EMALAHLENI MUNICIPALITY

SCARCITY OF SKILLS / RETENTION STRATEGY / POLICY
SCARCE SKILLS / RETENTION STRATEGY POLICY

Introduction

South Africa is currently facing huge challenges in respect of ensuring that an adequate skills base is available within it’s economy. Similarly within Municipalities, certain sectors of the workforce have been identified as representing scarce skills (especially within the technical fields) and efforts are currently under way to focus organizations on strategizing to ensure that the issue of scarce skills is addressed, to ensure that required talent is managed, and that critical skills are retained.

Areas of scarcity within Emalahleni Municipality

Whilst it must be acknowledged that there are shortages of skills within the market generally, it must also be acknowledged that there are very specific challenges attached to sourcing specific work related skills within small towns, as compared with larger cities – where career opportunities for families as a whole may be far more prevalent.

Additionally, recruitment is not simply about the attraction of suitable staff. It is also about ensuring that staff are retained and every effort must be made to ensure that strong retention strategies are in place, in order to ensure that this occurs.

The following positions within local authorities are generally considered to be in short supply:

- Technical staff e.g. Technicians (all levels) within water, electrical, engineering and civil engineering.
- Artisans – within the fields of plumbing, welding, mechanical and operational environments.
- Municipal Town Planning (within civil engineering, town planning, architecture, surveyors and the like).
- Safety and Health Practitioners – within the areas of nursing, safety, pharmacy and HIV/AIDS.
- IT Skills
- Financial Management Skills
- Management skills

While these represent generally accepted levels of scarcity nation wide, it must be reiterated that scarcity issues within Emalahleni Municipality are further exacerbated by the need to attract skilled personnel to a location which is more remote and which is not necessarily close in proximity to large towns or cities. In this regard, what may
not necessarily be regarded as a scarce skill nationally, may be experienced as such locally due to the difficulties associated with attracting and retaining staff within this location and therefore others categories may be included.

In the Policy and discussion surrounding the Retention Strategy that follows, every effort is made to highlight practical issues to facilitate staff retention and to acknowledge the challenges currently faced within Emalahleni Municipality in respect of scarcity of skills.

Recommendations

Accordingly, and in an effort to address these difficulties, it is proposed that a Scarce Skills and Retention Policy and Strategy be developed in order to address the needs associated with scarce skills and the need to attract and retain suitable staff within Emalahleni Municipality.

Attached as Annexure “A”, is a proposed and recommended Scarce Skills and Retention Policy and Strategy, which is aimed at addressing the scarcity of skills issues and staff retention (retention of talent) throughout Emalahleni Municipality.
POLICY: SCARCE SKILLS AND RETENTION STRATEGY

1. **Background**

Skills shortages and a general scarcity of skills within certain fields, has necessitated formal commitment and methods to be initiated in order to ensure that appropriate skills are attracted and retained within the organization, enabling the achievement of performance objectives (as per the IDP).

2. **Policy Purpose**

To provide suitable incentives and recognition to staff in order to facilitate the provision of a working environment which is conducive to meeting the needs of staff and which will ensure that required talent is sourced, acknowledged and retained.

3. **Objectives:**

   3.1. To facilitate staff retention but the provision of incentives and a working environment which fosters the employer – employee relationship;

   3.2. To reduce the current skills shortages through the provision of staff attraction and retention strategies, designed to attract, develop and retain staff with critical and necessary skills.

4. **Policy Scope**

This policy is applicable to all s57 and permanent staff within Emalahleni Municipality insofar as they qualify for incentives and retention strategies as per the prescriptions of each of these within their specific areas.

5. **Methods to attract and retain scarce skills**

It is acknowledged that there are numerous methods and approaches that could be used to manage the scarcity of resources and to ensure that strategies are implemented that would attract, develop and retain staff with critical skills.

Within the scope of this policy and in terms of applicable practices within the Municipal environment, the following areas will be examined and elaborated on more fully:

- Scarce Skill Allowance
- Notch Increments
- Acting Allowance
- Enhanced Responsibility Allowances
- Secondment Allowances
Each of these strategies and incentive type schemes aimed at addressing the scarcity and retention of skills will be examined more fully as follows:

5.1. **Scarce Skills Allowance (All employees including S57)**

In instances where it is recognized that a skills shortage or scarcity exists (as within the Financial Management field), it may become necessary to offer a remuneration package that will be more likely to attract prospective employees.

Accordingly, a Scarce Skills Allowance of 10% of the basic monthly salary (multiplied by 12 months) will be provided upon final approval from the Municipal Manager of the motivation submitted to this effect, (received from the Manager: Corporate Services).

Any such appointment and/or adjustment made to the existing or newly appointed staff members salary would be taken as “personal to holder” and this position and appointment therein would be treated as a “contract” position. Should this incumbent leave and a new appointment is required to be made, the necessity of this allowance would be re-evaluated prior to any formal commitment and appointment of staff.

5.2. **Notch Increments**

Newly-appointed staff who fall within Council’s list of scarce skills, or in areas where difficulty has been experienced in filling these posts, will be able to be appointed on the highest notch of the level currently applicable to this position, should this be deemed necessary (approval by the Municipal Manager).

In cases where existing staff require incentivizing, within areas reflected as scarce skills, it may be necessary to incentivize staff by increasing their notch level (up to the highest notch). This may only be based on performance recognition and a full motivation justifying such action must be presented by the relevant Departmental Manager for final approval by the Municipal Manager.

Under normal circumstances, newly appointed staff are appointed on the lowest notch and notch increments occur annually on 1 July.
5.3. **Acting Allowance**

In the event that an employee (post level 12 to 0) is required to act in a more senior post for a period of not less than ten (10) consecutive working days, an acting allowance at an annual rate equal to the difference between an employee’s salary and the commencing notch of the salary scale of the post within which he acts, shall be paid to such employee in addition to his salary, in respect of the period for which he/she acts.

S57 employees will be allowed to act and receive an acting allowance providing that the period concerned is for a minimum duration of 6 days and can either .

This allowance is applicable providing the above and providing that:

- There is formal appointment by the Municipal Manager (or delegate, to act in this higher position);

- An interruption of less than three (3) working days is deemed to form part of the acting period providing this is accompanied by supporting medical certificates; due to a family bereavement (supporting documentation), or due to court attendance requirements (subpoenaed as a witness).

- Subject to existing operational requirements, acting appointments to vacant posts shall be reviewed within three (3) months.

- Vacant posts on a Municipality’s permanent staff establishment should be filled within six (6) months unless there is a compelling reason not to do so.

5.4. **Long Service Bonus Awards**

An employee will qualify for the following additional leave and a once-off monetary award as recognition for continuous service after the following periods are completed:

a) 5 years’ service  
   5 days accumulative leave plus a once-off payment equal to 2% of the employee’s salary (excluding benefits)

b) 10 years’ service  
   10 days accumulative leave plus a once-off payment equal to 3% of the employee’s annual salary (excluding benefits)
| c) 15 years’ service | 15 days accumulative leave plus a once-off payment equal to 4% of the employee’s annual salary (excluding benefits) |
| d) 20 years’ service | 15 days accumulative leave plus a once-off payment equal to 5% of the employee’s annual salary (excluding benefits) |
| e) 25 years’ service | 15 days accumulative leave plus a once-off payment equal to 6% of the employee’s annual salary (excluding benefits) |

5.5. **Qualification Recognition Bonus**

In situations where a staff member furthers his/her studies over and above the minimum requirements for the position that he/she currently occupies, he/she will be eligible to receive a once-off qualifications bonus. This bonus will be equivalent to 50% of one month’s currently applicable salary (for that position).

In order to qualify, these studies should fall within the nationally recognized scope of Degrees and/or Diplomas (at least an M+3) and these qualifications must be completed within an area related to the incumbent’s current job/position.

This bonus or award may only be paid once the final results have been produced, showing that the incumbent has completed this entire qualification successfully.

Motivations are to be provided by the Departmental Head and finally approved by the Corporate Services Director and/or Municipal Manager.

5.6. **Cellphone Allowance**

This allowance will be provided to staff who are required to use their cellphones for Municipal business (excluding s57 Managers, who are already catered for) and this must be justified and monitored formally.

Where staff do qualify for this allowance, a “pay as you go” allowance of R200 per month will be provided (final approval being made by the Director: Corporate Services and motivated through the respective
Departmental Manager).

5.7. Career Development (Succession Planning)

In order to incentivize all staff (current and future) who work within Emalahleni Municipality every effort must be made to ensure that plans are in place to ensure that career development and more specifically succession planning occurs in areas where skills gaps and skills shortages currently exist, or in areas where these shortages are likely to exist.

Succession Planning is a process, which involves the identification of future available and more senior positions, to which the incumbent may aspire. The incumbent and immediate Supervisor/Manager are required to identify skills gaps and gaps in experience in order to determine the necessary steps to be taken, which will ensure that these incumbents achieve the necessary skills and experience necessary, to be able to be eligible for future positions of this nature. Formal Personal Development Plans are to be established and incorporated into the Performance Management System; thereby ensuring every effort is made towards realizing these aspirations and potential.

5.9. Personal Development

A Personal Development Plan (PDP) is to be developed for all staff in line with the implementation of a Performance Management System throughout the organization.

Through the normal process of skills auditing and the development of an Annual Training Plan for the organization, personal development plans will be developed for all staff in order to ensure that they are developed and grown within their field of expertise. Skills gaps will specifically be identified where necessary.

This will take the form of both formal and informal initiatives and will be monitored and driven by the relevant Line Manager in accordance with what is realistically possible within the organization.

5.10 Employee of the Month: Cash Award

On a monthly basis recommendations for an “Employee of the Month” are to be made to the Corporate Services Manager. In an effort to encourage and reward positive performance, it is required that suitable employees are nominated monthly in order to achieve recognition for work which is considered to have met the criteria detailed for this Recognition Award.
An annual cash award is to be made available to the top three competing contenders who have been awarded a monthly win, over the period of 12 months.

1st Prize: R 3000.00
2nd Prize: R 1500.00
3rd Prize: R 1000.00

5.11 Enhanced Responsibilities Award

This award is to be provided as an incentive to an employee who for various reasons finds himself/herself taking on enhanced responsibilities. Payment of this allowance does not necessarily have to be held against a funded position, but from savings or any other funded post that may not have been filled and the amount awarded will be motivated in terms of the specific circumstances applicable (approved by the MM).

5.12 Secondment Award

Whenever secondment occurs for an extended period of time (minimum one month), the Municipal Manager has the discretion to decide on amount of remuneration to be given to the incumbent. (Corporate Services Director recommendations required to be taken into account) This can be funded against vacant funded or unfunded posts – savings to be identified – posts benchmarked /amount to be decided upon where required.(approved by the MM).

6. Governance

This policy will be reviewed annually and updated for formal approval accordingly.

This policy will be governed specifically by the Corporate Services Department, who will be required to monitor and manage the implementation thereof.

The Municipal Manager will approve the application of these incentives/rewards to the various parties to whom these become applicable.

A Retention Strategy Committee comprising the MM and s57 Managers will meet regularly in order to motivate changes to policy and to make implementation decisions.
Policy amendments and changes are to be effected only after formal approval from Council.

Concluding remarks

In conclusion it is fair to say that both policy and strategy go hand in hand. Skills attraction, retention, and talent management will remain a challenge and additionally so due to the geographical challenges that surround the Municipality. However should the principles as contained within the policy and strategy document be applied and factored into the day to day functioning of this municipality, great strides would be made and felt towards addressing the issues surrounding scarcity and retention of staff.