

MANTSOPA LOCAL MUNICIPALITY



SKILLS RETENTION POLICY

Mantsopa Local Municipality Skills Retention Policy

<i>Next Review Date</i>	August 2010
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Approval of Policy

Please note that the implementation of the policy contained in this document is subject to approval and signing off by all relevant Heads and/or Committees, including but not limited to:

- Municipal Manager; and
- Municipal Council

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1 Purpose

- 1.1 The purpose of this policy is to outline the mechanisms, tools and strategies that can be applied within the municipality in order to retain critical, scarce and high risk skills, whichever is applicable. The primary emphasis of this policy is to ensure that the municipality proactively retains employees to ensure that the municipality has the best, well trained and suitable employees occupying key positions within the municipality at all times.

2 Scope

- 2.1 This policy shall be applicable to all employees.

3 Definitions

- 3.1 **“Scarce skills”** refers to skills that are needed to realise the municipality's goals and objectives, but which are difficult to recruit and expensive to replace. These are the skills, which are in short supply in the labour market. These will not always be the same and may change due to various reasons e.g. changes in the labour market environment (supply and demand), changes in the strategic direction of the municipality.
- 3.2 **“Critical skills”** refers to those scarce skills which are critical to the municipality, however, the focus is not on the scarcity of the skill as such, but rather on the critical staff member who contributes positively and whose loss would have a negative impact on the municipality's ability to meet its goals.
- 3.3 **“High-risk skills”** refers to scarce skills which are critical to the municipality; however the specific employees who possess these skills are either de-motivated or have reached a career ceiling, and as such are considering leaving the municipality or for some reason are highly susceptible to poaching by other institutions.

4 Principles

4.1 The following principles underpin this policy:

- 4.1.1 The application of the tools, mechanisms and strategies contained in this policy should compliment key legislative and policy directives and prescripts that relate to various aspects of human resources management within the Public Service. In situations where the provisions contained herein may be deemed to be contradictory or to be in conflict with these directives and prescripts, this policy shall not be applicable.
- 4.1.2 It is expected that the provisions contained herein will be implemented in good faith and as such any requests or decisions made in line with this policy will need to stand this test.
- 4.1.3 The decision to retain staff will be dependent on the proven abilities of the relevant employee. To this effect, the outcomes of the performance management process will be critical in approving any requests made in this regard.
- 4.1.4 In recognition of the fact that the conditions in the labour market (supply and demand) change over time, the profile of scarce, critical and high risk skills shall be reviewed annually.
- 4.1.5 It should also be noted that the Human Resource Development (HRD) Strategy and relevant training and development interventions provided by the municipality are still the primary vehicles to strengthen delivery capability, build skills, deepen knowledge and create sustainability in respect of a competent, motivated and high performing workforce.
- 4.1.6 All decisions to retain staff will be made at the discretion of the management team of the municipality, and as such the municipality's dispute resolution mechanisms shall not be applicable.

- 4.1.7 This policy shall compliment all relevant interventions that are implemented within the municipality to ensure that it becomes an employer of choice.

5 Policy Provisions

- 5.1 The identification of scarce, critical and high-risk skills shall form the basis of any talent retention intervention/s.
- 5.2 Council must endorse the outcomes of this process and identify appropriate funding sources for filling the gap/s or dealing with the challenges.
- 5.3 Talent Retention interventions shall be determined on the basis of the outcomes of the identification of scarce and critical skills analysis within the municipality.
- 5.4 A Talent Retention Committee shall be established to oversee the development and implementation of a talent management strategy for the municipality.
- 5.5 The Committee must be representative of the SMT members, include the MMC (if applicable) and will be chaired by the Corporate Services Director. At least 75% of these members must be available for meetings to ensure a quorum.
- 5.6 The Talent Retention Committee shall be responsible for considering and approving applications/submissions for the retention of employees whose skills have been classified as critical, scarce or high-risk skills as endorsed by Council.
- 5.7 In making its decisions the committee shall be guided by the following:
 - 5.7.1 Impact on the municipality's ability to deliver services effectively; and
 - 5.7.2 Overall cost implications (ensuring that the benefits outweigh the costs).
- 5.8 The retention committee may also consider special motivations that relate to the attraction and recruitment of individual for critical posts or recruitment of individuals whose skills have been classified as critical or scarce.
- 5.9 Employees must direct appeals against decisions taken by the Talent Retention Committee to the Municipal Manager.

- 5.10 The Committee must meet twice each year after completion of a performance management cycle and preceding the budgeting cycle to ensure that employee performance ratings are considered and to ensure provision of funding to support retention decisions.
- 5.11 The municipality shall develop and implement a talent management strategy.
- 5.12 The talent management strategy shall propose measures that should be applied to ensure that the municipality attracts and retains the appropriate levels of skills.
- 5.13 This strategy should also clearly articulate the roles and responsibilities of Corporate Services as well as the roles and responsibilities of line managers in this regard.
- 5.14 These roles and responsibilities shall be included as minimum performance requirements for all line managers and supervisors within the municipality.
- 5.15 This strategy shall be approved by the Council and shall also be renewed annually.
- 5.16 Corporate Services shall be responsible for monitoring and evaluating the implementation of the strategy and submitting periodic reports in this regard.
- 5.17 Retention Offers:
- 5.17.1 The municipality shall consider offering favourable (positively adjusted) remuneration packages as a mechanism to proactively retain staff.
- 5.17.2 For employees who are SMS (Senior Management Services) members, the retention offer should not exceed the maximum notch on the next band.
- 5.17.3 For employees who are non-SMS members, the retention offer should not exceed the maximum notch of the next salary scale.
- 5.17.4 These offers shall be made prior to the beginning of any financial year or as and when this may be deemed to be appropriate, after endorsement by the Talent Management Committee.

5.17.5 Senior Managers shall be required to make submissions to the Talent Retention Committee on individuals that qualify for retention offers.

5.17.6 Senior Managers shall also be required to provide a detailed motivation for such a retention mechanism and this should include an indication of the costs of retention; the envisaged value to be gained from retention; as well as an indication of the potential risks to the municipality i.e. what are the implications of retaining an individual staff member at a higher salary.

5.17.7 The Talent Retention Committee shall make the final decision in this regard.

5.17.8 The retention offer should be in effect for a minimum of 2 years from the approval and acceptance of the offer.

5.17.9 The recipient of the retention offer shall be required to work for the municipality for a minimum of 2 years from the date that the offer is made and accepted. If the employee leaves within the 2 year period, the municipality may recover any additional monies paid out to the relevant employee as a result of her/ him accepting a retention offer.

5.17.10 Retention offers shall be made only once on any salary level.

5.17.11 Retention payments will be staggered and paid on a six (6) monthly basis.

5.18 Criteria for retention of employees

- a) Only employees whose skills have been classified as indicated in section 3 above may be considered for any retention intervention;
- b) Furthermore, only employees who have completed at least one performance cycle within the municipality may be considered for any retention intervention;
- c) More importantly, only employees who have consistently performed at a level higher than the minimum standard required by the municipality during the relevant performance cycle may be considered for any retention intervention; and
- d) In situations where it is recommended that an employee should be retained in a higher position than the one they occupy, it will be expected that the affected employee meet the minimum requirements for that specific post. Alternatively, the

relevant individual's development plan should indicate how competence and/or performance gaps will be addressed, so that service delivery is not compromised.

5.19 Monitoring and Evaluation

5.19.1 The Talent Retention Committee shall be responsible for overseeing the implementation of this policy. Furthermore, Corporate Services shall conduct periodic audits/ studies to consider amongst others:

- a) The level of compliance to these provisions;
- b) The return on investment; and
- c) The impact on service delivery and improvement in overall performance standards as a result of the Talent Retention interventions.

5.20 Deviations from the Policy

5.20.1 Deviations to this policy shall be submitted to the relevant delegated authority for consideration.

5.20.2 Policy measures, which are not covered in this Policy, shall be dealt with in terms of other Legislations and Prescripts that supersede this policy.

6 Procedures

6.1 The process of identifying scarce, critical and high-risk skills shall be undertaken at least once a year.

6.2 Senior Managers shall play a key role in this process, as they will be required to facilitate discussions (within their respective Directorates) aimed at identifying scarce, critical and high-risk skills.

6.3 Corporate Services shall assist Senior Managers by conducting periodic reviews and analyses to identify labour market trends, staff attrition trends as well as to determine reasons why some critical resources choose to stay with the municipality and the circumstances under which they shall remain within the municipality.

7 Delegations

- 7.1 This policy is to be applied in accordance with the municipality's policy and procedures on delegated powers.
- 7.2 The delegations refer to those between the Municipal Council and the Municipal Manager, and between the Municipal Manager and other responsible Officials.
- 7.3 All delegations are to be recorded in writing

8 Annexures

- 8.1 Talent Management Strategy (if applicable)