

9th Indian Ocean Ports and Logistics Conference, Maputo



Embedding the human resource element in business strategy
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 - B. Human Resources Strategy at TPT
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TRANSNET PORT TERMINALS

16 Port Terminals across South Africa:

- 4 Container Terminals
- 3 Bulk Terminals
- 3 Automotive Terminals
- 6 Break-Bulk Terminals



SALDANHA BAY



PORT OF CAPE TOWN



Cape Town Container Terminal (CTCT) operations date back to 1977. In 2013 the quay wall was lengthened by 10m and deepened to 15.5m. Six new super post panamax ship-to-shore gantry cranes are maintaining a world-class standard of 32 moves per gross crane hour (GCH).

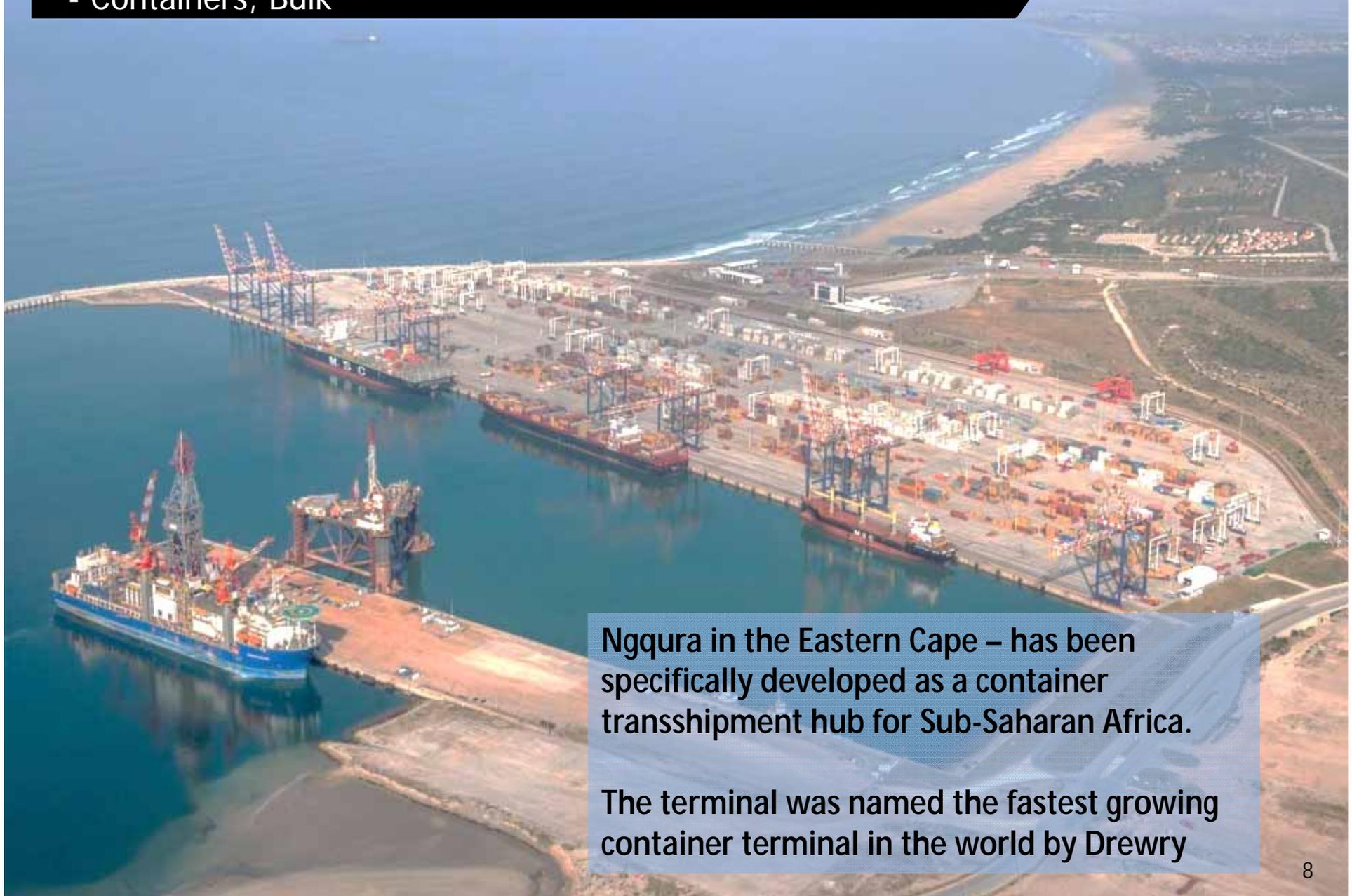
PORT ELIZABETH

- Containers, Bulk, Break-Bulk & Automotive Terminals

The Port Elizabeth Container Terminal is well established and enjoys close proximity to the industrial hub of the city.

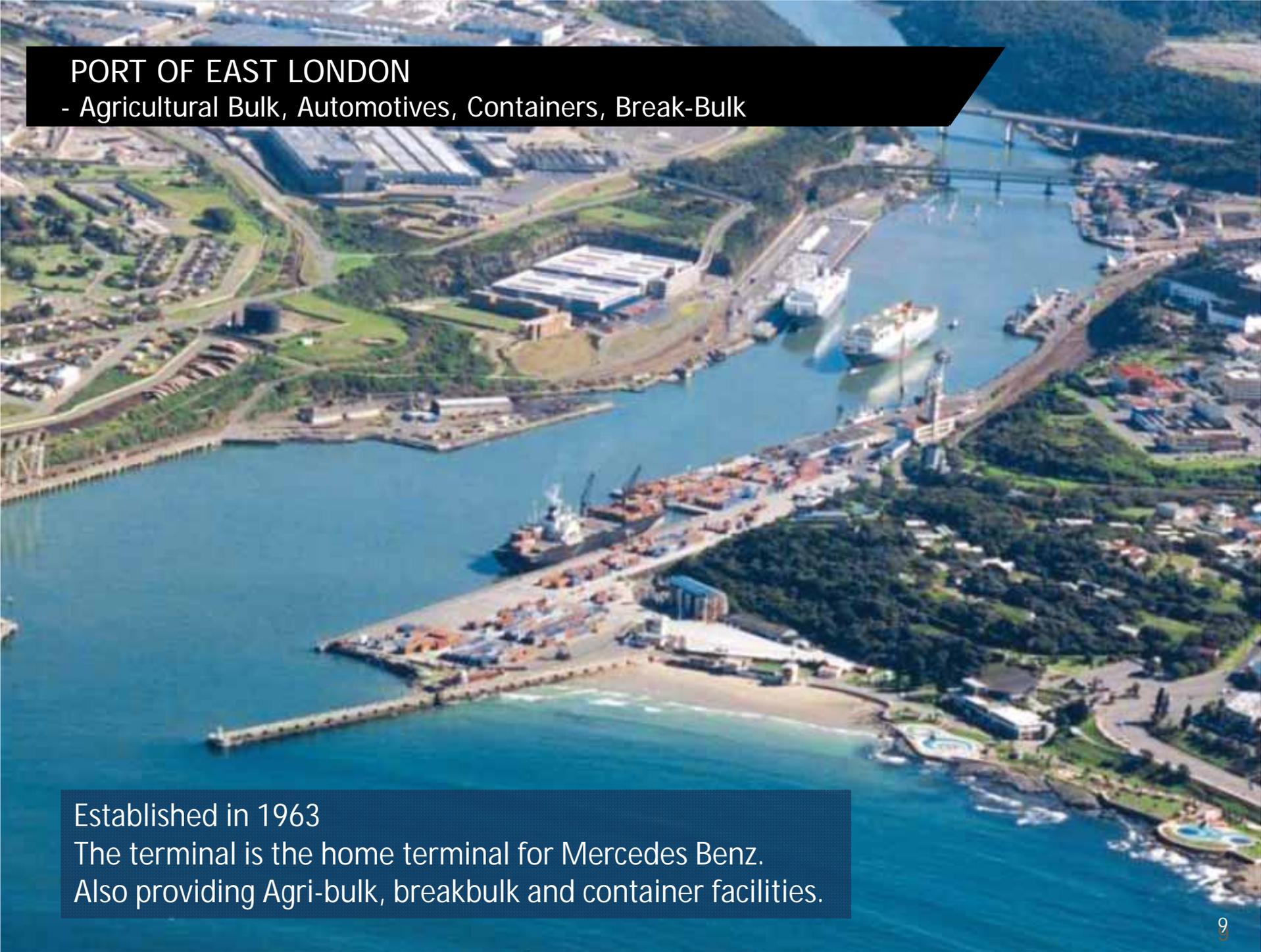
The terminal features reliable equipment. Two additional new-generation ship-to-shore cranes were recently added.

PORT OF NGQURA - Containers, Bulk



Ngqura in the Eastern Cape – has been specifically developed as a container transshipment hub for Sub-Saharan Africa.

The terminal was named the fastest growing container terminal in the world by Drewry



PORT OF EAST LONDON

- Agricultural Bulk, Automotives, Containers, Break-Bulk

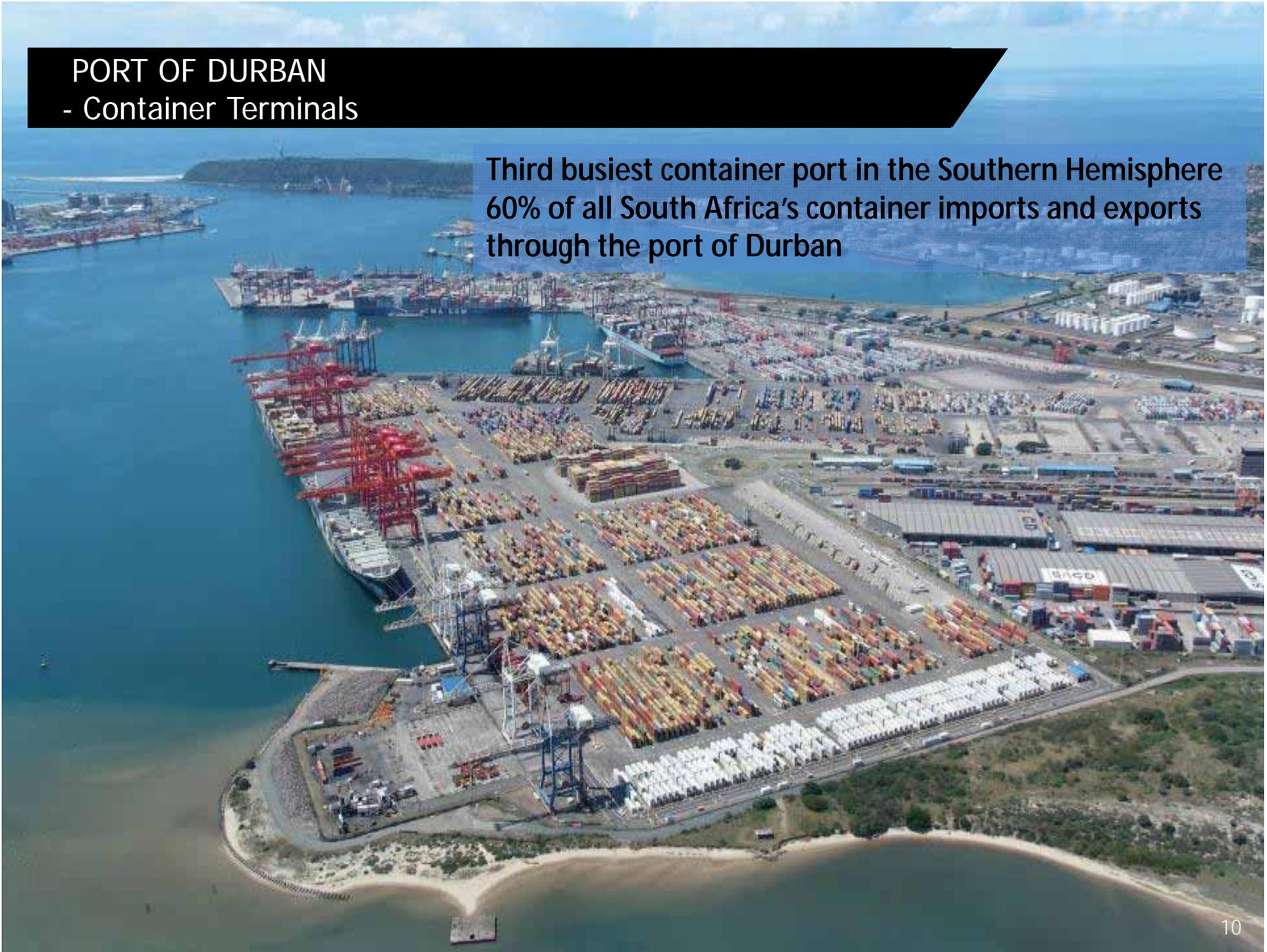
Established in 1963

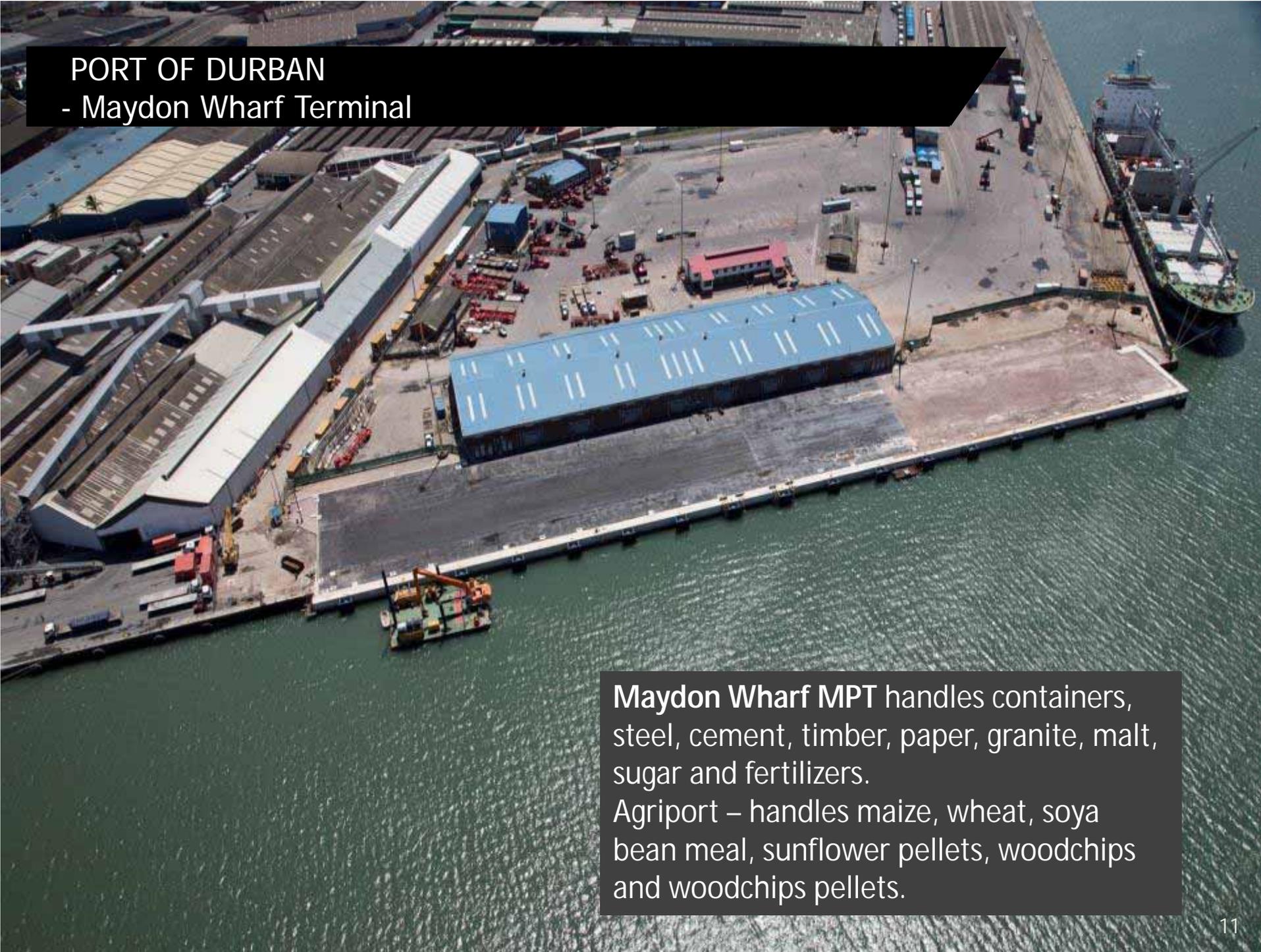
The terminal is the home terminal for Mercedes Benz.

Also providing Agri-bulk, breakbulk and container facilities.

PORT OF DURBAN - Container Terminals

Third busiest container port in the Southern Hemisphere
60% of all South Africa's container imports and exports
through the port of Durban



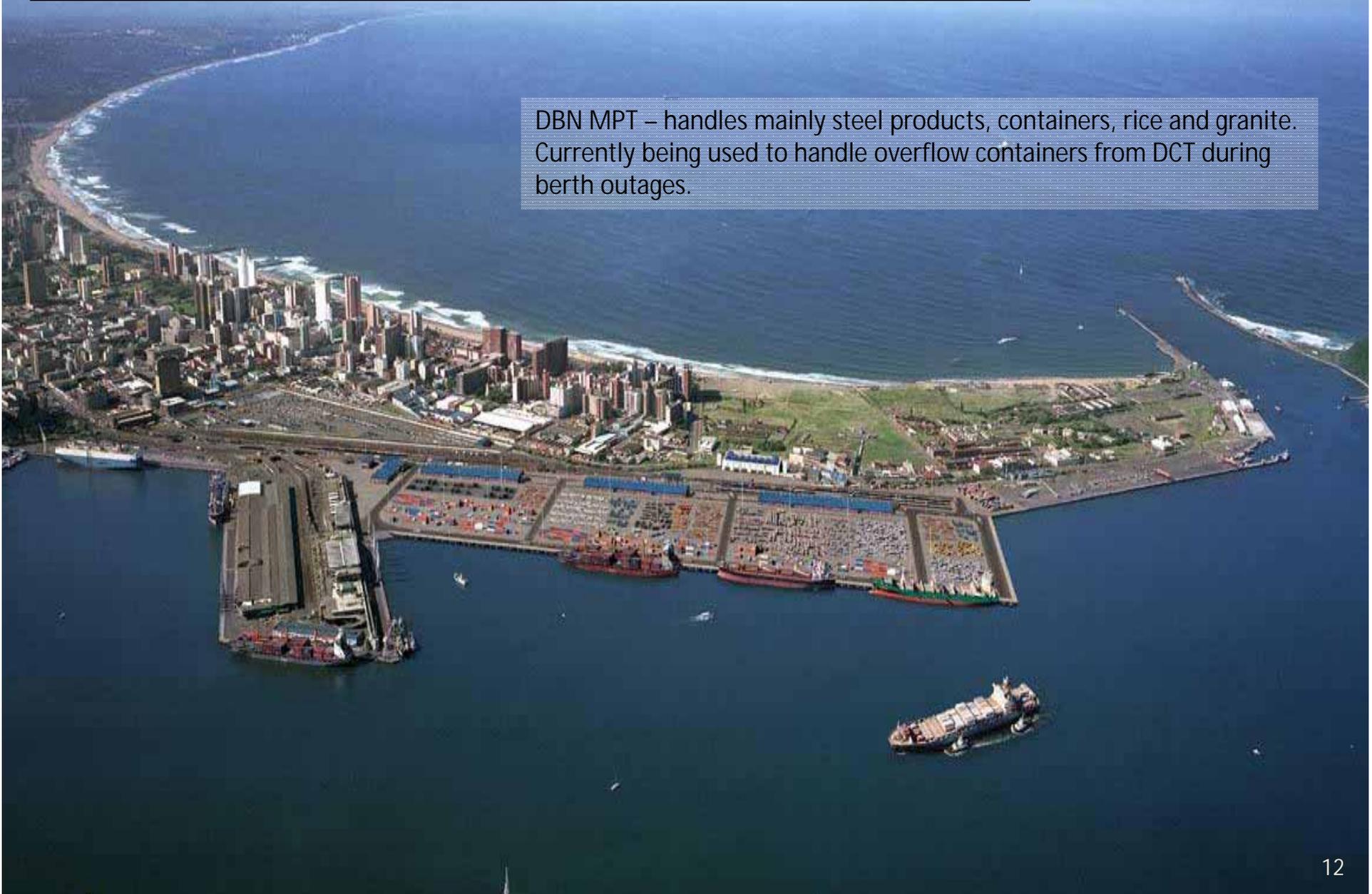


PORT OF DURBAN
- Maydon Wharf Terminal

Maydon Wharf MPT handles containers, steel, cement, timber, paper, granite, malt, sugar and fertilizers.
Agriport – handles maize, wheat, soya bean meal, sunflower pellets, woodchips and woodchips pellets.

PORT OF DURBAN - MPT Point, Ro-Ro Terminals

DBN MPT – handles mainly steel products, containers, rice and granite. Currently being used to handle overflow containers from DCT during berth outages.



DURBAN MULTI PURPOSE TERMINALS

– POINT RORO

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- Cars are the third largest business sector after containers and bulk.
- The Durban Car Terminal handles two thirds of all vehicles leaving or entering South Africa by the sea.
- It offers about 13,300 vehicle parking bays at a time.





PORT OF RICHARDS BAY - Bulk & Break-Bulk Terminals

BULK AND BREAK BULK CAPACITY
Break Bulk 8 million tons per annum
Bulk 20 million tons per annum
Berths 13
Draft 15.5m (average)
Cargo Mineral bulk, project cargo

PORT OF RICHARDS BAY
- Off-loading at Bulk Terminals



OUR ACHIEVEMENTS

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- The **fastest growing container terminal in the world** – Ngqura Container Terminal (NCT); Drewry Maritime Research 2013. NCT's volumes more than doubled year-on-year, peaking at 129%
- Winner of the **Safest Terminal Operator in Africa award** at the 2013 Transport Africa Awards. TPT was also shortlisted for the Best African Port Operator Award as well as the Transport Green Award.
- **NOSCAR grading for Port Elizabeth and East London car terminals.** The NOSCAR award is the highest safety accolade in the industry.
- **Durban Container Terminal was ranked first for most moves per hour in Africa** (November 2014) by Maersk, the world's largest ocean carrier and container shipping container company.
- **Durban and Ngqura received the Service Excellence PMR Africa Awards 2013**
- **Durban Container Terminal** and Cape Town Container Terminal ranked in Top 120 World Container Terminals of the world by Container Management.
- **Best Success in Africa Award for TPT from CNBC Africa.**
- World class rail dual cycle operation on Navis pioneered by Durban Container Terminal: Pier 2.





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HUMAN RESOURCES STRATEGY AT TRANSNET PORT TERMINALS



Transnet Port Terminals



AT TRANSNET PORT TERMINALS WE HAVE LONG BELIEVED THAT OUR STAFF ARE OUR GREATEST ASSEST

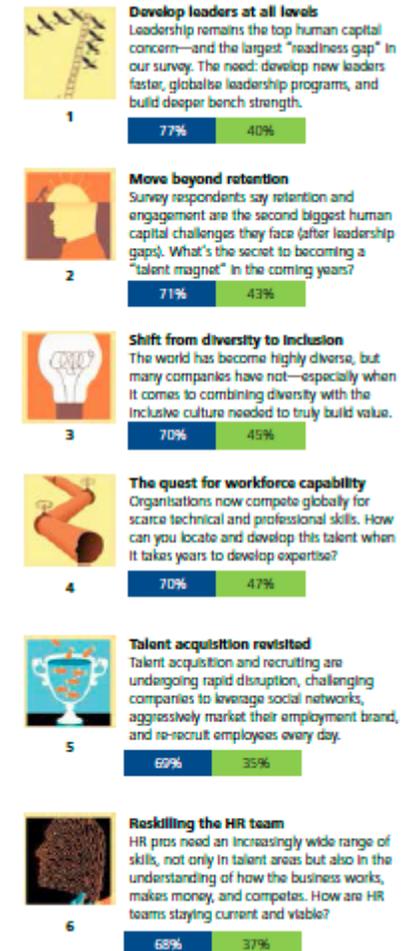


In a study done by Werner Nieuwoudt from Deloitte South Africa on Global Human Capital Trends, the following trends were identified in terms of importance to shaping the future:

- **Leadership (77%),**
- **Retention and Engagement (71%),**
- **Diversity and Inclusion (70%),**
- **Workforce Capability (70%),**
- **Talent Acquisition and Access (69%).**

Despite these being the most urgent trends, many of the companies surveyed expressed **reservations about their ability to address these issues** in the short-to-medium term.

These **should be top of the agenda** for executives and human resource teams in respect of sourcing, retaining, leading and developing people over the next few years.





Employee Satisfaction Surveys inform Strategy

Transnet understands that the delivery of quality service is pivotal to **retaining existing employees and attracting new entrants.**

Each successive interaction with employees is a meaningful experience and has an impact on the overall employee satisfaction.

Transnet **regular employee satisfaction surveys.** A strategic objective for conducting the research is to establish trends and offer a **base for strategic management of human capital.**

Understanding and constantly **improving the employee's work life experience** is a strategic imperative for employee focussed organisations, as it ultimately impacts on loyalty, which affects bottom line.

Providing an experience that is in line with the corporate brand is a way to establish satisfied employees.

Measuring employee satisfaction can help Transnet to:

Capture employee behaviour, thoughts, attitudes and opinions

Surface and understand key employee insights

Continuously improve the employee experience at every interaction



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Unlocking Africa's potential

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Approximately 97% of Africa's import and export cargo is transported via sea **Logistics** play a vital role in African ports being **globally competitive**. Lack of adequate facilities lead to congestion and idle time for vessels.

There are still some **challenges** facing Ports in Africa:

- Transport **Infrastructure**
- Lack of deep water berths
- Poor equipment and lack of maintenance of infrastructure;
- Limited capital to modernize port infrastructure.
- **Port Efficiencies**
- Training
- Transport Costs
- Processes and Systems

Planning and execution of all projects within budgeted timelines are crucial.

- Governance structures to enable decision-making;
- Project prioritization
- Project **tracking and monitoring**;



Market Demand Strategy

- *Human Resources is an essential element*

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Transnet is spending ~\$30bn on Infrastructure and Equipment over 7 year period
TPT portion of Capital spent is ~\$3bn

- **Increase capacity** at all terminals – storage space, stack rehabilitation, staff facilities
- New STS-Cranes, RTG's, RMG's, Straddles, Haulers, Shiploaders, Tipplers etc

Need to balance infrastructure investment with **People development**:

- Leadership Development
- Executive Coaching
- Women in Business
- Operational Skills Development
- Technical Skills
- Learnership & Youth Development
- Safety

Research & Development:

- Innovation
- Continuous Improvement

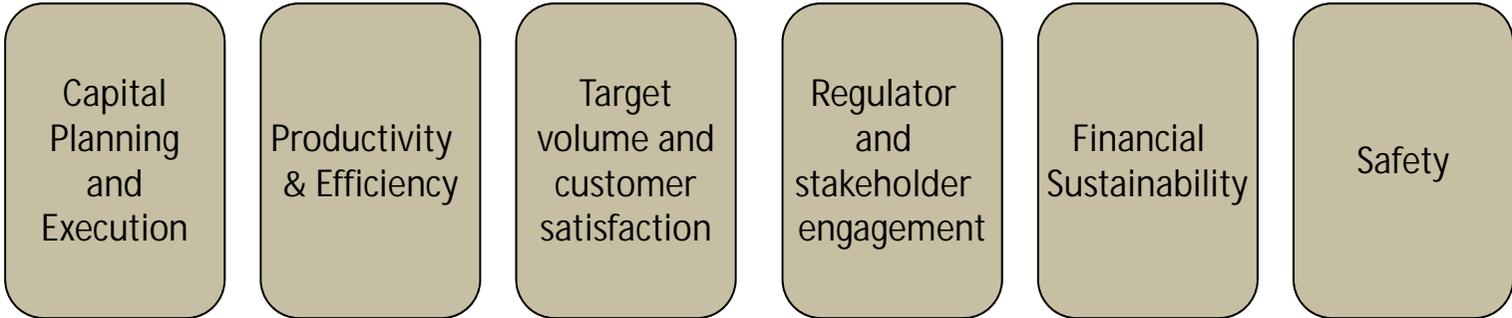


MARKET DEMAND STRATEGY: KEY OBJECTIVES



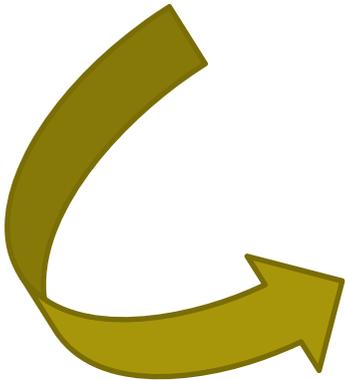
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THE MARKET DEMAND STRATEGY



Business strategy

Human Capital Strategy (Enabler)



- ### Key activities to support the MDS
- Sustainability and Human Capital Development
 - Job Creation
 - Skills Readiness
 - Improving operational efficiencies
 - People Transformation Project





KEY ACTIVITY

Sustainability and Human Capital Development



IMPACT ON DELIVERY OF MDS

- Timely delivery of skilled employees
- Achievement of spend on training costs
- Implementation of Technical Artisan Training
- Training conducted for other African Ports
- Build strong relations





KEY ACTIVITY

Job Creation



IMPACT ON DELIVERY OF MDS

- Approved workforce plan and efficient vacancy management
- Focus on increasing number of people with disabilities
- Increase number of women employed by TPT
- Focus on training of PWDs and Female employees
- Jobs created (increase in headcount)
- Increase jobs by 1607
- Implementation of the e-recruitment system





KEY ACTIVITY

Improving operational efficiencies



IMPACT ON DELIVERY OF MDS

- Aligned Incentive scheme across all terminals
- Strong relationship between Trade Unions and Management
- Aligned shift systems
- Reduction of incidents due to fatigue
- Reduced overtime
- Effective absenteeism management
- Limited use of casual labour





KEY ACTIVITY

Roll out People Transformation Project



IMPACT ON DELIVERY OF MDS

- Implementation of team approach within certain terminals
- Training of Managers and employees on goal alignment, asset care, coaching for performance and six sigma.
- Implementation of the Employee Self Service module of SAP.



Conclusion

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- Transnet Port Terminals understand the importance of employee acquisition, retention and development for the attainment of business strategy.
- Trends in Human Capital development inform Human Resources Strategy.
 - Leadership (77%),
 - Retention and Engagement (71%),
 - Diversity and Inclusion (70%),
 - Workforce Capability (70%),
 - Talent Acquisition and Access (69%).
- Employee Satisfaction Surveys are frequently conducted to analyse culture.
- African ports require focussed investment in infrastructure and equipment.
- The Market Demand Strategy is underpinned by Human Resources Strategy.
- Parallel investment in Human Resources is needed to ensure that investment in infrastructure is optimally realised.

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Thank you

