

People

The bodies that govern issues discussed in this section are the transformation committee, the safety and sustainable development committee and the human resources, remuneration and nominations committee. These are discussed in the governance section (page 96).

Employees

To maintain a workplace that satisfies the requirements of employer and employee, we have systems in place for, training, development and retention, equity, safety, health and wellness.

Training, development and retention

At Kumba we understand the critical importance of retaining and maintaining a quality workforce, and the need to transform the workforce profile. These factors impel us to:

- Recruit suitably skilled people
- Train and develop our existing workforce
- Retain our employees by appropriate remuneration and reward systems
- Maintain a representative workforce.

We are guided by human resource development and employment equity policies.

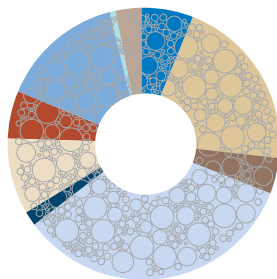
Employee movement – 2007

	Recruited	Resigned	Retrenched/ redundant	Dismissed	Other
Sishen Mine	467	283	4	20	27
Thabazimbi Mine	56	23	2	3	8
Head office	86	20	1	1	5
Total	609	326	7	24	40

Over the past year, our training has focused on several key areas:

- Leadership and culture
- Technical competence of employees
- Implementation of learnerships
- Safety training.

During the year, 94% of our employees received training and development reviews. The training budget is allocated as follows:



- 6% organisational development
- 20% technical training
- 4% Tshipi skills training
- 34% functional training
- 2% learning technology
- 9% courses
- 6% bursaries
- 15% professionals in training
- 1% bridging school
- 3% formal studies

Kumba spent R58.6 million on training in 2007. This equates to R11,854 per employee and 5.4% of the total payroll (2006: 5.1% for two months of operations after listing) and compares most favourably to the average spend for South Africa of 3.1% (ASTD 2006 report) and the mining industry average of 3.4%. The average training intervention per employee is 5.6 days. In 2008, we plan to increase our investment in training to 6.7% of total payroll.

In addition, Kumba accounts for 26% of mining learnerships registered with the Mining Qualifications Authority (MQA) and 25% of engineering learnerships. Cumulatively, 20% of all MQA learnerships have been registered by Kumba. We are also funding the tertiary studies of 71 students in disciplines related to our business.

Due to the skills shortage manifest in our industry, we need to retain our employees by providing competitive packages that include:

- Medical aid
- Housing assistance
- Maternity leave
- Pension plan.

We encourage communication, recognise employees' rights to freedom of association and do our best to ensure that our employees feel at home at Kumba.

Case Study:

Thabazimbi Mine helps people do things for themselves

Thabazimbi Mine is reaching out to the local community with its Itireleng Skills Development Centre. The development centre was established several years ago and operates from premises on mine property. Itireleng is the Sotho word for 'do it for yourself'. The objective of the centre is to empower unskilled and unemployed people who live nearby. Training is provided free and only local people are recruited. The mine invested R800,000 in machinery and equipment to get the training centre started.

The facility provides basic training in a variety of fields, focusing on capacity building and job creation. Training is divided into two main categories – technical and life skills.

Plumbing, welding, carpentry, bricklaying and motor mechanics are currently offered as three-month technical skills courses. Under the life skills training programme, pottery, sewing, painting, jewellery manufacturing, textile work, beading, basic entrepreneurial skills and basic computer literacy are offered.

Through this intervention the people of the area are far more likely to find employment. Since its inception, the centre has trained over 650 community members, 15% of these women. Out of all attendees, 78% have found employment locally. The success in the employment rate is largely attributable to the growth of Thabazimbi town. Most trainees are absorbed by local contractors.

The centre depends heavily on the mine for financial support, but to ensure its long-term sustainability, the centre has started to provide services to the neighbouring community to generate an income. These services include building structures for local schools, erecting fences and undertaking minor renovations, while the life skills trainees manufacture hand-crafted corporate gifts for local clients. In addition to generating some income, trainees develop practical experience.

The training centre also provides an entrepreneurial skills course, which has proven invaluable as it empowers trainees to start their own businesses. The centre provides portable skills to mine employees in various disciplines. Since July 2007, 56 employees, including eight women, have registered with the training centre.



Itireleng Skills Development Centre, Thabazimbi Mine

Employment equity

Sustainability is better achieved through diversity. Kumba encourages gender equality, and through the employment equity policy, is committed to removing all gender-related barriers and accelerating the training and promotion of designated groups. Through this policy and other initiatives, Kumba is ensuring that all employees are offered equal opportunities and that all forms of discrimination are eradicated.

The mining charter stipulates that by 2009, at least 40% of the managers we employ must be historically disadvantaged South Africans (HDSAs). Our current employee profile, from race and gender perspectives, is shown in the tables below.

Employment equity – 2007

Occupational level	% Black	% Female	% HDSA (all female and HDSA male)	Kumba targets 2007	Appointments needed to achieve targets	% per occupational level needed to reach target
Top management	16.67%	–	16.67%	37%	1	20.3%
Senior management	12.50%	19.44%	29.17%	37%	6	7.8%
Specialist or middle manager / professionally qualified	25.62%	20.37%	39.81%	37%	–	–
Technical worker or junior management / skilled technical and academically	41.71%	13.40%	51.49%	37%	–	–
Semi-skilled and discretionary	94.85%	9.51%	97.36%	37%	–	–
Unskilled and defined decision making	98.94%	19.01%	98.94%	37%	–	–
Total permanent	70.89%	12.31%	76.74%	37%	–	–

Racial group	2007 Target	2007 Actual
Designated group in management with white women	37%	38%
Designated group in management excluding white women	30%	30%
Women participation in management	10%	20%

Other important equity objectives include:

- Identifying a talent pool of HDSA employees and fast-tracking their career development.
- Preventing unfair discriminatory practices.
- Preventing sexual and racial harassment.
- Creating an organisational culture in which diversity is encouraged and valued.

Our equity objectives are reviewed quarterly. To ensure performance and achievement of targets in relation to employment equity plans, these have been incorporated as key performance measures against which general and line managers are evaluated. Line managers are also evaluated on their ability and efforts to develop and retain their staff.

Through the employment equity policy and other initiatives, Kumba ensures that recruiting and training HDSAs and female candidates is prioritised and their career paths developed and fast-tracked. Through these and other employment equity strategies and monitoring processes, we intend to reach the 40% HDSA target in 2008.

Full consideration is also given to applications for employment from people with disabilities where the requirements of the job can be adequately fulfilled by such a person. Kumba's workforce currently comprises 0.51% disabled employees.

The human resource manager is directly responsible for the implementation of the employment equity policy and workforce development.

Case study:

Thabazimbi Mine housing development

In the past, well before the formation of Kumba, mine employees were accommodated in two residential areas: the Mmehane hostel and Ipelegeng township. Mmehane was an old concrete hostel originally consisting of nine blocks with cement slab beds, built in 1943 for migrant labourers. Six extra blocks with steel stack-type beds were added in the 1960s to accommodate an increased workforce. Eventually, 3,120 employees resided in Mmehane. On average, 24 people shared one room at a time and living conditions were unsatisfactory. As a result, these conditions had a serious impact on social well being, and on production.

Ipelegeng, built in 1948, was the first residential area where historically disadvantaged South African (HDSA) employees could live with their families. At that time, 100 families were accommodated at Ipelegeng. The semi-detached houses consisted of two bedrooms, a kitchenette and a living area, but did not include ablution facilities. Residents used communal facilities.

Improved living conditions

Realising the impact these conditions had on employees, the then Kumba Resources began to improve the living conditions of employees in those residential areas. This included upgrading houses at Ipelegeng and the de-densification of Mmehane.

Upgrading started with Ipelegeng, where some houses were converted into four- and three-bedroom detached units and others into two-bedroom semi-detached houses. Ablution facilities were added to all units. Communal ablution facilities were discontinued and these blocks converted into small community halls.

De-densification of the Mmehane hostels was completed in the early 1990s. Each room was first reduced to accommodate 12 people and later eight people. In 2003 these dormitory-type rooms were further converted into two- and three-bedroom units, which now house one family or a single employee.

Benefits

Social relations among employees at work and at home have improved. Better living conditions have also contributed to an improved staff retention rate and sustained productivity.

Sustainability and home ownership

In addition to improved housing conditions, Thabazimbi Mine has introduced a housing strategy which encourages home ownership. This initiative involved selling houses previously owned by the company to employees. First preference was given to employees with a long-service record.

The houses are equipped with separate metering facilities for water and electricity, and units are then sold to interested employees at a closed market price. To date, of the 199 houses at Ipelegeng, 70 have been sold to employees.



Housing development, Thabazimbi Mine