



PanSALB
PAN SOUTH AFRICAN LANGUAGE BOARD

***PAN SOUTH AFRICAN LANGUAGE BOARD (PanSALB) PRESENTATION TO
PORTFOLIO COMMITTEE ARTS AND CULTURE***

Subject: Turnaround Strategy

Date: 26 October 2011

Venue: Committee Room 2, Upper Ground Floor, 90 Plein Street, Parliament, Cape Town



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1. BOARD MEMBERS' PERFORMANCE EVALUATION

- At the Board meeting held on 26 August 2011 it was agreed that PricewaterhouseCoopers (PwC) will develop a template/tool that can be used to evaluate the Board's performance.
- PwC is busy with the process and a tool is expected to be ready by next week.
- The Board should be assessed because we care about the organisation.
- A stronger Board means a stronger organisation.
- We want our time used well.



Potential benefits

- An accountability mechanism to ensure that the Board and directors are fulfilling their legal and governance responsibilities.
- An audit of the Board's governance practices and effectiveness.
- Reassurance for members and stakeholders.
- A tangible means to observe the strengths and weaknesses of the Board.
- A way for all members of the Board to understand fully what is being asked of them.
- Raising standards through the clarification of a functional tool based on performance versus expectation.

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- ❑ Identifying skills gaps and therefore training and development opportunities.

How often should assessment take place?

- ❑ King 111 recommends that the performance of the Board, its committees and the individual directors be evaluated annually.
- ❑ Performance assessment can be particularly useful just before the Board engages in strategic planning, after a major change (such as amalgamation), or when some complacency has crept into the Board and an invigorating impulse would be welcome.

Who should lead this process?

Options that the Board is considering:

- ❑ External consultant or professional, particularly for the design and initial implementation stages: a consultant can bring ideas, rigour, experience, objectivity and peer benchmarks

to the process.

- One outside director, i.e. someone who is completely independent of management, who has an interest and the time to lead the process, and the respect of the other Board members (sometimes, but not often, this may be the Chair).
- The Governance Committee, or its Chair, is often used to lead the evaluation process, which is consistent with its scope.

Board targets: How are we going to add value?

- Does the Board have the right governance in place: structure, policies and rules?
- Stewardship: Does the Board carry out its financial and organisational responsibilities effectively?

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- Do Board members understand their roles, receive adequate training and keep abreast of legislative and policy changes?

 - Does the Board have procedures such as strategic planning and risk assessment, as well as the performance information and evaluative information it needs to make decisions?

 - Does the Board work effectively as a group?

 - Is the number of Board meetings sufficient to take care of the organisation's business?

 - Is the current committee structure adequate to handle the work of the Board effectively?

 - Are Board meetings conducted effectively?

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- Do meeting agendas cover policy issues rather than administration?

The risks associated with the assessment

- Unless we really understand why we should, and are, undertaking an evaluation of the Board and its directors, we risk causing division among participants and inappropriate use of the results.
- This fear is perhaps the biggest reason that most boards (approx. 60%) and individual directors (approx. 80%) do not have formal written evaluations despite the fact that most directors (approx. 90%) support them (*Self-Assessment for Non-profit Governing Boards*. BoardSource, 1999).

2. ABUSE OF POWER AND LACK OF CORPORATE GOVERNANCE

- ❑ On 24 May 2011 the Board developed a Corporate Governance Framework for PanSALB which is expected to improve and strengthen the current Corporate Governance practices, policies, procedures, protocols and frameworks.

- ❑ The scope of work entailed the development of the following Corporate Governance documents:
 - Board Charter
 - Board Protocol (Rules of Engagement)
 - Executive Committee Charter
 - Nominations Committee Charter

Board Charter

The Board Charter spells out the role, structure, responsibilities and operations of the Board:

- **Role of the Board**
- **Delegation to management**
- **Board committees**
- **Conduct of Board members**

Board Protocol (Rules of Engagement)

In this case a Board Protocol refers to rules and guidelines governing PanSALB Board Members:

- **Recognition of responsibility and common purpose**
- **What is expected of PanSALB directors**
- **Rights of directors**

➤ **Benefits of directors**

Executive Committee and Charter

- ❑ The PanSALB Executive Committee is established by the Board to act on behalf of the Board in overseeing all material aspects of PanSALB's business.

- ❑ The objectives of the Executive Committee are to assist the Board and Executive Management to discharge their corporate governance responsibilities, to exercise due care and diligence and skill to:
 - Determine urgent matters to be approved between Board meetings
 - Give strategic direction to Executive Management on organisational matters
 - Provide guidance in urgent matters requiring the attention of the Board.

Structure and composition

- ❑ PanSALB EXCO shall consist of the Chairperson, Deputy Chairperson and CEO.

- ❑ Board members and/or Executive Management may be invited to attend specific meetings of EXCO.

- ❑ The Chairperson of the Board shall be the Chairperson of EXCO and in his/her absence the Deputy Chairperson shall chair.

- ❑ The Board Secretariat shall be the Secretary of EXCO and shall be the custodian of the minutes of meetings and documents that are tabled at meetings.

Reporting

The committee reports to the Board after each meeting and circulates its minutes to the Board as soon as practicable.

Authority

Overseeing all material aspects of PanSALB's business.

Functions/Responsibility

- Implementation of approved strategy, business plan and budget, all policies and procedures and Board decisions within the organisation.

- Prioritising the allocation of capital, technical and human resources.

- Establishing best management practices and functional standards.

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- ❑ Ongoing identification and management of organisational risks.

 - ❑ Applying the principles of governance and applicable codes of best practice to all activities and decisions.

 - ❑ Monitoring all operational matters so as to ensure a detailed understanding of the overall business of the organisation and together with the Executive Management team being accountable for the overall performance of the organisation.

 - ❑ Reviewing and recommending any changes to the approved budget, strategy, business plans, policies and procedures of the organisation.

 - ❑ Reviewing operational financial reports, assessing financial performance, including management of assets and liabilities and ensuring compliance with the PanSALB Act, the Public Finance Management Act and Treasury Regulations.

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- ❑ Measuring the performance of the organisation against its strategic goals and budgets as well as clearly defined indicators against which the organisation can be measured, and reporting the results to the Board.

Nominations Committee Charter

- ❑ The PanSALB Nominations Committee is established by the Board to act on behalf of the Board in overseeing the nomination process of qualified candidates for appointment to the PanSALB Board, Board committees or CEO.
- ❑ The objectives of the Nominations Committee are to assist the Board in performing the following functions:
 - Oversight of the composition of the Board and its committees
 - Identification, evaluation and recommendation of individuals to become Board members, Board committee members or CEO

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- Evaluation of and recommendation to the Board of Corporate Governance practices
 - Identification, evaluation and recommendation of candidates for CEO or Executive Management positions
 - Coordination of performance evaluations of the Board and its committees, CEO as well as the Executive Management team.
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- ❑ The Nominations Committee's guiding principle is to choose the best candidate to fill any vacancy.

 - ❑ The Nominations Committee believes that it is in the best interest of PanSALB and its stakeholders to obtain highly qualified candidates to serve as Board members, Board committee members, CEO or Executive Management team members.

 - ❑ The Nominations Committee shall seek candidates for appointment who possess the

integrity, leadership skills and competency required to direct and oversee PanSALB's management in the best interests of its stakeholders, employees and other affected parties.

- ❑ These corporate governance documents should be read together with the PanSALB Act, as amended, the Public Finance Management Act, Treasury Regulations, and Terms of Reference of the Board committees and any other relevant legislation. The documents are aligned with best practice, King 111, legislation and government policy.

3. WAYS TO IMPROVING RELATIONS WITHIN THE ORGANISATION

- In general, employee relations are a difficult area, but litigation methods are only used when something goes wrong.
- The aims of an employer and employee often differ, and this may lead to conflict. As a way of avoiding conflict, PanSALB is proposing the following measures:

1. Foster a positive organisational culture

- A positive corporate culture can result in better morale, less staff turnover and absenteeism, greater efficiency, more innovation and an improved bottom line.

2. Develop the human resources

- Benefits are:

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- Increased job satisfaction and morale among employees.
 - Increased employee motivation.
 - Reduced employee turnover.

3. Encourage open communication

- ❑ This is the very best way to connect and also to reduce potential conflict at work. Deal with issues when they arise and be open, honest and forthcoming when communicating with co-workers. Always.

4. Reinforce desired behaviours

- ❑ Recognise and reward team members who work well with others. When someone does something right, tell them. Give acknowledgement for appreciated behaviours and results, and more will follow.

5. Mutual trust

- ❑ Both management and employees should help in the development of an atmosphere of mutual cooperation, confidence and respect. Management should adopt a progressive outlook and should recognise the rights of workers. Similarly, labour unions should persuade their members to work for the common objectives of the organisation. Both management and the unions should have faith in collective bargaining and other peaceful methods of settling disputes.

6. Mutual accommodation

- ❑ The employer must recognise the right of collective bargaining of trade unions. Great emphasis should be placed on mutual accommodation rather than conflict or uncompromising attitudes. There should be a clear understanding that an aggressive attitude does not lead to amicable labour relations; it may foster union militancy as the union reacts by engaging in pressure tactics. The approach must be of mutual “give and

take” rather than “take or leave”. Management should be willing to co-operate with rather than blackmail the workers.

7. Sincere implementation of agreements

- ❑ Management should sincerely implement the settlements reached with trade unions. The agreements between management and the unions should be enforced both in letter and spirit. If the agreements are not implemented, both the union and management stop trusting each other. An environment of uncertainty is created. To avoid this, efforts should be made by both parties to ensure that agreements are adhered to.

8. Sound human resource policies

Sound human resource policies are:

- Formulated in consultation with the workers and their representatives if they are to be

implemented effectively.

- Clearly stated so that there is no confusion in the mind of anybody.
- Uniformly implemented throughout the organisation to ensure fair treatment of each worker.

4. LITIGATION COSTS AND LABOUR RELATIONS MATTERS

- ❑ Employees are terminated from employment for many reasons, but the cause of their departure often dictates their eligibility for rehire. Therefore each case will be treated on its merit.

Mr Jabulane Simelane

- ❑ In October 2009, PanSALB charged Mr Simelane with disrepute and subsequently relieved him of his duties.
- ❑ In 21 May 2010 Mr Simelane appealed his dismissal with the Commission for Conciliation, Mediation and Arbitration (CCMA) on 11 June 2010 judgement was pronounced in his favour that he must be reinstated and given a back pay.

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- ❑ However PanSALB has asked the matter to be reviewed before the Labour Court because the Commissioner did not consider all five charges that Mr Simelane was found guilty on. Instead the Commissioner reviewed two charges.

 - ❑ In October 2010 a roundtable discussion regarding a possible settlement was arranged between PanSALB's legal team and Mr Simelane's Legal team. Mr Simelane legal team rejected the Board's offer to settle which was as follows:
 - That Mr Simelane issue a written unconditional apology to the Board
 - That he waive and abandoned the outcome of the arbitration award dated 11 June 2010 under case number 14067/09.
 - That PanSALB their rights to review the award at a Labour Court
 - That Mr Simelane will be reinstated with immediate effect to his original position on the same terms and condition prior to his dismissal without back pay and that the

applicant's disciplinary record as it relates to this dispute shall be erased.

- ❑ It must be noted that the offer was rejected by Mr Simelane and his legal team.

- ❑ The turnaround strategy is to further negotiate this offer with Mr Simelane.

Advocate Zoxolisile Feni

- ❑ On 18 May 2010, the applicant was charged with four counts that the employer considered serious, false and prejudicial to the Board and the ACEO. Mr Feni continued with these allegations which among others included the following:
 - That he does not have qualifications and he lied in his CV.
 - That PanSALB achieved its consecutive unqualified audits because Mr Swepu had an affair with one staff member of the auditing team.
 - That there are financial irregularities and maladministration within the organisation.

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- All these allegations were no more than suspicions and expressions of subjectively-held opinions or accusations which were disproved by PricewaterhouseCoopers (PwC) and the Auditor General of SA.

 - Furthermore, they were not made in good faith.

 - They were further made for personal gain as contemplated in section 9 (1) (b) of the Protected Disclosure Act.

 - Subsequently Mr Feni was dismissed.

 - Through his own submissions and claims to court, Mr Feni states that the true reason giving rise to his conduct as described in this paragraph and elsewhere was his belief that he was better suited and qualified to lead the organisation and was motivated by a personal vendetta against the organisation.

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- ❑ The relationship between Mr Feni, The Board and Management is no longer cordial and the damage done is irreparable.

 - ❑ Mr Feni is a Problem Employee and very difficult to manage and given a chance will poison our relationships with everyone he interacts with including customers, suppliers and co-workers.

 - ❑ His return to the organisation will not be beneficial to the organisation and because you now have to spend so much time managing just this one employee. Unfortunately, it may take us years to patch-up these relationships.

 - ❑ Besides this, the employee may poison our relationship with other employees. Our “good” employees will see it’s all right to act badly and not do their jobs.

 - ❑ The turnaround strategy on this matter involves a settlement if possible and part ways with the employee and as soon as possible fill the position permanently.

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- A settlement is being outlined.

5. STAFF GRIEVANCES

- ❑ At the last Board meeting it was decided that HR, together with the ACEO, should meet quarterly with the PSA (trade union) to discuss any staff issues. According to the ACEO these meetings are taking place. The Board will ensure that these meetings occur as decided.
- ❑ A committee consisting of the Chairperson, Mr Druchen, the ACEO and one other Board member is to meet with the PSA to discuss issues pertaining to staff grievances and any other matters.
- ❑ As a turnaround strategy a meeting is being considered between the Board and PSA for 28 November 2011.

6. MULTILINGUALISM AWARDS: ESCALATING COSTS

Background

- ❑ Annually, PanSALB and the linguistic community come together to recognise, reward and acknowledge the contributions that individuals and organisations have made to ensure the equal use and enjoyment of the official languages used in our democratic country. This is done through the PanSALB Multilingualism Awards, a major highlight in the calendar of the linguistic human rights industry.
- ❑ The cost of hosting the awards has been steadily increasing from the R2-million baseline due to inflation. For the 2010/11 awards PanSALB spent a total of R5,3-million. More than R2,1 million was raised in sponsorship. This included discounts in advertising for R2-million, accommodation prize vouchers for R21 000 and R90 000 in monetary value.

What are the objectives?

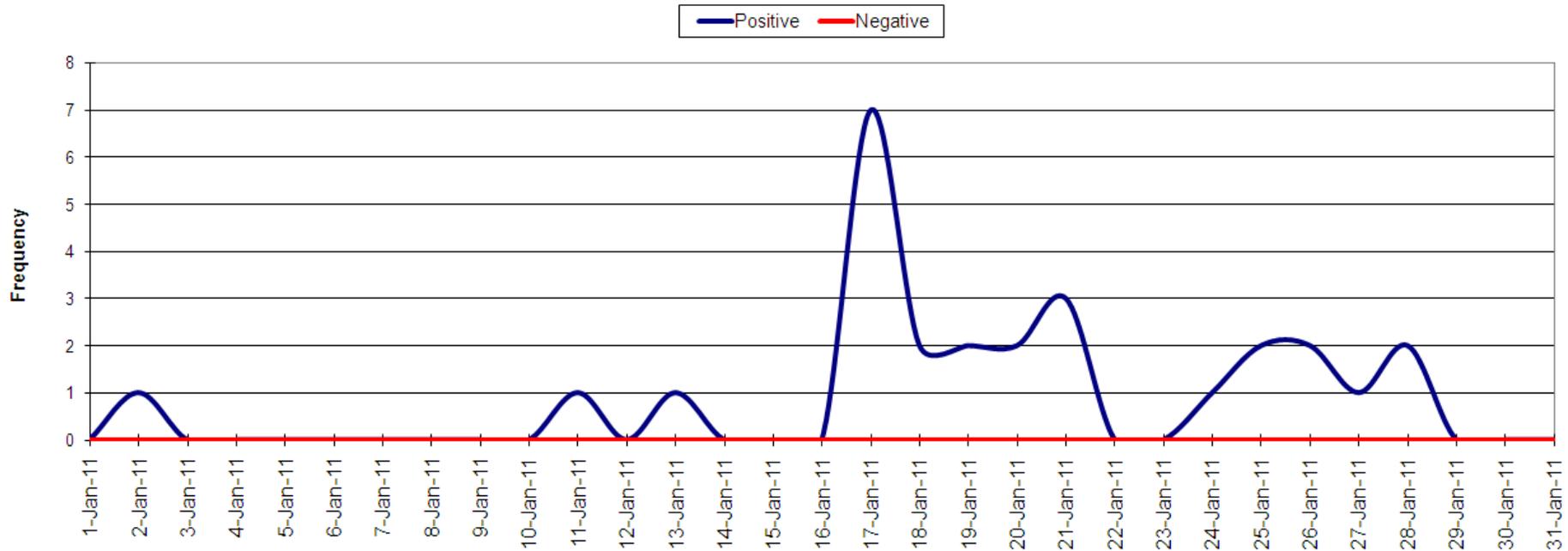
The long-term objectives of the PanSALB Multilingualism Awards are:

- To promote and stimulate writing in all the different languages
- To secure publishing contracts for these writers in the long term
- To encourage reading and writing in indigenous languages
- To recognise exceptional work in the promotion of all official and other South African languages
- To raise awareness of the role of languages in general as a uniting agent to the people of the Republic of South Africa
- To publicise the role of PanSALB in fostering a climate of equitable language practice.

What has been achieved so far?

- ❑ **Positive media reputation spikes:** PanSALB's largest positive reputation spikes occurred on 17 and 21 January 2011. On 17 January 2011, coverage mentioned that PanSALB opened the 2010/11 Multilingualism Awards nominations process.
- ❑ The Multilingualism Awards have unlocked a lot of opportunities to create partnerships with the private and public sector-Microsoft and SABC, and The Star newspaper.
- ❑ Youth are coming on Board and are supporting the initiative.

Comparative Analysis of Positive vs Negative Reputation



- During this period we reached an audience of 29.63 million people, the majority of whom were youths.

Turnaround Strategy

The strategy of the Board is to continue with the awards with the proposed changes:

- Increase sponsorship of the awards to cover 80% of the running costs.

- Lodge an application to the National Lottery to fund the event.

- Obtain sponsorships from various other stakeholders for the event.

- Re-evaluate the format to try to involve PanSALB structures like PLCs, NLBs as well as Provincial Offices.

7. ALLEGATIONS AGAINST FINANCE MANAGER

- At the beginning of 2009 Mr Mbilini was offered employment by Treasury Department at a Deputy Director level.
- This led to him tendering his resignation with PanSALB.
- His letter of resignation was discussed by the Executive Committee on Wednesday, 29 April 2009.
- The meeting agreed that Mr Mbilini should be retained to maintain stability and continuity in the organisation as it is difficult to replace good employees.
- A counter offer was made at the same level as what Treasury was proposing.
- The offer is supported by the PanSALB Policy and Public Service Regulations (PSR), 2001, Part V C.3.
- Approval was granted by the then acting CEO in line with the organisational policy and regulation as part of the Retention Strategy.

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- In terms of the structure Mr Mbilini reports to the Chief Financial Officer who is at a Director Level.

8. IMPROVING RELATIONS BETWEEN PANSALB AND DAC

As a strategy to improve working relations between the two structures, two task teams have been formed:

- I. Corporate governance task team
 - II. Joint funding task team
- The joint funding task team has already met twice.
 - A meeting is still being scheduled for the corporate governance task team.

9. ADDENDUM

- PanSALB Strategic Plan For the financial years 2011-2014
- Board Charter
- Board Protocol (Rules of Engagement)
- Executive Committee Charter
- Nominations Committee Charter
- Qualifications of the Finance Manager



PanSALB
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THANK YOU!