

A BRIEF TO THE JOINT STANDING COMMITTEE ON DEFENCE: EXPLORING A PERMANENT EXIT STRATEGY FOR SOLDIERS

Tasking: “Engagement with the DOD and SANDF Chief of Human Resource (HR) on its HR Strategy in the context of the JSCD’s proposal for a new HR Strategy to ensure a permanent exit mechanism and rejuvenation of the SANDF”

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AIM AND SCOPE

Aim

- To brief to the Joint Standing Committee on Defence on instituting a permanent exit strategy for soldiers

Scope

- Overview
- Implemented HR Interventions with a special focus on the Mobility Exit Mechanism Performance Targets and Achievements
- Considering a Permanent Exit Strategy
- Rejuvenation of the Force
- Discussion

OVERVIEW

- Continued under-funding below the current strength persist
 - Significant pressure since 2017 accruing Rb12 irregular compensation of employees' expenditure
- Stagnation in-the-ranks is a major contributor to HR costs and also limits available forces to be employed and deployed in military operations
- Interplay of:
 - Under-funding
 - Stagnation and
 - Inability to replenish personnel losses further hampers

IMPLEMENTED HR INTERVENTIONS (1/2)

- Course of action to curb HR costs were agreed to by the PCD&MV, National Treasury and the DOD
- An exit strategy is included as part of interventions to curb HR costs
- Secured funding of Rb1 for FY2022/23 and Rm800 for FY2023/24 to service GEPF liabilities
- Exit plans and quarterly reports submitted
- The DOD has successfully implement the funded exit strategy (Mobility Exit Mechanism – MEM)
 - FY2022/23: Exit plan – 1,548 and separated 1,260 bmo MEM at a cost of Rm990 for severance and Rm53 to service GEPG liabilities
 - FY2023/24: Exit plan – 1.228 and approved for separation 1289 at a projected cost of Rb1,2 for severance and Rm818 to fund GEPF liabilities

IMPLEMENTED HR INTERVENTIONS (2/2)

- Exit strategy execution not without delays which impact on payment of GEPF liabilities
- Criteria Applied:
 - Focus on Long Term Service System members
 - Aged between 50 and 58 years old
 - Targeted Sen NCOs, NCOs and least Officers.
 - Priority assigned to combat and combat support occupations
- Performance target results
 - Decreased by 1 year the average age of military personnel
 - Caused progression through the system –staffing
 - Lessen number of personnel stagnated
 - Increased attrition to 4,924 over a 12 month period
 - Created additional vacancies – 2,549 (MSDS intake)
 - Reduced the force capacity to 59,249 (30 Sep 23)



A PERMANENT EXIT STRATEGY

- Deliverables:
 - Force Strength Management. Making more soldiers available to employ and deploy in military operations
 - Force Strength Planning. An accurate average force strength
 - Force Strength Distribution. A managed force strength enables critical HR capacity to satisfy forecast HR requirements
 - Force Strength Composition. Strengthened application of force generation
 - Lower HR Cost contributor. More soldiers are younger and cost less

ATTRIBUTES OF THE CURRENT FORCE

- An Aging Force
 - Average age of the force strength is 41 (1 year less as a result of exit strategy)
 - Indicative that combat and combat support roles are also older and therefore not available
- Employment Systems
 - LTS is a life-long employment system; currently being phased-out based on normal attrition
 - CSS is a contract-based employment system which now mimick the LTS – Up or down scale benefits of a contract-based system eroded due to constraints and operational tempo
- Force Generation Constraint
 - An aging force profile and how employment systems are applied erodes force generation abilities

PROPOSED PERMANENT EXIT STRATEGY APPROACH

- Apply at a reduced tempo (limit the number of exits)
- Apply at a reduced pace (to be able to sustain application over a longer period)
- More affordable rates which at first should be funded and thereafter incorporated in the budget/allocation to defence
- A more manageable administrative process wherein accountable administration processes are followed which is auditable and inline with GEPF/GPAA abilities to submit invoices payable
- Revert back to an annual MSDS intake system of approximately 4,000 intake or 8,000 in-the-system
- Approach was formalised in the adjustment budget process for 2023 and 2024 MTEF: Projected costs of implementation is Rm600 per annum to separate 330 military members

REJUVENATION

- DOD/SANDF adopted 2 broad approaches:
 - Loss Replacement according to Attrition
 - Before 2016, the SANDF was able to feed the reserves – halted in order that it may be able to feed the regulars
 - An aging reserve and dwindling reserve force strength
 - Recruit MSDS every Alternate Year
 - Implemented to assist the DOD to curb HR cost escalation
 - Contributes to reduced force strength – 59,249 (30 Sep 23)
- REQUIRE:
 - An effective and paced rejuvenation aided by the implementation of an exit strategy:
 - Must be able to avoid HR capacity gaps in-the-system
 - Must be a funded exit strategy

CONCLUSION

- It has become evident that without a secured funding trajectory for defence that the Department of Defence and SANDF would be hard-pressed to implement measures to effectively manage its human resource needs and costs.
- A course of action to institute a permanent exit strategy for soldiers at an approximate cost of Rm600 (inclusive of servicing the liability for severance and GEPF liabilities that it would incur) would assist the Department of Defence (and SANDF) to effectively manage its force strength, its distribution and composition within the defence allocation, as determined by government.



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DISCUSSION