

UTHUKELA DISTRICT MUNICIPALITY

HUMAN RESOURCE POLICIES

SKILLS RETENTION POLICY

1. PURPOSE OF THE POLICY

Uthukela District Municipality recognizes the importance that skills retention play at a strategic level of human resource planning to ensure the continuity of the municipality based on critical and strategic positions.

The purpose of the staff retention policy is to provide a framework for human resource planning , retention and succession planning philosophy within the Uthukela District Municipality that will ensure that critical and scarce skills are secured through various strategies as outlined in the Human Resources Strategy.

This policy also aims to ensure that the municipality has a well trained , flexible workforce with relevant skills and competencies which is able to adapt to changing environment. The purpose of this policy can be summarized as follows :-

- To identify posts which require specialized skills and to determine the level of scarcity thereof.
- To prevent the loss of competent staff from the municipality that can have an adverse effect on service delivery.
- To attract and retain competent staff.
- To retain key staff members whose services are regarded as critical to achieve the vision and mission of the municipality.
- To help develop a skills base for succession planning.
- To identify individual's potential for assuming a higher degree of responsibility.
- To provide interships and learnerships to occupations that is critical to the Municipality's strategic objectives.
- To create and sustain a pleasant humane working environment where employees are given the opportunity to thrive.

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2. LEGAL FRAMEWORK

- Basic Conditions Of Employment Act, No. 75 of 1997;
- Labour Relations Act, No. 65 of 1995;
- Employment Equity Act, 55 of 1998;
- Municipal Systems Act, No. 32 of 2000;

3. SCOPE OF APPLICATION

This policy applies to all employees of the Municipality excluding the section 56/54 Managers.

4. SKILLS RETENTION POLICY

Skills retention is a process of ensuring that employees with valued /scarce or needed skills or experience in a scarce/critical field where recruitment is difficult are kept within the service of the Municipality by using various techniques. The higher the labour turnover rate , the higher the need for skills retention techniques in an organization.

Labour turnover is the rate at which the organisation is losing its employees, whether through due to natural or unnatural causes like dismissal, resignation, or death at a point in time compared to employees that are on a payroll at that point in time.

The loss of some employees in an institution can hamper service delivery, especially if they are possessing critical and scarce skills hence it is important to identify and prioritize such skills to ensure properly informed retention strategies.

4.1 General Principles

- The municipality will review its organisational structure as well as its policies annually to ensure that it is still aligned to the IDP and SDBIP.
- The General Manager Corporate Services will facilitate the process of identifying the critical and scarce skills , as well as people earmarked for succession planning.
- Selection of employees for this process will be fair and just.
- Selection for this purpose will also be based on previous year performance management appraisal , current performance , demonstrated potential as well as relevant Uthukela Strategies.
- Where no record of performance appraisal is available to be used for selection for succession planning ,the manager will be required to provide motivation.

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4.2 Identification of Critical and Scarce Skills

- Skills Audit
- Where no suitable candidate is obtained after finalization of the recruitment process repeatedly
- Positions with high turnover rate due to resignations

5. STRATEGIES FOR SKILLS RETENTION

5.1 Scarce Skills Allowance / Sign on Bonus

A sign on bonus not exceeding the guaranteed salary paid within a defined period , usually six months to 1 year. This would be paid exclusive of the annual bonus or performance bonus in terms of the policies of the Municipality.

This allowance will be paid to critical occupations only based on the following :-

- Conducting of a skills audit to identify and classify the current skills needs and the future needs of the municipality.
- Identification of scarce and critical skills on an annual basis.
- The risk of losing staff with scarce / critical skills must be assessed.
- Where scarce/critical skills have been identified, an executing authority may set the salary for a post or an employee above the minimum notch of the salary scale indicated on the staff structure of council.
- The executing authority may also give a counter offer to retain an employee with scarce/critical skills and/or experience has received a higher job offer.
- The allowance will be on a personal to holder basis, subject to review annually during budget processes, and also as and when necessary.

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5.2 Guaranteed Competitive Remuneration

Guaranteed competitive remuneration on at least the 50th percentile of the National Market (based on supply and demand factors) , this shall ensure chances of retaining critical employees /positions.

The guaranteed competitive remuneration on critical and scarce positions will be reviewed annually , based on general and specific surveys, during the budget adjustment period. This incentive will be managed within affordability of the municipality.

The Manager Corporate Services, shall keep up to date information regarding the market percentile, to ensure that critical and scarce positions support retention. He will further review and interpret labour turnover annually to identify possible areas of concern with regards to remunerations and benefits.

5.3 Staff Development and Training

- Staff development and training embraces the formal and informal acquisition of knowledge, skills, attitudes, thinking and habits required of an employee to render quality service.
- Practices that promote staff development include self-development, formal and informal training, career development, study aid, job rotation, job enrichment/enlargement, mentorship and coaching.
- Employees should be continually trained with relevant development programs that put them on par with their peers in the job market and thereafter be allowed space to practice the skills they have acquired.
- Employees who obtain higher qualifications should be given preference in the filling of vacant posts which require such qualifications.
- The career development plan should not by any means be misconstrued to be creating expectations for either promotion or monetary rewards.

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- Information about the employee's career path should be kept confidential.

5.4 Succession Plan

- Uthukela District Municipality will select defined positions of critical succession planning candidates , who will be groomed to fill certain key roles within a municipality.
- The selection of such candidates will not guarantee such individuals career paths`, but actual appointment will depend on municipal business performance, personal performance and opportunity.
- Succession planning will include fostering activities like job rotation to expose staff to the workings of the municipality. This will assist in the identification of top performers and employees with potential.
- A succession plan database should be compiled from the career discussion outcomes and should be in the custody of Human Resources Section and kept confidential.
- The Human Resources Section should identify potential key competencies to be developed in the light of the succession plan positions.

5.5 Potential for Development

- Employees with potential for development must be on an accelerated development program.
- These employees will have a personal development program aimed at specifically addressing and closing the skills gap.
- Once the program has been completed successfully these employees can be moved to the succession plan list.
- Whenever a vacancy arises Human Resources Section as the custodians of the succession list, must advise managers.

5.6 Performance Management and Development

- Each and every employee must have a performance agreement, which is in line with the departmental score card.
- The output must be specific and measurable with clear time frames for achievement.

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- The identified needs or shortcomings must be followed by the appropriate training.
- The Municipality will acknowledge and reward performance that is above the minimum threshold in terms of the Performance Management Policy of the municipality

5.7 Performance Appraisal

- Performance appraisal is a two-way process as it includes the employer and employee as a tool to identify shortcomings and future development of employees.
- Performance appraisal must take place within the department's policy on performance and the employee's job description.
- Objectivity is important and the person should not be evaluated but his/her performance.

5.8 Job Rotation

- Job rotation should be used as an important approach for achieving job satisfaction, making the job more challenging, enhancing skills and knowledge and ultimately assisting in job retention.
- It must be implemented through "on the job" training by the relevant supervisor.
- Management shall rotate employees within their respective directorates.
- Consultation with unions must first take place before embarking on job rotation.

5.9 Sense of Ownership

- Involve employees in decision making processes.
- Interact equally with employees, listen to their ideas and take them seriously.
- Encourage feedback and exchange ideas by meeting in an informal basis with the employee.
- Less supervision is important. Employees who are followed around may not feel trusted with the work there are doing.
- Give employees a chance to develop by trusting them with high profile responsibilities.
- Value employees who are performing well and make them feel valued.
- Treat staff equally, and develop a conducive environment where an employee can learn from his/her mistakes.

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- Avoid de-motivating employees.

5.10 Service Providers

- Every effort must be made to use the skills or create capacity within the municipality before engaging the services of service providers.
- The use of consultants must be limited and, where internal capacity exists, allocate additional duties to suitably qualified and experienced employees.

6. CONCLUSION

A high-quality and responsive local government, with a focus on skills identification, supply, demand, retention, employability and social mobility, is essential if we are to realise our ambitions to strengthen South Africa's social and economic performance and transform the life chances of millions of citizens.

Local government service operates across society, with a real impact on businesses, young people and adults from across all areas of our country. As such local government needs to be pre-emptive in terms of its human resource requirements and more responsive to service delivery improvement and increasing global competition.