

Skills Development and Employment Equity



ACTOM

CEO'S MESSAGE



The ACTOM Group has been committed to local added value for more than 20 years. This strategy can only be successful if the group has well trained skilled employees. In line with this commitment ACTOM has maintained its apprentice training programme throughout the past 20 years in keeping with our strategy. The Group has intensified its efforts in this area over the past decade in order to build a solid sustainable foundation for future growth.

The increased focus on education, skills development and training is a fundamental social requirement to ensure a sustainable future for all South African citizens. Without the transfer and development of skills, legacy issues of unemployment, increased standard of living differentials and on-going social unrest are inevitable.

As a consequence the shareholders, management and staff are committed to the sustainable and on-going transfer of skills, education, training and development within the organisation to ensure that the company and the country have a sustainable and prosperous future.

Mark Wilson
CEO and Chairman

POLICY FRAMEWORK

ACTOM is firmly committed to the goals enshrined in South Africa's Constitution and in the aims and objectives that form the basis of a host of laws and regulations directed at attaining the optimum conditions required to provide equal services and opportunities to all South Africans.

The goals that these laws seek to achieve form an integral part of ACTOM's primary longstanding policy of developing and expanding its own manufacturing capabilities and in-house expertise to the utmost, in preference to relying on imported products and skills. At the same time the Group maintains close links with leading international players in its field to ensure that it is able to offer a comprehensive range of world-class products and services to its customers.

A major benefit of this policy is that it creates jobs and career advancement opportunities for thousands of South Africans who would otherwise not have access to them. The further spinoff benefits are substantial – not only does the application of this policy secure the future of the



On-the-job training plays a major role in skills development throughout the Group.



An apprentice performs a task while undergoing training at LH Marthinusen's dedicated technical training centre for armature winders at the company's Denver, Johannesburg, facility.

employees themselves, but it also opens up a vast array of opportunities for their families and other dependents to improve their lives and prospects in a variety of ways.

Furthermore ACTOM recognises that it is in its own interests to provide training to enhance its employees' skills to improve efficiency and productivity throughout the Group, with the added advantage of strengthening staff loyalty.

Also, importantly, the Group sees provision of augmented skills training as part of its duty to fulfil the aims of the Skills Development and Employment Equity Acts. It recognises that the correcting of imbalances that these two Acts set as their goals are best achieved by first correcting the imbalances in skills inherited from the past as envisaged in the Skills Development Act.

The enhanced skills thereby acquired by previously disadvantaged groups enable the provisions of the Employment Equity Act to be applied more effectively, comprehensively and fairly than would be the case if they lacked such skills. In this way, what may be termed the “skills obstacle” which stands in the way of promoting previously disadvantaged groups to higher positions due to lack of sufficient skills and/or experience is removed – or expressed in another way, it opens the way to promoting previously disadvantaged groups without having to consider compromising performance or quality standards in order to do so.

In short, ACTOM believes the provision of a comprehensive range of training programmes is an essential stepping

stone towards achieving its goals – as well as those of the country as a whole – in both skills development and employment equity.

ACTOM also contributes towards the enhancement of skills and advancement opportunities of groups and communities unrelated to its businesses by sponsoring a variety of social responsibility programmes as part of its contribution towards improving living and working conditions in South Africa. As with its skills development programmes for employees, these programmes are directed mainly at uplifting previously disadvantaged communities.

OVERVIEW OF ACTOM’S SKILLS DEVELOPMENT PROGRAMMES

ACTOM is the largest manufacturer, solution provider, repairer and distributor of electro-mechanical equipment in Africa, employing about 7 500 people. A black empowered company, its annual order intake is in excess of R7,5-billion and it has 43 operating units, 44 production, service and repair facilities, and 40 distribution outlets throughout Southern Africa.

The Group operates three apprenticeship training centres for all divisions and business units that require such skills. They are:

- The Technical Training Centre at Knights, Germiston, which provides apprenticeship training for electricians, fitters, turners, fitter & turners, tool jig & die makers, welders and armature winders. It has an average annual intake of 30 to 40 apprentices. It also provides Artisan Training & Recognition Agreement for the Metal & Engineering Industries (ATRAMI) training for semi-skilled employees to qualify as artisans.
- John Thompson’s technical training centres at Bellville, Western Cape, and at Isando, Kempton Park, provide training for apprentice welders and boilermakers. They jointly have an average annual intake of 50 to 60 apprentices. The Isando facility also provides advanced training for qualified welders on site at Tutuka, Kendal, Komati and Mathimba power stations, which have satellite training centres on site.
- LH Marthinusen’s technical training centre at Denver, Johannesburg, provides apprenticeship training for armature winders, with an average annual intake of 20 to 30 apprentices. It also provides ATRAMI training.

The Group has a longstanding ongoing senior management training programme, known as the Development Centre, that is aimed at ensuring that management skills are available at all times to meet ACTOM’s current and fu-

ture needs. A follow-up programme, the Leadership Growth Forum, has since been successfully introduced to reinforce the effectiveness of the core programme.

Another management development initiative comprising a Mentorship programme was introduced recently at business unit level to further enhance management skills throughout the Group.



An increasing number of young women are being recruited for artisan training within the Group.

Apart from apprenticeship training and the management skills courses outlined above, all the other training programmes and enabling mechanisms that are provided for skills development of employees are generated and run on a decentralised basis at divisional and operational level in accordance with the specific requirements identified by the respective managements of the various divisions/business units. The applicable skills development categories are:

- University education & training.
- Further Education & Training (FET) courses.
- Registered (certificated) instructional/experiential training.
- Occupational-directed training (non-certificated skills enhancement).
- On-the-job training.

The above categories encompass all training initiated, provided and monitored by the various divisions and business units themselves

A Group-wide survey conducted towards the end of 2013 to gauge the progress being made with the decentralised skills training programmes revealed a healthy state of affairs, with employers and employees throughout ACTOM's 13 divisions and most of its 42 business units displaying enthusiasm and commitment towards developing and enhancing skills at all levels.

During the year no fewer than 1647 employees benefited from on-the-job training, while 1188 were engaged in occupational-directed training and a total of 375 completed registered courses, covering instructional and experiential

training. In addition, 99 employees completed Further Education & Training (FET) courses and 74 were engaged in obtaining degrees and diplomas at South African – and, in some instances, overseas – universities.

Some of those attending universities include people who have been awarded bursaries by their divisions or business units.



The Group's Technical Training Centre at Knights, Germiston, has a longstanding reputation for providing expert apprenticeship training for a diverse range of artisan skills.

EMPLOYMENT EQUITY

Following the promulgation of legislation incorporating mechanisms, guidelines and targets for the effective implementation of employment equity in the private sector, ACTOM has made steady progress in this respect.

The introduction of the BBBEE Act in 2003, five years after the Skills Development and Employment Equity Acts, provided industry with further impetus and incentives to put the required measures in place to ensure that the desired results are achieved as quickly and as effectively as possible.

Allowing for an introductory period of a number of years before any meaningful results could be expected following the introduction of the above legislation, we have selected ACTOM's employment equity record for 2007 as our baseline marker to demonstrate to the progress that has been made to date towards achieving employment equity within the Group.



The skills development & employment equity committees serving each of the Group's business units strive to be as fully representative of all skills levels and social groups as possible to ensure that all their concerns are addressed.



The Group's employment equity policy is focused on facilitating the advancement of previously disadvantaged groups and women in the workplace.

Accordingly, a comparison between the records for end-2007 and mid-2013, reveals the following:

Total permanent employees	Blacks (%)	Whites (%)	Coloureds (%)	Asians (%)
End-2007 4130	2064 (50%)	1172 (28%)	752 (18%)	142 (3%)
Mid-2013 5450	3086 (57%)	1481 (27%)	701 (13%)	182 (3%)

ACTOM's employees by race at end-2007 and mid-2013

The numbers of professionally qualified people and middle managers other than white – namely Blacks, Coloureds and Indians – improved from 21% of the total in those categories in 2007 to 34% in mid-2013, while the proportion of people of these three races occupying skilled and junior management positions rose from 56% in 2007 to 61% in mid-2013.

Similar advances have been made in the numbers of females appointed into more responsible, more skilled and better paid positions. At the end of 2007 females of all races employed in middle management/professionally qualified and junior management/skilled posts represented just over 14% of the total number of people employed in these categories. By mid-2013 this percentage had increased to over 16%.

In 2007 female employees other than white accounted for over 42% of the total number of females employed in the abovementioned range of work categories in that year. In 2013 the numbers of females of these races, as a proportion of the total number of females employed in these positions, increased to almost 56%.

These comparisons again show that advances have been made in the desirable direction between 2007 and 2013, but they are modest advances indeed, indicating that this area in the employment equity mix requires more attention in the future.

SOCIO-ECONOMIC DEVELOPMENT INITIATIVES

ACTOM's social responsibility initiatives are wide-ranging. Most of them relate to education and training. Some activities are sponsored at corporate level, while many others are sponsored by the Group's divisions and individual business units.

One of the first corporate sponsorships to be established was one for Balmoral College, a school for black learners located next door to ACTOM's head office at Knights, which the group has been assisting since 2000. The school has gone from strength to strength with ACTOM's help and is recognised as one of the top schools in Gauteng, attracting learners from all over the province due to the excellent pass rates it achieves every year. It currently has 1300 learners.

Another major sponsorship is that for Wits University's School of Electrical & Information Engineering for which ACTOM has provided about half of the funds and much of the equipment to establish a modern energy lab, which was officially opened as the ACTOM Energy Lab at the beginning of 2013. Other sponsorships at corporate level include the Ithemba Institute of Technology in Soweto, which is both a technical high school and a FET training college, and an innovative tutorship programme for Science and Maths instruction for high school learners at three township schools on the East Rand.

In addition to corporate sponsorships, a variety of social responsibility programmes are administered and sponsored by the Group's divisions and business units that are too numerous to mention.

In addition to the above voluntary programmes, ACTOM is also involved on an ongoing basis with numerous projects and contracts in which it is required, usually as part of project/



The Group's social responsibility initiatives include an innovative tutorship programme for Science and Maths instruction for high school learners at township schools.

contract conditions, to participate in socio-economic initiatives that include training of personnel from client companies and organisations, subcontracting work to local black-owned companies, assisting in creating black-owned businesses and procuring materials from black-owned suppliers.



The Group has greatly enhanced the skills training capabilities of Wits University's School of Electrical & Information Engineering by providing substantial funding and equipment for its new energy laboratory.

ACTOM Head Office
2 Magnet Road, Knights 1413
+27 (0) 11 820-5111

POWER: John Thompson
Cape Town: +27 (0) 21 959-8400
Gauteng: +27 (0) 11 392-0900
Durban: +27 (0) 31 408-9700

POWER CONVERSION

Electrical Machines: +27 (0) 11 899-1111
Large Motors: +27 (0) 11 899-1111
Laminations & Tooling: +27 (0) 11 899-1111
Elmacast: +27 (0) 11 818-3511
Air Pollution Control: +27 (0) 11 478-0456
ACTOM HVAC Systems: Durban +27 (0) 31 700-3286 Cape Town: +27 (0) 21 981-0111
Static Power: +27 (0) 11 397-5316
Alkaline Batteries: +27 (0) 11 397-5326
Multi Power Systems: +27 (0) 11 397-4861
COM10: +27 (0) 11 552-8368

ENGINEERING PROJECTS & CONTRACTS

Industry: +27 (0) 11 430-8700
Contracting: +27 (0) 11 430-8700
Power Systems: +27 (0) 11 430-8700
Transport: +27 (0) 11 871-6600

HIGH VOLTAGE EQUIPMENT: +27 (0) 11 820-5111

MEDIUM VOLTAGE & PROTECTION

MV Switchgear: +27 (0) 11 820-5111
Protection and Control: +27 (0) 11 820-5111
Current Electric: +27 (0) 11 822-2300

POWER TRANSFORMERS: +27 (0) 11 824-2810

DISTRIBUTION TRANSFORMERS: +27 (0) 11 820-5111

LH MARTHINUSEN: +27 (0) 11 615-6722

REID & MITCHELL: +27 (0) 11 914-9600
Contact Engineering: +27 (0) 11 892-3013
Metalplus: +27 (0) 11 433-1880

MARTHINUSEN & COUTTS: +27 (0) 11 607-1700

WILEC: +27 (0) 11 629-9300
Transwire: +27 (0) 11 316-2480

ELECTRICAL EQUIPMENT:

Electrical Products: +27 (0) 11 878-3050
Mechanical Equipment: +27 (0) 11 878-3050
Appliance Components: +27 (0) 11 873-1415
Genlux: +27 (0) 11 878-3050

ACTOM ENERGY

Hydron hydraulics: +27 (0) 21 511-9146
Electrowave Cape: +27 (0) 21 510-2550
Namibia Armature Rewinders: +264 (0) 64 462-886