



INNOVATIONS FOR SUCCESSFUL SOCIETIES

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Interviewer: Michael Woldemariam

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Innovations for Successful Societies, Bobst Center for Peace and Justice
Princeton University, 83 Prospect Avenue, Princeton, New Jersey, 08544, USA
www.princeton.edu/successfulsocieties

WOLDEMARIAM: This is an interview with Mr. David Beretti, currently Executive Director of Corporate Services, City of Cape Town. As is ordinarily the case Mr. Beretti, if we can begin just by sketching out your biography, your background, where you were born, education and so on.

BERETTI: *Thank you very much Michael. I was born in the city of Cape Town. My schooling was also done in the city of Cape Town. I have degrees from the University of South Africa and a Master's Degree from the University of Cape Town. As a student, I commenced my career with the city of Cape Town initially as an accountant. I am qualified in economics, in finance, also in local government law and local government administration and, of course, at the highest level of human resource professional— registered with all the institutes.*

I have been with the city for about 38 years and I am probably one of the few if only people at my peer group now that have been through all the functions. I was in the finance department. I was in the engineering department. I was in the planning department. I was in the city administrator's department. I was in the human resources department and now the corporate services department. Most of my peer group have left. I do have a fair amount of institutional knowledge gained from a few decades in leadership positions.

WOLDEMARIAM: Fantastic.

BERETTI: *I'll share some of those experiences with you. Presently, I am the Executive Director, Corporate Services of the City of Cape Town and I report to the Chief Executive who is the City Manager. The portfolios that I am responsible for and manage are, number one, the full human resources function for 25,000 employees, that's the full range. I operate from collective bargaining to training and development to remuneration, all the functions of HR. For the legal services function, and you know local authorities are creatures of statute, for their whole IS&T, the whole IT, computer, IT function is under my management. The corporate communications media and marketing, the corporate facilities portfolio, the corporate fleet which has about 5,000 vehicles which we operate on a corporatized model, customer relations and employment equity. Those are the functions, all the corporate functions, that I manage for the city.*

WOLDEMARIAM: We can begin maybe— Tell me a little bit about the position you held directly before Executive Director of Corporate Services, the positions that you had before 2006. What position was that?

BERETTI: *I'll just pick that up from a benchmark that—prior to the year 2000, which was the commencement of the Unicity, the former City of Cape Town— it was the largest one, I was the Executive Director Corporate Services of that local authority.*

WOLDEMARIAM: Which was one of the seven municipalities?

BERETTI: *It was the biggest one. That is correct. Then we came into the Unicity and then I was appointed as the first Director Corporate Human Resources. So from 2001 to 2005 I was the Director Corporate Human Resources of the Unicity of Cape Town, the new city of Cape Town. Then in 2006 I was appointed as the Executive Director Corporate Services in the functions I've just described to you.*

WOLDEMARIAM: Tell me a little bit about the creation of the Unicity. From your perspective and the job you had, what particular challenges did the creation of the Unicity create? What was the—so for instance, one thing that we've heard is that the

integration of all of these different municipal bureaucracies created huge confusion over roles, responsibilities, over terms of service. Tell me a little bit about that bureaucratic challenge of creating Unicity.

BERETTI: *Michael, maybe we should start there. I'll start at the end and say, "As I sit here today I am immensely relieved and delighted, in my opinion, that we are where we are." When I look back in the rear-view mirror to around 1999 there was a body called the Unicity Commission which you might have come across.*

WOLDEMARIAM: Right.

BERETTI: *I was the HR adviser to the Unicity Commission so I was fully integrated and involved in the Unicity Commission under the chairmanship of Nico McLachlan. I pulled together the seven administrations. Now, just to show you over here (sketch on a board) — this probably saves me from giving you a long story—that was Cape Town, that was Blaauwberg, that was Tygerberg, that was Oostenberg, that was the South Peninsula, that was Helderberg. These former administrations were contiguous, there were no gaps in between. If you draw that line you have the whole unicity of Cape Town. So we took away the borders between these seven.*

Prior to that—I'm going to take a step back. In this region there were 39 local authorities, which meant 39 different employers. We went through the first reform and we brought that down to seven. That was an immense challenge. Then we settled on the seven here.

WOLDEMARIAM: And the seven, you brought from 39 to seven in '96, '97?

BERETTI: *Yes, that's right. Then in 2000 from seven down into one. When I look back now, I don't know, probably, maybe you can tell me where anywhere in the world something was actually done on that scale.*

WOLDEMARIAM: This is a continuation of interview with Mr. David Beretti.

BERETTI: *We had 39 municipalities. They were tiny little ones all over the place. They came down into seven. Now what I want to stress here Michael is that in terms of labor law, collective bargaining, each of them was an employer, they were a council. Then you had to bring that down to seven: this huge contingent. The amount of restructuring fatigue was considerable. Having to get circa 30,000 employees at the time down to seven and then the seven after that, settled down into one in a relatively fast timeframe.*

WOLDEMARIAM: Can I ask a question about this?

BERETTI: Sure.

WOLDEMARIAM: Why was this done in stages, you go from 39 to seven to one? Why not just 39 to one? Was the strategy changing over time? Was it a question of some political decision to take the seven down to one? Why was this done in this kind of stage?

BERETTI: *That wasn't, as far as I know, a product of local government, that was central government. I don't honestly know whether they thought of going into one so quickly but it was then decided in the government strategies to go into one. I'll just hasten to say, something that I'll end off with—you can ask the same*

question now because it is proposed for a single public service for the whole country. I don't know how much you've heard about that.

WOLDEMARIAM: Right.

BERETTI: *I'm working on that. That may well be — reality in the near future.*

WOLDEMARIAM: A single national—.

BERETTI: *All the major cities back into one; amalgamating Central, Provincial and Local Government—but I'll end off with that if I may.*

WOLDEMARIAM: Sure.

BERETTI: *This is what—the legislation came out and the proclamations and we had to deliver on this end and within those timeframes. We had—?*

WOLDEMARIAM: This is a continuation of an interview with Mr. David Beretti. So just a moment ago you left off with organizations don't simply merge, something along those lines.

BERETTI: *Yes, what I was saying—one thing that we certainly learned was that organizations don't merge, people do. Approximately 30,000 employees. It is very easy to say—the proclamation says on a certain date those local authorities will be one. There is no feeling in that. There is nothing humane in that. The clash comes when you've got to integrate approximately 30,000 employees from entirely different racial groups, cultural groups, backgrounds, systems, ways of working.*

All those cultures, bringing them together to work together in functions. Like, for instance, in all of those 39 and all of those seven. Say you had traffic officials working. They all worked relatively independently of each other under their management. We were bringing them together. People with vastly different ways of working were now working side-by-side. That in itself can never be underestimated, the people issues.

While this was happening the amount of councilors that were in that area was reducing. I think you had about 400 councilors because remember those 39 and those seven all had their own councils. You had all these political representatives who were also reducing because the Unicity had 210 councilors. They were going to go up to 230 after this Local Government election in May 2011. The political side was shrinking. The staffs through integrating also had to shrink because we had seven treasurers, seven top engineers, seven electrical, seven heads of traffic. What we had to do in our plans was to look at that and say, "Be careful here. The integrity of the Unicity—." If you don't have a strategy in place to staff certain posts people are going to deliberately or innocently fill a whole lot of posts, which continues to diverge your direction rather than converge it because they will sign contracts. They will be permanent employees, and then you've got a further over-supply and huge financial obligation.

We had to sweep through those structures and say, "Guys, hold on, particularly these management posts. Let's put a circle around them and let's fill them on contract or let's fill them on a temporary nature." Again that sets its own problem because when you appoint people at the top level you don't always get the best, if you just say, "I can only offer you a six-month contract, I don't know what is going to happen in future." There was a considerable hiatus while these 39 and

then the seven I'm going to concentrate on will be established. But on the night of the 5th of December, I remember it well, 12 o'clock. The 7 Administrations were amalgamated into one single employer.

WOLDEMARIAM: 2000?

BERETTI: On the 5th of December 2000, at one minute to twelve there were seven employers. One second after twelve there was one legal employer and therein the journey gets considerably more difficult. They become one employer and to have one employer you have to be consistent. You can't have different disciplinary processes. You can't have different grievance processes. What about your policies? Otherwise you're managing completely lopsided. We have 26 different sets of conditions of service. Now it is not 26 times as difficult, it's exponential because you have things like different working times and different starting times that were allowed in these various local authorities which worked for them under their circumstances. Now you start bringing those functionaries together, so they're all working in this office. You've got a different time than me, and you've got different leave and you could come here and I had to work weekends, you didn't work weekends. You can't run an efficient operation like that. You've got to bring everyone to a zero base.

Now the thing is that we couldn't proclaim and say from the next day all of you are on one set of conditions, all of you on one set of policies. This required negotiation with Trade Unions.

WOLDEMARIAM: In part that was because of the strictures of national law?

BERETTI: And the collective agreements that had been formulated and agreed to with the unions and the labor law, the Basic Conditions of Employment Act, the Labor Relations Act, a myriad of legislative minefield. We as the employer could not decree that this would happen, it had to come about by negotiation. Now negotiation as well is extremely difficult because we don't have one union representing local government employees. I'm sure you've been exposed to that; we have two unions: IMATU, Independent Municipal Allied Trade Union, and SAMWU, South African Municipal Workers' Union.

Now again one thinks, "Well we haven't got one union, you've got two."

WOLDEMARIAM: Why the two unions, how did they work?

BERETTI: People had organized themselves over decades into choosing between two unions. They're both national unions, they both operate in all spheres of local government, but there are two. They have different ideologies. I'll hasten to add now they're almost equal membership. If you take all their employees you can almost balance them 50/50 at the moment. In each union, about 98% of the staff are unionized, they're part of the bargaining unit.

But I want to come back to sailing through these unchartered waters and this minefield you have two unions but it is not twice as difficult because SAMWU are in an alliance with the government through COSATU (Congress of South African Trade Unions) and IMATU are not. IMATU are more of a "workerist" union and try to keep as far as possible out of politics. SAMWU, having many, many members that come from disadvantaged workers felt that they should play a political role as well and they played it at the time when they didn't have their rights so SAMWU grew up from the union that organized itself when the former regime was governing.

Now it is not twice as difficult with two unions, it is exponential because each one—you're trying to bargain or pull times of work into line. The one says they want A and the other one says they want X. It would have been difficult enough just dealing with "the union" for local government, now you're dealing with two. You can see how it works. You get one lined up, the other one goes off. That's what you do.

The other point I want to say and we're referring to the law, the Labor Relations Act regulates the transfer of a business and the rights and obligations of employers and employees. That's it. Quite firmly. The creation of a Unicity means that existing municipalities will be transferring the business, i.e. municipal services into the new entity. This is Section 197 of the Labor Relations Act. So that is that section of law that we had to follow. The business was transferred from seven into one.

There is a bargaining council that has jurisdiction over local government. That just sums up what I was telling you now. It wasn't our call to say, "This is the way it is going to be." We had to negotiate all these issues. In summarizing them it was redeployment of staff, freezing of posts. I've told you about how to freeze strategic posts; otherwise you'd be continually filling the wrong posts. Abolition of those posts that you would no longer require in this, selection criteria, processes for appointing a staff and, of course, keeping an eye on any forms of retrenchment if necessary which is a very difficult thing to do in the public sector.

It was a balancing act of keeping the city going while making the changes at the same time. We couldn't stop the city and say, "Okay, give us a couple of months or a year. We'll provide no services." We had to keep all of these things going. We had to rely on people to say, guys, will you undertake those functions? We can't tell you where you're going to be in the future but instead of doing the jobs in your job description we need you to cover that aspect.

I must say from my personal experience largely people did just that, people did it on trust.

WOLDEMARIAM: How did you persuade them? On trust, tell me how you approached these municipal workers who you were in the process of negotiating with. Obviously they could strike or do something. They had a certain amount of leverage. You spoke about trust but how did you—from a strategic level how did you approach it? You said, the city can't stop. We have to get them to deliver services. How did you—I can't promise you anything in the future and if they're rational they would use this, use the power they have to strike or create trouble as leverage. How did you go about approaching that at a strategic level?

BERETTI: *They did both. They did use the power that they've got. Largely SAMWU did. IMATU rather used the route of the court. As far as I can recall they were not successful in legal challenges. This wasn't a choice. It was National Government policy. This wasn't something that Cape Town decided to do to jerk the unions around.*

WOLDEMARIAM: Right.

BERETTI: *This came from National—Johannesburg was doing it, Durban was doing it. All Municipalities were affected. It wasn't an option. I think we've got very good open channels of communication with our unions. I think that was ingredient number one. They knew about what we were doing. We had frequent meetings with*

them. We shared ideas with them. Of course we didn't always agree under any circumstances but I think the communication and the constant drawing of the unions into bargaining forums, and communication sessions did help.

I also think that many of the staff who had a career in local government felt that no good purpose would be served if they sat in the corner being relatively idle while waiting for everything to roll out in terms of their careers and their passion about local government. They were quite flexible. I did say earlier, I think the majority of employees did do that. But we always had to caution them by saying, "If we're going to second you into that position, it doesn't give you any more rights than anywhere else because at some stage we have to advertise all the posts." We had to say to someone, "Will you take over those new functions without any additional pay?" but we can't guarantee anything. However, when the jobs are advertised the relevant people can apply, because there are open advertisements inside the city and outside of the city. It was cooperative arrangements that were made at that time.

What we did was—there were two options. There was a voluntary secondment—this worked quite well. There was a voluntary secondment, which is the one I've described now. We went to a selected person and said, "We would like you to go and do that" and the person volunteered. The other one was what we called a competitive secondment. The way we did that—if there was a post and there were five or six or seven people from that and we needed one person to coordinate it, we got the group—we did an assessment amongst all the people in the group and then selected one person. That was called a competitive secondment. That was a more formalized arrangement.

That meant that the people who had an interest in that job and who had the skills did have an opportunity. We had certain selection criteria that we applied. Then the best person got the job or on some occasions we then put the person in for six months and then rotated with the next person. We were juggling the balls while keeping the services of the city going.

WOLDEMARIAM: Were there some posts that were just very difficult to fill or this strategy largely worked?

BERETTI: *The strategy—I think the track record will reveal that services of the city did continue and remarkably well. Because there was an overlap of skills further on down the line you'll see we start getting a skills shortage but at that stage because there was a certain amount of duplication we did have a bit of overlap.*

WOLDEMARIAM: Tell me a little bit about—you mentioned a little bit about freezing posts, freezing hiring. Tell me about the logic of freezing hiring. I also know—correct me if I'm wrong—a national government mandate that said that some posts couldn't be filled or something of this nature. But tell me a little bit about why you decided to freeze certain posts. Was it issues of funding or what was the logic there?

BERETTI: *Funding definitely was a huge point. We didn't know what capacity, what numbers, and the full range of skills the new Ucity would ultimately require. The best way I could describe this to you—I'm really thinking back quite a bit now and the strategy that I certainly drove and still do drive. It goes in three steps.*

People tend, particularly in the public sector, to concentrate on organograms. They say, "We can't do these new functions. Let's have a structure." We find that everybody says—we say, "It is the first law of the public sector: thou shalt organogram." That's not the appropriate step. The first step is to work out the

strategies. What are the strategies of the Unicity? Let's take block number one: the strategies. That's largely the backbone of the IDP, Integrated Development Plan. What exactly is the city going to do? What is its constitutional mandate? What is its unfunded mandate, what is its raison d'être? Where is the strategy? You don't start with let's get a structure going and let's see who is the boss and who are the intermediaries etc. Step number one: strategy.

Step number two: structure. Structure follows strategy, not the other way around. Then step number three is you populate the structure with the right people, with the right skills and competencies at the right time, in the right part of the organization. If you connect strategy, structure and populating— that's the Staffing strategy, there is a high likelihood that you will get good service delivery. If you have a good strategy on its own it will merely be a document lying in someone's drawer because the structure doesn't support it. Just like the concrete beams are supporting this building, it is not as tangible or as mathematical, but it is just as important. That structure must align with the strategy.

If you've got housing and water, etcetera— services that constitutionally must be provided, you'd better have it in your structure, a place for it and the right place. But those two functions again, Michael, in the end will also come to very little unless at that part of the organization you have populated water, housing, etcetera with the right people and the right skills and competencies.

It comes down. It aligns. It is a living organism. It is dynamic. You've got to work on it all the time. People come and go. You're going to get new people in. But you've got to watch that alignment all the time. Those are the three pillars that we used and that we still use.

Now, the freezing of posts was your question. When we looked at approximately 30,000 employees we looked ahead and we said budget-wise, "Can we afford that? Afford the salary bill of retaining all these people?" That is where the word—and I'll say it softly, the big "R" word, retrenchment. We said, "What if we face retrenchments?" We worked out figures at that time that if we didn't, where people could say, "My functions are no longer required. In terms of my conditions of service I could claim redundancy."

We worked out figures. I'm going back to 1999 for something like half to three-quarter billion rand that would have been unbudgeted for just for people to go. Then you've still got to continue, providing services.

WOLDEMARIAM: That much money for payouts to people who were redundant?

BERETTI: Yes. If you go back to 1999 that was an awful lot of money. The Conditions of Service provided generously for redundancies.

WOLDEMARIAM: It still is.

BERETTI: If you discounted it back to that time. If I draw a triangle here and I say to you what we did was we looked at where we were going. The largest duplication was up here.

WOLDEMARIAM: At the senior levels?

BERETTI: Yes, at the senior levels. Each had a Head of Traffic, each had a Head of Roads. Each had a head of finance, a head of HR. That was where the impact was. Further down here with the numbers are more operational people. We weren't

too worried about those because that's service delivery on the ground. The same cleansing people, the same parks' people, the same people working in waterworks. We knew they were still going to be required. The impact was largely on the top third of the structure. When we put a circle around posts and said, wait a minute, we've got six or seven of those, etcetera. There were also many people that cast their eyes and had been through what we called restructuring fatigue of so long, at different points in their career, that looked at the Unicity and they said look, "I'm going to leave now. I can't face this again."

We did have an exodus of people—saying, "Look I'll take early retirement." It didn't cost us any payouts because they felt that they didn't want to go and learn new jobs. It was not a huge amount but a small percentage of people that left at that time. But it was a financial imperative, financial sustainability. Looking at the numbers of posts and the duplication of what we needed in the future. I knew that we knew that somewhere down the line we're going to advertise those posts. There is going to be one city manager; there were previously seven. A process had to determine who that person is going to be.

Then there was going to be one structure overlooking that. Previously it was seven and below that, so you go down, until you get to the operational levels.

WOLDEMARIAM: In the short-term, you froze some positions froze hiring in certain positions and you let people go. How did you go about making the decisions about redundancies? Say you have five treasurers, how did you go about getting down to one treasurer? That must have been—these questions of hiring and firing, these also present their own set of political challenges, right?

BERETTI: *Yes. Notwithstanding the financial sustainability, there was a point in time where the mandate was given that there would be no redundancies, no forced redundancies. That helped a lot because I think I've just described to you the voluntary one where people faced it at their point in career and decided they could work another two years or three years, they would just voluntarily leave. But when we tell everybody we've got the mandate to say we're not going to actively retrench anyone, we will accommodate everybody, not in your job because your job might not exist anymore, to a large extent didn't exist anymore. You were the treasurer of that particular administration. You would get an opportunity to compete, but you would be retained, there would be a position for you, even if they were what we called—are you familiar with the term supernumerary?*

WOLDEMARIAM: I am not, no.

BERETTI: *Supernumerary is a sort of colloquialism that we use in public sector. It is over and above the fixed establishment. If you've got a structure and it has one over three, it might have—the official one would be one over three— but it might actually be one over five because the other two are supernumerary and they created jobs for them, productive jobs, to retain people for those that wanted to. That had a major effect on stabilizing the organization.*

WOLDEMARIAM: Interesting.

BERETTI: *Michael, can I just read this to you? I was just looking at one of my notes.*

WOLDEMARIAM: Sure.

BERETTI: *What we did was we approached to HR and Industrial Relations on the following principle, continuity of service delivery, balancing job security with the need to restructure for efficient service delivery. What we were saying is we will not retrench but that doesn't mean that you can sit at your desk and not do any work. You see the balance?*

WOLDEMARIAM: Right.

BERETTI: *You had to give flexibility to do it.*

WOLDEMARIAM: At any point, maybe I'm incorrect on this, but did the national government have any limit on these personnel issues? Maybe I'm incorrect in what I've read but I thought the national government said there were limitations on hiring and the filling of posts. Is that true or is that not—?

BERETTI: *Not specifically to that extent that I can recall. What you might be referring to is national treasury that monitors— an overall eye on the budget. What they were pushing very strongly was the percentage staff costs to the overall budget. They were looking at—I'm going to give you an approximate figure. I think they were looking at that time at a benchmark of about 28% because the more that goes up, the less money you've got for service delivery.*

WOLDEMARIAM: Costs for staffing, salaries and so forth. 28% of the—.

BERETTI: *It would be 28% of the overall budget. As I say, the more you go up to 28, 30, 35, 40. You can keep going up. You'll be paying your staff but you won't have any money for service delivery and the criteria here was to make this Unicity work, to show the people—what do we have here, 3.5 million residents—that they were getting better service delivery. The whole idea of pulling this into one was to have coordinated, efficient and effective government.*

I don't recall whether they were forcing— Local authorities like Cape Town, we had to sustain ourselves. They gave us the grants, what was required for unfunded mandates, constitutional mandates, but the city had to make its own decisions.

WOLDEMARIAM: Tell me a little bit about— you meet these initial hurdles. Tell me the challenges that happen. You have the Unicity. Now how successful were these efforts? By the time you take over as Executive Director of Corporate Services in 2006, many of this staffing—I mean the staffing situation, there are still challenges. Let me ask about one for instance. Is the issue of terms of service? It must have taken a long time to iron out all these different terms of service issues. Was this still a problem by 2006? Were you still having to deal with that issue?

BERETTI: *Yes we were. Should I elucidate on that?*

WOLDEMARIAM: Yes, please. Why was it still—?

BERETTI: *I'm going to try and put it in the perspective. Let me think back— Let's go back to 2000. There was a political imperative that wasn't prevalent in other major cities but was prevalent here. You know all about the background but I'll sketch it now.*

WOLDEMARIAM: Please do that.

BERETTI: *What made this very much more difficult to do was that in the year 2000 the Democratic Alliance governed the city.*

WOLDEMARIAM: Right.

BERETTI: The Democratic Alliance came in with very good strategies. Very good plans largely based on the recommendations we had made through the Unicity Commission. There was preparatory work that had gone on. They were busy implementing these. When the crossing of the floor clause came in. I'm just trying to think, 2003, 2002, September 2002. To go from a standing start at the end of 2000 into 2001 you're setting up, they were setting up the administration. Just when they were starting to get set up, the strategies and everything we're talking about here, and including the key one which was the people—.

WOLDEMARIAM: Hiring people, filling posts—.

BERETTI: Yes, but we also had an imperative that came from a national agreement called the placement process. I'd better explain this quickly. It wasn't open season for local authorities to say, "Now we don't like you. We don't like you, and you've been a problem to us. Let's get rid of you." You had an imperative to place people. If "Mr. Jones" was performing the following functions and he would confirm that there was no reason why he wasn't placed in that position. Because he was a supervisor of a forest station. That forest station was still going to be there in that area. He was performing those functions, the majority of them, 50% plus one. The placement process meant that we placed him or her into that job. Otherwise we were going to have to re-advertise all the posts in the council and you wouldn't get any service delivery, everybody would be applying for everybody else's jobs.

WOLDEMARIAM: Right. So in places where there were no redundancies, they were actually performing their function, you just retained them.

BERETTI: We looked at the functions of the job, not the title, and we said, "What are you doing and what is that job?" and we asked the people to elaborate. We checked the job descriptions and requested their line management to confirm.

In September, I think it was in 2002, the political leadership changed. That has a massive impact because firstly the current political leadership is now setting up all the strategies. A second one comes in. The ANC (African National Congress) leadership had very different principles, very different ideologies, very different strategies.

The first thing you get is a hiatus. As we had built up momentum, getting people placed, dealing with people's conditions, getting their careers back on stream which we'd largely frozen because we couldn't over commit to people and positions. The wheels stopped. It ground to a halt because now you had to get a new mayor, now you had to get a new mayoral committee, new management. That again took an inordinate amount of time. We were then trying to start over, to start placing staff first before we go advertising all these new posts, because that was a national agreement— The placement agreement.

WOLDEMARIAM: Placing staff that were already—.

BERETTI: It was called the placement process.

WOLDEMARIAM: And that was an agreement all municipalities signed with the national government.

BERETTI: *That is correct. What the agreement was, if the functions performed were predominantly that of a particular person they should be placed at their existing terms and conditions. That is one of 26 different sets. We didn't say we will place you into the job, but we'll just cut out some of the functions. We couldn't do that. It would have been unlawful. We had to place the people in there while over the year simultaneously keeping our strategies but saying sooner rather than later we're going to be wanting to negotiate with all of you on bringing all that together, but let's place you first. Because if you've got 30,000 people who are not sure of what their jobs are, they're not sure of the functions they're performing, they're not sure of their future, you're not going to get very effective and efficient service delivery. The focus would be navel gazing and inward focus on what is going to happen to them, not about how do we serve the people. That is what we had to balance.*

We realized, don't underestimate people, keep communicating, keep discussing it with them because otherwise you're going to get a strike. You get a strike you throw this whole thing into turmoil.

WOLDEMARIAM: Right. But the question of redundancies was a different one. In that situation people were placed in different positions right? You found them positions. But that was a different—. And the unions in all of this, you're talking with the unions?

BERETTI: *We were talking with both unions. Then the ANC leadership took over from 2002 and then in 2006 it changed again.*

WOLDEMARIAM: Right.

BERETTI: *Now I have to tell you, staying out of the politics, changing any leadership in the middle of that is awesome. I mean this has to be one of the biggest restructuring reforms that you'd find anywhere in the world. I'm still—I would like to know if any other local authority dealt with something on this scale with different cultures, different conditions. Possibly not.*

It was difficult for Johannesburg, eThekweni Durban and the others, but just think about us in Cape Town. They didn't change political leadership. Once again the ANC were out and the Democratic Alliance were in. We had to advise them that we still hadn't placed people because the process was you placed people first, establish your bona fides, let people know. That is your job. Those are your functions. That is your pay scale. Those are your conditions of service. Now please, just keep working. Keep this together. Do what you need to do in that contract.

But now, because we brought everyone together we had to size jobs again. Central bargaining processes brought in one system for the evaluation of jobs because many of these had different Job Evaluation systems. Do you know what that one was?

WOLDEMARIAM: No.

BERETTI: Can I tell you?

WOLDEMARIAM: Of course.

BERETTI: *It was a good strategy. They said, you can't have everybody using their own measuring spoon to evaluate jobs, because then—a head of traffic in Cape*

Town, should it be different from a head of traffic in Johannesburg, in eThekweni. A head of plans examiners. Those are sort of generic functions that are done there. They realized that if you use different systems of job evaluation you could end up with the posts spreading. They said, we are only going to have one and that is called TASK. It stands for the Tuned Assessment of Skills and Knowledge. That is still the only system that can be used up until today in all municipalities.

WOLDEMARIAM: In Cape Town.

BERETTI: Yes. This was the strategy. I think you should note this. You had to place people at the existing terms and conditions and when they were in that, only then, when the local authority signed off and said we have placed—we have been through this with the unions, with their full involvement. They could object. If someone wants to appeal they could say sorry but the union said you have placed Mr. Jones in that job, or you want to place him but we think Mr. Smith should be in that job and we'll show you why. We had an appeal process.

WOLDEMARIAM: With the unions.

BERETTI: With the unions on board, you had to place them. Then once—just picture now the jelly is starting to stop wobbling and settle. Then we said, "Now we'll evaluate all of your jobs on the functions that you're doing using one system, which is the TASK". In 2006, because of the flip-flop of the political leadership that hadn't been done in Cape Town. That's where I came in even stronger as the executive director to go through a process that we called the Organizational Realignment Process. Have you heard of that?

WOLDEMARIAM: I think I have, yes.

BERETTI: That was a strategy that we put in place because quite frankly I spoke very openly to the leadership against the background that I said to you now. I said to them, "Please, the restructuring fatigue here has taken a massive toll on the staff." Nobody wanted to face yet another restructuring. This strategy was aimed at stabilizing the organization. What we did in that process was to place the people. That was the stabilizing factor.

Now prior to this process people drove to work on the trains, buses, cars, every day and they said, "I really don't know what my job is. I used to be this and now I come to work and I do some other function." They were very, very uneasy. We came up with the strategy and we said, "We're going to place all of you." These are the guidelines. We want to place like with like. We want to not have duplication. No one benefits from duplication. We want to have a focus on external service delivery rather than internal. We're not here to serve ourselves. We want to serve the people out there.

We developed a model. We brought the unions in. At first I thought we'd have both unions on board. Unfortunately we didn't. We tried very hard. I personally involved myself directly with the unions, intensively and extensively and eventually we got IMATU on board. SAMWU felt they weren't going to come on board, but we moved ahead.

WOLDEMARIAM: What was their rationale?

BERETTI: They wanted to negotiate, go back to almost ten years and start renegotiating. We said to them, "We cannot do that." This is now 2006. There is a new leadership in here. They're not going to spend the first two or three years of their

tenure with no service delivery. We said we are going to move forward. But one of the unions, IMATU came on board and said, "Look, we realize that our staff, who are their members, want settlement. They want to be placed. They want to know where their careers are. They've had too many years of uncertainty, and they came on board."

With a "one engine Boeing", we moved forward. That exercise, I think, certainly stabilized the organization because at least people had some form of tenure and some form of clarity on their roles and their careers. We could then start advancing people again. I used the words "freeze people." During this time we couldn't be promoting people. How do you promote them? Because, you'd say, "How can you promote him or her?" That person feels they should get that job. People were largely frozen in their careers. To have kept people going along this time was quite an achievement.

WOLDEMARIAM: This is extraordinary. Now was TASK also implemented something along those lines once you started the organizational realignment process?

BERETTI: *Yes. TASK is up and running now. We've been through a process of evaluating the jobs and the difference of TASK Michael, it is a fundamental difference. Prior to TASK coming in we the employer, it was our prerogative to evaluate jobs. They work under my unit. They're skilled professionals in the field of job evaluation. HR professionals, they're skilled in the field. There is a job description that gets filled in. There is a standard methodology. It asks you questions. It is like a decision tree. It asks you questions, it has checks and balances in it. It fills out the relevant information and then they evaluate. The team—evaluates the job.*

Now the same team evaluates it to ensure consistency. If you've got too many teams you're not going to have consistency, you're going to have different outcomes. Now the TASK system made it 50% employer, 50% union.

WOLDEMARIAM: Oh, the employer—.

BERETTI: *That's a fundamental change. It was not purely our prerogative to evaluate jobs. The new system now, there is a team. Fifty percent of representatives on each evaluating team are there from the employer, 25% from IMATU, 25% from SAMWU, so it is a 50/50. So they can see firsthand how we are arriving at those levels and they can ask questions. They can verify jobs rather than sitting outside the tent and getting a whole list of outcomes later and gradings of jobs and getting all their members coming and saying our union is supposed to protect us, why haven't you. They are now on the inside track.*

WOLDEMARIAM: This was part of a political accommodation you had to make to get TASK, actually implement the system, to bring the unions on board?

BERETTI: *Yes, it was a national negotiation by SALGA, South African Local Government (Association). All municipalities had to implement that.*

WOLDEMARIAM: TASK comes into force in 2006, 2007?

BERETTI: *It was about 2007 we then started because as I said 2006 was this ORP, the Organization Realignment Process which you had to do first because if you went and evaluated jobs it would be an academic exercise because you hadn't placed the people so you didn't know what the jobs were. It had to be placement, stabilize, then evaluate which is logical and it makes sense.*

WOLDEMARIAM: Now the question is—what I'm wondering is, you place people through Organizational Realignment Process. Then you have TASK. What happens when you do TASK and find out that someone—you evaluate them and you find out that they're not the right person for that job. What would happen in that situation?

BERETTI: *If they had been placed into that job and they're not the right person, one has to look at why are they not the right person. Is it capacity? Do they not have the capacity or the skills to do the job or is it conduct? The manager doesn't like the way they perform. They're qualified to do the job but the manager doesn't like the performance. Are they performing the job or are they just lacking in competence and skills to do the job? That was a managerial process. The manager had to either retain that employee or follow the steps that we had of dealing with them managerially. But we couldn't kick them out of the job as it were because somebody didn't like that employee.*

WOLDEMARIAM: There had to be tangible reasons.

BERETTI: *The rights vested in them. I want to return to the word ORP, which is largely—I was directly leading that, I was one of the key conceptualizers of the project, I will tell you that. The words ORP, we skillfully used. Because of what I told the leadership at the time, please don't do another restructuring. No one will believe you. People are tired. People will leave. If you don't lose them physically because they can't afford to retire you will lose their hearts and their minds and their skills. Stabilize them. Say to everybody, "We want you all. We are going to accommodate you all." It was realignment and not restructure because if it was restructure we would have gone back to the drawing board and we would have gone out to everybody and said, "Now that that leadership has gone out we are going to come up with a complete restructure." Then you've got to follow 197 of the Labor Relations Act. Then you bring the unions back again. I think, quite frankly, it would have been quite likely that today we would still have been busy with that restructure. But because we went with the Organization Realignment Process—We made progress.*

WOLDEMARIAM: Which essentially meant that no one was really being fired, or the issue of redundancies was done. Now you were just placing people.

BERETTI: *Yes, no one would be dismissed as a result of the realignment. People could still be dismissed for fraud or misconduct or any other misdemeanor.*

WOLDEMARIAM: In many ways what you're saying in terms of the issue of redundancies, that problem in some ways had been resolved earlier in 2001, 2002, correct?

BERETTI: *That's right.*

WOLDEMARIAM: Tell me a little bit about—the ANC government comes apart in '02, floor processing. You have a completely different approach to this whole issue of personnel restructuring. Describe to me the change in their philosophy. One would think the creation of the Unicity integrating these different municipalities and the bureaucracies was in everyone's interest. This was the basic question of service delivery. What was the problem? Obviously there was a change in government, but why—what was the hostility to actually implementing these changes? Not hostility, what was the interest in preventing this process from actually going forward?

BERETTI: *I think it was insecurity fears. It was very prevalent. People were very concerned should they continue to make local government the choice of career. People at different stages of their lives were saying, "I've got my degree now. I've worked five or so years in local government. Maybe it is time for me to opt out and go and take my chances elsewhere because it is not really going to be a stable place, they're going to continue restructuring." If they found out about the possible single public service then it would have probably had a huge impact on them. I think that was the case.*

One of the change management strategies—we had quite a lot of change management strategies, obviously, in place. Communication was one of them, sharing information, keeping the unions on board was another and not saying to the unions, look, we're in charge here guys, we'll do what we want to. You can do what you want to. No. We kept saying to the unions, SAMWU, even though they opted out, I personally shared information with them. We didn't say sorry, you guys—. That was a very strong card for us to play. We didn't say to them, okay, IMATU, 50% is on board, you guys are not, without you know what, we'll keep you in the dark. Not at all. They knew about everything we were doing. We constantly went to discuss with them, to meet with them, in the hope that they may join the process.

One of the management strategies that we did was in 2006 we organized road shows. You know what we did? We took the top team out for two weeks or more. Helen Zille executive mayor, Achmat Ebrahim, the city manager, myself as the executive director and other top officials. We went out to a whole range of venues and we got the staff into halls. The executive mayor—we'd go over the script—she addressed them, she spoke to them, she answered their questions. She looked them in the eye and said, "This is the way we're going."

WOLDEMARIAM: To the public employees?

BERETTI: *To the city employees. We covered something like 35 venues and meetings, getting to thousands and thousands of employees. We allowed them all to come in, laborers, managers, they sat in halls. We went around to various workstations. Mayoral committee members sat on the stage. They could see—you can send written communication but that was a very, very powerful message to the staff. Mayor Zille told them some of the things I'm telling you now, "Guys, we are as tired of restructuring as you are. You've been through it now for a decade, we want to stabilize this organization and that's what we're going to do to you." I think that message got across.*

But nonetheless what was lurking there, still all the challenges of corporate, and that was 26 different sets of conditions of service, different policies, different cultures. People were coming together not liking each other because they worked differently. There was a little bit of an upturn in grievances, and clashes in the workplace. As I said, people who worked in seven different geographic locations were now working in one single point. There was conflict of the cultures and the clashes of people. Because as I say, organizations don't merge, people do. That's where the impact is.

WOLDEMARIAM: During the years from '02 to '06, this idea of an organizational realignment process was never—I mean why wasn't that introduced earlier, after the restructuring? Why wasn't—I mean you implemented this in '06 but why was there no discussion of actually getting this done very early on?

BERETTI: *I think there was. The principles espoused in that were relatively what we should have and could have done when the leadership took over in 2001. It was to place, to stabilize, to take the full complement of staff, to get the new strategy of the Unicity, of the new Unicity up there, then the structure. But while the first political leadership was trying to get these three steps in place they were overtaken and replaced. The buildup to that—when that floor crossing was coming in, the brakes started to stop; we lost a lot of time. Then there was the floor crossing and then there was a different world. Out went the one leadership.*

The startup time of the new council, the new committees, putting councilors—you can see how much time we lost that resolved from that. People went back on ice again and people said, “Oh no, never mind the politics here, what about us. This keeps changing.” That didn’t happen in Johannesburg, Durban and others. That was the real challenge here. We had to keep people motivated and productive.

WOLDEMARIAM: A lot of people, the workers just became frustrated and left because of this constant restructuring.

BERETTI: *There are some people that actually did. They took a call and said, “Look, we don’t want to be in this for the long haul.” We respected that. Some of them left. Because we had overlap, we still had the critical mass on board to keep services going. This ORP, the part I keep emphasizing— If we went out with the Organizational Restructuring Project— heaven help us, Michael. We would have been back in the trenches. We would have started all over. But we said we’re not going to restructure and people said, “Whew, thank goodness for that.” If you’re facility running that parks, if you’re running that waterworks depot, you are going to continue to run it, we’re not going to restructure the whole council. Our emphasis was on realignment, not restructuring.*

WOLDEMARIAM: They’re not going to send you somewhere else—

BERETTI: *We are going to realign it. We are going to tweak it. Where there are parts of a structure that are completely sound, we are going to retain it. We are going to do a slight tweak. Maybe we change your reporting line but we are not changing your function; we are not restructuring your job. That had a profound effect on stabilizing the organization.*

WOLDEMARIAM: In developing that strategy, organizational realignment— you as director of corporate services, you’re interacting with the mayoral committee. You develop this proposal. Tell me a little bit about the interplay between yourself and the mayoral committee. You’re proposing this. You may have this kind of idea. Was everyone willing to embrace it? Were there tensions? Was there opposition? Was there a different view of how things should be done? I’m trying to understand how this consensus behind this process emerged. What kind of convincing did it take on your part? I’m trying to get at the mechanics of the decision-making process.

BERETTI: *That was a crucial time. What could have happened—and I’ll hasten to add— everybody is so pleased didn’t happen, is that a new leadership comes in and says, “We’re in charge now, get rid of all these structures around us. We’re the new kids on the block. We’re taking back the city. Let’s start over again.” I can tell you directly that the leadership of the city, that is Mayor Helen Zille, Alderman Belinda Walker who is a Corporate Services, Mayoral Committee member, and the political leadership was very focused on stabilization.*

They didn't come in and say, "We've taken over from an ANC leadership, let's purge all those leaders." That, I think was a fundamental strength.

WOLDEMARIAM: But in '02 there was some purging, right? There was—when the change of government happened there had been some purging of city officials as well, right? Is that a correct assessment?

BERETTI: *There was a new team brought in in 2002 when the DA (Democratic Alliance) lost control. There was a new term. I think in these years we've been through about five different mayors and about five or six city managers. In 2006 there was very minimal change. None of the leadership, none of the management positions that were appointed by the previous government were forced out of the organization.*

WOLDEMARIAM: That's very interesting.

BERETTI: *None of them were. A few of them voluntarily resigned to take up other positions. Some are still here, but the city and the leadership of the executive mayor did not force them out. They were embraced in the organization and their contracts were reaffirmed. That I think was another stabilizing factor. It was not a case of we'll purge you because you were appointed by the previous leadership. Another tremendous strength.*

WOLDEMARIAM: That's fascinating. The question of—I'm not quite sure how to put it. You're developing—I guess I'm trying to get a little bit more detail on how decisions were actually made—. You're developing these proposals and what is the interplay with the mayoral committee of corporate services? Are you making these proposals on a weekly basis? What are the dynamics of decision making? Was the decision, for example, to not have—to have realignment made from the top? We don't want the chaos, political chaos, complete restructuring. This is our prerogative, this is our interest. Will you make the proposal? How did—I'm trying to understand where the ideas came from and what you had to do with the mayoral committee to actually get this done.

BERETTI: *It was intensive and extensive. We had to get mandates, we had to get political mandates from the executive mayor herself and from the mayoral committee. We had to build these strategies. We had to look at it financially. They considered our recommendations in detail. They applied their minds fully to the business case, to the rationale behind it. It was not a case of sending a memo and they'd sign it off and say go and do it. They really applied their mind. We had to convince them that we would get the results that they were looking for. There was a high level of risk; we knew that we were taking a risk.*

WOLDEMARIAM: What were the real risks that you felt? What was the counter-argument? What were the risks? You were assessing the risks— what did you feel the real risks were of this course of action?

BERETTI: *One of the risks I told the executive mayor at that time—when we put this proposal up in 2006, this placement, and all these steps to stabilize the organization, given that they were largely fatigued from restructuring, they were "frozen" to a certain extent in their careers—the executive mayor and her leadership bought into that idea. Now at the outset, if they didn't, we would have gone in a completely different direction. We would have started all over, said put that one on the side. But they did for all the right reasons.*

I remember putting this proposal to the executive mayor and she said, "How long will this take?" I had known previously from 2000 just how difficult it is to place people. You don't go to someone and say, "Michael, there you are. There are your functions." They may say, "Hang on a second, that may be your idea, let me tell you—," and you go back to your files and your jobs. It is an immensely time consuming problem and you'd never complete it—then you'd have to go and verify and check the functions in each job description. We're talking about 28,000 people. And you've got to bargain it, you can't just decree it.

We put this whole scenario before the executive mayor and she listened very intently and she said, "How long will this take?" I remember having taken that in our thought very carefully and I said to her, "It is a very intensive process and it is not entirely driven by ourselves." I said, "It could take up to eighteen months or more." I remember her saying very well, she said, "You know I spoke to some external consultants who said it may take two years." I said, "Well, that's the ballpark I'm talking about." She said, "I want it done in six months." She said, "By December I want people to go on their Christmas holidays with their letters of placement. I want the organization to be stabilized in that time." That was the risk. I said, "Let's take that risk."

All along the adrenaline drove us. There was no way back if this didn't work. We had to keep going forward. Largely the critical mass of people overwhelmingly got their letters of placement by December. There were still loose parts. We had an incredibly democratic process. Besides everything I told you now, even after all of those steps Michael, if somebody didn't like the placement we gave them they could embark on the appeal process with the unions. Now you can't be more democratic than that.

In all these steps we didn't say, "Listen, we've had enough from you now, just go and accept that or we'll fire you or something." No, we said, "We'll give you an appeal, you can be represented by your union." Those cases where we couldn't get agreement went external to disputes where external commissioners would make decisions on fairness and equity.

Can I keep going with the challenges?

WOLDEMARIAM: Certainly.

BERETTI: *Big part that we haven't discussed yet, big, big part. When you start bringing the seven people into new workplaces and integrating the cultures and people and they're coming in—can you see that? This is a big part. Twenty-six different sets of conditions of service. But there are all the people—can you see the seven people there? The functionaries of each of the seven previous administrations.*

WOLDEMARIAM: Right.

BERETTI: *They are all ostensibly doing either the same or similar job. I'm going to use head of the plans examiners, or head of traffic or law enforcement, or clearly defined function. But they were earning different salaries. Now they were all sitting—can you see the seven? They're all sitting here. This one is earning X rand a month and that one is earning Y rand a month. That one is earning Z rand a month. They start saying, "But guys, we're effectively all doing the same work." That was a huge challenge and that was parity of salaries.*

We said that doing everything I've told you up until now— all the bona fides, all the commitments, all the motivation, all the stabilizing in itself wouldn't pull the

whole thing together until we had looked at parity. We then came up with strategies. We costed it out and we said we can't bring everyone to parity in one step; the costs were not affordable. We said we would have three phases of parity. Parity phase one would be if the people within each occupational group, if the scale of pay started from so many rand to so many rand, and it went like that, the first step only, say of these seven people, was to look at the seven and say, are any of you—below that scale. Some were. If they were, because they were in a tiny local authority or whatever, we said, "Okay, this is phase one, we will bring you up to date. We're not equalizing you, but we're putting your leg up and we are saying now you are in that professional scale or that management scale." But their colleagues might have still been higher up the scale.

Once we did that that gave them a sigh of relief and say, "Okay, thank goodness. If there was a little bit of monetary value we'd give them that leg up." We didn't give to those people at that stage.

The second phase was to set a plan in place for managers to assess the other people to see where they were. We gave them a process where they could advance people to bring about a more equitable distribution of functions. That had to be done by management because only they could assess the people. They looked at the scale and they'd see Peter is up there. He is a bit too high. We're not going to push him any higher because he is not doing any more than these guys. But this guy over here, he is running a big region and he's down here. We're going to advance him.

That was a tremendous—they saw that the city was actually looking at the inequities. This was across all races and cultures and occupations, everybody had the same system. Everybody looks and say, "I should just be a little bit above him or her." As soon as you get them above him or her then the telescope goes out and says, "I should just be one level over those." It is constantly, because it is open. The salary scales are not secretive. They're open. They're on the website. People can go in and see the scales for medical doctors. Parity was a huge exercise.

WOLDEMARIAM: And the unions played a role in this as well? The unions—.

BERETTI: *All the way, all the way. They were fully involved. Also appeals in that regard. But we had to cost that out because we could only do it if and when money was available. But the city did give a commitment in 2006 that we would examine parity over a period of time. We're not completely finished with it yet but largely it has worked out.*

I'm going to jump to another point now if you don't mind. I'm going to say somewhere along the line, maybe you've already asked me or you're going to ask me— you're going to say, "That's great, that's your line, well done." But how do you know that you are relatively—I'm going to use the word relatively—successful? One of the measures of that is not what I tell you, or not what the organization thinks happened— was that we sat back and we said, "How do we measure where we are?"

We came up with doing a survey and the survey we called the culture climate survey. Do you know anything about it?

WOLDEMARIAM: I've heard of it, yes.

BERETTI: Should I tell you something about it?

WOLDEMARIAM: Yes, please do.

BERETTI: We went out on tender and we got an organization that was the successful bidder called Ipsos Markinor and we scripted this survey with them. We needed to know, not what we thought, but what our employees would tell us of where they were in terms of motivation. It is called employee loyalty in the nomenclature. What is the level of employee loyalty? Ipsos Markinor knew about this and we went out with the first survey in 2007. Then the next one was in 2009, every second year. We're going to do one now, so 2007, 2009. It is the largest survey of its kind in the public service in the country, the largest. We didn't know that when we started out.

How do you define largest? I'm talking about public sector, not only local government, but we scripted the system that gave all 24,000 people an opportunity to involve themselves. Many surveys are done on a sample. You go to a sample group and you get somebody from that and you extrapolate and you make your findings. We said we're going to try and get to each one of those 24,000. We don't only want to know what the managers or the middle order—we want the people down there also to be part of the survey.

Now you say how do you do that? We had independent agents like you've got electoral agents that they employed, not from the city. We communicated it and we explained it. People at the top of the organization, all with computers, can do the survey online. It is confidential. You don't have to give your name; it is voluntary. You fill in the questions. When you get to this level, they haven't got computers, or you get to this level where that is overwhelming for people, their agents would go to the people who indicated that they wanted to fill that in. They would sit with them and they'd ask them the questions and independently fill it in for them and get them to accept it. That was a huge exercise.

The first survey was in 2007 and the next one was 2009 and the one that is going to come up shortly is 2011. Michael, this is a powerful point. We are asking them in this set of professionally structured questions to give their view on the organization. The first one came out in 2007. The international benchmark should be around 41%. It came out at about 30%. We realized, look at the turmoil we'd been through, but it was at least reasonable. But we were still—between that period really entrenching the ORP and the parity. I must say I was quite nervous about the 2009 survey because it could quite easily have dropped considerably.

Given that we have no control over this, it is audited. It is done totally independently. The results of the 2009 we expected a 12% increase over that gap. We regarded it as a stretch target. We knew that people had been through everything we had said from 2006 to 2009 and you quite easily get to a situation where people say, we really had enough. You haven't given me enough parity and I'm not happy with the job you placed me in. How successful was this journey that we went on?

The results that came out from there was a 24% increase!! I think that that speaks for itself. What they do is they plot the information. They've got a very sophisticated process and they've got quadrants and they plot the way people answer the questions. For instance, if you cluster there, these are the people—you always have them. They lost. They'll tell you anything to get out. They either want to retire or the next job that they're offered, even if it is lower they will take it. They have lost the—Jack Welch calls it the bottom 20%. He calls them the

jerks. He says they're not going to help your organization. These are the people that need to exit.

Then you get the truly loyal cluster. We got a 24% increase from there to there. On that, I don't think I can say anything more powerful than that. That was a signal to us that the journey was relatively successful and in the right direction.

WOLDEMARIAM: This is fascinating stuff. Tell me a little bit about—once you had these people placed was there anything you did in terms of performance monitoring? Were there any changes you made as to how employees were evaluated or how employees were held accountable? Were there any changes that you made along those lines?

BERETTI: *I think the system in itself—I think I said earlier that people travelled to work and they weren't sure of the job they did or they were threatened in their job. But after the ORP, what was our objective, to focus on, to say, take your eye off restructuring. You're going to be managing that water depot, that forestry depot. We're not going to retrench you. We were taking away the insecurities. But what was it from the outside? Mr. Jones this now is your job. You are the manager of this forestry station. With it goes obligations, responsibilities and obligations. Now you are responsible for these.*

Let me go prior to that. If you had an incident, a crisis, the propensity was there for you not to hold anyone accountable. Someone says, "I'm seconded into this job." "I took it voluntarily. You can't hold me accountable now." Or, "I'm not really placed in that job, now you want to come and hold me accountable." Can you see the lack of accountability that was bubbling under immensely? You're asking how you manage—you couldn't do performance management because they weren't formally placed into jobs. They were in between, they weren't happy, some of them. Many people were claiming it. When we rolled this out everybody realised that they had a job title, they had a job description. Not evaluated yet because that was coming. They knew what their functions were. They weren't threatened any more. They were party to writing it. They had an approved job title and they had a place of work and they had a reporting line. Remember prior to that, the organization realignment, we realigned those reporting lines.

WOLDEMARIAM: Continuation of interview with Mr. David Beretti. We have been talking about accountability. I think what you said was that it was difficult to hold people accountable when no one knew what their jobs were, what their roles and responsibilities—who they were reporting to. Accountability is difficult in that situation. I want to make sure—you presented a lot of information, I want to make sure I've got this stuff right.

You have the formation of the Unicity. The initial strategy, one of the initial things you do is you have to keep services running. You volunteer, competitive things along those lines, getting rid of some redundancies. In all of this you're negotiating with the unions as well. This sometimes involves payouts to people for services. But even in this period, right after the formation of the Unicity, you're not really firing people. You're just putting them in different positions if there is redundancy.

BERETTI: *Correct.*

WOLDEMARIAM: Then of course '02 happens and you've got this mass of political transformation. But this question of ORP, had you been thinking of something along the lines of ORP back in '01, '02? Was this in some ways the end goal that

many people were talking about you all arriving at? I guess I'm trying to understand sort of the intellectual—how ORP had—obviously it was implemented in '06, but was something like this on the table as early as '01, '02? Was that the end goal that you all wanted to arrive at or was there something perhaps more extreme or that involved more restructuring?

BERETTI: To be frank no. I wasn't thinking on the lines of ORP because it wasn't an option in that timeframe. That timeframe was take all the staff, in, go through a process of placing all of them while keeping service delivery going. Then look at TASK. That was all about restructuring which affects people's rights. That's that era.

When we got to 2006 the reason we came up with ORP was out of complete and utter necessity. There was no other alternative as far as I was concerned. To start the restructuring over again was not an option. That is why we said, "What can we do now that takes us forward and stabilizes us rather than starting over again?" That was why—I'm not going to say out of desperation, I'm going to say out of necessity.

WOLDEMARIAM: In '02 was it that things were—what was on the table was taking someone from one job and just putting them in a completely different kind of position. That was basically what was on the table?

BERETTI: 2006 was a more focused—because we had a timeframe we wanted in place people by Christmas we had to come up with a very fast process. But quite frankly I think—we often get accused of being too slow in the public sector. I think this was a case that we used our skills and knowledge to say, "Come on guys, let's show how fast we can be." In the business world, I always recall, you always had the big always ate the small in mergers and acquisitions. Then in the new age it became the fast ate the slow. It wasn't necessarily how big you were.

Applying those principles here, we actually looked at this in our strategy and said, if we move fast the momentum and the adrenaline can drive it. I think that was. It was the fast pace that we moved that galvanized people. That was the speed of light for public service.

WOLDEMARIAM: That is certainly impressive.

BERETTI: As I said Michael, I'm just trying to give you a little bit of information. It is fine for me to say this but what did the staff say then. Keeping services going is our raison d'être. How did we do that? One of the anecdotes I've taken here, this could have been the—one of the things I want to tell you here is that in 2008, I don't know if you know this, Helen Zille was voted the best mayor, the world's best mayor. Now I just want to ask you, do you think anybody on an international scale would award somebody best mayor of a city that wasn't high performing? I don't think so. I think you don't award the best mayor in isolation of—we believe it was also in accordance with the city that she was the head of.

The other bit is here. I'll use the quote. I said, it is a quote from October, the end of 2008 from Parliament. It is a quote. It says, "Noting that Cape Town was ranked the best city out of the country's 283 municipalities, the city won this award because of the way in which the municipality dealt with poverty, the level of access to basic services, its economic activity and infrastructure and because its citizens are well qualified."

I'm merely going to say to you did all of this that I've described to you work? What do the employees say? What does national government say? I would say that the journey that we went on was at least relatively successful.

WOLDEMARIAM: Were there any—throughout the implementation of something like the ORP, but even earlier, what were some of the obstacles that you did not foresee? What were some of the challenges that came out of—virtually out of nowhere? Not out of nowhere but things that were particularly challenging that you just did not anticipate.

BERETTI: *Through the whole process?*

WOLDEMARIAM: Through the whole process but particularly focusing on '06 and getting this city administration functional, getting people their terms of service straightened out and so on, getting people their positions ironed out, creating that stability. I mean, were there—one thing, so far one question I have, what is going on in the city council, how politics are playing out in different ways. What are the opponents of the DA government saying about this whole process? What are the—

BERETTI: *Probably if you're asking me, which of course you are, I thought that it was far more about the employees' job and career than it was about politics. I think all employees, irrespective of—or the majority, irrespective of which union they were affiliated to or what their own personal politics were, they wanted a job. They wanted certainty on their career. I think they were focused more on the processes of the city than the political process. There is one aspect that we haven't covered here and maybe I should bring it in now.*

WOLDEMARIAM: Sure.

BERETTI: *Where you said what were the obstacles. I'm sure you know this, let's go back here, the journey, 2000. What did we say the floor crossover, you remember better than I.*

WOLDEMARIAM: 2002.

BERETTI: *The floor crossover, there is the cross. Complete summersault. The journey goes down here. Then 2006 March, reverse summersault. We are now in 2011. Now, you know what you were working with. This is very important that you asked that question, you must take this into account. We were working with a plan from a leadership that had come in. Summersault here, backward summersault there. But here we were dealing with stabilizing the organization. But you are aware that this government was holding the power in Cape Town by one seat. Where in the world would you find something like this playing itself out? A coalition of people like the Muslim party with the Democratic Alliance, with the African Democratic Party, with the UDM (United Democratic Movement), with the Universal Party. All of them came together by one seat.*

If Councillors were missing from the council chamber they could lose a vote, or the mayor could be voted out by one vote. I don't believe the scenario can really in local government work its way out. That's what we were dealing with. We all knew that if something crashed, if one of those parties in the coalition went over to the other side they'd be out of power. Can you imagine what would happen to the organization? That is why I am saying to you my prognosis is that people said, we're not interested, heaven forbid it goes back and then you start all over again. They were more focused on their jobs and that was the titrate.

WOLDEMARIAM: Right. In this massive political uncertainty how did you— were there people either, people that you work with on your staff or people within the council, who said the DA, the current government, is basically hanging just on a branch. It could fall at any moment. Maybe this kind of reform that you are proposing is not on the table or do you think that part of the reason that they chose this approach, it seems to be one that is about preserving stability, was in part a product of the fact that this government couldn't really afford too much—I mean couldn't afford much politically. They had to make what was very simple choice which was to preserve stability.

In other words, do you think that part of the reason ORP, the people accepted ORP was because politically they were—I don't know how to say this—perhaps so weak, or not so weak but didn't want to rock the boat so to speak. They just wanted to get this over with because politically the times were so dire.

BERETTI: *This political leadership?*

WOLDEMARIAM: Yes, this political leadership. I'm trying to understand the political climate, at the political level. Obviously you're executive director of corporate services, but at a political level I'm trying to understand how they arrive at ORP and whether this very uncertain politics at this time encouraged them to preserve some order and stability in the city administration?

BERETTI: *I think it was—what I saw was a genuine and a bold step, to look after the interests of the city and that was service delivery. They could have taken a different approach. They could have gone into a lager and they could have spent all their time, “how do we preserve this one vote?” Let's not do anything with the staff. Let's just let them be unhappy and nonplussed, etcetera. I think it was a bold, high risk, business-underscoring strategy that they bought into. The said, “Even if we've got this leadership by one vote, let's go and do this. It is tasteless, colorless and odorless.” The staff wants one objective. They want their jobs. They want to work. They want to be paid. I'm coming back to those points. They want to be stable. They want to know who their managers are. They want to get on with their lives. They want to get promoted again. They want to apply for other jobs in the organization. All of that had been frozen.*

I think the focus there, credit to them. They said, “Go and do it.” They knew that the following council meeting maybe some vote goes wrong and they're out. They knew they were going to face yet another floor crossing.

WOLDEMARIAM: Did things become easier after the coalition with the Independent Democrats? Was the political situation more stable at that point? Was there less uncertainty about the durability of this government?

BERETTI: *When they were in the coalition?*

WOLDEMARIAM: Yes. When, I think, the independent democrats joined. Some members of the old coalition left but independent democrats I guess—.

BERETTI: *I think it added quite a bit of stability. Because, you know, they were competing with each other and in the same base, for the same sort of voter area. It did add quite a bit of stability to them. But of course the bi-election results were showing a strong increase for the democratic alliance in areas that they hadn't captured before. They saw the way the political landscape was unfolding. But it was a more stabilizing—. I really want to emphasize, it was the right question you*

asked. I think that they didn't concentrate on their own security. They said, "Let's get the city right." Because what they were saying was, "Whoever is in the leadership should be doing this type of thing." I think that's the genuine point. They're saying this is what should be done irrespective if it is the DA or the ID or the ANC or the UDM are in power. That's the business strategy, go and do it.

WOLDEMARIAM: Tell me a little bit more—I know we're running short on time and I have a few more questions, but tell me just a little bit more, summarize your approach to union management. I mean this, what seems to be a really interesting story in all of this is that you dealt with some recalcitrant unions who had their own interests. How did you, you realized you had to negotiate, how did you go about really approaching them and figuring out how to placate them. You talked about it a little bit earlier but I guess I'm thinking about sort of general principles for dealing with these unions because they had a massive amount of leverage. What did you think you were going to have to do? You had mentioned provide some information, make sure they know about all these decisions. There are two of these unions. How are you thinking you would really approach them at the outset and did you change your approach over time?

BERETTI: *I think we stayed with the approach of as least confrontational as possible. I've got a very long track record in the city and I've always adopted the approach in my career of not holding the power stakes. There was a time in South Africa where we as management—and I was in that management at that time—had all the power. But effectively, I don't really recall abusing it at any stage, consciously so. By treating the unions as equal partners. I think that what I did here—you know you've got the formal bargaining council procedures and the meetings. But I can recall on a number of occasions, on a Sunday, I asked to meet with SAMWU in their office in Athlone. They said, "You're coming to meet us?" Because they often meet on a Sunday. I would go in there and sit with them, with their branch executive committee, on my own, and talk to them about what we want to do, some of the things I'm talking to you about. Saying to them, "Guys, forget the politics here. Our employees are your members, we've got a common objective. This is what we want to do."*

I didn't go to them and tell them something and have a different plan that was going to come on the official bargaining table. I heard their views. I think those types of steps of trust that you build up over a long period of time goes a long way, a very long way, to overcoming these issues. You get some organizations, the union is the opposition, they are the enemy and they treat them like the enemy. Then you end up with a union that you deserve. But I think our track record has been that that is not the case.

WOLDEMARIAM: Were there moments where, and you mentioned this before, but were there moments where you had to break with the unions, where you couldn't resolve, you couldn't come to some sort of consensus?

BERETTI: Yes.

WOLDEMARIAM: Identify those moments for me.

BERETTI: *The moment was 2006. We really thought we had both unions on board. We were close. That is a credit to all of us to even be close. I told you SAMWU were out. But SAMWU didn't reject it, they said, "Oh, there's a new DA leadership. To hell with them, we don't care, we want to start all over again."*

WOLDEMARIAM: SAMWU was more hostile towards the DA?

BERETTI: Yes. But we almost had them both on board. In about November, the beginning of November.

WOLDEMARIAM: On board with the—.

BERETTI: On board with the ORP. In about November they withdrew. That was when IMATU continued. That I think— I want to emphasize, we could have said, “Okay, jettison you guys. You go your own way. Do what you want to do, we’re moving with IMATU.” We kept them at all meetings. We gave them all information. I continued to go and talk to them. We almost got them back on board again but we just missed it. But going ahead they got pulled into it so they were part of it anyway.

WOLDEMARIAM: Then, their problem, as you had said before, they wanted a whole, a more comprehensive restructuring of the whole system. Did they think that their employees would fare better under a more complete restructuring?

BERETTI: I don’t know how they could have thought that, but I think they did. What they wanted to do was to say— they didn’t reject what I came to talk to them about. I must put that up front. They didn’t reject it. They saw the merit in this but they said, “Hold on, preconditions. Before you do that stop the train. Some of these things that were done, some reorganizations, things that were done and functions outsourced prior to this, we want to talk to you about those and bring them back in.” We knew that if we entered that we are going backwards. We could never unopen— those were council decisions that were taken under circumstances. We couldn’t put preconditions in. Then we would have had IMATU sitting offside.

We couldn’t do it. What they didn’t know, that I had a mandate of six months to complete placement because that I got from our political leadership. But if I went out and told those unions it is six months they would have said, “Oh this is railroading.” I had to keep in my head while driving everybody working for me. I said, “Look it is as fast as possible” but I didn’t say I had a mandate to do it in six months.

WOLDEMARIAM: That’s interesting and IMATU didn’t want a reopening of those old decisions.

BERETTI: No, and we knew that we could never allow that because if we did it would never be in the interest of running a city. It would continually be revisiting previous—we had to move forward. The people out there want services. They don’t want us sitting in rooms going back on did you outsource the market. Those decisions were taken. Did you move the ambulance service to province? Yes we did. Under those circumstances at that time. We could not go back on those. That was the fundamental—that is a good point you just raised. I want to say, in my opinion IMATU didn’t reject the ORP in its entirety, it was more the preconditions. They wanted to leverage the power of going backwards first.

WOLDEMARIAM: It was IMATU that rejected it and SAMWU that—.

BERETTI: No the other way around.

WOLDEMARIAM: This is fascinating stuff. I know we’ve taken up quite a bit of your time. Are there any other thoughts or issues that you’d like to raise that you think are crucial to this whole story, particularly post 2006?

BERETTI: Are you going to have a chance to—do you want to bounce something off me as a second opportunity?

WOLDEMARIAM: That would be excellent. This is a continuation of an interview with Mr. David Beretti, March 19, 2011. We talked about a number of issues in our last conversation. A moment ago you had mentioned the city manager. I'd like to ask you, get a better sense of what role the city manager plays in all that, particularly talking, with respect to the human resource issues that you were engaging in in 2006. What role is the city manager playing? Is this someone that you directly report to? Do you directly report to your political head? What role does the city manager play in all this?

BERETTI: Briefly the city manager is similar to the American system, is the CEO of the organization. Reporting line, yes, I report directly to the city manager. Politically by political leadership to the mayoral committee for corporate services and human resources, that is Belinda Walker. You've got the political line but the political line does not give us instructions. We take our instructions—I would take my instructions from the city manager.

The question about the role that the city manager does. The city manager would be more of the link between the executive mayor, and the politicians. Instead of the executive management team, of which I'm one, continually going in and meeting with the political leadership, we would have the EMT, Executive Management Team meetings once a week where we coordinate the issues. The city manager then links more with the politicians. He is the linkage. He would also be the mandating authority.

I would go to him for a mandate, with a proposal and say, "We're going into the unions" or "We're going into an issue. This could be a couple of million rand. Here is the business plan. This is what we want to do, budget it for." Then we would get his mandate and the political mandate.

WOLDEMARIAM: You would get the mandate of the city manager.

BERETTI: That's right. And also the Executive Mayor. The city manager would be the coordinator and integrative role between that executive management team and the political leadership, even though each of us has got our own political line. But it would be the integration I would stress of that, rather than silo-based.

WOLDEMARIAM: Is that a challenge? It seems to me, glancing at this—there are almost two reporting lines. There is the city manager and then there is your political head of the mayoral committee. Can that be a challenge in some ways sort of dealing with these two, these two reporting lines?

BERETTI: It certainly is a challenge, but I haven't found it to be too much of a problem. The point I just want to stress again is the earlier one I made. We've got to avoid a silo-based organization. If you, for instance, have a city manager that is invisible or not effective, you're going to have each of the executive directors going to their political member of which the mayor must be the coordinator. You're going to get a lot of insular thinking in silo-based thinking. If the city manager plays his role effectively he's got to cut across those. He is going to have to decide. They would have differences of opinions on the integration of their team from transport issues to utilities issues, to financial issues, to corporate services issues. He's got to—

WOLDEMARIAM: The city manager is the person who brings it all together.

BERETTI: *That's right.*

WOLDEMARIAM: On this point, one thing I've heard from others I've spoken with—and you talk about the integrative role that the city manager plays but I have heard from people on the mayoral committee that to an extent this silo-based approach in actual practice still does exist, that there is a kind of coordination across portfolios that one would like. Obviously, if you're in human resources you have to deal with finance. If you're in economic development you need to deal with finance. In many ways the end, the goals or objectives of each of these directorates depend on coordination with others. Do you think there is a kind of integration that is required or is it perhaps perfect?

BERETTI: *No, Michael, did I hear correctly. Did you say that the political level felt that they still have a little bit of silo-based?*

WOLDEMARIAM: Yes, not just the political level, but people that I've spoken with have suggested that there is not the kind of integration across portfolios that they would like.

BERETTI: *I'll be a little bit provocative here and say it was more the political level that wanted the structure that we have with each portfolio holder wanting their own executive director. A lesson learned, and possibly in the new structure coming up, they will have more of a matrix model or more of an integrative—where you have multiple reporting lines and not just health reporting to health, finance reporting to finance. I think it is something that has been acknowledged that could be improved upon, but also the city manager—that's why I keep coming back to that job. Even if there is criticism of it, there is a lot that he needs to do to keep ten silos integrated. But I think that is something that could be improved upon and I think it has been acknowledged.*

WOLDEMARIAM: Are there proposals on the table to actually develop this type of matrix-type model that you talk about? Have there been discussions along these lines?

BERETTI: *Yes there have been.*

WOLDEMARIAM: Interesting, tell me a little about—.

BERETTI: *I can definitely confirm that it has been acknowledged.*

WOLDEMARIAM: Tell me a little bit about—often times— I mean when we started our discussion I asked a lot about your personal background because often times when you talk about reform processes, it is not just about institutions, it is about people and the kinds of things they bring to the table. Tell me a little about—the city manager himself was appointed in 2006. What kinds of skills or attributes did he bring to the table? Why do you think he was appointed city manager? Just comment on the role that—the skill set that he brought to the table.

BERETTI: *The city manager was appointed, the present one in 2006. He has a track record in the city, a clean track record. He is a highly principled man in his private life. He is a very strong, practicing Muslim. He has very strong principles. He drives a very much—he is a very strong administrator which you do need at that level. He has the ability—I've worked with him for a long time, he listens to people. When I say listens to people, he'll listen and he'll still chose his path. I have worked with other people who are very talented but they've already made up their mind and*

the listening is a formality; with him it is not. I think he has those skills. He has good people interface. He knows how to deal with people.

Politically he is able to be discrete in handling difficult political matters. He is not a hyped-up, power-driven manager. When he talks to all the staff he stands out in the open with them. Sometimes no notes at all and he speaks openly. I think that largely the track record will show that he is trusted. He is trusted by people and political entities. I think he has the insight; he has the background as well. He knows where we come from. He has a very good idea where we should be going to. I think he—at the present time he is definitely, in my opinion, the right person for that job.

WOLDEMARIAM: Did you find—fast forwarding for a moment. Did you find that when you made—obviously you were dealing, in '06, you were dealing with some very difficult human resource issues. You talked about the model that you employed, that you didn't want to restructure the organization, you wanted to impose some stability. You made a series of recommendations about what you would like to have done. Thinking back on your time as executive director of corporate services, have you found that your recommendations have been—I mean to what degree have your recommendations been accepted by the political powers that be? That is to say, do you find that your professional judgment, because you are the professional in this case, is your professional judgment being taken and accepted most of the time by the political heads or do you find at times that there is some pushback? I'm wondering about the interface between sort of the political prerogatives of the politicians and your own professional judgments. Is there a tension at times between the politics and what you think needs to happen as a professional, a human resource professional?

BERETTI: *Michael, let me see if I can answer that question.*

WOLDEMARIAM: It is a bit of a difficult question.

BERETTI: *It is a difficult question. It started with do I feel that my professional judgment has been taken into account.*

WOLDEMARIAM: Yes.

BERETTI: *I would say dealing with the present political relationship—and you interviewed a very good cross-section of that leadership, all those people were there. In 2006 when the present leadership came in, we were on a bit of a burning platform. The city wasn't in a good state. The new leadership came in, the new executive mayor, Helen Zille, I'm sure you've read all about her. They came in and said, "The city has to work for all; we've got to turn this city around, it is in disarray." People hadn't been placed in their jobs, some of the things I've told you about. Forgive me if I'm repeating it, but they went to work in the morning and they weren't sure at that time what is my job. Because of this integration they were in different local authorities. Now they were sent to one office. You and I are working together but previously we were working apart and you came with different conditions, etcetera.*

They came to me and said to me, look, you've got the experience and the expertise. Do you want to help us pull this together? I'll be perfectly frank. One of the key persons there was Alderman Belinda Walker. She is also a very experienced councillor. We had a number of discussions; many of them I remember were over weekends. I put a proposal there. There was too much duplication. There was too much fragmentation. Too much inward focus.

WOLDEMARIAM: This was after you took up your post or prior?

BERETTI: Just before. I used to be executive director corporate services in the former city of Cape Town prior to 1999. In the Unicity of Cape Town, the new one, I became the Director, corporate human resource for the whole Unicity and then executive director. I said to her, it is the statement that I made to you a little earlier today. The people issues are the crucial issues. My professional advice to them—not only in my field, because my field is wider than just human resource, I said to them, “If you do not get the people issues sorted out, it doesn’t matter what technology, what equipment, what skills you’ve got, you will not pull it together. You’ll fragment it. You’ve got to focus it.”

What I will say is that at this point, I have to say here, Helen Zille as the executive mayor had a compelling vision. She knew where she wanted the city to go. But it was clear that she wasn’t going to do it all on her own. Although she is a very, very strong type of personality and strategies, she was prepared to listen to people. Underscore very strongly how Belinda Walker, who used to be a Deputy Mayor for the city of Cape Town, I felt we had a platform to build on and we can talk about it.

WOLDEMARIAM: This is a continuation of an interview with Mr. David Beretti.

BERETTI: I think Michael at that time, where we were at the middle of 2006, I think what we had was very incisive political leadership particularly in Helen Zille but not only confined to her, who had a compelling vision. But the clear impression I got was it wasn’t go it alone. She wanted the best advice.

WOLDEMARIAM: What was the vision? If you think back on it and describe the vision, what was the vision in broad strokes?

BERETTI: I think, bringing it down to one line, she wanted a local authority that remained true to its raison d’etre. What was it here for? I think the bottom line, I can only summarize, is improving the lives of the people. It was focused on serving itself; it wasn’t going to work for all. She wanted to go out across the political spectrum and get feedback from people because the motto was, “This city works for you.” She put herself out there on that brand and is, and was, and will be continually tested against that. She set the vision.

Now I want to show you how some of it worked in the human resource corporate issues. I advised Ald Belinda Walker directly. Both of them bought into the vision that no matter what—the point I was saying, no matter what else they had, even if they had tremendous talent, people were not linked. They were on the budget, but they were not linked to a definite job; they were not placed into the jobs they were doing. You couldn’t hold people accountable because somebody would say, why wasn’t such-and-such done? The water pipes burst and everything. People would quite rightly say, “I don’t know is it my job or his job or her job.” I said to the Political Leadership, “You’ve got to get that platform stable; you’ve got to put each person into their job.”

We went out to try and take the unions with us. As I told you earlier we got one union. We flew with the one but we had a certain amount of—.

WOLDEMARIAM: What, as you think back, as you were thinking back on that, as I ask you to go back in time, what were the risks of one union not going along or both

unions not going along. I guess I'm trying to sort of pin down what—what was the worst-case scenario if these guys didn't go along?

BERETTI: *The worst-case scenario was—I got the distinct impression that both Belinda Walker and Helen Zille wanted this realignment to work and also speedily. They bought in exactly what I was telling them. Then if everybody came to work every day and just did a job, “everybody is working but no one is getting the job done”. It would have been a go it alone, that would have been high risk but we might have had to. Because we could not continue, whether the unions liked it or not, we could not continue with a huge budget of people that weren't performing the functions. That's why the streets weren't clean. The people were there. They were on the budget—.*

WOLDEMARIAM: But they didn't know—.

BERETTI: *They were frustrated. You couldn't hold them accountable. But what I certainly recognized in my experience, in talking to people, was that people actually wanted to deliver services. They wanted, in Maslow's terms, they wanted a sense of belonging. They actually wanted to belong to the city of Cape Town. It came from whatever, one of the seven structures they worked. The overwhelming majority didn't want to come to work every day and sit around idle or frustrated. They actually wanted a job.*

We showed them, this is how you're going to compete. Those of you who are doing the job and you're doing more than 50% of it; we are going to place you into that job. Also, as I said to you we had a safety valve, which was a very good one, which was the appeal process. Although we were driving this hard, we said to everybody we're going to do this but at the end of the day it is not autocratic. At the end of the day there will be grounds for appeal. You can go and appeal and show why you should have gotten that job rather than somebody else. We always left an outlet.

I think the high risk would have been—you've heard about the two unions, IMATU and SAMWU. They're very, very different unions. They are about a 50/50 it just happens membership and they use very, very different routes. Now the first route is IMATU, IMATU very, very seldom strike— very few cases. They don't go the strike route. They go the court route or arbitration, the legal route. SAMWU hardly go the court route, they go the strike route.

WOLDEMARIAM: Is there a difference in the demographics of the unions?

BERETTI: *I think that the IMATU is a little more senior people but not overwhelmingly any more. The composition has improved tremendously. You'll find laborers in IMATU and SAMWU as well. We could have had—to get back to your question we could have had the worst of both worlds. You know what that was? We could have had two unions that said, “We don't care what you do, we want it this way. We don't like what you're doing, we don't understand what you're doing and we don't want what you're doing. We want to go back to the drawing board and we want to negotiate with you on how people get jobs etcetera.” Now Michael, no city, never mind Cape Town can afford to do that. If we allowed that to happen, as I said to the politicians, then we're not in the driver's seat, we're running behind the vehicle and they're in the driving seat.*

We cannot go to the people out there and say, “You know, we haven't got services, just hang on another couple of years. You've been in the doldrums but just hang on a few more because we want to work through all these issues with

them.” The people out there, the 3.5 million would say to us, “Guys, who is responsible and accountable for the service? Is it you guys or is it the unions?” Now answering that question, if we allowed that scenario to work with would have been admitting that the unions were driving the pace. The unions, as I’ve said all along, have to participate—you have to participate with them, you have to involve them, which I have shown you, and I will continue to show you we did do. The worst-case scenario would have been to have no unions on board—very, very high risk. One union goes to the court, the legal route, and they tie you up in that and the other one goes to the streets, which is the unrest route, the action on the streets and you’ve got both unions talking you down.

WOLDEMARIAM: You developed this plan. You make your series of proposals. I’m trying to get the timeline correct because this needs to be told as a story. In fact, before you take up your job as executive director of corporate services you’re in conversations with Helen Zille and Belinda Walker about what you think about stabilizing the bureaucracy. You have this idea. You developed this idea about the way forward. I’d like to talk to you a little bit about the genesis of that idea in a moment. You want to stabilize, not restructure. Then you have to go to the unions.

You had said before that you had a series of meetings. You had a past relationship with the unions. You knew many of these people, which I’m sure helped.

BERETTI: *Very much so.*

WOLDEMARIAM: How did you then bring IMATU along? What did you do at the bargaining table to say “Come on guys, come with me?”

BERETTI: *Michael let’s focus on that. I want to tell you that I went to the bargaining forum. Although I’ve got a team, a manager of collective bargaining, in this case I went myself. I personally went along and I did a number of presentations. Besides individual meetings with the unions. I showed them where we were and the process of where we wanted to be. I did it in a way—.*

WOLDEMARIAM: The collective bargaining forum is a nationally mandated forum?

BERETTI: *It is called the Metro Bargaining Council. It is a formal body where the unions are represented, both unions, and the employer, that’s councilors and then ourselves as officials.*

WOLDEMARIAM: This was created in?

BERETTI: *It has been running for many, many years. I had to go there formally to put this on the table. The point there was that—I’m going to say a little stronger than I think. I know that IMATU realized that the doldrums and uncertainty and the lack of motivation and morale of their people, they wanted to belong to the city. They were looking for a process. When they saw the presentation that I did to them and they saw the way we were going—they didn’t initially come on board, but we worked on them over a couple of weeks.*

The problem with SAMWU— in this case I’ll stress I think— I do really think that they saw the merits of where we were going but I think they were a little bit stuck on some of the damage of some of the past years where the council had outsourced certain functions, like the market and the abattoir. They ideologically—.

WOLDEMARIAM: The abattoir is the?

BERETTI: We used to run the abattoir ourselves. Then we got shot of it. We said, "We're not in that business. We got rid of the market." We got rid of a plant, a big plant that makes pre-mix for roads. We used to make our own. We said, "Why must we have our own? Buy it from the private sector like anywhere else." But we always retained the people. We didn't retrench them.

WOLDEMARIAM: This happened in 2002?

BERETTI: This was many years back. The problem, the point of ignition, with SAMWU not coming on board, they said it like this, "We see where you want to go and we're prepared to engage you on that route, but we first want to talk about some of the past things. We want to go back and revisit the outsourcing of the municipal market and the premix plant and others."

WOLDEMARIAM: Right.

BERETTI: I knew at that point there was no way we could or should go back and revisit business deals that were done with a mandate of those councils. Many times, in that area, they were ANC councils that were prepared to take those business decisions. I knew we couldn't go look back in the rear-view mirror. The real point of ignition I want to return to is the exercise of aligning the people to the business strategy. Here comes the point of ignition. When Belinda Walker and I put this to the executive mayor, Helen Zille, she listened very carefully and she latched on to all the points and she asked to reinforce certain aspects. Then her words were, "Let's go with it."

But she said, "David, I want this to be done in six months." I must say I was in a state of apprehension. She said, "You know what, we haven't got more time." She said, "By the time Christmas comes, people have been through a lot. By the time people go on their recess, I want to know that they've got a letter placing them into posts. Are you prepared to push it at that speed?" At that stage of my career I was prepared to take that risk. I was prepared to put everything into it and if it didn't work then perhaps I'd go and do other things. But I felt that there was no other answer for me. I said, let's go and try it. I said, "It may not be perfect," which it wasn't, "but we must have the critical mass in place by December."

At this point in time if an employee was asked "What do you do in the city?" Well you know I'm in between this and that. What's your title? I really don't know. We had a system of placing people into jobs, but jobs that were new, people had to apply for. While we were placing people who were doing the same job when there were new jobs you had to have competition. We had these processes lined up. Now, I want to show you one of the things that many managers dealt with but I'll show you one that occurred in my Directorate.

I inherited three legal directors, "a director of legal services, a director of legal strategy, and a director of legal compliance. Now why do you need, in any organization, particularly the City of Cape Town three legal directors? It is an important one. Our process, the ORP that we put together was like with like. No duplication, avoid overlapping, reduce support and administrative. Put the resources into external service delivery to the citizens.

WOLDEMARIAM: What did you do then where you had duplication? You just moved them to another position?

BERETTI: *I had triplication. I'm just giving you one example. I had three legal directors but my new plan in the ORP I was going to have only one Director: Legal.*

WOLDEMARIAM: ORP stands for what again?

BERETTI: *Organization Realignment Process. Very carefully you'll see, it doesn't say "restructuring" because the minute you hear restructuring everybody goes back and says, "Okay, let's go back to the drawing board. Let's start the restructuring now." No, as I said to you earlier, what came out of this—I might be repeating myself but it is worth repeating. We said, previously there was a mindset in the public service and in local government. You had all the people. Then they would say the first law of public sector was "thou shalt organogram". Everybody sits around and they say, "Okay, you're a head or a director." Then you've got to have eight or nine managers and then you've got to have supervisors. Staff are appointed, getting the salaries and benefits then they decide what they are going to do. No. Do it the other way around.*

Develop the strategy first. Once you've got the strategy and it is approved and you've got it ready, you design a structure that aligns with the strategy. Not the structure first. See people used to design the structure first, then the strategy. The strategy first. Then the structure must support that strategy. Then you must have the HR staffing strategy which is putting the right people in the right jobs, in the right parts of that organization with the right skills and competencies. If you've got all three of those steps, then the Staffing Strategy is aligned with the Business Strategy. "Strategy before structure".

I had three directors. I engaged with them and I said, "We want one legal service. We don't want three legal directors. There is going to be one post, Director of Legal Services. We will advertise it and then you, together with anyone else, can apply and the best person will get the job."

WOLDEMARIAM: What happened to the people that didn't get the job?

BERETTI: *I think we need to underscore now after the other interview. One of the things I got a mandate from Mayor Helen Zille and Alderman Belinda Walker on was to say we're not going to retrench the staff.*

WOLDEMARIAM: No firings.

BERETTI: *Fundamental to that point. If those politicians didn't have the vision to buy into that, and it was a tough one, because they could have bought into some really obese organization that they couldn't afford. We informed the Unions that we're not going to actively retrench. But we're not going to support people who don't want to work. So we're not going to actively retrench staff." If we have competition for jobs and people don't get it, we will absorb people into the organization; but it must be into productive areas.*

I was able to have one legal director. There were three of them. One legal director at that point, it was a female director. She resigned, she went to Johannesburg. I had two left. I integrated the three units into one with the new structure. I consulted with all the staff and I advertised the top post. One of the directors was successful and still is. His name is Lungelo Mbandazayo. He is the

present one. The other one Mr. Milissano became a manager on the same terms and conditions and he took over legal compliance. I think that was again, in the vision of Helen Zille and Belinda Walker to actually support no retrenchment. But everybody should be productively employed.

WOLDEMARIAM: One of the things that you did in this period of time is that—I mean you were reconciled—at this time you also had to reconcile terms of service right? Because everyone is on different terms of service. From what I understand what happened is that—I mean wages didn't go down, they went up for everybody to the tune of something like, I don't know, 300 million rand? Maybe I'm wrong. That was how much overall wages went up. Maybe that statistic is off. But in any case, how exactly were you able to budget for that kind of wage increase? I mean how did you—when did you realize that that was going to happen? How did you sell that? How did you get the money for it?

BERETTI: *Well you know wages are negotiated nationally by SALGA. So it is a given. They're going to negotiate it and they're going to say it is a 5 or it is a 10%. Municipalities are obligated to implement.*

WOLDEMARIAM: But you have to pay for it.

BERETTI: *We have to pay for it. You can object but eventually you have to be bankrupt before your local authority will be given an exemption. There was no way Cape Town was going to be granted an exemption. I think that integrated, us working as a team, led to finance understanding what we were doing. We worked quite well with them. The first increases—they were in the budget in 2005. We weren't employing a lot of new people at that time. Remember, the unfortunate part Michael, that was from 2002, because people weren't placed and because we had political pingponging in the city of Cape Town that you didn't have in Durban or Johannesburg, largely the government stayed in, but Cape Town was, in 2001, the DA leadership. Then they had the floor crossing and it went back to the ANC. Then they had the 2006 election and went back to the DA.*

I think that during that time we couldn't be promoting people because how could we promote Mr. Jones when Mr. Smith and Mrs. Whatever said, "That's not his job, that's mine and hers." I mean you had to have a placement process. That was the stabilizing force, a system that placed people into posts. We were not taking in too many new people other than scarce skills. We were not promoting people. We also hadn't implemented any form of pay parity.

When I say parity people had to just live with the fact that although they were doing similar, almost the same work, they were paid different salaries. We went to the unions and we said, "We can't pay parity." Based on what? What's the foundation? We first had to know what jobs people were in.

WOLDEMARIAM: You had to place them before you settle wages.

BERETTI: *This is the sort of motivation I gave to the unions when I presented. I said, "Can you see, we're building from here up. Come in with us, we want to get staff placed." I think IMATU saw that and they realized that their members were suffering from restructuring fatigue and they didn't want this to continue. I think the fact that we said the organizational realignment process, I said, "We are not going to restructure the entire council. If you are in the water service you are going to be the water service. If you are in finance budget you can keep the finance budget but we want to know exactly in there who is working there, who is assigned to what."*

I think, to come back to your answer, the budgeting of those people was, what helped us was the freeze on promotions, a certain freeze on bringing new people into the organization. That helped us to absorb that.

WOLDEMARIAM: The cost.

BERETTI: *The cost.*

WOLDEMARIAM: And the freeze was mandated by the national government? Because there was a freeze from 2001, 2002 onward?

BERETTI: *It wasn't from the national government it was from us. Here's my analogy. You come in from wherever you were. You see this bag? You come in with your bag. Everybody had a bag under their arm. You sit around the table. Michael, what's in your bag? Mary, what is in your bag? This was your bag of terms and conditions that you carried. You came in with it. We couldn't unilaterally take it away from you.*

We said we expect that. You talk to your unions about that. But you couldn't have—one thing we spoke about and I realized, this thing about different conditions of service, it manifests not only in the people themselves, of the perceived and real inequities, but it translates into lack of service delivery in that you've got different working hours from Mary who sits over there. Mary has different leave to you and somebody else. Some people had longer leave provisions. Some people had shorter leaves. Some people had a condition of service that they only started at 8:30 in the morning and worked until 7, other people had flextime.

What is happening is people came into a workplace where a job needed to be done and everybody had different conditions. The managers were saying, "I want them all to start at the same time but they tell me their conditions are different." You can see what drove us to say—people together link to jobs, link to functions, link to conditions of service, that everybody was the same. And we got that; we got that in December 2008. We got one set of conditions of service for all staff!

WOLDEMARIAM: One set of conditions—.

BERETTI: *One set of conditions of service. Michael, I'll make a comment to you now. That was something in the Unicity Commission in 2000 we only dreamt about. That was something that we knew the numbers that were so much that never in a million years would it be affordable. By doing this process, I am very convinced that what contributed to, what came out of here, set the platform for us being able to do that in December 2008, was to implement it for all employees.*

WOLDEMARIAM: You mean the freezing of the positions?

BERETTI: *No, the one set of conditions of service.*

WOLDEMARIAM: One set of conditions, right.

BERETTI: *Prior to that it was virtually 26 different sets of condition.*

WOLDEMARIAM: What obstacles did SAMWU raise after they abandoned the negotiation process? Did they—were they an afterthought?

BERETTI: *No. Firstly my frank opinion is that they didn't abandon the process. I can tell you I certainly didn't abandon them. I kept talking to them. I sent them every bit of communication that went to the other union. They were not left out of it. They came to meetings. I think to a large extent they realized they also wanted to move forward but their mandate was to revisit some of the things in the past. The wheels turned a little bit too slowly.*

But eventually, when we implemented the one set of conditions of service it was for their members as well. At that point after all, are we going to take a huge strike now in December? That was the risk. You asked me about high risk, that was the risk. December, when it is holiday time, if you get your cleansing staff everyone else can go home. Michael we didn't get it. It was implemented on the first of December 2008 and that's what we have today. There was no strike!!!

WOLDEMARIAM: What SAMWU wanted. I'd like to ask a little bit about—what was the formal title you held before you were executive director of corporate services?

BERETTI: *I was executive director of corporate services up until 1999 in the city of Cape Town, the former city of Cape Town. Then I was the first director, corporate human resources of the Unicity of Cape Town. Then in 2006 the executive director corporate services again of the Unicity of Cape Town.*

WOLDEMARIAM: In many ways it was logical that prior to your formal appointment as executive director—the current position you now hold, it was logical that you would be the person that Belinda Walker and others would have conversations with about formulating this new plan.

BERETTI: *Very briefly, I don't like too much talking about myself.*

WOLDEMARIAM: But it is good because it gives us—I want to get a sense of how actually you are the person drawn into this process because I think that is important.

BERETTI: *I think it probably goes something like this. If you look at careers of people—take Mike Marsden, he is executive director today. He came in—he is similar age to me. We came in—he is an engineer and he stayed in the engineering stream. He is still—he got to the second from the top in the engineering stream.*

I came in and my first career was in finance. My first qualification was financial, to be a local government accountant. I was in finance in treasury for the first nine years of my career and largely—many of the peer group at that time stayed there and are still in finance. But what happened to me, I applied for a very senior managerial administrative position at a relatively young age at the city engineer's and city planner's department. I moved out of finance and all of a sudden, at a young age, I was a member of the top team of the engineering and planning department of the city. That's the heart of service delivery in the city.

WOLDEMARIAM: Right.

BERETTI: *I went over there and I took my financial expertise that I knew and I said, "Wow, this is where the services are run from." I worked directly with a city engineer so I had city management experience for about another ten years. At that time there was a change in the labor law in the country. It was called—Professor Wiehahn, the Wiehahn Commission and that's where the unfair labour practice was firmly integrated into labour law. Remember in South Africa we had a very different*

dispensation. It was the unions and the church that organized people. Unions couldn't organize themselves while in the previous government.

The point I'm making is, coming into the engineer's department they were very talented people I worked with. Then this Wiehahn era came in and I saw the way the people function was going. I met Professor Wiehahn as well at a conference. Then I became the director, personnel services of the city. Then I went into the city administrator's department. I'm just saying to you I'm probably one of the few—I might be, at my peer group now, probably one of the only guys in the country who has worked in all the departments of the city. People normally come up engineering and they get to the top if they do; I had broad experience.

When I took decisions, when I was the director of personnel services in the late '80s, '90s, it wasn't just an academic decision on people, something I learned in theory. I knew how a water utility operated. I knew how the planners worked which immensely helped me to assess decisions I was taking. I knew the impact of what I was going to do.

Some of the human resource people who come out of university, academically trained, never really managed any of those large service delivery functions, didn't know the implications. Belinda Walker, Helen Zille, knew my track record and knew that I had the skills, hopefully, and the experience and the knowledge to understand the major functions that would be impacted upon.

WOLDEMARIAM: I'm really wondering about the intellectual genesis of—because before, when you're working on these issues of integrating the Unicity of 2000-2002, it is more an issue of restructuring, thinking about getting inefficiencies out of the system, moving people to new positions. Then in 2006 it is, the organizational realignment process, minimal kind of stress to the system, let's just stabilize it. I'm wondering how you actually came up with that idea and when you said, aha, this is—. Because presumably you're asked by Belinda Walker and Helen Zille, give us a proposal on how we address the chaos in the bureaucracy. So how did you come to this? How did you develop this proposal? What was that moment where you said aha, this is where I have to go and this is why?

BERETTI: *Out of necessity. There virtually were very few other options. Now my point of departure would be—Helen Zille and Belinda Walker are very, very capable and very skilled people. They could have adopted an approach and said, "David come in here, sit down. We want you to do the following. Now listen to us very carefully, this is how it is going to be. This bloated lazy structure of people we've got are not delivering services and is dysfunctional,, you go out there and you tell these unions that we said, if people don't work we're going to retrench them. This is the plan, go and implement it." If they said that, it would have been very different. But both of them had the maturity and vision and leadership and particularly the combination of the two of them, I must give them the credit. Their synergy was very powerful.*

They said, "Come and tell us how you believe it should be done." It was that, that allowed us to take the high risk. I brought this little piece of paper that I had in a file. You see this?

WOLDEMARIAM: Yes.

BERETTI: *Some of the discussions that we had when we were looking for these mandates. We said, you asked me what did they want. They said, when you wake up in the*

morning we want people to switch on their lights. When they shower they've got water. They can drink it. It is potable water. They drive on the roads; the traffic lights must work. Law enforcement, traffic officers, law enforcement must be out there enforcing. Clean, disease-free air. When you drive past some of the shacks there must be housing for the poor. You can go to these beautiful beaches, they must be clean, must be safe. Use of sports stadiums, community facilities, they must be crime free. They must be there for the people to use. Visit parks and gardens. It is this type of simplicity. They said, isn't that what everybody needs? Isn't that what even the unions want? Isn't it what the people want? Isn't it what the councilors want? Isn't it what the people who work for the city—it is just back to basics.

WOLDEMARIAM: Very interesting. This question—I guess one of the other questions I have—please let me know—.

BERETTI: *I'm looking for something+ here.*

WOLDEMARIAM: You're developing this plan. One thing that strikes me about all of this is you develop this organogram of who goes where. You have to figure out where the duplication is, you have to move people. After this you have to standardize terms of service.

BERETTI: Yes.

WOLDEMARIAM: This has to be an enormous bureaucratic task. You're doing this for an organization of 26,000 people. What kinds of—now within your directorate did you have manpower issues? How did you mobilize the resources within your own department? Did you have the people in place to actually take on these types of functions? To say, "Okay, we need to go employee-by-employee, figure out what they do, where they go." How exactly did you go about doing this in practical terms? Did you do it directly out of your directorate and say, "I need you to do this or did you say to water and sanitation do this and give us back this schematic. Let us know who goes where, what they're doing, where the duplication is."

BERETTI: *Michael, I think the key to this was fortunately the background and experience I had was knowing you can't go it alone. What I did was, even though I'd got that mandate, I kept the city manager right with me and behind me. But the top team that we had there, the then team that was appointed by the previous administration. I didn't do this secretly over them, under them or past them. The team that was in there, they were called Ikwezi, fully participated.*

WOLDEMARIAM: Ikwezi?

BERETTI: *Ikwezi, I think it is called rising star. That was the previous team. All of the issues that— I got the mandate, I came up with the proposals. We took it to the staff management team. The heads of water, electricity, planning, were consulted because of the decision. We went there and we said, "Give us your input," so I incorporated their input.*

WOLDEMARIAM: Each of them developed a plan or gave you a schematic of who did what, what positions were there and this kind of stuff.

BERETTI: *That is correct. We set the proposal and the plan, but it was the manager in that power plant that used that framework. We couldn't tell him or her exactly whom to place. We gave them the plan, we consulted with the unions, and we said, you*

must sit down with your people. Here's the plan. You must say, "Michael, what are the functions you do? Show me your own job description. Tell me now, are you doing these functions?" You have to do it one-on-one with your people.

WOLDEMARIAM: They would give you back the plan and you would put it together?

BERETTI: *Equally so if I'm the manager and you've told me your story and you walk out, Peter comes in and he sits in the chair and he tells me the same story and says he does all those functions, only the manager can say which one is really pressing that switch every day if you both say you're both doing it.*

WOLDEMARIAM: Now here's the question. Did you find in certain cases that the plans, I guess you can say the organograms of each individual directorate or agency plan, unit, that there were problems? It wasn't exactly correct? You can imagine that managers have an incentive maybe to create some fictions about who is doing what. Were there moments where you had to say, "What so-and-so in the roads department is telling me is not accurate. There are too many people; there's too much duplication here. I have to go talk to them. I have to resolve this." Did you have those kinds of moments?

BERETTI: *Yes. Remember, we had an open system so people were e-mailing. We had regular engagements with staff. I did tell you earlier that one of the powerful things—just tell me if I did or didn't—Helen Zille agreed, and Belinda Walker, to go on a road show. I think we did 39 sessions. Remember we went into community halls. We sat there with labor; many people stand up and say, "How is this going to happen?" It was very stressful. But besides the written communication—we met face to face with staff.*

WOLDEMARIAM: This happens in '07? In '06, '07?

BERETTI: *This was '06, during that six months that Mayor Helen Zille said—things like, we said you her, you want us to do this in six months, come out with us. She did it very well with us. We answered the questions. She answered the political ones. We answered the managerial ones. We largely said to the managers, "Here's the framework. We're not going to police you; you will actually police yourself." Because Michael, as a manager here, if you deviate from these processes you will be accountable because on the disputed those people are going to come back and say, "He didn't listen to me, here's my job and he put his favorite person."*

We gave them the criteria and then we had a validation process. People had to validate and sign off. People knew they could appoint favorites, they could obfuscate certain jobs to get people in they wanted. But when it came to validating each one, and they were signing off, they were going to be accountable. Maybe somebody came out with evidence.

On the other side, when I spoke to staff, we had, not a hot line but we had a place, a web site where people could directly comment to.

WOLDEMARIAM: They could complain if a manager had—?

BERETTI: *Yes they could.*

WOLDEMARIAM: Did you get complaints? Were there moments where you had to take action?

BERETTI: *Many times. Some were more vague. We'd always look for evidence.*

WOLDEMARIAM: Can you give me an example, you don't have to give any names but can you give me an example of when something like that occurred?

BERETTI: *There were examples of people saying that manager, he or she is using the system to appoint the "buddy" system. Then we'd go back to them and say "What evidence do you have to suggest—is that just a subjective comment?" Sometimes they were subjective, suspicion in the workplace. Other times they would come back and say, "Yes, go and look at employee X's job and go and look at employee Z's job. You will see what I am saying is correct."*

We used our scarce resources on the cases where people did provide evidence. I sometimes myself spoke to those managers.

WOLDEMARIAM: Once you had all of this stabilized, is that when the performance management stuff came in where you developed this performance management system? That is, for example the three step process for evaluating employees. For example, holding people accountable if you had to dismiss them. Does the performance management actual system come into place after that or was it always there?

BERETTI: *It was later. It started further up the top but you didn't need a performance management system to hold people accountable. If we put employee X into a job of managing this beachfront we're looking at outside, that it would remain clean, that it would remain safe. There was a supervisor looking after it. Once we appointed employee X and he signed off on that job description he was accountable. Previously he was on the payroll and he may have been sitting in a depot three miles from it, still getting paid, but saying, "That's not my job. I used to do a similar job in a different municipality. He or she wasn't appointed. Once you agreed, we said that's your title, those are your functions, that's your pay scale, sign off, then we had a type of self-actualization. I have now got a job. I know who—I am now responsible, I will do this." If there were complaints about the beach previously we couldn't say but somewhere between all these guys doing nebulous jobs, now we know, bang, it is that employee.*

WOLDEMARIAM: Tell me a little bit about—we had talked about this before and I know this is a bit of a sensitive issue, but I've been struggling trying to understand why you had what seemed like a good plan in place between 2000 and 2002 for integrating the different municipalities and their respective bureaucracies. But after 2002 when the ANC takes over, it pretty much falls apart until '06. Maybe I could get you to comment a little more on why that was the case. Was it just that this wasn't a priority? Was it the kind of chaos in the bureaucracy perhaps was useful for some people? I don't know. Why does a reform process that you started in 2000, 2002— why was it static between 2002 and 2006? You were around, you saw what was going on, why was there this four year time when everything is in limbo, nothing is really moving forward?

BERETTI: *Michael I would say that I genuinely can't say that there is a blame on anybody or on any political party. I think when there was the changeover, a local authority is like a giant supertanker. It takes a long time to turn it around; you can't turn it around quickly. Equally it takes a long time to sink. It doesn't sink like a stone; it runs on its own momentum.*

When you change an administration from one form of political leadership to another, there are diametrically different—it doesn't change from night to day.

When the floor crossing came, the DA were moving very fast towards placing people and doing some of the principles of what we spoke about now, but it takes time. They didn't say, what we did later, six months to do it because consultants were working on it. Too many people were working on it. Then the floor crossing changes. Everything went back on us.

The new leadership came in. They were not going to follow—they had different politicians. They had different views; they had a different relationship with the trade unions. Now there is a tripartite arrangement, alliance with the trade unions, which the DA never had. It stopped. That's all I can say, it stopped. The new council came in, now Mayor Nomaindia Mfeketo came back who I worked with many years before that in the former Cape Town when she was the mayor, she came back. Then she's got to start with a new council, she has to start with new councilors, getting them trained, into portfolio committees, forming teams of people. Time goes by so fast.

The negotiations continue with the unions. The unions were banging the tables and saying we don't want you to outsource anything. We want to tell you how to structure your council and we were not making any progress with it.

WOLDEMARIAM: Sure.

BERETTI: *I don't think it was a conscious effort from the ANC administration saying we're going to stop the whole process. They are very consultative and may be one criticism, they let it go on a little too long by listening to them.*

WOLDEMARIAM: They were perhaps more sensitive to what some of the unions were saying? The consulted the unions perhaps—?

BERETTI: *A little bit more than—there was a close relationship between the unions and the ANC, although they were definitely not a pushover. A couple of times we felt that we were quite close to getting structure. Then we were in the restructuring phase and people were really worried about retrenchments because when you're in the restructuring phase—.*

WOLDEMARIAM: Meaning losing different positions?

BERETTI: *Restructuring means changing, we can change your union completely. That's what people were really worried about. Then in about 2005 they did a big restructuring which didn't turn out all that well. They brought external advisors into it and it tended to destabilize the organization to a certain extent.*

WOLDEMARIAM: The restructuring was they created new units? What did that restructuring look like at that point, the 2005 one?

BERETTI: *The 2005 one, we tried to keep as much of it as possible. That is coming back to the fundamental that I saw there. If I had recommended to the politicians at that stage, this is from the previous administration, throw it all out, it's rubbish. If I had recommended to them or they said to me, all those people at the top that were appointed, including the top team, if they had said, or I had said to them, "Well they're from the previous administration, clean them out—pay them out for their contracts or do that—" They didn't do that. Let me stress that.*

WOLDEMARIAM: In '06.

BERETTI: *We did not do that. We said, "Let's keep all the people. We're not sure of the skills they've got whether they match the skills that we need." But I said to them, "We can take care of that later. Put your trust in it." I want to underscore, Belinda Walker and Helen Zille bought into that. It was a tough one for them to buy in; there wasn't all that trust between them and the new people. But I said, we've got them. They are our employees. They were appointed by the council, let's work with them. There was no retrenchment and there was no purge on employees. Those that left, either left due to misconduct or due to a voluntary resignation.*

Now I want to return to one other point before I lose it if I may. You asked about had I been thinking about some of these things prior to that. I want to tell you that I did because I've got a broad background in Cape Town. I had to make it work for the city, not work for me. In 2005 we were at a relatively low point. I always held out hope for this beautiful city because I worked for it in the times, the former Cape Town—it was really—people came here from all over the world to come and collaborate with systems and some of the things we did here, the dams we had built here or the electricity system. We were comparable with local authorities in Britain or America and some other places. We had very competent people.

I started working in 2005 on this concept because it always lived with me. I always wanted to local authority I worked in and lived in to be the best. That is why I stayed in the city my entire working life. I wanted it to be creating a world-class city. I started looking at these principles in the year 2005 before I had any idea what was going to come. I said, "What makes a world-class city? What are the criteria that you want?"

I picked up some research together with a professor Andre Parker from the University of South Africa. I had a couple of sessions with him. He had done some international research and we looked at the ones that were most relevant to the city of Cape Town. He called it the seven habits of a world-class organization. Shall I just read them to you?

WOLDEMARIAM: Yes, sure.

BERETTI: *The first one was ongoing strategizing which focuses on a challenging desired future. To be saying if you're an organization that only strategizes when you're in trouble, when you're ad hocking, you're never going to be world class. You must do it all day, every day, continuous and continual strategizing. You never get out of that mode. Transformational leadership. If you've got leadership on its own, that may not be enough. But transformational, particularly in the South African context of transforming business, transforming people, was far more important than it would be in the USA (United States of America) or in Germany, Australia at this time. You had to have that type of vision, to take people in, to take cultures in, diversity. You have to have that in.*

Community of business partners with a shared vision. If you think in the city that we can do everything ourselves and we'll tell you, the external person, exactly how it is going to be no. You just told me now you had a meeting with business partners, what did you call them?

WOLDEMARIAM: The improvement district.

BERETTI: *The improvement district. We collaborated with people like the Cape Town Partnership, Andrew Boraine, he is the CEO of that. They had brought in billions of rands of investment into the CTP alone. We said we mustn't be insulated, your*

head mustn't be in the ground. You've got to get Chamber of Commerce, you've got to get external relationships and partnership. Core business process around, designed around citizens and customers. Remember the point about organogram? The focus used to be thou shalt organogram, you draw the organogram up first and then you go. No. Here we said the process is the customer must be at the center of the business model, not the officials.

The next one was continuous improvement and relentless innovation. You've got to have more for less. Your budget is not going to get any bigger; it is going to be continuously strained. You are going to get continuous and insatiable demands for more and more and more and the only way you're going to do that is by continuous improvement. Public sector tends to be a little bit static and they get analysis paralysis and they get administratively focused. We came up with a unit that every time people wanted staff we said, "Okay, you want another ten staff, but before you do, let's see what you want them for." Then we looked at the process and we said okay, you start there and you end there. It is plans examining. We took them through the process, the steps.

We said to them, "When the customer drops the plan in there and it gets approved there, they are fifteen steps in." Let's have a look at them. They'd say—you'd involve them and they'd say, "Wow, I don't know why we're doing those five steps." We said, "You know we could reduce that to seven steps; you actually don't need any more people." Thank you.

Continuous business improvement, people philosophy and practice, release the potential in your staff. That one is all about my earlier comment to you, it's the people that count. If you don't get that right, everything else is secondary to that.

The last one is powerful branding that energized all that the city stands for. If you're not branded you're never going to be world class. You may be good, but you've got to brand. People must know about you. They must know about Cape Town. You must be out there so that you can attract people. You can attract investment. This is the type of thing. I have to tell you now, I was thinking about in 2005. When the opportunity came to put things into practice I didn't start from scratch.

WOLDEMARIAM: Sure, on this point of not starting from scratch you had mentioned the ANC's failed effort at restructuring in 2005. Did you learn anything from that episode? I mean, were there lessons to be had there? I guess—this is the first time I'm hearing about the ANC episode at restructuring in '05.

BERETTI: *I wouldn't—I actually used the words—I said I didn't say anybody is to blame. I wouldn't say it was failed. I'm not casting aspersions on a political party.*

WOLDEMARIAM: What were they trying—not a failure but what were they trying to do?

BERETTI: *I think they took too long to place people and people were becoming restless. They drove it quite strongly from people outside the organization. They brought in people—.*

WOLDEMARIAM: Consultants? Outside consultants from South Africa?

BERETTI: *From South Africa. I'll leave it at that. I believe that there is a place for consultants in an organization and I've rubbed shoulders with them all the way round. There is a place; there is a need for them. We don't have the monopoly or the license for all the ideas. We also used consultants but my principle is never*

let the consultant get full power overall because what I've experienced in the consultants that haven't worked— they come into an organization, they meet with the leadership and they cause a rift between the officials and themselves. It is a unique tool getting the tenure extended. Consultants must be supplementary and complementary to your leadership. The restructuring and the reorganization, if it doesn't come the inside and it is imposed from outside—if those consultants—they can't go and stand before those unions. The unions would say who are you guys? How much are you being paid? How much are you being paid to come and do this work whereas I as an official, and with a relationship, I could walk in their doors and offices like I did.

WOLDEMARIAM: Right.

BERETTI: *That I would say would be the difference.*

WOLDEMARIAM: Interesting. Let me ask you about this—one very quick question that is easy to answer. Helen Zille said, "Six months, you guys have six months to do this." How long did it—it didn't get done until 2008 right?

BERETTI: *No, no. I said there was a whole range of steps. The key focus she wanted, the analogy was, you've got a puncture. You haven't got time to stop the car, change the wheel. The car must continue to drive. You must change the wheel while you're driving. There were facets of it. The one we wanted in six months, to have the critical mass of staff actually placed. That was the big, big challenge.*

WOLDEMARIAM: And you guys got it done.

BERETTI: *Then you get into parity. If you've got—.*

WOLDEMARIAM: It is placement, then it is parity—.

BERETTI: *Then you can start promoting people again. You can start appointing.*

WOLDEMARIAM: That's accountability.

BERETTI: *Then we could unfreeze. Look here Michael. You saw (Phil) Mashoko. There is a structure of water services and all these people. They've got about 2000 people or something say in the water, it's a big department. Two thousand people, but they're all over the place. But the water is coming out of the taps generally but there is frustration. The first part of this job is, you've got people in water that came from seven local authorities. It is seven supervisors. They used to be there, there, there—remember that drawing I did on the board. They used to be there. Now they're no longer sitting over there and over there, they're actually sitting here. But I'm suspicious of you and you're suspicious of me. I think I had a much bigger job than you. You think you had a more important one. How much are you earning? How much am I earning? What better leave conditions have you got? What other allowances do you get?*

WOLDEMARIAM: Holding them accountable in those circumstances is very difficult.

BERETTI: *I say that I hold the switch that opens that dam when the water needs to run; I'm the one. I'm responsible. You say you are because you did it in your local authority. Who actually is? We both say we are. But let me tell you, when that switch doesn't operate and somebody comes in with an inquiry who is responsible. I say it's you and you say it's me. You understand what we're talking about?*

WOLDEMARIAM: Right.

BERETTI: *We had to get everybody in there. When the Red Sox run out to play their baseball match you've got a pitcher, you've got a shortstop, you've got a catcher, you've got first base— I used to play baseball. Isn't that right?*

WOLDEMARIAM: Right.

BERETTI: *Everybody goes out to a position. You don't send nine players out—you don't send nine pitchers out or nine first basemen out and they all stand on the same spot. We needed the water works to have everybody in their position. Once we got them in we looked at all the people and we said, "What is your scale of pay?" We didn't have the money, by any means, to say, "Magic wand, there is parity." You double your pay, you get another quarter— you get the following. We looked at everybody and we said step number one is, if that's the scale, some people were outside the scale, they were below the minimum, we brought all of those people up into the cage. The next round we said to the managers, "Now you evaluate each person because you know how they're performing and you see who can be moved up, who should stay static. We're giving you a certain amount of—."*

WOLDEMARIAM: Wages were never dropped.

BERETTI: *They were never dropped.*

WOLDEMARIAM: That's important. In fact, as you said before, the wage issue in many ways was— to a degree— at the broad levels out of your hands because they're being negotiated nationally.

BERETTI: *But I have to tell you, the part that did help us Michael was the fact that because we weren't promoting, because we weren't able to bring new people in, we saved a certain amount of money over the years.*

WOLDEMARIAM: One of the last questions I have for you—I know we're running short of time—and it is a big question, it is a somewhat contentious question which is this issue of equity, particularly racial equity. You're making all these big personnel changes. You're trying to get the system stabilized. There is a demand—the question is: how have you been able to balance the concerns for stable bureaucracy that performs with the other demand for, what some people call racial transformation but we can call it some form of racial equity, finding some kind of balance within the administration? Some people would argue there has been a clear tradeoff between the imperative of racial transformation and the quality or performance of service delivery in the bureaucracy. As someone who works in human resource, what has been your approach to finding some kind of balance? You want to have a bureaucracy that performs and where you have the best people in the right positions, but you also want it to reflect the diversity of the country. How have you been able to walk that fine line?

BERETTI: *That's really a tough challenge given our historical background. But in terms of the law of the country nobody can lose their job as a result of racial profile—for equity. You can lose your job for other reasons or you may not get the next promotion. We inherited the structures that we have. People came in and largely the background reflected— it was largely white, male dominated over many years.*

I think over the last decade or fifteen years there has really been drastic improvement, a conscious effort to apply employment equity. Remember that the City of Cape Town utilizes demographics of the Western Cape and not the National. You no doubt read Jimmy Manyi arguments about the Western Cape. He says if you speak transform of the national government and you've seen the outcry that is raised from that. If you look at the facts, if you look at where we are now, I would say the biggest disparity is actually gender. If you look at the profile of which, if you really wanted it I could let you have, the present profile, you'd see that gender—there is not enough gender. There are not enough disabled people. Both of them are only fair.

But if you look at it today, other than white, there has been quite a massive transformation. We are monitored by the Department of Labor. When the Department of Labor comes in and they were last there a couple of months ago, they don't meet with my managers or someone down there. They meet with the City Manager, the CFO and myself. We sit down and—and my head of employment equity, Michael Siyolo. I'm admitting to you that we're not where we should be, but you get a plan and the plan is over five years. You don't do appointments just on numbers because employment equity is far wider than just putting, replacing white people with black people or males with females.

We have a number of programs of fast-track development and preferential training in the budget for people who are disadvantaged than they would be if white. Just changing the profile in the jobs is only one aspect. Our key focus Michael is ability to do the job. Nobody benefits by putting a disabled person, a black person, a colored person or female into a job which they can't do. Our recruitment and selection process is focused on the ball; the ball is competency to do the job. Then we look at who are those applicants? Then all things being equal we will give advantage to disadvantaged people and over a period of time.

WOLDEMARIAM: That is interesting. One thing that struck me about the way that your directorate has dealt with equity issues, and you can tell me if I'm wrong, it seems as if you all have—this is not a bad, this is a good thing, but a long-term approach to racial equity. That is, you just can't take someone who happens to be black or colored or whatever and put them in the top position if they're not qualified. You have to get people at lower levels of the organization, train them, fast track them so that eventually they may reach senior level position. Is that correct?

BERETTI: *They know that there are handrails, safety rails. You've met too many of the officials, you met Phil Mashoko. Now I chair the panel that appointed him. There were very good white male engineers, etcetera. But we looked at the whole profile. He was from Pietermaritzburg up north and we said, "That's the guy for the job," and successfully too.*

WOLDEMARIAM: This is a core question, what does the panel look—who is on the panel? You, for senior appointment of senior managers. It is you and some other folks?

BERETTI: *The panel in this case was—in terms of delegations— I hold the delegation to sign the contract for directors down to senior managers, that part. My level and the city manager is the mayoral committee. But the next level down, like Mashoko head of water, head of electricity, head of housing, all those directors, the top structure, plus the senior managers and managers, I chair those panels. Now on that panel for Mashoko, BV Msengana, an African male, he was on the panel. Then there was a professional from recruitment and selection. We did full*

assessments and we did the interview as a panel. That was the composition of the panel.

WOLDEMARIAM: That's fantastic—.

BERETTI: *I would like to say to you that of course we're subject to criticism and just make a note that I give you that—I think I'll be able to give you a one-pager that will cover all of that.*

WOLDEMARIAM: That would be fantastic.

BERETTI: *I think I know exactly—I would say particularly I'll be provocative, with the politics of finding something wrong with the city of Cape Town, wouldn't you say after all this time, the Department of Labor would have come down on our heads and said, we're totally dissatisfied with your thing, you're just a racist organization. That hasn't happened. I think we've been able to satisfy them that we've got five-year plans and that we show every time how we can get to that. When I sign off appointments—remember I have a corporate draw, but I've also got a transformer and director. When I sign off on appointments, I have a quick look at who applied, how many people were there, I look at that. What was the profile, because there have been a couple of areas where we've had to say guys, hold up, don't appoint that black person who is top of the list, the second one is a white male. We haven't got any white males in that whole department. We've got 200 black people. You've got to balance it up. The guys are saying, you're absolutely right. In some places you've got all females, like nursing. Because of the background they're all females.*

WOLDEMARIAM: Can I ask how many people are in corporate services, how many employees you have in that directorate?

BERETTI: *About 1500 but that's not 1500 professionals because one of the big departments I've got is specialized technical services and that is the fleet—that's 4.5 thousand vehicles. I run it from a strategy point of view as a corporate services and then we recharge it, otherwise each department is doing their own. The second one is the facilities, that's the properties of the council. There are about 120 properties. The civic center alone is worth 1.5 billion rand.*

WOLDEMARIAM: And you manage that.

BERETTI: *Then the electronic radio trunking which is an emergency radio service, very important. There are not 1500 professionals. There are the legal professionals, the HR professionals.*

WOLDEMARIAM: This figure includes those.

BERETTI: *I just want to come back to the employment equity. It will come back to me; there was a point I wanted to make at that stage.*

WOLDEMARIAM: I think we were talking about—I had said something about the long-term approach to employment equity. You talked about gender.

BERETTI: *You know what I wanted to say—the racial thing, in the public sector will always be there. Hopefully not forever but at the moment it is understandable. You will find, from time to time and it not only confined to Cape Town, where people make—when they're looking for a case, they play the race card as we say. They*

want us to defend—when all else fails. We do get some of that. Then we've got to look at the factors.

I remember many years ago in the former Cape Town we came up with a vision, a mission statement and in it we had about the third or fourth point, caring attitude, caring employer. It was out there in the branding. Then every time the unions came and met with us on a big issue and they'd say, "We want you to double the wages of the electricity services employees." We'd say, "You know guys, we certainly can't do that for the following reasons." Then they'd say, "You see, you're not a caring employer." You say here that you are. Caring employer meant yes to everything and if you said no then you were no longer caring. Similar to the race issue. If something didn't work people would use that.

I don't think at all that the unions played that card very extensively, fortunately. But that is still prevalent and understandable in the place where we are in local government today.

WOLDEMARIAM: This was fantastic. Is there anything else you'd like to raise? If so please do.

BERETTI: *I was looking for one thing which I don't seem to find, maybe I'll send it to you but I just wanted to—I'll scribble down—I'll give it to you like this.*

WOLDEMARIAM: Sure.

BERETTI: *After you left the other day, one of the things that was very powerful in this that I downplayed was IS and T (Information Systems and Technology) and the use of EHR, (electronic HR). It was a very good strategy that we adopted, particularly that is having IS and T under my management. It is under corporate. I could synergize a huge, powerful HR strategy and IT didn't sit outside somewhere else where I was dependent on some other executive; I had it in the same stable. The synergy between those two has been very good.*

WOLDEMARIAM: You basically—when did you introduce the system?

BERETTI: *The SAP system came in in 2001, 2002 after Unicity. But it didn't reach its full potential—I think we were only the second local authority in the world to implement it. Particularly as we got to this part of restructuring, we said, what is the platform to drive all this work we were doing? We could load all this information onto SAP and get fantastic reports. That's the system.*

The second thing is constant communication. I think I explained to you how we communicated, even though SAMWU was outside of it. Often I would go to their offices on a Sunday and go and walk in and say to them, "Guys, let's have a chat about this." It is not just e-mails or circulars, not just the bargaining because when you're at the bargaining forum, the tactics come up. They walk in and they bang their briefcases down and they're always unhappy about something. We remained in constant contact. I'm going to show you something.

WOLDEMARIAM: Can I just ask for quick clarification about information services technology, SAP is different? The acronym is different?

BERETTI: *SAP is the international brand, the system that they use.*

WOLDEMARIAM: You basically were uploading all this—

BERETTI: The whole system.

WOLDEMARIAM: You're uploading all this employment data onto a computerized system which allows you to essentially—?

BERETTI: Correct. You see if we still had seven different systems as an IT platform, we wouldn't be talking to each other. You'd have the computer systems that seven administrations had. But we immediately put in the best, the "Rolls Royce model". SAP is used fundamentally across—we put it in and it was a bold decision taken in 2002. I could integrate, using one system. We loaded everything on.

I want to show you something about communication here. When I talk about what I've just told you now, have a look at this one. How do you talk to this immensely diverse, from up here to right down here, 24,000 employees? How do you communicate with all of them? I've given you—you talk to them directly, you've got a bargaining forum, you send e-mails, you send circulars, you have big meetings. You take the premier out and you go and talk to people. But we said how does the general group understand things. Here's an example of one of them that we did, it is called "Smart people building a smart city."

You know what, everybody can understand this. Our people are not fools, they're top people. Look at this. It may appear to you like a comic book but look at it, there's the city, 2005. We adopted a five-year strategy. That's what we've been talking about. This is a survey we did. I told you about the survey, we got 24% increase. It was an idea that we had. We said to Belinda Walker and Helen Zille we don't know where we're going. We think we're doing it right. But we need to ask the unit, we needed to ask our employees and the Siyamamela survey, done by Ipsos Markinor, an external agency, we're not involved in it.

WOLDEMARIAM: You tendered.

BERETTI: We put out a tender. The information was obtained from our employees but we couldn't manipulate it, it went directly to them on an independent basis. Siyamamela means "we are listening". We went out and we said to people—the set of questions that went out is measured on an international norm. This survey, if I haven't told you already, turned out to be the biggest survey of its kind in the public sector, in South Africa. The criteria of that, was that we allowed all employees to participate. When I say all employees, not all of them did. But many times other organizations did surveys, but they focused on a segment or aggregate the organization and they asked the senior managers or the middle or cross section. We said to everybody, we want you to complete the survey.

We did it in three ways. The top people could do it on their laptops and their computers because they've all got computers, so they could fill it in, online. They could put their name on or didn't have to put their name on; it went straight to Ipsos Markinor, not through any system here.

Then there was another group who don't all have computers or they're not computer literate and they were given the same process in hard form. They asked for it; they got a set of forms. They filled it in and when they handed it in they didn't hand it to their manager, they handed it only to an accredited agent of Markinor that came around in a sealed envelope.

Then there was the bottom level who were not so literate that they could understand the survey. They said, "I'd like to do a survey." Ipsos Markinor sent an accredited, independent researcher that sat down with them in the depot and

said, "Mr. Jones tell me what is your answer to—" They filled it in. They signed it, so everybody could have access to it. We achieved one year a 24% increase in employee loyalty.

WOLDEMARIAM: How did you measure?

BERETTI: *Employee engagement, that's productivity, morale. That was huge. So our employees told us, and this is some of the empirical evidence Michael. Our employees told us, we are quite satisfied so far. We said our projection was, as a stretch target we were trying to get a 12% increase. We were blown away by getting a 24% increase. In 2008, ORP, human resources, workplace, skills plan. Then 2009, the next Siyamamela survey, that's the first one. Between that one and that one, between 2007 and 2009, we got a 24% increase. In the local labor forums, in e-recruitment, that's where we used SAP and we said we're not doing this paper-based system anymore. Going to do things on line, going to have it electronic.*

WOLDEMARIAM: And this is—the local forums—so you went from a labor forum for the city and broke them down into—?

BERETTI: *We had both. They fed down into the—they decentralized down to shop floor level, the local—.*

WOLDEMARIAM: What made you guys decide to do that?

BERETTI: *It is part of the national initiative and the unions wanted it. This is employee self-service. This is where again we started doing away with all the paperwork and people would apply online for leave, electronic system. We had a HR website. We introduced electronic time and attendance. I told you about the fingerprinting model, there it was. TASK is the job evaluation, tuned assessment of skills and knowledge.*

WOLDEMARIAM: Which was implemented when, TASK?

BERETTI: *You couldn't start TASK unless you placed all your people.*

WOLDEMARIAM: This was a way of you figuring out okay, what are the skills and where can we improve, where do we need to shift people and also training.

BERETTI: *Now you were placed into your function. Remember now you've gone through this huge thing where you thought other people would take it, you got the job. You know what you're doing. Now we said to you we're going to evaluate your post on the TASK system which is the national system. But you couldn't do it before people were placed.*

WOLDEMARIAM: What if someone didn't have the skill or scored poorly on TASK, what would happen if their evaluation under TASK wasn't good?

BERETTI: *They wouldn't go down but they wouldn't go up and the manager would have to manage the gap. Then PDPs, that's the Personal Development Plans that we did for each of the top management, a couple of thousand. E-leave, that's electronic leave, the HR, we put out HR call center. We had labor law case management to help our managers know what they're doing. We did a skills audit in that area. Here is another skills audit. We had electronic kiosk where out in the depots people could key online because they didn't have their own computer. They could get directly into the career sections. Just have a look at that. People looked*

at this and they actually said, "Wow, look at the flow." Imagine writing this up in some lengthy, wordy, communication. The people would say, "What are you guys talking about?" That's just one example I brought to show you.

WOLDEMARIAM: I love it, do you have it electronically, I'd love to have a copy of that, that chart.

BERETTI: *Let's make a list of the things because I can scan it and get it to you.*

WOLDEMARIAM: That would be fantastic.

BERETTI: *Just make a note, the employee assistance program. You want the "Smart people building a smart city" scanned to you. I really think it is worth an example. It is quite creative. Then if you want me to wind up—there are some of the things that we said, we've got a 24% improvement in employee engagement. We got a 20% improvement in alignment of employees with the vision of the city. You're going to say to me, I believe you but can you prove it. You know what proved it? That survey— twenty percent improvement in alignment of employees with the vision of the city.*

In that 2007 to 2009, which was the critical place that I'm talking about—Michael I'm trying to assist you here in assessing what I'm telling you. I can tell you how wonderful we are but the external survey which you can have access to, that's what came up, the empirical evidence, 24% improvement, from 2007 to 2009, the 20% improvement of alignment of employees with the vision, because the questions were framed to test that with employees. A 20% reduction in absenteeism levels because we instituted a biometric, electronic system where from the city manager down, I ensured that the top people were in first. You don't want all your lower-level people clocking in and out, only – all staff must including the City Manager.

Anybody who says, "I want to see whether or not it is open information," we'll say, "There you are." We had a 5-10% savings on business improvement, a hundred million rand was saved in one period of year just on that electronic clocking, a hundred million rand that we could use for other things.

International Standards Authority—we certified supply chains. Now supply chains have been bureaucratic. We did it together with finance. It was the first nationally and we understand internationally ever done in local government. We set the standards there.

The SAP user group, that's what we're talking about. They got awards for innovation. We got a golden leaf award, green map for environmental. We got the South African Bureau of Standards' awards for outstanding service. The Institute of Risk Management in South Africa award in 2010. We got the 2010 Golden Key award for access to information. Who would have thought that this one local authority—access to information. We say we're an open organization. Do you believe us? They certainly did. Unqualified audit seven years in a row. In such a complex organization, where so many things can go wrong, tenders, possible corruption. Here we get seven years in a row of unqualified—amazing achievement.

South African statistics award 2009. Contact, which I can proudly say to you, falls under my direct management—Contact is the magazine to our staff. We're not a publishing organization. We're not a printing organization. We've got communication. We've won that award, that is competing with the private sector,

the best of the private sector, look at this Michael, four years in a row from 2007 to 2010, the South African publications award, four years in a row. Who would think that a local authority, not even in that core business of publishing would get it once. Here's four years in a row.

Helen Zille when she was the executive mayor won the award of the best mayor in the world in 2008. You've heard it; she competed. I just ask you in summing up this Michael if you think, at least, has the city gone in the right direction would you or anyone else adjudicate Helen Zille, the executive mayor to be the best mayor in the world of a local authority that is dysfunctional? I would assume that the two are integrated. Sure, as the person, but they're not going to give it to somebody of a local authority that is not up there.

Best tourist destination, long haul conference center, best metropolitan municipality for service delivery. In concluding I would say that the statement was, from the national assembly of South Africa at the end of 1988 noting that Cape Town was ranked the best city out of the country's 283 municipalities.

WOLDEMARIAM: I saw that.

BERETTI: *I hope I'm not doing it too strongly, I'm saying to you did we do the right thing? Of course Michael and I'd love to spend weeks with you and say we could have done that better. All of it we could have done better, none of it was perfect, but we delivered the critical mass with a compelling vision and said we're not going to go for perfection but move this supertanker forward. Don't try to turn it around; it will take too long. Keep it going in the right direction. While it is going change the course of it. I'm saying to you today, we could have been an abyss of dysfunctionality and service delivery riots. Hopefully you have a little bit of an idea, some of the evidence that says we at least went in the right direction; that's all I'd like to say to you. I don't want to tell you how fantastic we are.*

WOLDEMARIAM: Fantastic, I appreciate it. This is great.