

Our mission states our intention to deliver performance through a diverse complement of highly competent and experienced individuals and teams. Our new people strategy is designed to support this objective and position Motus as an attractive choice for top calibre talent.

The journey to improve how we manage human capital began two years ago and initially focused on getting the basics right, namely to develop core people data and identify talent to respond to critical succession risks. In the past year, we focused on strengthening the core of the human capital function and over the next two years, we will build on the four strategic people themes outlined below to develop a high-performing organisation and move Motus onto an industry-leading trajectory.

One Motus

The consolidation of Motus over the past year, means that we have to work towards developing a single Motus identity for our employees. In the past, our businesses had substantial autonomy in managing their human capital practices. The new people strategy, adopted in December 2017, aims to deliver a more mature, consistent and single approach to human capital management, setting clear accountabilities for all employees.

To deliver this objective requires that all our human capital teams across Motus work collaboratively towards a common agenda. Regular engagement between these teams is facilitating a better understanding of the capacity and areas of progress needed to deliver the people strategy.

A key enabler of the One Motus objective is the implementation of a new payroll and human capital management system, which will support all operating businesses and provide one view of the employee base. The three-year implementation will ultimately support better workforce planning and management of performance, learning and development and onboarding of new employees.

Culture and transformation

An inclusive and collaborative high-performance culture enables business results, creates opportunities for all employees and provides the benefit of diverse thinking. To secure our social licence as a proactive and patriotic South African organisation, we are committed to accelerating the transformation of our workforce to reflect our domestic market. During the year, we increased our employee engagement efforts to understand the barriers that have hindered the pace at which we have been able to transform. These insights are being used to develop clear action plans that will instil the required culture shift in the organisation.

Good progress was made during the year to advance the representation of employees from designated groups at senior management level, with appointments made into the following roles: financial director of the retailer business, the financial director of Kia and the chief internal audit, risk and sustainability officer.

Talent management

We believe that the financial value of our companies depends upon the quality of our talent. The aim of our talent management programme is twofold: to ensure that the right number and quality of people are in place to meet current and future business priorities, and to provide employees identified as key talent with access to the best career opportunities within Motus. In the coming year, we will pilot a new performance management approach, which will align employee capabilities and expectations with business objectives and career opportunities.

Link to material issues

- › Become an employer of choice in the automotive industry.
- › Remunerate performance that supports strategic delivery.
- › Deepen management credibility.

Opportunity

Cultivating a culture where employees feel empowered and that encourages them to take advantage of business growth opportunities.

Risks and challenges

- › Slow transformation of the workforce in South Africa, and white male fear as an unintended consequence of driving transformation.
- › Loss of talent due to a low level of maturity in the human capital value chain.
- › Fierce competition for leadership, customer service and specialised skills given a limited pool of qualified skills in South Africa.

Boundary

All Motus entities.

Leadership and people capabilities

An effective leadership team drives the desired culture and is able to steer businesses through challenging economic and changing working conditions, which can create uncertainty for the workforce. We require our leaders to be experienced and agile, have the right skills to execute Motus’ strategy, make effective decisions that impact our customers and processes, and be able to motivate our employees and attract and retain talented people. To help our leaders meet these expectations, we are developing a leadership development framework based on the Motus brand values and promises. We anticipate that the framework will lead to a unique Motus leadership code, that will drive exceptional leaders and managers with a distinct set of talents able to meet the expectations of our investors, customers and employees.

We encourage our employees to access opportunities to learn and take accountability for their own optimal performance and career development, guided by managers who provide mentorship and coaching. We are working towards a more integrated approach to learning and development, which will focus on developing the core skills needed in the organisation and support the talent, succession and performance management frameworks. The implementation of this new learning and development philosophy will start in the new financial year.

Areas of focus

One Motus Drive a single Motus identity

Priorities

- › Ongoing refinement of the people strategy.
- › A standardised job architecture structure, which simplifies reporting structures and clearly maps the level of accountability and competency required for job families and job roles. The job architecture is continually streamlined.
- › Develop, mature and implement consistent people policies and best people practices to optimise performance and employee engagement across Motus, while ensuring the flexibility to meet individual divisional needs.

Progress made in 2018

- › Recruited human resources personnel to strengthen capabilities in the human capital team.
- › Mapped all South African-based employees to a role within the job architecture structure and aligned their job titles.
- › Introduced uniform disciplinary and grievance policies, as well as a maternity policy and policy to purchase company vehicles.
- › Standardised the contract of employment.
- › Started the implementation of the new payroll and human capital management system, which will provide accurate and integrated human capital data to inform strategic people-related decisions.

Culture and transformation Build an inclusive and collaborative high-performance culture

Priorities

- › Improve employee engagement through management communication and cultural readiness initiatives, including employee focus groups and diversity workshops.
- › Employment equity plans to promote the inclusion of employees from designated groups. Focus is on developing and promoting internal candidates and strategically sourcing external talent.
- › Divisional targets covering race, gender and disability in place for each occupational level.
- › An appointment and promotion ratio of 70:30 in favour of employees from designated groups.
- › Transformation progress makes up 20% of performance indicators for top and senior managers in South Africa.

Objective

- › To reflect South Africa’s economically active population profile by 2028.

Progress made in 2018

- › Submitted the interim one-year consolidated employment equity plan for the South African operation to the Department of Labour. The more comprehensive five-year plan is being finalised.
- › The representation of employees from designated groups increased at all management levels, with all employment equity targets at management level being met. The biggest improvement was at senior management level, where black representation increased to 32% in 2018 from 21% in 2017.

Talent management

Attract, retain, engage and motivate high-calibre employees

Priorities

- › Embed the talent review process: talent assessments for leaders with each participant receiving individual feedback on areas of development. Feedback is also provided to executive committees.
- › Ensure effective succession planning for leadership depth: succession plans are being implemented for the chief executive officer (CEO), his direct reports and other levels of management for the short and long term.
- › Strategic talent sourcing for specialised skills.
- › Align incentives to strategic objectives.

Leadership and people capabilities

Ensure an aligned and effective cadre of leaders and invest in learning and development to meet current and future capability requirements

Priorities

- › Identify key current and future skills and align these to talent management programmes.
- › Learning and development programmes for leaders and to support the growth of all employees.
- › Apprenticeships in technical workshop skills and sales and marketing.
- › Ongoing product and technical training delivered by original equipment manufacturers (OEMs) supplements our training interventions.

Progress made in 2018

- › Drafted a new performance management approach which will:
 - align performance goals to business strategy;
 - assess values-driven behaviour, leadership capability and performance against organisational performance;
 - identify opportunities to coach and mentor key talent; and
 - link performance to remuneration and recognition programmes.
- › Engaged 122 managers on their areas of development.
- › Trained human resources personnel on how to provide feedback to executive committees on the outcomes of the talent management process and the implications for their businesses. Personnel were also trained on how to help line managers give and receive feedback.

Highlight

R132 million training spend

(2017: R167 million) and 58 training hours per employee (2017: 71 hours).

Progress made in 2018

- › Started developing a leadership development framework, which will be used as a foundation for all future leadership development programmes.
- › Established a learning and development forum, with representatives from all businesses, tasked with co-creating learning and development policies, procedures and standards to be applied across Motus.
- › Streamlined skills levies from 41 reports to 10 with all reports successfully submitted to five Sector Education and Training Authorities (SETAs) within their stipulated timeframes.

Driving a more inclusive workforce in South Africa

The consolidation of Motus has provided the opportunity to develop a more focused strategy for workforce transformation across the South African operation. During the reporting year, individual businesses were deregistered from the Department of Labour's employment equity register and a consolidated one-year employment equity plan submitted covering the entire South African operation. In addition, good progress has been made towards finalising a more comprehensive five-year plan.

The plans were formulated using a rigorous process that included:

- › An analysis of the workforce profile across all occupational categories and levels to determine where designated groups are underrepresented.
- › Employee engagement and an analysis of all employment policies, practices and procedures to identify any barriers that may impede employment equity progress.
- › An income differential analysis to assess pay parity across the business.

Employee focus groups, conducted by an external service provider, were held during the reporting year and reached 750 employees. The focus groups highlighted the following perceived barriers to advancing employment equity within Motus:

- › Insufficient focus on career development.
- › Inconsistent application of people policies and processes across Motus.
- › Insufficient opportunities to advance black employees and women.
- › Low levels of black representation, particularly at senior management level.

The results of the analyses and feedback from employees has been used to inform the five-year employment equity plan and is providing the base from which to develop clear initiatives to facilitate progress.

A campaign, using online platforms and printed booklets, was undertaken to raise employment equity awareness and encourage the participation of employees, managers and other representatives in engagement around employment equity, as well as to prepare employees for the process to nominate consultative forum members.

A recent High Court ruling against Imperial Holdings has highlighted a clear need to improve our interpretation and understanding of employment equity terminology and application, as well as the need for greater sensitivity regarding the language used in the workplace in general.

In response, we will deliver training over the next three years to enhance understanding of the Employment Equity Act and its requirements, raise awareness around discriminatory behaviour, enhance sensitivity around race and gender issues, and help to build an inclusive culture where employees feel empowered. The training will target leaders, managers and general staff.

Engagement app

An app to better engage with employees was developed during the year and is being used to deliver consistent messaging on employment equity. It provides employees with an engaging platform across multiple mediums, including cellphones, the internet and email. The app is also used to facilitate training evaluations and employee focus group surveys, and drive feedback to employees.

Building capabilities that drive our competitiveness

The people strategy will ensure that Motus has employees who are agile, futuristic and diverse with the ability to interpret and translate the needs of various stakeholders, achieve business targets and objectives and drive productivity, customer satisfaction and retention. The development of an integrated learning and development approach is likely to result in changes to how we build the capabilities we need, however, in the interim the interventions below have provided employees with development opportunities during the reporting year.

Customised leadership programmes

A key problem facing leaders is the ability to establish a sense of legitimacy for their leadership and to mobilise the consent of their people to being led by them. This only happens when leaders enable their people to realise the very best in themselves.

Customised leadership programmes aimed at improving people management skills are in place for various businesses. For example, leaders in Financial Services are being trained on the legitimate leadership care and growth model to promote a consistent leadership style and employee value proposition across the division. The same intervention is being used by Hyundai SA.

Based on the leadership development framework, we expect to launch a number of new programmes in the next financial year, including a new executive development programme, an accelerated development programme for women, programmes for line managers and formal coaching and mentorship.

The employee focus groups held during the year highlighted some of the leadership challenges faced in dealerships. A working group of business leaders from across Motus has defined the desired attributes of a dealer principal and portfolio manager, and this is being used to relook our development programmes for these roles to ensure we maintain high-dealership standards.

Dealer principal and portfolio manager programme

A pilot programme for 20 dealer principals and portfolio managers will be rolled out in the next financial year in response to concerns raised in the employee focus groups.

Managerial programmes

489 employees participated in a managerial programme

(2017: 406), with 187 being enrolled on the Bachelor of Business Administration.

55% of participants are black and 17% are women.

Southern Business School

We have continued to offer employees development opportunities through the Southern Business School. The inhouse three-year Bachelor of Business Administration helps employees build focused career paths as vehicle retail professionals. The degree is tailored to our particular needs and participants are selected based on assessments and interviews. The intake for the degree is 40 participants each year, however, based on our need we will increase this to 60 in the next financial year.

For employees at supervisory level and below, who require development but do not meet the degree's entry requirements, a 12-month management development programme is designed to bridge any gaps. Some 70% of the intake to this programme is targeted at black candidates.

Imperial Technical Training Academy

The Imperial Technical Training Academy provides training on workshop servicing and is recognised as the largest and leading premier provider of automotive technical trades training in South Africa. The academy trains apprentices in surplus to Motus' needs, supplying skills to the industry. We hire and train new apprentices annually in line with our employment equity targets. The technician to apprentice ratio is strictly monitored at 1:2 to ensure that we have a pipeline of suitably qualified technicians.

Imperial Technical Training Academy

875 Motus apprentices trained

through the academy (2017: 734), of whom 81% are black apprentices.

All 104 apprentices that qualified during the year have been absorbed into the feeder pipeline for critical workshop positions.

Online learning

Financial Services launched an online learning platform accessible to all its employees. The platform supports the division's needs in terms of regulatory, learnership and product-specific training. Going forward, it will also support accredited courses, management development and mentorship programmes and internships.

Cadet programme

128 sales cadets recruited with

43 cadets absorbed into Motus and more absorptions expected in the next financial year.

The attraction of black women onto the programme remains a challenge.

Cadet programme

Retail and Rental's 12-month sales cadet programme, which we co-fund with EOH and the Services SETA, provides unemployed youth with an entry level qualification in sales and marketing and helps us build a sustainable sales executive pipeline. Cadets are exposed to various functions within a dealership, including marketing and promotions, basic finance and costing, the vehicle sales process, back office administration, parts sales and administration, servicing and the workshop environment. The CEO of Retail and Rental hosts bi-monthly mentoring breakfast sessions with the cadets and has committed the division to employing a large pool of these candidates.

Key data

	2018	2017	2016
Number of employees			
Total number of employees	18 306	17 523	19 436
Employee representation¹			
Percentage of employees covered by collective bargaining agreements (%)	45		
Executive development			
Number of participants in the University of Cape Town's Business School Programme	3	17	
Percentage of participants that are women (%)	33		
Managerial development programmes			
Number of participants	489 [✓]	406	
Percentage of participants that are black (%)	55 [°]	70	
Percentage of participants that are women (%)	17 [°]	26	
Imperial Technical Training Academy			
Number of Motus apprentices enrolled	875 [✓]	734 ²	729 ²
Percentage of apprentices that are black (%)	81 [✓]	70	
Number of Motus apprentices that qualified as technicians	104	378	
Overall training statistics			
Training and development spend (Rm)	132,4 [°] *	167,0 ³	185,6
Training and development spend per employee (R)	7 233 [°]	9 530 ³	9 555
Number of training hours	1 053 020 [°] *	1 251 714	365 551
Training hours per employee	58 [°]	71	19

¹ Not previously consolidated for Motus, however, the percentage of employees represented in 2017 is surmised to be in line with 2018.

² Restated to reflect our own apprentices only. In prior years, this number was reported for all apprentices trained by the Academy, including external contracts.

³ Restated to exclude levy costs.

[✓] Satisfied with performance.

[°] Area for improvement.

* Assured (see the independent limited assurance report in the 2018 integrated annual report).

Transformation initiatives have resulted in increased training spend, particularly on developing black people and women.

Employment equity in South Africa

Occupational levels	Men (number)		Women (number)		Foreign nationals (number)	Black representation (%)		
	Black	White	Black	White		2018 actual	2018 target	2017 actual
Top management	1	8	2	1	0	25	25	17
Senior management	31	75	13	15	5	32	32	21
Middle management	498	731	205	315	21	40	40	36
Junior management	1 103	662	400	320	35	60	60	56
Semi-skilled	4 373	1 040	1 792	995	76	74	75	
Unskilled	1 186	33	605	6	20	97		
Non-permanent	411	30	125	15	15	90		
Total employees	7 603	2 579	3 142	1 667	172	71		
People with disabilities	66	44	85	51	6	60		