



# **EMPLOYEE ATTRACTION**

**AND**

# **RETENTION POLICY**

**Res. 348.08.14**

## **1. INTRODUCTION**

- 1.1. The purpose of this document is to set out the employee attraction and retention policy for the uMtshezi Municipality.
- 1.2. The loss of skills and failure to attract impact on service delivery.
- 1.3. The following is important to retain and attract namely;  
Salary and conditions of service, career development, pleasant work environment, right management style, provision of resources, and empowerment of employees, optimal utilization and proper communication.

## **2. OBJECTIVES OF THE POLICY**

- 2.1. The objective of the policy will be to identify those categories of posts where the municipality have a high turnover of staff.
- 2.2. To attract and retain competent staff.
- 2.3. To retain scarce and critical skills within the municipality.
- 2.4. Attraction and retention policy operates within the broader initiatives of talent management.
- 2.5. These include, but are not limited to, skills development, staff development, mentorship, performance management, employment equity and employee relations.

## **3. STRATEGIC OBJECTIVES OF THE MUNICIPALITY**

It is generally agreed that the achievement of the uMtshezi Municipality's strategic objectives is largely dependent on its ability to attract and retain high calibre individuals. This is particularly important with regard to defined critical occupations, strategically critical individuals and ensuring adequate succession.

#### **4. SCOPE**

- 4.1. The policy applies to all employees within the municipality with the exception of the SEC 56, 57 employees in terms of the Municipal Systems Act of 2000. 1.

#### **5. PRINCIPLES**

##### **5.1. ATTRACTION AND RETENTION RESTS ON THE FOLLOWING KEY PRINCIPLES:**

- Managing people well to ensure directed and motivated employees.
- Paying people competitively and rewarding superior performance.
- Developing people and retaining the best by providing perpetual learning and challenge.
- Establishing a work-life culture and climate that is attractive and supportive.
- Each of the four principles has to be weighed and balanced within a practical attraction and retention strategy.

#### **6. LEGAL AND RELATED MATTERS**

- 6.1. Municipalities all fall within the jurisdiction of the South African Local Government Bargaining Council.
- 6.2. All collective agreements are binding on municipalities.
- 6.3. Any municipality that wish to deviate from these collective agreements must apply for exemption or seek the approval of the bargaining council.
- 6.4. The current salary structure of the municipality is determined by the category/grading of the municipality through collective agreement.
- 6.5. The salary of a specific post within the category /grading is determined by a formal job evaluation process- Task System.

#### **7. SCARCE SKILLS AND CRITICAL SKILLS**

- 7.1. The municipality will identify posts to be classified as scarce skills posts and critical skills.

7.1.1. Scarce skills can be further defined as Absolute scarce and Relative scarce.

**Absolute scarcity:** Suitably skilled people are not available in labour market due to new emerging markets, new occupation or no people enrolled or engaged in the process of acquiring skills.

**Relative scarcity:** Suitably skills available in market but the following make it difficult to attract namely, no high level work experience, geographical location, and employment equity.

**Critical skills:** are not necessary those classified as absolute and relative skills but are those skills that are important in the municipality to deliver services to the community.

## 8. COMMITTEE TO IDENTIFY POSTS

- 8.1. The municipality will establish a committee to be known as the Scarce Skills/Compensation Committee which will be responsible to consider all issues relating to the classification of posts into the categories of absolute, relative and critical skills within the municipality and the payment of any allowance.
- 8.2. The committee will consist of at least 2(two) Sec 56 Managers, one Manager below these Managers and Human Resources Manager.
- 8.3. This Committee will be an advisory committee to the City Manager /Municipal Manager who will take the final decision to classify a post as scarce or critical skills.

## 9. CRITERIA FOR DETERMINING SCARCE AND CRITICAL SKILLS

- 9.1. Application for the determination of a post as scarce or critical skill will be done by formal application by the relevant Sec 56 Manager (Department head) to the Scarce Skills /Compensation Committee.
- 9.2. The following must have been complied with in terms of any application:
- 9.3. Application must be by submission of a written report to the Committee.

9.4. The evidence to be submitted must satisfy the following:

9.4.1. The posts must have been advertised at least on two occasions including once nationally.

9.4.2. Evidence of a shortage of the particular skills/qualifications in the national market and reasons why these employees are being lost.

9.4.3. Evidence of recruitment strategies that were utilized to source staff for these posts for example advertising in national media, professional journals, recruitment agencies, universities, professional bodies, institutions.

9.4.4. Evidence that the department has implemented special programmes such as a contractual bursary scheme, a mentorship programme or implemented special plans to address the scarce skills shortage.

9.4.5. Turnover rate of employees in a particular occupation must be at least 10% higher than the average turnover rate of employees in the municipality.

9.4.6. The demand for a particular skill should outweigh supply.

9.4.7. The skills should require an advanced knowledge in a field/science or learning by a prolonged course or study and or special instruction and or years of service.

## **10. OBJECTION TO CLASSIFICATION OF POST**

10.1. Prior to the Scarce Skills /Compensation Committee advising the Municipal Manager of posts to be classified as scarce or critical skills such proposed classification shall be submitted to the Departmental Heads who may raise an objection to the post being classified as scarce or critical skills.

10.2. The Municipal Manager will finally decide on classification of post as scarce skill if no consensus is reached between Scarce Skills /Compensation Committee and the relevant departmental heads who raised an objection.

## **11. REMUNERATION OPTIONS**

- 11.1. Where an employee with designated scarce or critical skills receives a written employment job offer and is not in receipt of a scarce skills allowance the departmental head can recommend to the Scarce Skills /Compensation Committee the granting of additional notches within his/her post level to retain such employee.
- 11.2. All posts classified as scarce or critical skills will be paid a non-pensionable scarce /critical skills allowance to the maximum value of 10% of the top notch of the current task evaluated annual salary payable in monthly increments.
- 11.3. The allowance will not be taken into consideration when determining any benefits, pension, medical aid, car allowance, acting or payment of overtime etc.

## **12. TERMINATION OF ALLOWANCES**

- 12.1. The letter of appointment of the employee must stipulate that the allowance may be terminated in the following circumstances:
  - 12.1.1. If the post is no longer classified as a scarce or critical.
  - 12.1.2. If the employee is transferred or promoted to a post which is not classified as scarce or critical.
  - 12.1.3. If the post is upgraded in terms of job evaluation.
- 12.2. The allowance will be terminated in respect to 12.1.1 by giving 3 months' notice. In respect to 12.1.2 and 12.1.3 from date of promotion, transfer or job evaluation upgrading implementation.

## **13. EXIT INTERVIEWS**

The municipality will conduct exit interviews to determine the reasons why employees why employees leave the service of the municipality.

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## 14. INITIATIVES

14.1. A formal collaborative process between Human Resources and Line Management will be employed to identify candidates, but attraction and retention remains primarily the responsibility of the Line Management.

14.2. Attraction and retention initiatives will include monetary and non-monetary interventions, and will be approached objectively and holistically.

14.3. The municipality shall recruit strategically-critical individuals whose attraction and retention are critical to ensure the achievement of key strategic goals. Although not mandatory, candidates in this group are likely to be senior decision makers. The identification of these key individuals is based on a set of guiding criteria which rests within the discretion of the Executive Management Team.

14.4. The Municipality shall identify certain succession candidates. This category comprises a group of individuals identified for succession purposes as demonstrated by their performance and potential, inclusive of the employment equity candidates. This involves identification of individuals with potential to advance to key positions within the Municipality.

14.5. The Municipality shall adopt market and best practices in its initiatives to attract and retain employees. This will be achieved by retaining employees who see the uMtshezi Municipality as a great place to work in and this is determined largely by the quality of leadership and good management practices which entail:

14.5.1 Remunerating employees well

14.5.2 Rewarding exceptional performance

14.5.3 Developing employees

14.5.4 Communicating openly and sharing information

14.5.5 Caring for their employees

14.5.6 Recognizing achievement publicly and celebrating successes

14.5.7 Not tolerating poor performance

14.5.8 Developing and maintaining a reputation as being “an employer of choice”.

This reputation is often best promoted by own employees

14.6. Learnerships and Interns. As part of promotion of skills development, the Municipality as a Government institution shall take a lead in encouraging departments and units to take on board learnerships and interns. The Human Resources shall champion this cause by ensuring that at least one percent of employees are on learnership programs and interns are scattered around the departments and units.

## 15. ACTIONS

15.1. In attracting and retaining of employees, the Municipality shall employ the following actions:

**15.1.1. Monetary interventions.** Salary surveys will be used to benchmark salaries and benefits accurately with at least one standard salary survey for all staff categories per annum.

**15.1.2. Guaranteed salary.** To maintain competitive guaranteed salaries of employees with critical occupations on the 75th percentile of the national market for certain staff categories indicated in 4.3 and 4.4 above. Senior managers must continually ensure that they have up to date information with regard to employees in the critical skills category and ensure that their packages support retention.

**15.1.3. Exit and retention interviews.** Turnover of staff will be reviewed quarterly and interpreted by the Human Resources Manager who will identify and address areas of concern with regard to remuneration in consultation with other Senior managers. The Human Resources Manager will report to Executive Management Team from time to time. Line Managers shall conduct retention interviews as an on-going interaction to ensure that the University understands the issues which may increase the risk of losing key skills.

**15.1.4. Market Premium on Guaranteed Salary.** In certain defined cases, it may be necessary to pay a market premium to attract or retain skills within critical occupations. This should be decided by the Municipal Manager and the Director: Corporate Services according to the following provisions:

10.1.4.1. The market premium is used primarily when the market has changed quickly

15.1.4.2. The market premium is set at a maximum amount of up to 15% above current guaranteed salary

14.1.4.3. The market premium is defined as a separate item in the remuneration package, distinct from the guaranteed salary

14.1.4.4. The market premium is not guaranteed and can be removed or adjusted in consultation with the employee as circumstances dictate or as the guaranteed salary is brought in line with market trends

### **15.1.5. Benefits.**

This includes the following benefits:

15.1.5.1 Pension / Provident fund

15.1.5.2 Medical aid



- 15.1.5.3 Group life
- 15.1.5.4 Housing subsidy
- 15.1.5.5 Staff housing where employees pay nominal rental
- 15.1.5.6 Study assistance for employees and their dependants
- 15.1.5.7 Leave
- 15.1.5.8 Research/ sabbatical leave
- 15.1.5.9 Sick leave
- 15.1.5.10 Staff development leave

**15.2. Non-monetary Interventions.** These depend on management skill and effort, are often less tangible and are also far harder to copy.

**15.3. Management interest and accessibility.** A culture of caring, knowing and interest can be established if the leadership and the middle management and supervisory personnel develop this behaviour as a strength that adds significantly to retention and well-being of employees.

## **16. PERFORMANCE MANAGEMENT**

16.1. While high performance and critical skills may be rewarded, poor performance must be adequately managed. Market leading practices thrive in a high performance culture.

16.2. **Personnel and Career Development;** Personal and intellectual challenge rate as a top priority amongst skilled employees. The Municipality is in the position to aid attraction and retention of skills and key employees by providing:

16.2.1 Formal training by means of subsidized study assistance programmes

16.2.2 International; exposure/ experience by means of seminars and workshops

16.4 **Quality of Life;** The Municipality boasts an environment that enhances the quality of life. The Municipality provides facilities which include clean office environment, security, housing units, subsidized water and electricity, subsidized staff meals during office hours, sports and recreation facilities.

16.5 **Support Services;** The Municipality provides quality support services including, Human Resources, Administration, Payroll, Technical and Information Technology Support which reduces bureaucracy and enhances quality of life. Managers shall receive constant coaching on management of subordinates as their behaviour is a key determinant of how people experience their immediate work lives. Managers shall take steps to promote a positive and enabling climate for performance to take place.

16.6 **Recognition;** the uMtshezi Municipality shall create a well-managed recognition program that can contribute towards considerable contribution to the wellbeing of employees and the culture of the Municipality.

## **17. IMPLEMENTATION**

17.1. The governance and management structure regarding attraction and retention initiatives is made up of the following:

17.1.1 Line Management shall be responsible for the preparation of nominations, motivations and management of staff.

17.1.2 Human Resources Division shall be responsible for receiving and proposing selection criteria, reviewing all nominations prior and preparing all matters for approval to the Municipal Manager.

17.1.3 The Municipal Manager: all issues regarding attraction and retention will be approved by the Municipal Manager.

## **18. CONTROL, REPORTING AND AUDITING**

18.1 The attraction and retention initiatives are subject to sound and accountable management practices. These will be achieved through:

18.1.2 Control: The attraction and retention process will be facilitated by the Director: Corporate Services who will review turnover reports, surveys and any other information and will report formally to the Management Team.

18.1.3 Reporting: The formal reports mentioned above in 8.1.1 will be tabled every six months and will detail the status of attraction and retention as well as recommendation and improvements.

18.1.4 Auditing: Internal audit will be conducted into remuneration practices for the attraction and retention candidates once a year to ensure compliance and sound