

**RECOGNITION, REMUNERATION AND
PROFIT SHARING**

B.R. Fleetwood

**RANDFONTEIN ESTATES GOLD MINING
COMAPNY (W) LTD**

IMPROVING THE PRODUCTIVITY OF HUMAN RESOURCES

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B.R. FLEETWOOD

GENERAL MANAGER

RANDFONTEIN ESTATES GOLD MINING COMPANY, WITWATERSRAND, LIMITED

In the mid 1980's trackless mechanized mining was introduced at Randfontein Estates. This mining method partially replaced the long practised conventional method which suited the narrower reef widths. At the time the mine was opening up the wide gold bearing reefs which were compatible with the high tonnage capabilities and high productivity of the trackless units.

Randfontein Estates has always placed the safety of its people first and foremost and its safety record which includes inter alia the achievement of one million underground fatality free shifts for the twenty first time, an official industry record and a five star rating in the Chamber of Mines safety rating schemes for thirteen consecutive years. The last five years have been achieved with honours.

In 1986/87 the mine experienced severe industrial relations problems which adversely affected production and highlighted the need for effective communication channels. A major contributory factor to these problems was the employees' perception that trackless mining was Management's way of reducing job opportunities and people.

In 1987 a task force was created to address the industrial relations problems and in November of that year the Participative Management Programme was implemented. This was designed to sensitize the workforce and prepare them for the challenges of change. From this programme other courses were developed to inform the major portion of the labour force which is poorly educated and illiterate how company business is run and how each individual could benefit from input into the business. All courses are dynamic and are tailored to suit the changing needs. The latest programme which complements Participative Management is the "Towards Common Purpose Programme" which is still in its infancy.

Amongst the basic principles embodied in these programmes and courses is the need to give recognition to those employees who achieve better than standard results. At Randfontein Estates there are numerous ways to recognise such achievers and reward them accordingly.

In general safety is given particularly high recognition as it has long been realized that a safe environment is a prosperous environment in which people feel secure and perform accordingly. Production is also a high priority as it directly affects profitability.

As a member of the Chamber of Mines the Company is required to remunerate its employees in conformity with the minimum wage and salary scales as negotiated annually with the Unions and Associations. There is no ceiling on such scales therefore each Mining House has some latitude when finalising its Group scales. Obviously total packages can be designed to suit the needs of the Group. Annual performance appraisals make provision for merit increases over and above the general increase for those employees who are considered above average performers.

The 1988 wage negotiations included the payment of a profit sharing bonus to all employees when a predetermined trigger profit level was achieved. In 1991 during that years wage discussions it was agreed to pay both a cost per kilogram containment bonus and a gold price bonus. Randfontein Estates pays these bonuses and total payments to date amount to some R44 million.

Randfontein Estates has through the application of Participative Management principles, equal opportunity and wealth sharing been able to remain profitable through some difficult times. In 1992 the National Productivity Institute recognised the Company's remarkable productivity improvement by awarding its highest honour, the gold medal.