

**BA-PHALABORWA MUNICIPALITY****HUMAN RESOURCES
RETENTION STRATEGY**

Revision History

REVISION	DATE	AUTHOR	REASON FOR CHANGE
1.0	FEB 2015	MOKOENA SS	POLICY REVIEW

Issued Date :

Effective Date : Date of Council Approval

BA-PHALABORWA MUNICIPALITY
RECRUITMENT AND RETENTION STRATEGY

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1. Preamble

Staff recruitment and retention is currently regarded as one of the top priorities for strategic planning in an organization. This is focused on attracting employees to join the organization through focused recruitment and selection strategies and retaining those who are already employed especially those with crucial skills to the organization. The strategy will cover both the psychological aspects of employees, the operational aspects attached to the job or tasks where an employee is appointed and of utmost importance is about motivating staff.

The strategy will address intentions to retain staff, classification of skills and the key aspects of staff recruitment and retention. The strategy will further highlight on what will make employees to stay in the municipality and what interventions measures to put in place to minimise staff turnover.

2. Definition

Staff recruitment and retention is a mechanism employed by organizations which focus on both attracting employees to join an organization through focussed recruitment and selection strategies, and

keeping those who are already in the system - especially those whose skills are crucial to the organization.

3. Objectives

- a. To become the employer of choice.
- b. To ensure a conducive and harmonious working environment for employees.
- c. To ensure employees health and wellness.
- d. To attract and retain competent staff.
- e. To retain key staff members whose services are regarded as critical or classified as scarce skills.
- f. To ensure career development for staff.
- g. To reduce annual staff turnover rate.

4. Legislative framework

- a. Constitution of the Republic of South Africa
- b. Basic conditions of employment Act as amended
- c. Employment Equity Act 55 of 1998 as amended
- d. Skills Development Act 97 of 1998 as amended
- e. Staff Provisioning policy of Ba-Phalaborwa Municipality
- f. Staff Study Bursary Policy of Ba-Phalaborwa Municipality

5. Principles that underpins the recruitment and Retention strategy

- a. The policy is developmental rather than subjective
- b. Classification of posts into scarce skills, valued skills and high risk skills.
- c. The culture of continually developing staff shall be maintained in line with the Skills Development Act and Performance Management System.
- d. The culture of creating and sustaining a pleasant and humane working environment where employees are given a chance to thrive shall be a norm.
- e. The potential and reasons for leaving the Ba-Phalaborwa municipality shall be determined by conducting exit interviews and staff morale assessment surveys.
- f. The Recruitment and Retention policy should by no means be construed to be creating expectations for either promotion or monetary rewards.

6. Classification of skills

a. Scarce Skills

The following skills have been identified by Ba-Phalaborwa Municipality as skills that are needed to achieve the municipality's goals and objectives, but which are difficult to recruit and too expensive to replace. These skills are:

- Engineering skills

- Financial skills
- Town and Regional planning skills

b. Valued Skills

The focus is on the valued staff member who contributes positively to the municipality and whose loss would have a negative impact on the municipality's ability to achieve its goals. This will be determined by the employer by comparing the loss versus the value of the employee and the impact to the organization. The scarcity of the skill does not have a bearing on this category.

c. High risk Skills

These refer to employees with skills who may soon leave. These will include employees who have indicated a need to leave the municipality due to de-motivation or reached a career ceiling (no career path).

7. CONTRIBUTORY FACTORS TO HIGH RATE OF STAFF TURNOVER

There are various reasons that employees leave the municipality and includes the following:

- 7.1. Unavoidable reasons-** where the employee leaves the municipality as a result of either retirement, ill- health and or death

7.2. **Avoidable reasons** - this involves a situation where the employee is not satisfied with either, financial considerations, working conditions, Career development, the leadership and management style as well as lack of communication within the institution.

8. KEY ASPECTS OF STAFF RECRUITMENT AND RETENTION

8.1. Recruitment and selection process

The increase in staff turnover is mostly caused by bad selection decisions, wherein a wrong person is appointed for the job. In order to curb this, Ba-Phalaborwa Municipality implements its approved Staff Provisioning policy to guide the recruitment and selection processes.

Accurate job requirements, job profile and job descriptions must be developed and must clearly specify the core competencies required for successful performance.

8.2. Relocation of newly appointed employees

The employer will pay for the removal costs of furniture for new employees up to a maximum amount in terms of the relocation policy, which may be reviewed from time to time. This will assist the new recruits in terms of relocating their furniture from their places to a place nearer to the workplace.

8.3. Accommodation of newly employed staff

All newly employed municipal officials will be accommodated by the municipality for a period not exceeding one month. The employer will incur all costs for accommodation if a room is rented and or an employee is booked in a hotel or lodge. In terms of the relocation policy, the employee's households will be stored at the expense of the municipality for a period which is equivalent to the period of accommodation as quoted above.

8.4. Compensation and benefits

- (a) The municipality strives to become the employer of choice and as such compensate its employees on a salary scale system which has several notches in each salary level in order to allow for salary progression of employees on an annual basis, that is, from PL3 - PL16.

- (b) In its endeavours to become the employer of choice, the municipality provide the following benefits and allowances to its employees:
 - (i) Pension Fund subsidy to all employees.
 - (ii) Medical aid subsidy to all employees with a medical aid scheme.
 - (iii) Housing subsidy to all employees with bonds and R400.00 per month for renting employees.

- (iv) Leave entitlement, 24 days - vacation, 80 days - sick leave per 3 year cycle, 5 days - family responsibility per annum and study leave days which varies as per the type of study.
- (v) Travelling allowance to PL3 - PL5 employees and other designated employees as per the specific duties they are performing.
- (vi) Cell phone allowances to PL3 - PL5, secretaries of Directors and other designated employees as per the specific duties they are performing.
- (vii) Provision of resources - The municipality will provide enough working tools to meet the demands of the job to all employees as guided by the specific jobs executing.

8.5. Effective induction methods

Best practice studies revealed that the first few weeks of employment are very much crucial for establishing employee commitment to employment. It is therefore, imperative that line managers and human resource practitioners lay the foundation for future commitment by being part of the induction process. In addressing this, new employees will receive a well-structured and dynamic induction programme that stretches from the employee's first day at work until he/she is thoroughly introduced to their job. For effective execution of the induction and orientation process to new recruits the municipality has an induction manual in place which

should be reviewed annually in order to improve on its effectiveness and relevancy.

8.6. Training and development

The municipality has a training and development policy in place which will be utilized to guide the training and development of employees. Internal employee skills audit should be conducted annually in order to identify the skills gap, which will inform the development of the annual Workplace skills Plan. As encapsulated in the training and development policy, the types of training courses and development will be determined by the municipality as informed by the identified gaps of employees through skills audit. The training and development policy further encourages all employees to be involved in their personal development and manage their own careers by indicating their training needs to their supervisors.

8.7. Internal staff study bursary

The municipality has an internal bursary scheme which intends to assist in securing adequately qualified personnel for its services by providing financial assistance to all employees to enable them to qualify educationally for the services they are rendering and to enhance the level of competency in performing duties assigned to them. The internal bursary aims at achieving the following:

- To encourage career development of employees through further education.

- To encourage self-development activities provided that they are along the lines regarded as beneficial by management.

To provide financial assistance to employees who wish to improve themselves through formal courses of study

8.8. Health, wellness and safety

(a) The municipality complies with the Occupational Health and Safety Act (Act 85 of 1993) as it appointed a health and safety officer to deal with all aspects of health and safety in the workplace. While the Act places responsibility upon the employer to provide safe working conditions, it further obliges the employee to act responsibly. In furtherance of its responsibility, the employer will provide first aid trainings to employees and also provide safety talks to its employees. Personal protective clothing will also be provided to all employees as informed by their specific duties in terms of the health and protective clothing policy.

(b) The Ba-Phalaborwa municipality has an Employee Assistance Programmes which serve as strategic and professional services to assist employees to enhance their quality of life and to help them with a view of improving their performance and productivity. The Employee Assistance Programmes aims at achieving:

- (i) To provide professional assistance with a view to enhance the personal well-being and quality of life of the employees and their immediate family members.

- (ii) To provide channels for correct and effective referral for assessment and treatment so as to ensure maximum assistance.
- (iii) To prevent lowering of job performance and to correct performance difficulties by providing assistance to the employee at the earliest possible time.
- (iv) To investigate and follow up on problems that adversely affect the employee's job performance, while increased productivity, safety and health is sought through therapeutic intervention.

8.9. Labour Relations

The Labour Relations Forum (Local Labour Forum) is in place and comprise of the employer and the two labour unions representatives. This forum is established in terms of the Labour Relations Act and Organizational Rights Agreement to deal with issues affecting workers in general at the workplace.

8.10. Performance Management System

A performance management system policy and performance management system strategy is in place. The two documents will assist in guiding the assessment process of employees. The assessment committees will ensure that there is fair, consistent and transparent application of employee assessment. Processes for awarding of performance bonuses and on how to deal with poor performers and remedial measures will be dealt with in

terms of the processes as provided in the Performance Management System policy

8.11. Benchmarking with other employers

(a) Majority of employees leave due to attraction by competitive remuneration in other organizations, better career growth opportunities and better incentives that are offered by other employers. The municipality will benchmark with other employers to find out the gaps that exist and what other incentives are offered as compared to the current status. This will allow for improvement on what the municipality can afford in order to decrease the turn over rate and also increase the recruitment rate of employees in critical skills.

(b) Periodic benchmarking of salaries and benefits can also be used for the purposes of negotiating a salary package for new recruits. However, as it currently happening there could be a significant difference between salaries and benefits offered by private entities in comparison to government institutions. As such, benchmarking in such instances should be based on affordability by the municipality.

8.12. Counter offering

(a) Counter offering is a measure that can be used in order to find and keep employees with scarce skills. Counter offering should always be done in consultation with the Municipal Manager. Jobs in the

scarce skills and high risk categories should be properly designed and evaluated to maximise the compensation you can offer to candidates and employees. The municipality must fully and correctly provide for the scarce skills allowances for certain categories of staff.

- (b) Counter offering will be done on scarce skills, valued skills and high risk skills on the basis that reasons that drove the employee to look for employment somewhere else are addressed and eliminated.
- (c) Line managers should consult Human Resources for intervention once they identify employees in the scarce skills categories showing interests to leave the municipality.
- (d) An employee who is regarded as scarce, valued and or high risk employee who submits a resignation letter to the Municipal Manager due to offer received from other institution will be referred to Director: Corporate Services for investigation of the validity of the offer.
- (e) The Director-Corporate Services will compare the current salary package of the employee against the offer and advice the Municipal Manager on the counter offering.
- (f) On recommendation by the Municipal Manager, an item will be tabled to Council to obtain a council resolution for counter offering.
- (g) When counter offering, an employee will be offered the same salary level as that of the competing employer, however the notch

will be higher than that of the prospective employer on the legs depending on the negotiations.

- (h) Counter offered employee will not be counter offered again should he/she receive a new job offer within twelve (12) months after being counter offered.

8.13. Exit interviews/ Interviewing employees who turn down job offers

Exit interviews are also an important tool that cannot be overlooked when designing staff retention interventions and these interviews will be conducted whenever an employee is leaving the municipality or when turning down the employment offer.

9. Roles and Responsibilities to manage staff retention

Staff retention is best achieved through the linkage between line managers and the human resources section.

9.1. Human Resources Practitioners

The following are roles and responsibilities of the Human Resources practitioners:

- a. To establish appropriate policies, procedures and systems for human resource management;
- b. To identify employees or categories of employees who might leave;

- c. To analyse staff movement trends and identify high risk employees;
- d. To constantly analyse skills demand and supply trends in the labour market;
- e. To perform constant skills audit within the organization;
- f. To develop interventions to address critical skills shortages

9.2. Line Managers

Line managers are the main link between the employer and the employees. It is therefore, important for them to be competent technical managers and people managers. Line managers need the following competencies in order to be able to play their role:

- (a) The ability to lead effectively, coach and mentor staff;
 - (b) The ability to give proper feed back;
 - (c) The ability to align work processes and jobs with organizational goals;
 - (d) The ability to create a culture of continuous learning and development, in which employees can grow and improve their own competencies.
- (e) The following are roles and responsibilities of Line managers:
- (i) To apply human resources policies, procedures and systems fairly and consistently to all employees;
 - (ii) To effectively manage staff;

- (iii) To motivate employees and create an enabling environment for employees to perform;
- (iv) To provide training and other support to employees;
- (v) To implement staff retention strategy;
- (vi) To empower employees through effective delegation; and
- (vii) To understand employees' preferences and what drives and motivate them.

10. Monitoring and Evaluation

Human Resources practitioners will continuously monitor the implementation of this strategy.

11. DISPUTE RESOLUTION AND DEVIATION

Any employee who feels aggrieved by the application of the policy may submit his/her grievance in terms of the grievance procedure (SALGBC) as well as the Labour Relations Act, Act 55 of 1995.

12. REVIEW OF THE STRATEGY

The policy shall be reviewed on a three year circle.

13. APPROVAL

The retention strategy will be implemented on approval by Council.

Approved by: *Municipal Manager*

Date:

Approved by: *Council*

Date: