

INTERVIEWER: Right, I have got interview 8 here with Riaz Mahomed from Habana Logistics, is that right, Riaz?

INTERVIEWEE: Yes, Habana Trading.

INTERVIEWER: Habana Trading, so Riaz just to get things started, just a bit of  
5 background on the research that I am doing, it is all around the effects of immigration on small/medium enterprises in South Africa. Then what we will draw from that will be linked back to some brain drain theory and the effects on South Africa as a whole. Then we will see if, you know, if there are some potential policy changes or something like that that can assist in curbing the  
10 perceived brain drain. So, Riaz, if you would not mind spending a couple of minutes just giving us a view on Habana Trading and where you guys operate, what your staff demographic is, how many people you guys employ and just a bit of a summary of the business.

INTERVIEWEE: Okay, so Habana Trading was established plus minus 10  
15 years ago, it is purely transport industry focused particularly on scholar transport, we operate in the Mpumalanga area. Our head office is based in Ermelo, we initially started off managing a fleet on behalf of Government, our fleet site consisted of plus minus 600 vehicles which belonged to Musa Contractors. The area that we cover in terms of the operation plus minus 450  
20 square kilometres, and I think for the past 8 years now we have started owning our own fleet. Our own fleet consists of plus minus 265 seat buses and we have a few taxi's, plus minus 10 taxi's that are used purely for scholar operation. Yes, so right now in the business our only client is Government, the Department of Public Works Load and Transport who manages the or oversees

the contract on behalf of the Department of Education. So, yes, that is just a brief overview of the business, our staff, compliment majority bus driver's given the kind of business that we run. Yes, so.

INTERVIEWER: What is your head count?

5 INTERVIEWEE: Right now our head count is plus minus 245.

INTERVIEWER: Okay. Riaz, if you were to break that staff compliment with a broad bush in terms of their skills, so would you classify everyone or would you break it up into highly skilled, skilled and then not skilled workers. What would you say your breakup is, obviously at management level the skills are obviously  
10 higher, what is your breakup, makeup of that?

INTERVIEWEE: So, we sort of run a very tight you know limited number sort of in terms of management, administration, that sort of thing. So, in terms of management I would say sort of high skilled management is very small, probably about 5 or 6 members on management.

15 INTERVIEWER: Okay.

INTERVIEWEE: Then we have, just below management we have got obviously our supervisory team, I would say that is semi-skilled, admin semi-skilled, and then the bulk of the staff are your drivers, they are actually considered semi-skilled particularly because of the fact that they need to have PDP's. When you  
20 know when driving, so based on certain regulations and stuff like that, particularly with employment equity and that, they are actually considered semi-skilled but if you were to look, you know, beyond that in terms of an education perspective, all you need to know is how to drive and you have got a valid PDP and that is about it.

INTERVIEWER: Yes, okay --- okay. Thanks for that, Riaz, and what would you, if you had to sum up your staff turnover at the various levels, what would you, how would you sum it up? Would you say you have got high staff turnover or low staff turnover?

5 INTERVIEWEE: I think it is very important that our staff turnover is extremely low, I can probably count who has left this business. While internally since the inception so, I think the staff turnover is relatively low, very low.

INTERVIEWER: Oh, really. Of the, okay, I will come back to that question but of the sort of highly skilled workers, have you guys had any exposure to people,  
10 I mean you have got a low staff turnover, so I know what to expect from your response. But have you had anybody of critical skill level immigrating from your business?

INTERVIEWEE: No, we have not, in my 10 years here we have not had anyone that has. as I am saying. voluntarily left. So, from an immigration  
15 perspective. no, we have not experienced that as a business.

INTERVIEWER: Okay, and what are some of the reasons in your mind for your low staff turnover?

INTERVIEWEE: So, I think it is. my opinion would be based on the company culture, number one, number two, look our kind of operation is purely scholar  
20 transport, we sort of work with school days and holidays and that sort of thing. So, the environment generally is very, I am cautious to say relaxed, but it is a very pressurised strenuous environment. You know, so I would think those are the fundamental factors considering, you know, the time available to do what

you need to do. You know, the free time, holidays, that sort of thing, so I would just maybe relate the low staff turnover to that.

INTERVIEWER: Okay.

INTERVIEWEE: As I have said, company culture is such that we do not have a very pressurised environment, or constant pressurised environment you know. You have your periods where you have got to meet certain targets and particularly when demands are high. But given that it is a very mundane kind of operation, you know, so unless you are really going out there trying to diversify your business, looking for different kind of work. You know different kinds of contracts, those sort of things, then generally you are under pressure but otherwise nothing.

INTERVIEWER: Okay.

INTERVIEWEE: So, I would relate it to that.

INTERVIEWER: Okay, and okay so, Riaz, from your perspective, I think that immigration is on the minds and in the faces of many South Africans today for various reasons. I mean, obviously you are still in South Africa, so you have not left as yet. Have you ever considered immigration and if you have, what are some of the reasons that have kept you back from immigrating?

INTERVIEWEE: So, personally I must admit I did look at leaving the country, particularly in the past I think two years or so. I am still considering it as an option, however I think the biggest stumbling block for me right now or what is really keeping me back, it is more family than anything else. So, I am personally very family orientated, you know, parents back home, so I think the biggest factor for me, remaining behind, not actively seeking employment on the

international front is purely family and I do not think there is anything else, to be honest.

INTERVIEWER: Okay --- okay. Alright, yes, that is interesting because you know, a lot of the research that we doing is around ones network, be it a  
5 business owner or someone merely working in the corporate space. I think the fear of immigration is largely around having to start a network up again, and to see what you know everybody has got the grass is greener on the other side. But I think when push comes to shove, it is not as easy as that when you consider things like family. So, look thanks, Riaz, I mean it is an interesting,  
10 you know you do have some interesting takes on the topic and as I mentioned off line was, you know, you obviously, you and your business obviously have not been impacted by immigration and you have mentioned why. But yes, I mean, I think that there is nothing...

INTERVIEWEE: Just on the aspect of immigration, in as much as we may have  
15 not necessarily been affected by it, it is not that the conversations have not transpired. Particularly from a high skill management level perspective so, the conversations always happen and in as much as the business has not had the effects of immigration from the brain drain theory perspective. You know the talks of immigration always there, purely more often than not based on the  
20 environment that one faces in South Africa, you know especially the current environment around corruption. The various kinds of crime stats and that sort of thing, and I think you know the conversations are there, but I think like you are saying, the fear of one wanting to take that step and move, not knowing what to expect is definitely, you know, prohibiting that sort of wall.

INTERVIEWER: I think when you talking to people in the sort of privately owned SME space, another fear is replicating, from a business perspective is replicating one's model in another country. So, I would imagine in your space being very heavily reliant on Government and on the scholar transport, it is not so easy for Riaz to go and set up shop in another country and say, hey, we are going to try and rebuild a business on a similar basis. It is often not as easy as that versus somebody that works in a big corporate, be it a consulting firm or a bank, that can do a corporate transfer. You know, a lot of time and what the research is telling us is that many people use those big corporates as vehicles to exit or to immigrate. So, yes, I think it is difficult.

INTERVIEWEE: Yes, so as a business we have considered the international market, given the expertise we have in the industry. So, we have looked at markets such as Turkey, for example, and the reality is that it is not simple, no. The kind of corporation that you run here together with the different, you know, the diversity of cultures within South Africa. So, we did consider markets like Turkey, Brazil was another one and the reason we looked at these kind of markets is because of the relationships we have, particularly with the manufacturers of the vehicles that we own.

INTERVIEWER: Yes.

INTERVIEWEE: So, Turkey not so much from a manufacturers perspective but there was an opportunity there that did come up, but like you are saying there is always a challenge trying to replicate. Not knowing exactly you know what kind of the market, in its entirety being reliant on Government is one but it is always difficult starting up a business of this magnitude. I mean, the capital investment

is quite high to start of any transporting industry. Given obviously the size and stuff like that, but it did not materialise more so from a perspective of trying to get people from the South African context, you know, to move over to the international front with the expertise that was required and obviously the trust  
5 that you have in your local people. You know, to at least go there, set up shop for about six months to a year, get the business going and then you come back if you not satisfied on that side. You know, you use the locals there, you train them because you have got a certain kind of business model that you want to replicate there and you would need people from your existing business that you  
10 have reliance on. It was quite difficult to get people, you know, just to move over to these kind of markets, you know, they are very afraid, particularly not knowing what to expect on that side. We did not explore it to an extent where you know it necessitated us pushing any further and saying you have to go, this is the point of the business and yes, this has happened now in the last two or  
15 three years that we have been considering these options.

INTERVIEWER: Okay --- okay.

INTERVIEWEE: Yes, and I think with the international market and things that have been going on, particularly from a political front on the international markets with Turkey, that sort of stuff being involved.

20 INTERVIEWER: Yes.

INTERVIEWEE: Regional politics and stuff like that, it kind of made us put the brakes a bit, but yes, that is, maybe in the future it will definitely be a consideration going forward. Just trying to be able to convince people to embrace the change, that maybe would, and if they do not have any gripes,

being in South Africa makes it even worse. Those who are looking forward to moving, it is easier to convince them because they are having their space, they are quite complacent. It becomes a bit of a challenge.

INTERVIEWER: Yes, well, look I think our Government and what is going on in the political arena at the moment in South Africa is certainly a decent enough catalyst to get people to explore, you know, things abroad, I think we are all reaching breaking point from a political perspective. Yes, so right, Riaz, I appreciate your insights, I will keep you posted on any interesting things that come out of the research and yes, I wish you all the best in your business.

10 INTERVIEWEE: No, sure, thanks, look forward to see what comes out of your research.

INTERVIEWER: Good, at least one of us is.

INTERVIEWEE: It is different in a lot of peoples' lives, you know, so it is the simple things that really matter, you know, when you try and talk about staff retention and, you know, talent retention and all of that. It is not necessarily the one see things that keep people behind all the time. It is the simple humane things that people generally appreciate, you know, the tap on the back for a job well done.

20 INTERVIEWER: But you find a lot of the time they only realise that like, this guy that you mentioned, he only realised that when he did not have it any longer.

INTERVIEWEE: Yes, look, that is the reality.

INTERVIEWER: Riaz, do you think that the geographical location of your business and where your staff come from, that you are not in a big city, you are

not in, you know, like Johannesburg is one of Africa's biggest cities. Do you think that that plays a role in your staff turnover as well?

INTERVIEWEE: So, funny enough, Andrew, most of the staff, talking from an administration management perspective, in fact, if not all of them are not from Ermelo or Mpumalanga. They all from mostly Johannesburg, Limpopo and they quite satisfied being here, and hence I am saying you know this guy obviously thought that is going to be good out there for money and maybe a career path. Then he quickly realised that he himself was from Joburg, so most of the guys that are here, so the head office in Ermelo from, okay, most of our drivers, we try and get them as local as possible because of the kind of operation. But from administration, supervision, management, I think none of them are from Ermelo, to be honest, maybe just one or two. I myself am from Ermelo, I am from KZN right, but I have been relocated here, one of the other senior managers are from Durban, in fact, he travels every week to Durban.

15 INTERVIEWER: Oh, really.

INTERVIEWEE: Yes, so I do not think that plays a role, significant role in terms of staff turnover, I mean everyone would like to be closer to home, closer to family and people look forward to being in the bigger centres having experienced that. Knowing what it has to offer and for us to have to maintain staff, you know, to ensure that they do not leave because there are greater opportunities in the bigger centres. You know, it is never voluntary, we do not keep people back by giving them more money, we have never done that.

INTERVIEWER: Yes.

INTERVIEWEE: You know, it is just the kind of culture that we have created within the environment together with our policies and that sort of thing. You know people are very much happier here and strange enough, Andrew, when I moved to Mpumalanga, coming from KZN, Durban in particular. When I moved here, I thought country side living would be very sort of cheap, you know, you will get a way and when I got to Ermelo in particular, I was shocked to my wits because particularly the property market, it is very expensive living here in Ermelo. As compared to the bigger centres, I was having a conversation with one of my friends last week because he is looking to buy property and I was like, if you take a property here in Ermelo valued at R1.8 million and you put it in Johannesburg in a fairly decent area or Durban, for example, Westville Durban North. You would get a much better property for the same value.

INTERVIEWER: Yes.

INTERVIEWEE: So, my anticipation will always be that they would have a higher staff turnover simply because it is a greater opportunities out there, the bigger centres and given the fact that people that I employed here from your admin and management are not necessarily from here.

INTERVIEWER: Yes.

INTERVIEWEE: So, I think we are fortunate in that we do not have that high staff turnover, but as I am saying, I would relate it purely back to the company culture and, you know, more from an HR perspective kind of thing, we do not keep people back. If people want to leave for money, I do not ever make them a counter offer.

INTERVIEWER: Yes, of course. Okay, great, alright, Riaz, thank you very much, I appreciate the time.

INTERVIEWEE: Thanks, Andrew.

INTERVIEWER: Take it easy.

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