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1. INTRODUCTION

The recruitment and Retention of high potential staff and scarce skills is one of the very important processes the Human Resource Manager must maintain to ensure that the Emnambithi Ladysmith Municipality has sufficient and appropriately qualified staff, available at the right time and place with the
right skills doing what is economically important for service delivery in terms of the Batho Pele Principles.

Without these staff it will not be possible to provide the services Council is mandated to provide to all its citizens. As a result, this policy has been developed to guide Managers and Human Resource Components in attracting and retaining key staff.

2. DEFINITION

Staff retention is about finding the best employee for the job and finding ways of keeping these employees within the employment of the Municipality. It involves a range of ideas and human resource practices that should be interlinked to focus both on attracting employees to join the Municipality through recruitment strategies and keeping those who are already employed, especially those who possess scarce skills that are difficult to get from the labour market and are crucial to the organization. It also motivates staff and covers both the psychological aspects of the employee (their perception, their goals and their behaviors) and operational aspects attached to the job or tasks for which they were appointed. It requires a management approach that takes all factors (both inside and outside the organization) into account.

PURPOSE

The work environments and attitudes of the modern day employee has changed. Although most employees today are self-directed and willing to work hard, they want to do so on their own terms and expect development in the work environment.

Research shows that many employees no longer see loyalty in the number of years spent with the employer, but rather contributions, advancement and the value they add to the organization during their period of employment. Since employees with critical or scarce skills are mobile in the labour market, employers are expected to ensure that they are looked after employees for life. Employers need to manage employee turnover to ensure as little disruption in the workplace as possible and thereafter staff retention needs to be seen as a strategic human resource intervention in this regard.

This policy is designed to assist Managers and Human Resource components to take new organizational roles to ensure that all human resource processes contribute to the retention of scarce skills.

SOURCES OF AUTHORITY

This policy is based on the:

* Municipal Structures Act
* Municipal Systems Act
* Labour Relations Act
* Basic Conditions of Employment Act
* Employment Equity Act

PRINCIPLES

Although all employees are regarded as being valuable, some employees have skills that are so vitally important to the Municipality that without it, service delivery will be seriously jeopardized.

Some workers have skills that are high in demand by competitors in other Municipalities or the Private Sector. The interventions to retain such skills will be based on the individual’s performance, and his or her
specific job responsibilities.

Staff retention is determined by the quality of the following six components of the human resource management systems:

* Human Resource Planning, Recruitment and Selection
* Optimal Human Resource Utilization
* Human Resource Development
* Compensation and benefits
* Employee and Labour Relations
* Safety and Health

The better each of these components are managed, the more likely staff will be attracted to Local Government and less likely they will leave. Staff attraction and retention also has a strong focus on the psychology of employees and how motivated employees are. The more compatible Local Government goals are to the employees expectations and personal preferences, the more likely it is that employees will stay.

For example –

* employees must see their work as worthwhile and important,
* they must see themselves as personally accountable for their performance outcomes and task execution,
* they must be given feedback about their performance and the quality of their work.

SCOPE OF APPLICABILITY

This policy is applicable to all permanent employees of the Emnambithi/Ladysmith Municipality regardless of job title or salary level, race gender and physical abilities. This policy excludes all Section 57 employees.

RETENTION STRATEGIES

Not all staff turnover is negative. Sometimes, staff turnover allows for new ideas to be introduced into the Municipal environment and for the development and promotion of employees who remain. However, the loss of some employees that have critical and scarce skills can hamper service delivery hence it is important to identify and prioritize such skills. To know which skills need to be prioritized, you need to classify the skills that are important to retain. Classifying skills is therefore a key step in ensuring a focused and cost-effective retention strategy. This is not meant to discriminate against some categories of employees, but rather to allow for a focused approach towards retaining staff and skills.

SKILLS TO BE RETAINED

The skills that need to be targeted within staff strategies are those needed to realize and meet.

* The service delivery needs of the department;
The department’s primary mandate.

The following are examples:

Woman and people with disabilities (in terms of the Employment Equity Act 55 of 1988):  

- Measures to control non-discrimination in the workplace should be implemented.  
- Measures to control sexual harassment in the workplace should be implemented.  
- An accessibility survey should be conducted to establish whether all Municipal buildings are accessible to those with disabilities.

Scarce skills

Scarce skills are those skills that are needed to realize the Department’s goals and objectives, but which are difficult to recruit and expensive to replace. These will not always be the same. At some times, a particular skill may be in short supply, while at others times a different skill may be hard to find and expensive to replace.

These skills are identified by:

- Analyzing staff turnover;
- Considering acquisition trends in a particular job category or geographical area;
- Understanding the Department’s skills requirements and the compensation for such skills in the labour market.

Valued Skills

Valued skills are those skills that are not classified as being scarce skills. Examples are employees with qualifications that are valuable to possess and positively contribute to the service delivery goals of the Municipality and the loss thereof will have a negative impact on a Department’s ability to meet its goals. These skills are identified by looking at an employee’s performance evaluation and the role they perform in the Department.

High – Risk skills

High – risk skills are the skills that an employee has attained over a long period of time pertinent to the department through years of service experience and such employee has indicated his/her intention to leave soon. These include employees who have indicated an intention to leave the department because of being de-motivated or may have reached their career ceiling.

The process of classifying these skills should be joint exercises between Human Resource components and the line managers.

INTERVENTIONS TO RETAIN STAFF

Interventions to retain staff are most effective if they are aimed at specific circumstances and at the same time, interventions are integrated and linked with as wide a variety of human resource practices as possible.
The following safeguards must be put into place to ensure that initial processes are conducted and aligned thoroughly. The morale of staff will be maintained because of the consistency in the application of these measures.

(a) Link staff retention with an effective recruitment and selection process.

Many staff losses are caused by bad selection decisions where the wrong person is appointed for the job. To prevent this, accurate job descriptions must be developed that clearly identifies the core competencies required for successful performance. These job descriptions must be used during the recruitment and selection process.

In some cases it has also been shown to be good practice to “hire for attitude and train for skills”. This is where a person is appointed because he/she has the right attitude to be able to do the job even though they may not have the necessary skills required since these can be attained through training.

Link staff retention to an effective induction process

Best practice studies show that the first few weeks of employment are important for establishing employee commitment to an organization. It is therefore essential that Managers and human resource practitioners lay the foundation for future commitment by being part of the induction process.

A good way of addressing this is to have well structured and dynamic induction programs that stretches from the employee’s first day of work until they have been thoroughly introduced to their jobs. A useful tool in this regard is to develop a new employee guide that can be given to employees to read even if they have not started working.

Integrate employee development into retention strategy

Rather than sending new employees for long periods of training away from work, provide them with training in phases that will allow them to gradually acquire the required knowledge and skills. This increases confidence in the work and also builds the employee’s trust in the employer.

Where appropriate development initiatives in respect of scarce skills should be accompanied by contractual binding to serve after completion of the relevant developmental activities.

Align competencies with job requirements

Although this is not always easy to achieve, aligning the departments needs with the employee’s competencies results in positive organizational fit. Employees should as far as possible, be used in jobs that are aligned with their personal preferences, interests and strengths.

Provide growth opportunities

Besides making sure that employees are able to perform their current jobs, they need to be given opportunities to grow by acquiring competencies that improve their ability to work in other areas or at other levels.

Reward employees who are high performers and value creators within a department

Reward for excellent work can both be monetary and non-monetary. Ideally they should be immediate, linked to performance and individualized. For example a letter addressed directly to an employee that recognizes their outputs and good work is much more valuable than a standard letter, addressed to all staff once a year.
Lead by example

Most employees are more committed to their managers, fellow employees and the culture that drives the department than to the department itself. After establishing your department’s values it is essential that managers are seen to be living up to them. A leader must lead from the front and not from the rear. A leader’s bad habits and attitude can be the result of employees not respecting him and leave the organization.

Conduct exit interviews

As already mentioned, knowing why employees leave is important to understand in a process of countering staff turnover. Exit interviews are an important tool for designing staff retention interventions.

Compensation

Although departments have little flexibility in how much employees are paid, the Municipal Manager must be allowed to apply measures to find and keep scarce skills. In addition, jobs in the scarce and high risk categories should be properly designed and evaluated to maximize the compensation you can offer to candidates and employees. A Scarce Skills allowance should be introduced for certain categories of staff like engineering staff and electricians.

(j) Performance management

One of the most important management tools in Local Government is the implementation of a Performance and Development System. The Municipal Manager must ensure that such systems are available for both Managerial and non-Managerial employees and that utmost care is taken to ensure the fair, consistent and transparent application of employee appraisal. Processes of awarding of pay progression and bonuses should be managed fairly to avoid unhappiness and grievances. Management capacity to deal with poor performers and staff development must also be improved.

(k) Career-pathing

Modern day Local government need to focus on long-term employment and employees need to be made aware that opportunities exist for growth and an increased level of responsibilities. These growth opportunities may not always be upwards though. For example, some employees may be satisfied with learning a new job that they are very interested in even though it will not mean a promotion or a higher salary to them. The establishment of a personal development plan for each employee is the joint responsibility of Managers and employees and should be linked to their current competencies, performance management outcomes and the department’s needs. Managers and employees should review these plans on a regular basis.

Situational factors

A poor work environment leads to employees being unhappy at work and make other job options attractive to them. In order to retain staff, management must create a work environment which takes consideration of
* Employees morale
* Motivation;
  * Provision of strategic direction;
  * Leadership and communication;
  * Positive work challenges; and
  * Employee’s empowerment

Other important factors for, in particular, retention of staff is the organization of workflow. If the work environment is too rigid, employees tend to be restricted in terms of learning and development. Employee wellness is very important for the retention of staff in the Department. If employees feel that they are valued and cared for, they will be more loyal and less prone to seeking other employment. The employee’s physical, psychological, social and spiritual needs are as important as their need for money and intellectual stimuli.

Safety and security should not be underestimated as retention factors in the workplace. To keep the workers health and happy is important for any employer.

INTERVENTIONS FOR CERTAIN STAFF

In addition to the general interventions listed above, the following methods can be used for specific groups of employees:

Senior and middle management

Interventions for senior and middle management staff could include the introduction of mentorship and coaching programs. Mentors and coaching plays the role of career counselors and sounding boards for managers.

Enhancement programs for senior and middle managers, that continuously re-focus and renew their skills, should also be introduced. These programs should be legitimate experts and leaders in the field of management and managed by the human resource component. Training should be provided on the key executive or senior management competencies that are required, and should allow for interventions designed for each specific manager.

Knowledgeable workers

Knowledgeable workers are employees who are specialist in their sphere of specialization (such as information technology, social service, health and engineering). Because they have gained their expertise through formal education or experience over a long period of time, their knowledge and skills can not be easily transferred to the department or to other employees. They also tend to build up their own networks that are usually lost when they leave.

Retaining knowledgeable workers is difficult because the ‘drivers’ (factors) that make them stay or leave are more complex. Some ideas though can include the following:

* Increase their opportunities for development.
* Include intellectual property clauses in their employment contracts (to protect them from taking the knowledge they acquired in your department to another employer).

* Have contracts that are linked to any increased investment from their development.
For example, a contract might stipulate that the organization will provide an employee with three months training, provided that the employee agrees to stay with the organization for one year thereafter.
* If they leave before the end of the year, they will have to pay back the costs of the course.
* Assist financially them to join their respective professional association and allow them to get external exposure.

Promising and talented employees

These employees are usually highly sought after by competitors. As a result special care must be taken to manage their work and careers, and accelerate development programs supported by dynamic mentorship systems. These programs should include:

* Special work and study arrangement and inclusion in departmental incentive and service reward schemes.
* Job rotation and exposure to a variety of functions,
* Special assignments with greater responsibilities
* Partnerships in project teams.

High Performers

These are employees who excel in their work. Possible retention strategies for them include:

* Special work arrangements and inclusion in departmental incentive and service reward schemes
* Increased study and development opportunities, and
* Flexible employment arrangements.

Designated groups as per the Employment Equity Act, No 55 of 1998

Properly trained staff of the designated group of employees will be in high demand, and other Municipalities will endeavor to lure them away to enable them to meet their own employment equity targets. Strategies will need to take these employee’s particular level and occupational groups into account and incentives should be appropriate to reduce the drivers that might cause them to leave. The following should be considered:

* Mentorship and coaching programs should be developed to cater for their specific needs,
* Efforts must be made to make it easy for disabled people to get access to their place of work, to ablution facilities and other parts of the building.
* Flexible employment policies may be introduced to allow women to take care of their family responsibilities,
* Crèches or day-care centers can be set up at the workplace.

INCENTIVES FOR RETENTION OF SKILLS

In terms of the Municipal Systems Act, the Municipal Manager is responsible for the effective utilization of staff and the effective management of human resources. Allowance must be made for the Municipal manager to deploy employees in such ways that will improve their opportunities as well as the chance to prevent them from looking for other jobs.

Allowance should be made for employees to be rewarded, either financially or in some other way, for good and valuable suggestions on improvement of service delivery and operations.

It should be delegated to the Municipal Manager to appoint employees with scarce skills or sought after
experience and qualifications on any salary notch within the appropriate salary scale. Employees should also be allowed to accelerate through the salary scale faster as reward for consistent good work and performance.

Employees should be allowed to multi-skill and opportunities should be created for them to work in other departments in order to broaden their knowledge on all aspects of Municipal Governance provided that operational requirements allows it.

Employees should be provided with unfettered access to training courses or programs and Council should consider funding training initiatives fully.

Employees should be granted controlled special leave to attain critical or scarce skills provided that the operational efficiency of departments are not compromised.

Providing all efforts to recruit and train staff with critical or scarce skills have been exhausted internally and externally, Council may decide to recruit such skills outside the country.

CONDITIONS TO BE ATTACHED TO THE RETENTION OF SKILLS

In addition to the positive measures that can be implemented to attract and retain employees, Council must also protect its own interest and make it difficult for employees who have received the benefit of acceleration and retention to leave. The following may be considered:

* Employees who leave the service of the Municipality before completing 12 months service, will forfeit their service bonus or any other reward.
* An employee may be requested to serve at least 12 months or more in one position before qualifying for assessment for pay progression.

ROLES AND RESPONSIBILITIES

To be able to deliver in accordance with the Batho Pele Principles and to make it possible to retain critical and scarce skills, all role players need to be empowered with efficient and strategic human resource advice and interventions. The Human Resource Department needs to become a key role player in all aspects of Human Resource Management and Development. Theories and best practices suggest that it is essential for the Human Resource Component, The Municipal Manager and Managers to work together on people management issues including staff retention management.

The following table illustrates the various responsibilities:

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<td>ROLE OF THE HR COMPONENT</td>
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<td>ROLE OF HR TOGETHER WITH MANAGERS</td>
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<td>ROLE OF MANAGERS</td>
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Provide Human Resource Administrative services
To establish appropriate policies, procedures and systems for human resource management
Managers must provide input in the development of policies.
To apply human resource policies, procedures and systems fairly and consistently to all employees

Provide expert advice on Human Resource matters
To translate the Department’s business strategy into a human resource strategy.
Develop an effective Human Resource Plan

To identify employees or category of employees who might leave

To analyze staff movement trends and identify high-risk employees or occupations for Managers
To identify positions and/or occupations where sudden departures would derail strategic objectives or have an immediate negative impact on operations
To actively manage staff

To implement the Human Resource Plan

To motivate employees and create an enabling environment for employees to perform

To provide training and other support to employees

Develop strategic interventions
To consistently analyze skills demand and supply trends in the labour market
To perform constant skills audits within the Municipality
To develop interventions to address critical skills shortages
Design accelerated developmental programs for talented employees.

Identify core and scarce skills within the department

Develop focused retention programs
To understand worker’s preferences and what drives and motivates them

To implement diversity management and employment equity programs

To implement staff retention strategies

To manage performance effectively

To give employees challenging work

To empower employees through effective delegation

Monitoring and benchmarking
To analyze labour market trends

To analyze internal staffing trends and give feedback to Managers on an ongoing basis
To analyze labour market trends

To analyze internal staffing trends and give feedback to Council on an ongoing basis
To timeously provide the necessary statistics to the Human Resource department

MONITORING

This policy will be monitored on a monthly basis by the Human Resource Department and reports will be submitted to the appropriate stakeholders.

The policy will be subject to evaluation within a period of six (6) months of it coming into effect, by the
Human Resource Department and the Senior Management Team.

10. REVIEW OF THE POLICY

The policy will be reviewed annually, taking cognizance of annual strategic interventions.

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