

# SETSOTO LOCAL MUNICIPALITY

## STAFF RETENSION POLICY

Operational Area	All Departments
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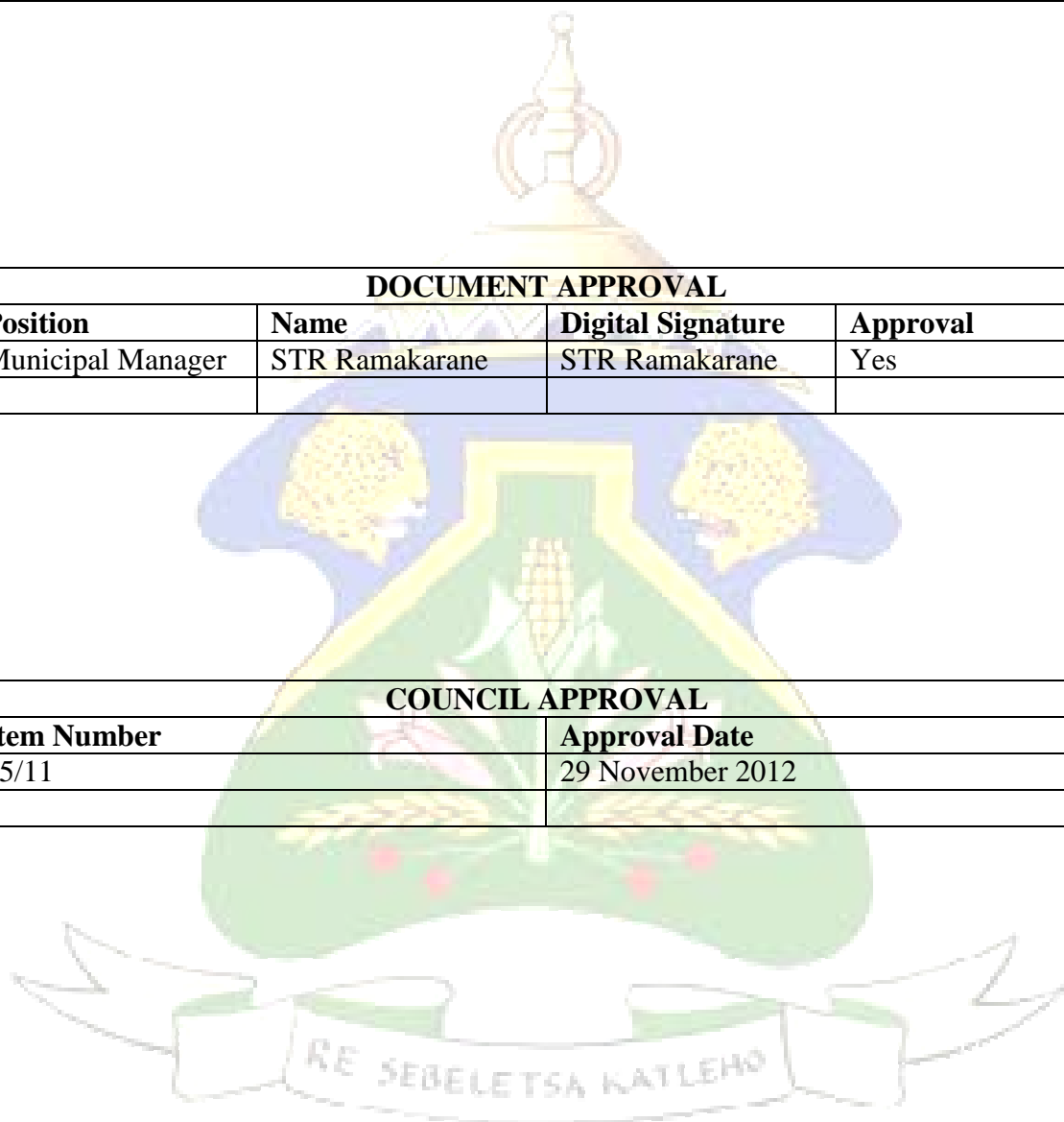
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# SETSOTO MUNICIPAL RETENTION POLICY

## 1. INTRODUCTION

Public and Private institutions are engaged in strong competition against each other to recruit and retain the best available employees from the labour market. Staff retention is a process of ensuring that employees with valued 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. Staff retention is about retaining the best employees for the job and developing measures and intervention strategies of keeping these employees.

The municipality recognises that its most valuable asset is its human resources. A deal of time and money is invested in the recruitment, training and development of employees and as such, every effort should be made to retain those employees who have scarce or critical skills and on whom the municipality has invested its monies in terms of training and development.

## 2. PURPOSE OF THE POLICY

The purpose of the staff retention policy is:

- ✚ To allow Council to effectively retain their staff and provide possible staff retention techniques;
- ✚ To prevent loss of competent staff that can have an adverse effect on service delivery;
- ✚ To attract and retain competent staff; and
- ✚ To help develop a skills base for succession planning.

## 3. SCOPE OF APPLICATION

This policy shall apply to all employees of the Municipality.

## 4. STATUTORY AUTHORISATION

- ✚ Public Service Act; 1994;
- ✚ Public Service regulation, 1999 as amended;
- ✚ Public Service regulations, 2001, Part V C. 3;
- ✚ Skills Development Act, 1998;
- ✚ Employment Equity act, 1998;
- ✚ The scarce Skills policy Framework for the public service, 2003; and
- ✚ Managing Staff Retention: an Information Guide for Government Department, 1 March 2006.

## **5. SCARCE SKILLS**

The Municipality shall classify the scarce and critical skills needed to realise and meet the service delivery objectives. These are the skills that are difficult to attract, expensive to replace and hard to keep. These skills includes but not limited to the following: Electrical Engineers, Civil Engineers, Electricians; Water Quality Management, Project Management, Financial Management, Accounting, Financial Auditing, Public Management, Development Planning, Risk Management and Information Technology Management.

## **6. STAFF RECRUITMENT AND RETENTION TECHNIQUES**

The Municipality shall in accordance with the general conditions of service determine the following as part of its recruitment and retention strategies: Skills Audit; Recruitment Process; Accommodation; Remuneration; Allowances; Financial Assistance; Career Development Planning/Training; Performance Appraisal System; Staff Motivation/Assessment/Surveys; and Exit interview reports.

### **6.1 Skills audit**

The municipality shall conduct a skills audit to assess the supply and demand scarce and critical workforce to identify the current skills needs and the future needs of the municipality on an annual basis.

### **6.2 Recruitment Process**

The Municipality shall develop accurate job descriptions that clearly indicate the core competencies required for the successful achievements of the strategic objectives. Such job descriptions shall be used for recruitment and selection process.

### **6.3 Accommodation**

The municipality shall rent accommodation located at a reasonable distance from the place of work for a period of three (3) months to a new recruit. The new recruit shall contribute a 2% of his/her salary on the third month if by then he/she has not found a private accommodation.

### **6.4 Remuneration**

The general condition shall apply in respect of the determination of salary levels. However, the Municipality may advertise posts on the last notch of the salary level of that particular post. The municipality may at all times with the approval of Council retain employees by counter offering. Counter offer is a strategy used to contest the offer that

has been granted by competitors to recruit the employees from the employing organisations.

The Director of Corporate Services shall in consultation with Director of the affected Department recommend to the Municipal Manager that a counter offer be granted. However a report shall be tabled to council for notification. The report must indicate how does the incumbent plan to improve the situation should the very same employee be given another better offer that outweighs the initial offer.

### **6.5 Allowance**

The Municipality may determine and issue such allowances that will enable the professionals to execute their functions; such allowances should not be limited to basic conditions of employment Act. These allowances could include but not limited to provision of a cell phone allowance fixed at negotiated rates, subsistence travelling allowance fixed at negotiated agreement, Directors and professionals be allowed to use municipal vehicle to do Council duties on top of their car allowance. Furthermore, the Municipal Manager and Directors must be paid running cost calculated in terms of their contracts when they travelling to various units within Setsoto boundaries.

### **6.6 Financial assistance**

The Department of Corporate Services through its training section may recommend a conditional financial assistance to employees who want to further their studies to the Municipal Manager. These conditions should include the following:

- ✚ That the employee be in the Municipal employ for a duration equal to the number of years a degree/diploma/ a course was completed multiplied by two (2).
- ✚ That if an employee resigns before a completion of the applicable duration, the municipality shall have full recourse for re-imburement from his/her benefits including; salary, gratuity and pension funds. Which amount shall equal to one month salary for each remaining years. That is, three years (3) equal to three month salary.

### **6.7 Career Development and Training**

Career development and training entails formal and informal acquisition of knowledge, skills, thinking required of an employee to render quality service. Where skills gaps are identified employees should be trained with relevant programmes and thereafter be supplied with necessary work tools to practice the skills they have acquired. Employees who obtain higher qualifications should be given preference in the filling of promotional posts which require such qualifications. In the event where an employee is not accommodated in a suitable post, his/her should be reviewed to with an intention of adding more responsibilities to ensure maximum utilisation of employees' new potential.

However, the career development plan should not be construed to be creating expectation for either promotion or entitlement for a particular position.

## **6.8 Performance Appraisal System**

The municipality should reward and recognise excellent work through Employee Performance Appraisal System (EPAS). All employees under the category of scarce skill must have performance agreements. However, performance appraisal must take place within the municipality's policy on EPAS. Performance must be assessed four (4) times per financial year.

## **6.9 Staff Motivation**

Reward employees who are performing well so that those who are under performing can be motivated. Cash bonus not exceeding 5% of the employee's pensionable annual salary must be paid to higher performers.

## **6.10 Multi-skilling**

Multi-skilling is a process that recognises work in a manner that enables staff to acquire and use a greater range of skills. Human resource Section should identify potential key competencies to be developed in the light of the identified promotional position. Multi-skilling must be linked to the skills requirements of the Municipality and should form part of its strategic empowerment and employment equity plans.

## **6.11 Linking staff retention with effective recruitment process**

### **6.11.1 Head-hunting**

This method must be applied whereby a vacant position was advertised but no one satisfactory meets the requirements thereof. Head-hunting must therefore be used to seek and identify suitably qualified individuals for positions where difficulty is experienced to recruit suitably qualified candidates as well as candidates from historically disadvantaged groups. In case where no suitable are recommended during the final interviews, further head-hunting shall be undertaken. At least two candidates shall be identified and interviewed by the same panel and against the same criteria during the initial interviews.

### **6.11.2 External advertising of posts**

The inherent requirements of the posts make it crucial to encourage the inflow of new skill and all positions above post level 10 shall be advertised externally.

### **6.11.3 Internal advertising of posts**

All the posts below post level 10 that become vacant shall be advertised internally for two (2) weeks in line with the Human Resource Manual. The short-listed internal applicants shall be subjected to a fair interview process, similar in all respects to the interview process that external candidates shall be exposed to.



## **7. MONITORING AND EVALUATION**

Method to be used to evaluate the effectiveness of the retention strategy shall include:

- ✚ Analysis of the staff turnover;
- ✚ Assessing of staff moral;
- ✚ Interview candidates who turn down job counter offer; and
- ✚ Analysis of the exit interview reports.

## **8. ROLES AND RESPONSIBILITIES**

The municipal manager in consultation with the Director Corporate Services is responsible for determining and approving the awarding of salaries above the maximum range determined by bargaining Council (SALGBC) for the retention of employees with skills or experience in a scarce field. However, the report to this effect must be tabled to Council for notification. All the managers in the Municipality are responsible to report a possible loss of competent, scarce and skilled employees to the Director Corporate Services, who in turn will report to the Municipal Manager for a decision to apply a retention strategy.

## **9. GRIEVANCE PROCEDURE**

Any unfair or inconsistent application of the policy should be dealt with in line with the applicable procedure or dispute resolution procedures.

## **10. IMPLEMENTATION AND REVIEW OF THE POLICY**

The policy is effective once approved by the Council. The policy will be reviewed annually and any review thereof is the responsibility of the Policy Committee of the Council.

## **11. CONTRVENTIONS**

Failure to comply with any of the provisions of this policy may be a subject of disciplinary action on the responsible authority.

## **12 CONCLUSION**

The municipality recognises that its most valuable asset is its human resources. A great deal of time and money is invested in the recruitment, training and development of employees and, as such, every effort should not be spare to retain those employees with scarce/critical skills, and/or experience. The municipality believes that the application of this staff retention policy will go a long way to contribute to a more competent, motivated workforce and will improve the standards of service delivery.



