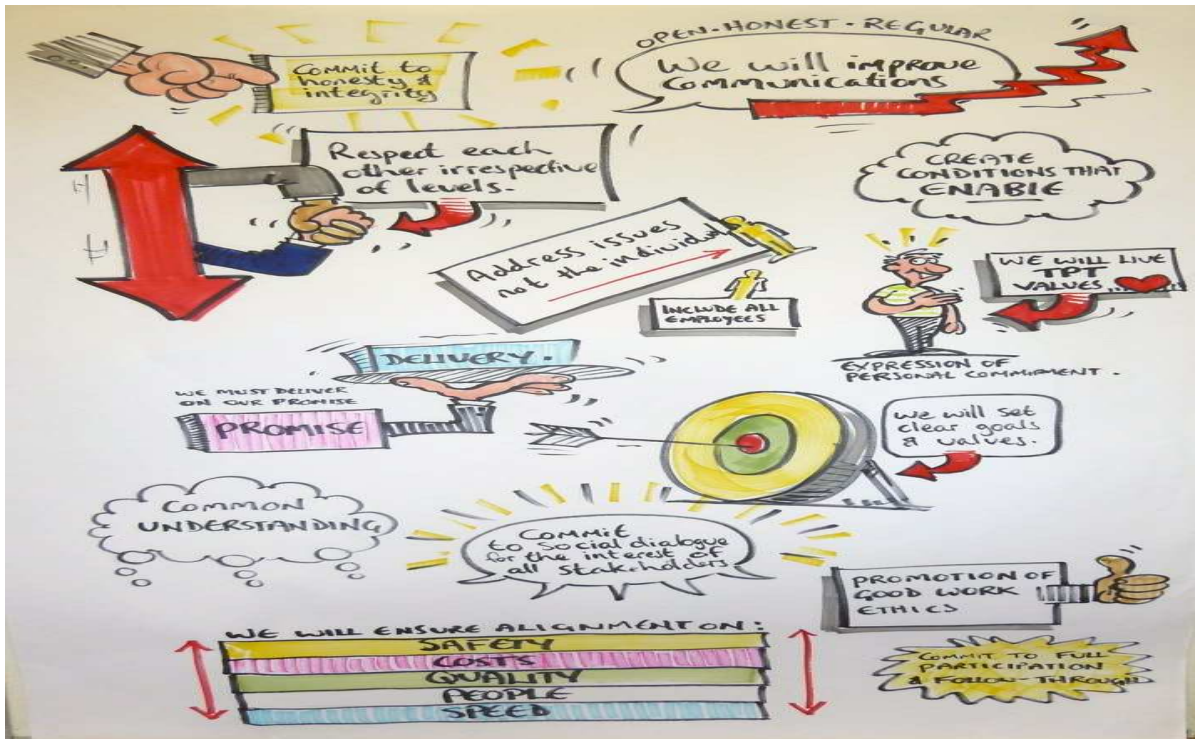
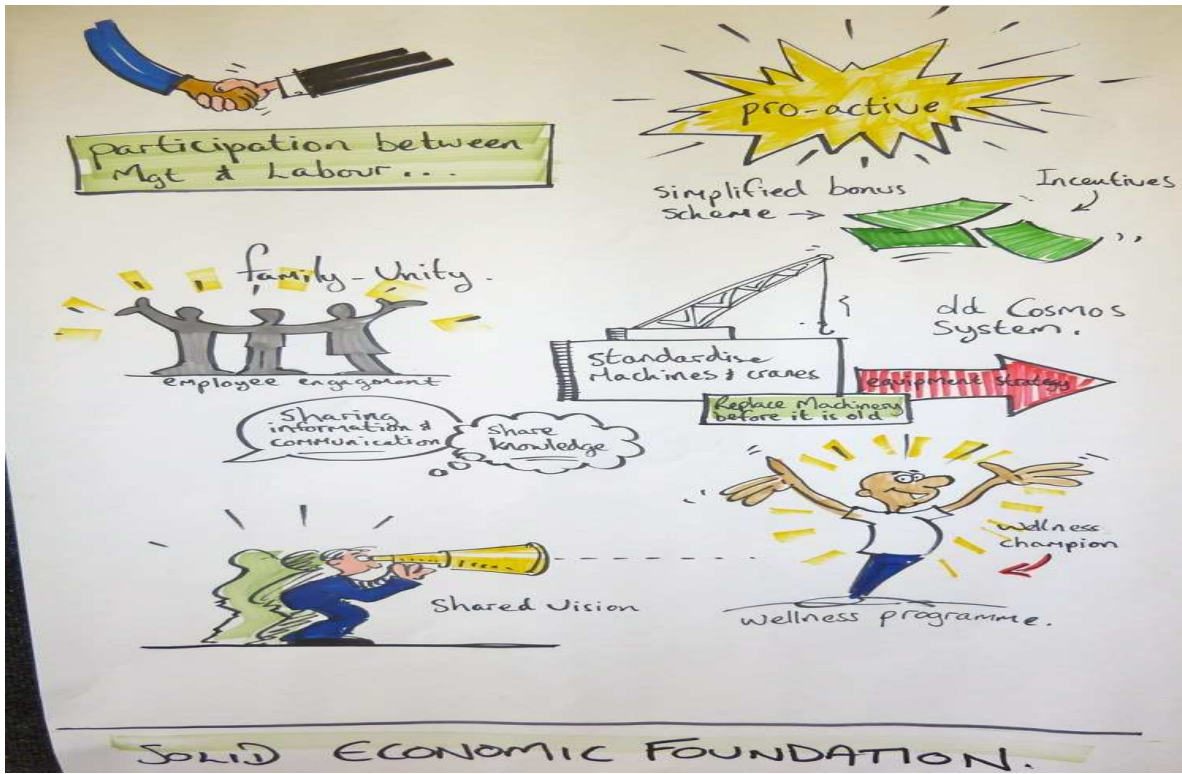
Objective: To create information platforms through structured engagements

- Engage Labour (LBC) and jointly develop a communications plan (90% attendance at road shows), DCT
- Agree on timelines for information roll-out (Labour to Employees, Labour and Management)
- Agree with Labour on a communications strategy

Field of Action: Social Dialogue on the Incentive Bonus Scheme

Objective: ILO to facilitate dialogue between Labour and Management regarding the incentives scheme. Re-introducing the incentives scheme will motivate employees to increase current productivity levels. [Included in feedback from this group were objectives to “commit to norms per berth and not per vessel type”, to maintain the 14th cheque payment, and the hosting of a workshop on calculation methods for the incentives scheme. ILO mentioned its willingness to facilitate social dialogue on the incentive bonus scheme, but mentioned it cannot commit to the latter three objectives as all those are internal DCT matters that do not fall within the purview of this project].

Some of the measures and solutions are graphically illustrated below.



Closing Remarks by <i>Moshe Motlohi (Transnet, TPT) and Neeran Ramjuthan (ILO)</i>

The CTA formally closed the proceedings of the two days and invited Moshe Motlohi (Transformation Project Unit, TPT) to also provide closing remarks. At this stage Moshe Motlohi introduced Sybrand Fourie of Competitive Dynamics International as the consulting house that was going to be responsible for the introduction of Mission Directed Work Teams to Durban Container Terminal, as an initiative of the transformation project unit.

Finally Neeran Ramjuthan thanked the facilitators, the ILO Programme Office and all participants for their valued inputs over the two days. He also committed to raising the issue of the incentive bonus scheme as an agenda item to the Project Steering Committee that was scheduled to take place on 26th September 2011.

Annexes

Annex 1: Workshop Booklet (including Content and Agenda)

Annex 2: Attendance Register

Annex 3: ILO Chief Technical Advisor Project Overview Presentation

Annex 4: Workshop Evaluation Summary
