# GEPF
your investment, your future

# Human Resources

# Policy Document

## CRITICAL TALENT SEGMENTATION

**Effective Date: 23 June 2021**

## 1.     Document Versions

| Version | Revision Date | Prepared / Revised by | Business Unit | Status |
|---|---|---|---|---|
| 1. | June 2014 | S. Dyeshana | Human Resources | Draft |
| 2. | December 2014 | S. Dyeshana | Human Resources | Approved |
| 3. | June 2016 | S. Dyeshana | Human Resources | Approved |
| 4. | May 2017 | S. Dyeshana | Human Resources | Review |
| 5. | November 2018 | JC Nel | 21st Century | Review |
| 6. | December 2018 | S. Dyeshana | Human Resources | Approved |
| 7. | October 2020 | S. Dyeshana | Human Resources | Draft |
| 8. | May 2021 | S. Dyeshana | Human Resources | Review |

## 2.     Document Reference Library

| Document File Name |
|---|
|  |

## 3.     Business Areas impacted by this Policy

| Name Business Unit / Area | Context and Relevance |
|---|---|
| All the GEPF Business Units | Identification of critical roles within the business. |
| All the GEPF Employees | Identification of 'must keep' list of employees who model the right behaviours in line with the values of the Organisation and who may be developed to assume more senior roles within the organisation in future. |

## 4.     Executive Summary

Dealing with the increasing complexities of people management in the 21st Century workplace requires a differentiated approach to human resource practices within the GEPF.

Not all employees possess knowledge and skills of equal strategic relevance and value. They differ in their potential to add value, and in what they expect from work. A 'one size fits all' approach to people management does not give the desired results in organisations in respect of workforce management, thus most organisations use a variety of employment modes to allocate work. Having a workforce that is accessible, skilled, motivated and efficiently deployed will increasingly be a key differentiator of business performance and sustainability.

The GEPF defines 'critical talent segments' as roles within the organisation that drive a disproportionate share of key business outcomes and influence the organisation's value chain significantly. Critical talent segments shall include roles central to strategy execution (i.e., strategic roles, critical support roles, core support roles), but could also include others, depending on the organisation's business strategy and goals.

As the Critical Segmentation Framework focuses primarily on Core Skills, the business further recognises Executive and Management Support Roles that are important to the sound operation of the GEPF based on the disproportionate impact they have on the value chain of the organisation.

The Critical Talent Segmentation Framework will be reviewed every two years.

5.  **Purpose**

To define the process of segmenting the workforce by identifying distinct groups of employees and designing human resources practices thereby enhancing the organisation's ability to attract, manage, develop and retain the critical skills and essential talent required for organisational success based on its mission, vision, values and business strategy.

**Vision**
*To be a global leading and reputable pension fund that delivers
quality service to beneficiaries.*

**Mission**
*To ensure the sustainability of the Fund; the efficient delivery of benefits; whilst
empowering our beneficiaries through effective communication.*

**Values**

- *Accountability*

    Acting with diligence, competence, confidentiality and reliability.

- *Client Centricity*

    Working collectively and co-operatively with our stakeholders.
    Caring.
    Client focused.

- *Innovation*

  Championing research and development in the retirement fund industry worldwide.

- *Integrity*

  Being ethical and truthful.
  Maintaining good governance practices.
  Not misrepresenting or withholding information to which our stakeholders are entitled.

- *Transparency*

  Communicating openly and frequently with our stakeholders.
  Setting our information in a format that is clear and understandable.
  Being open to scrutiny and oversight.

**Key Strategic Priorities and Imperatives:**
- Improve Benefits Administration
- Improve Member and Beneficiary Communication and Education
- Improved Investment Monitoring
- Risk Management Architecture
- Improve Stakeholder Relations

6. **The function of the GEPF office:**

"Our business is to give members and pensioners peace of mind about their financial security after retirement. We do this by making sure that all funds in our safekeeping are responsibly invested and accounted for, and that benefits are paid out efficiently, accurately and on time.

We have a solid track record in protecting our pensioners against inflation and in safeguarding the value of active members' retirement savings. Annually, in April, the GEPF pays pension increases that largely compensate our pensioners for inflation and, where necessary, we pay catch-up increases.

Actuarial valuations of the Fund are conducted at least every three years.

We manage the Government Employees Pensions sustainably;

- Ensure proper governance exists within the Fund;
- Oversee the Administration of the Fund;
- Develop strategies and oversee the management of investments;
- Communicate and engage with Members and Pensioners;
- Oversee collections of contributions and payments of benefits; and
- Champion Retirement industry initiatives.

7. **GEPF Critical Business Processes based on its Strategy are as follows:**

- **Sustainable Investments.**
  - Strengthen in-house research and monitoring capacity
  - Environmental, Social and Governance resourcing
  - Actuarial valuations and calculations
  - Investment beliefs and risk appetite statements

- **Provision of Benefits.**
  - Improved Pension Benefits
  - Address Unclaimed Benefits
  - SLA monitoring and management

- **Administration**
  - Finance and procurement services for sound financial management.
  - Provision of audit services to give assurance on business and controls
  - Risk Management for effective combined assurance framework
  - Secretariat services for Board governance

- **Communication and Education**
  - Improved member education
  - Advisory services to Retirees/Pensioners
  - Effective communication methods to members and pensioners
  - GEPF to be a conduit to other stakeholders
  - Engagement with PIC on governance matters.

- **Support Services**
  - Provision of human capital solutions to enable the resourcing, retention, development and management of talent.
  - Advanced ICT services to improve business processes.
  - Ensuring that the GEPF complies with all relevant Legal and Governance frameworks.

**8.**     **Key Services Provided by the GEPF:**

- Strategy Development
- Investment Mandates
- Monitoring
- Oversight
- Risk Management
- Stakeholder Interaction and Management

**9.**     **What are the key human capital challenges experienced by the GEPF?**

The key Human Capital Challenges are indicated in Table 1:

### Table 1: Key Human Capital Challenges

| Attraction | Retention | Business Continuity. |
|---|---|---|
| Development and Education | Talent Management | Succession Management |
| Workplace Health and Safety | Work environment ergonomics | Performance Enhancements |

**10.**     **Design Principles**

The following design principles underpinning the implementation of critical talent segmentation will apply:

10.1    All Executive Roles are defaulted to Critical Roles

10.2    Roles are selected based on their criticality to the GEPF's strategic imperatives and business requirements and are recognised as such.

10.3    Roles are selected in accordance with their Skills Category and are recognised as such.

10.4    Critical roles are classified into three categories:

- o Mission Critical
  - ▪ Roles that are critical to the achievement of the GEPF's Strategy and where the absence of an incumbent/skills in these roles could result in a disruption of the GEPF's functioning.

- o Business Unit Critical
  - Roles that are critical to the achievement of the Business Unit and ultimately organisational objectives, add the most value and have the greatest strategic impact in the Unit A vacancy in these roles could seriously impact service delivery.

- o Divisional Critical
  - A Business Unit may have divisions within it that provides specialised expertise to the GEPF and these roles are viewed as critical to the achievement of the Divisional Objectives and ultimately organisational objectives and may cause the Division to be unable to deliver effective services.

10.5 The Critical Workforce Segmentation Framework will be reviewed every two (2) years or as required/dictated by business requirements.

10.6 Roles that directly influence the Core Business decision making processes will be considered.

10.7 Criticality is defined as: Extremely Critical, Critical Support Roles and Non-Core Essential Roles.

10.8 Non-Core Essential Roles are subjected to the following Design Principles:

10.8.1 The roles must be classified as Specialised and/or Professional

10.8.2 They contribute directly to the strategy implementation of the Divisional Executive.

10.8.3 The role, by nature of its relatively unique skill set or knowledge base, is scarce and takes longer to source.

10.8.4 If the role is vacated, a period of six months would be required to fill the vacancy due to the nature of the job content requirements.

10.8.5 The role, if vacated, cannot be temporarily replaced by a service provider or subordinate due to poor internal bench strength.

10.8.6 The role, if vacated, would require multiple service providers to produce the necessary Board Reports because of its specialist nature.

## 11. GEPF Segmentation Model

A hierarchical model of segmenting the workforce (that is, based on salary or job level / job evaluation considerations) as practiced by most organisations has a

number of gaps. This model is deficient in that salary levels do not necessarily determine attraction, engagement and retention strategies.

To a certain extent, salary levels reflect market forces and may not necessarily reflect the true value of people's contributions.

**The consequences of using the wrong workforce segmentation approach are:**

- Confusion, lack of insight and poor people decisions.
- A waste of resources, which could include paying too much for skills which are not mission critical or too little for those skills that are critical to the success of the business
- Operational inefficiencies
- Locking in low performers by over delivering and pushing out high performers by under-delivering on expectations.
- Lack of labour flexibility.
- Increased turnover.
- Difficulties in attracting capable/competent people or attracting the wrong people resulting in high numbers of inappropriate job applications.

**The Skills and Value Based Segmentation Model for the GEPF**

- Focuses <u>on two skill types</u> in evaluating and categorising different roles: ***Valuable and Unique Skills***

- <u>Skills value of Role</u>
  Roles will be assessed according to the:
  - ❖ **Extent to which they include skills in each of these 8 essential business elements below:**

  - ❖ **Impact of these skills across the organisation**
    1. Service Delivery
    2. Stakeholder Relations
    3. Cost and Efficiencies
    4. Quality
    5. Innovation
    6. Organisational capability
    7. Reputation / Risk Management
    8. Financial

- <u>Unique Skills</u>
  - Needs to be nurtured over time.
  - Takes time to acquire <u>and develop.</u>
  - There is a  need to invest in education, training, and development of unique skills that is:
    - ❖ Organisational specific.
    - ❖ Difficult to copy
    - ❖ Hard to replace

**12.     The 4 Role Categories Approach (skills quadrants):**

A 4 role category approach is followed to express the different skills categories as indicated in Figure 1.

**Quadrant 1: Mission Critical Roles**
(i.e. essential/crucial; core; significant; influential; directive)

- *These are roles with higher skills value and higher skills uniqueness, within the organisation.*

**Quadrant 2: Professionals, Skilled and Semi-skilled**
(i.e. qualified; trained; licensed; certified; skilled)

- *These are roles with higher skills value but lower skills uniqueness as they are fairly easy to source in the labour market given the higher numbers in the labour pool.*

**Quadrant 3: Administration / Generic Roles**
(i.e. transactional; support; assistance; manual; clerical)

- *These are roles with lower skills value and lower skills uniqueness and are typically the support services in an organisation.*

**Quadrant 4: Specialists**
(**i.e.** expert; defined competencies; body of knowledge/skill; unique to industry)

- *These are roles with lower skills value, but higher skills uniqueness given the high levels of expertise that often come with these roles.*
- *The GEPF through the office of the PEO shall recognise these roles using the parallel pay reward method.*
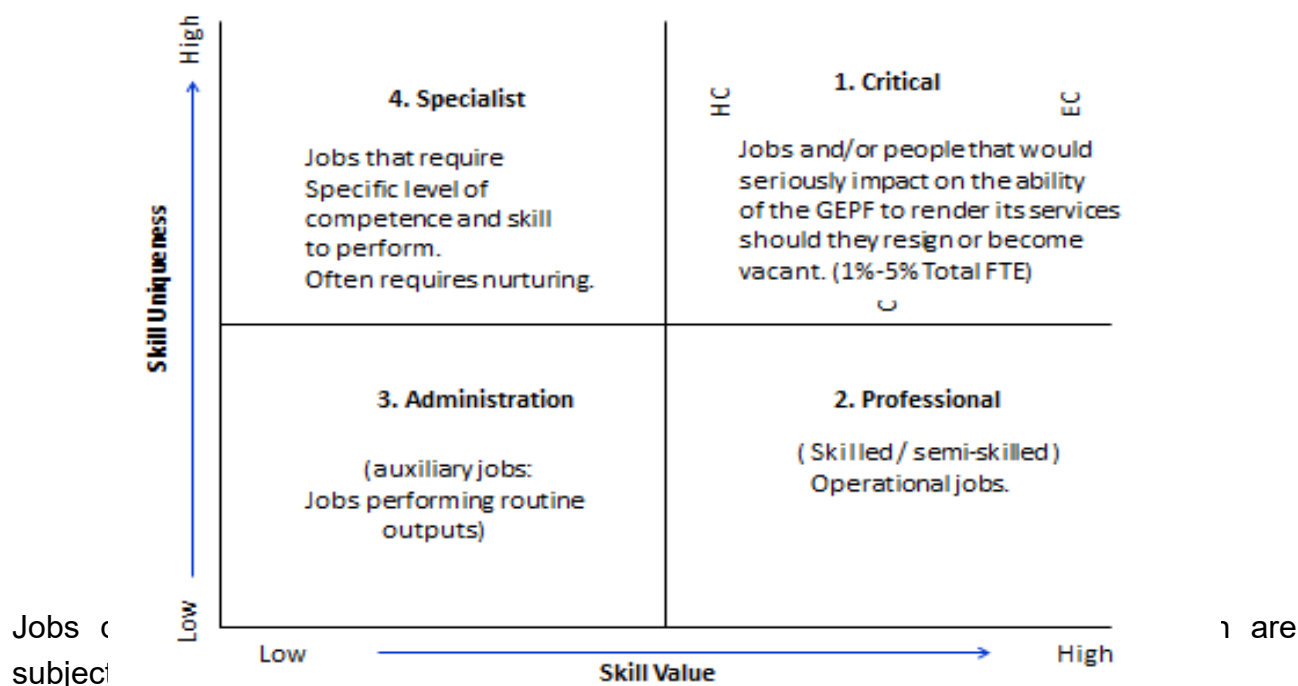
**Figure 1**: Skills Quadrant Axis



Jobs ⟨...⟩ are subject⟨...⟩

**Table 2: Critical Workforce Segmentation Criteria**

| Critical Criteria | Critical | Critical Support Role |
|---|---|---|
| Is this Job mission critical? | | |
| Is this Job Business Unit critical? | | |
| Is this Job Divisional critical? | | |
| Will the GEPF be unable to render effective services if this role is vacant? | | |
| Does the Role Qualify in terms of the Non-Core Critical Support Role Criteria? | | |

**12.1   Scarcity of the Skill (internal or external factors, time and environment etc.)**

- Jobs that are scarce in terms of available replacements in the National and/or International market.
- Traits to look out for include:
  - Limited
  - Short Supply
  - Rare
  - Difficult to acquire
  - Insufficient in the Market
  - Unique
  - Expensive

**Figure 2** illustrates the recognised roles included for recognition in accordance with the Segmentation:

**Figure 2:  Recognised Roles**
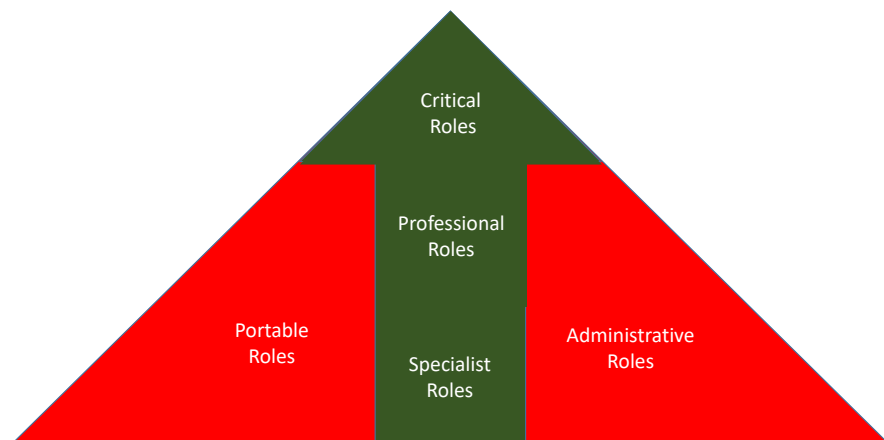


**Note:** Portable and Administrative Roles are not subjected to Critical Skills Treatment

**13.**      **Recognition of Business Imperative Roles (Non-Core Business)**

The GEPF recognises that there are certain Non-Core Roles within the Support Units that are essential for the sound operation of the organisation and that it is important to recognise the contribution of these roles to the Organisation.

It is however important that a carte blanche approach is prevented where all roles in the GEPF are not recognised in terms of Special Skills Category Treatment and therefore requires certain Qualification Criteria.

All Executive Roles are defaulted to Critical Roles regardless of Core- or Non-Core Business Classification.

The Qualification Criteria needs to be based on specific principles guided by proximity to the GEPF Strategy and/or Divisional Strategy, Core- or Non-Core Business.

The Qualification Criteria is determined by each role's proximity to Strategy Development and Implementation as illustrated in Table 3, Table 4 and Table 5.

### Table 3: Proximity to Strategy at Organisational Level

| Proximity | Definition | Role |
|---|---|---|
| **Primary** | Is accountable for the development and implementation of the GEPF Strategy | PEO |
| **Shared** | Is jointly responsible for the development and implementation of the GEPF Strategy | Executives |
| **Contributory** | Provides inputs to the Executive in terms of specifics that contributes to the GEPF Strategy | Managers |
| **Remote** | Provides inputs to the Manager that may contribute to the GEPF Strategy | Professionals and Specialists |

**Note:** Primary and Shared roles are recognised as Critical

**Critical Talent Segmentation**

## Table 4: Proximity to Strategy at Divisional Level

| Proximity | Definition | Role |
|---|---|---|
| **Primary** | Is accountable for the development and implementation of the Divisional Strategy | Executive |
| **Shared** | Is jointly responsible for the development and implementation of the Divisional Strategy that would contribute to the Organisation's survival | Manager and/or Professional / Specialist |
| **Contributory** | Provides inputs to the Manager in terms of specifics that contributes to the Divisional Strategy | Professionals and Specialists |
| **Remote** | Implements outputs of the Divisional Strategy | Generic Roles |

**Note:** Primary and Shared roles are recognised as Critical

## Table 5: Proximity to Strategy at Critical Support Role Level

| Proximity | Definition | Role |
|---|---|---|
| **Primary** | Is accountable for the development and implementation of the Critical Support Entity Strategy | Manager and/or Professional / Specialist |
| **Shared** | Provides input into Critical Support Entity Strategy | Professionals and Specialists |
| **Contributory** | Supports Professionals and Specialists with inputs | Generic Roles |
| **Remote** | Executes activities | Generic Roles |

**Note:** Only Primary role is recognised as a Critical Support Role.

The workforce segmentation for the GEPF has been reviewed as reflected in **Table 6** **below:**

**Table 6:  Workforce Segmentation**

| Job Title | Value | Unique | Critical | Critical Support Role | Professional / Specialist | Generic Roles |
|---|---|---|---|---|---|---|
| Principal Executive Officer | H | H | Y | | | |
| Executive: Investments | H | H | Y | | | |
| Executive: Actuarial and Benefits Administration | H | H | Y | | | |
| Executive: Finance | H | M | | Y | | |
| Executive: Corporate Services | H | M | | Y | | |
| Executive: Stakeholder Management and Communications | H | M | Y | | | |
| Investment Manager | H | M | | | Y(s) | |
| Investment Research Manager | H | M | | | Y(s) | |
| Relationships and Brand Manager | M | M | | | Y(s) | |
| Company Secretary | H | M | | Y | | |
| Actuarial Manager | M | H | | | Y(s) | |
| Internal Audit Manager | M | M | | | Y | |
| Legal and Compliance Manager | H | M | | | Y | |
| Human Resources Manager | M | M | | | Y(s) | |
| Head: Enterprise Risk Management | H | M | | Y | | |
| Communications Manager | M | M | | | Y | |
| Employee Benefits Manager | H | M | Y | | | |
| Finance Manager (Finance Management and Supply Chain Management) | M | M | | | Y(s) | |
| ESG Manager (Environmental, Social & Governance) | H | M | | | Y(s) | |
| ICT Manager | H | M | | Y | | |
| Senior Committee Officer | M | M | | | Y | |
| Senior Internal Auditor | M | L | | | Y | |
| Investment Accountant | M | M | | | Y(s) | |
| Investment Accountant | M | M | | | Y(s) | |
| HR Business Partner | M | L | | | Y(s) | |

**Critical Talent Segmentation**

| Job Title | Value | Unique | Critical | Critical Support Role | Professional / Specialist | Generic Roles |
|---|---|---|---|---|---|---|
| Supply Chain Specialist | M | M | | | Y(s) | |
| Research Analyst (ESG) | M | M | | | Y(s) | |
| Actuarial Analyst | M | M | | | Y(s) | |
| Investment Analyst (Listed) | M | M | | | Y(s) | |
| Investment Analyst (Unlisted) | M | M | | | Y(s) | |
| Financial Accountant | M | L | | | Y | |
| Committee Officer | M | L | | | Y | |
| Communication Administrator | L | L | | | | Y |
| Personal Assistant:  PEO | L | L | | | | Y |
| Personal Assistant:  Investment & Actuarial | L | L | | | | Y |
| Personal Assistant: Stakeholder Relations & Communications | L | L | | | | Y |
| Personal Assistant:  Corporate Services | L | L | | | | Y |
| Office Administrator (Receptionist) | L | L | | | | Y |
| Personal Assistant:  Secretariat | L | L | | | | Y |
| Administrative Assistant | L | L | | | | Y |
| Messenger and Driver | L | L | | | | Y |
| Cleaners x3 | L | L | | | | Y |

**NB:** It must be noted that roles are categorised in line with business priorities and needs and is unique to the GEPF.  As these would change from time to time, roles may therefore be segmented differently for the purposes of meeting the business needs, objectives and priorities.  This process therefore remains fluid and is a Management tool to segment the organisation's talent in accordance with the needs of the business.  Any role that is affected from time to time, will require communication with the employee so that the individual is made aware of the impact of the change on the basis that it may be limited in nature and that there is no entitlement in this regard.

**Approval**

**RECOMMENDED** / ~~NOT RECOMMENDED~~

**MS J JEFTHA**
**CHAIRPERSON: REMUNERATION COMMITTEE**
**GOVERNMENT EMPLOYEES PENSION FUND**
**DATE: 2021-06-23**

**APPROVED** / ~~NOT APPROVED~~

**DR RD MOKATE**
**CHAIRPERSON: BOARD OF TRUSTEES**
**GOVERNMENT EMPLOYEES PENSION FUND**
**DATE: 2021-06-23**