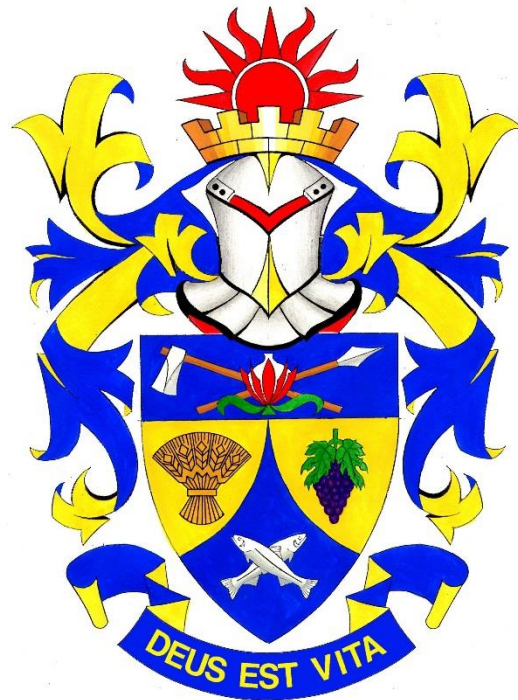


BERGRIVIER MUNICIPALITY



TALENT MANAGEMENT & RETENTION POLICY

DATE APPROVED : 23 MAY 2023
COMMITTEE : MAYORAL COMMITTEE

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1. PREAMBLE

- 1.1 Talent management is the systematic attraction, identification, development, engagement, retention and deployment of those individuals who are of particular value to the Municipality, either in view of their high potential for the future or because they are fulfilling business / operation-critical roles.
- 1.2 Whereas workforce planning is about the identification of needs, talent management and succession planning are about the development of individuals and the wider workforce, in order to be able to meet those identified needs.
- 1.3 The Municipality's nature of business and workforce is diverse, and therefore an inclusive approach is adopted to enable all staff to have the opportunity to identify their skills, knowledge, abilities and potential through the various human resource process.

2. LEGISLATIVE FRAMEWORK

Constitution of the Republic of South Africa

Basic Conditions of Employment Act

Employment Equity Act 55 of 1998

Skills Development Act 97 of 1998

Local Government: Municipal Staff Regulations, 2021

3. DEFINITIONS

<i>“Critical skills”</i>	refers to those limited 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;
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“Director”	means an employee of Bergrivier Municipality who, in terms of a Council resolution or an Act, is directly responsible to the Municipal Manager for the administration of a directorate of the Municipality, or is acting in such capacity;
“Employee” (as per clause 200A (1) of the Labour Relations Act, 1995)	means a person who works for, or renders a service to the Municipality regardless of the form of her/his employment contract, and in respect of which any factor enumerated in section 200A (1) of the Labour Relations Act applies;
“Employer”	means Bergrivier Municipality, a local government established in terms of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) as amended;
“Exit interviews”	means one on one interviews conducted in confidence to determine employees’ reasons for leaving;
“High-risk skills”	refers to scarce skills which are critical to the Municipality; however the specific employees who possess these skills are either demotivated 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;
“Induction”	means the integration of all employees in the Bergrivier Municipality organisation culture;
“In-service training”	means the process by which employees is familiarized with the comprehensive work related activities to enhance their capacity to perform to the agreed standards;
“Line Manager”	means the person with direct authority and/or responsibility over subordinates in their respective departments, divisions and sections;
“Mentor”	means an experienced employee who oversees the career development of another less experienced employee through training;
“Mentoring”	means an act of providing career development and guidance to another employee through training;
“Municipal Manager”	means the person appointed as such in terms of Section 54A of the Local Government: Municipal Systems Act (Act 32 of 2000) and includes a person acting in his/her stead;

“Municipality”	means the Bergrivier Municipality (WC013), a local municipality established in terms of section 12 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), as amended;
“Scarce Skills”	means those skills that were identified as critical and of which a shortage is experienced and which is required for key projects and/or positions;
“Staff retention”	refers to the ability of an organization to retain its employees;
“Staff turnover”	means the relative rate at which an employer gains and loses staff;
“Supervisor”	means a staff member with staff within his/her span of control, for whom s/he is directly responsible and to whom such staff member (s) are directly accountable;
“Workplace”	refers to the place of work as contemplated in the Labour Relations Act, 1995 (Act No. 66 of 1995).

4. OBJECTIVES OF THE POLICY

- 4.1 To become the employer of choice.
- 4.2 To ensure a conducive and harmonious working environment for employees.
- 4.3 To ensure employees’ health and wellness.
- 4.4 To attract and retain competent staff.
- 4.5 To retain key staff members whose services are regarded as critical or classified as scarce skills.
- 4.6 To ensure career development for staff.
- 4.7 To identify posts which require specialized skills and to determine the level of scarcity thereof.
- 4.8 To prevent the loss of competent staff from the municipality that can have an adverse effect on service delivery.
- 4.9 To help develop a skills base for succession planning.
- 4.10 To identify individual’s potential for assuming a higher degree of responsibility.

- 4.11 To provide internships and learnerships to occupations that is critical to the municipality's strategic objectives.

5. SCOPE AND APPLICATION

The policy is applicable to all permanent employees of the Bergrivier Municipality. The Municipal Manager and Employees appointed as senior managers who are directly accountable to the Municipal Manager, in terms of sections 54A and 56 of the Municipal Systems Act 32 of 2000, as amended, will specifically be included in this policy.

6. IMPORTANCE OF TALENT MANAGEMENT

- 6.1. Act as a tool towards ensuring a high-performance workforce on a continuous basis.
- 6.2. Encourage a learning organisation.
- 6.3. Add value to the competitive position of the Municipality in the labour market.
- 6.4. Contribute to the realisation of the employment equity targets.

7. SYSTEMATIC APPROACH TO TALENT MANAGEMENT

The systematic approach to talent management shall benefit the Municipality as follows:

- 7.1. Enable the Municipality to identify the skills and competencies required to support the IDPs and cultivate high performing staff members.
- 7.2. Enable the Municipality to develop staff members to progress within its ranks.
- 7.3. Identify and develop the Municipality's future leaders.
- 7.4. Increase staff member engagement and retain key talent.

8. BROAD RETENTION CHALLENGES NATIONALLY

- 8.1 Employees leave their employers for a variety of reasons. Some of the reasons for staff turnover are unavoidable and beyond the employer's

control, while others are avoidable and can be managed. It is on this basis that staff retention management is inevitable in this instance.

8.1.1 Unavoidable reasons

There is virtually nothing the employer can do with regard to unavoidable staff turnover, for instance caused by amongst others death, retirement, employee's health or family relocation or any unforeseen natural attrition.

8.1.2 Avoidable reasons

8.1.2.1 Financial considerations

Majority of employees leave the municipality because they are offered better salaries or service benefits elsewhere. Although the municipality's remuneration system is not competitive enough to attract and retain talented staff, the municipality can make efforts to reward staff who excel and to counter offer any attempt of staff poaching by other employers. The provision that allows the municipality to raise an employee's salary for purposes of retention is an important tool in this regard.

8.1.2.2 Work environment

Unpleasant, poor and constrained work environment leads employees to unhappiness at work and to consider taking other job options attractive to them. Poor work environment may be caused by, amongst other things, low morale, little motivation of employees, lack of strategic direction, lack of leadership and communication and poor work challenges; and lack of empowerment of employees.

8.1.2.3 Career development

Employees want to grow in their work and will continually search for growth, and as such if the employer does not provide these opportunities, employees will begin to look for greener pastures elsewhere.

8.1.2.4 Leadership and management style

In most cases talented employees leave an organisation if they believe that the management style

is stifling growth and not empowering, or where managers are not people focussed.

8.1.2.5 Lack of effective communication and procedure

It is common for employees to find something that they dislike about their work environment or their superiors and where there are no effective grievance procedures in place or not followed, employees will not have a way of having their concerns heard and addressed. In the end, the only option left is to tender a resignation.

9. CLASSIFICATION OF SKILLS

9.1 Scarce Skills

These are skills that are needed to achieve the municipality's goals and objectives, but which are difficult to recruit and too expensive to replace. These will not always be the same. At some times, a particular skill may be in short supply, while at other a different skill may be hard to find and expensive to replace. These skills are identified by:

- Analysing staff turnover (turnover rate must be significantly above the average turnover experienced by the municipality);
- Considering acquisition trends in a particular job or geographical area;
- Understanding the municipality's skills requirements and the compensation for such skills in the labour market;
- The duration of the skills shortfall that cannot be accommodated from within departmental staff;
- High vacancy rate;
- Vacancies in the identified field or occupational category should prove difficult to fill;
- The demand for a particular skill/s outweighs the supply.
- The skills/knowledge/experience must be critical to a specific project and/or service.
- The scarcity is not caused by remuneration or other internal issues like employee conflicts or workplace frustration with superiors.

9.2 Valued Skills

Valued skills are those skills which are not determined as scarce skills. The focus is on the valued employee 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

municipality by comparing the loss versus the value of the employee, the impact to the organization, performance evaluations and the role the employee perform in the municipality. The scarcity of the skill does not have a bearing on this category.

9.3 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 demotivation or reached a career ceiling (no career path).

10. INTENTIONS TO RETAIN STAFF

Intentions to retain staff are most effective if they are aimed at a specific circumstance or skills group and the interventions are integrated and linked to as wide a variety of human resource practices as possible. The following human resources practices and policies need to be integrated and aligned with the retention strategy:

10.1 Recruitment and selection process

In most cases the increase in staff turnover is caused by bad selection decisions, wherein a wrong person is appointed for the job. In order to prevent this, effective and efficient recruitment and selection processes must be adhered to. Accurate job requirements, job profile and job descriptions must be developed and they must clearly specify the core competencies required for successful performance. For this purpose the municipality has an Employment Policy in place to guide the selection and recruitment process.

10.2 Effective induction methods

Best practice studies revealed that the first few weeks of employment are very 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 they are thoroughly introduced to their job. For effective execution of the induction and orientation process to new recruits the municipality has an Induction Policy in place to guide the induction process.

10.3 Exit interviews

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

10.4 Counter offering

10.4.1 Making a counter offer is a measure that can be used in order to find and keep employees with scarce skills. Making a counter offer should always be done in consultation with the Municipal Manager. The municipality must fully and correctly provide for scarce skills allowances for certain categories of staff. Making a counter offer 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.

10.4.2 Line managers should consult Human Resources Services for intervention once they identify employees in the scarce skills categories showing interest in leaving the municipality.

10.4.3 As a standard procedure the files of all employees to receive a counter offer, will be examined to determine the quality of their work as reflected in their Performance Evaluation and any other documented evidence supporting the counter offer.

10.4.4 In an effort to retain highly qualified and skilled employees any or all of the following criteria and responsibilities should apply when considering targeted allowances:

10.4.4.1 the employee must receive a *bona fide* offer of employment from another employer, which offer must be in writing and includes details of the salary/remuneration offered to the employee, subject thereto that the Director recommending the retention must verify the offer and provide a concise written justification along with a copy of the offer letter;

10.4.4.2 the employee must, over and above the required qualifications, be in possession of additional superior qualifications making such and incumbent suitable for succession planning;

10.4.4.3 the recommendation must be detailed and must be in line with budgetary constraints and any other implications the recommendation could have on the department and the municipality in general,

- 10.4.4.4 the motivation in 8.4.4.1 must be submitted to the Municipal Manager for approval; and
 - 10.4.4.5 any counter offers made to the employee and which amend his/her current employment contract must be confirmed in writing and be duly accepted by the employee.
- 10.4.5 A maximum counter offer calculated at 2-5 notches higher than the employees current notch may be payable following the provisions of paragraph 10.4.4 above.
- 10.4.6 If an employee is already on the highest notch of the salary scale, then a maximum counter offer calculated at 5% (non-pensionable) of an employee's basic salary may be payable following the provisions of paragraph 10.4.4 above.
- 10.4.7 An employee who received a counter offer will not receive a counter offer again should he/she receive a new job offer within twelve (12) months after receiving a counter offer.

11. ATTRACTION AND RETENTION OF TALENTED STAFF MEMBERS

11.1 Attraction of Staff

- 11.1.1 The municipality shall thus deploy multiple techniques to attract staff, such as:
- 11.1.1.1 **Buying talent:** Building relationships with important sources of talent such as tertiary institutions, business schools, using referral hiring, creating partnerships with staff search agencies, targeting potential staff members, building an internet recruitment strategy.
 - 11.1.1.2 **Building talent:** Providing training and development for key staff members.
 - 11.1.1.3 **Borrowing talent:** Forming alliances with organisations in the private and public sector, retaining consultants, building skills transfer programmes, outsourcing work, maintaining relationships with former staff members.
 - 11.1.1.4 **Bouncing talent:** Investigating opportunities such as secondment, flexible work arrangements, and contract work.

- 11.1.1.5 Binding talent: Offering financial and non-financial inducements to retain talent.
- 11.1.1.6 Boosting talent: Promotion and staff recognition schemes.

11.2 Staff Retention Techniques

The cost of staff turnover can be substantial. Not only are there the direct financial costs of replacing staff but also other repercussions such as the potential loss of key skills, knowledge and experience, disruption to operations and negative effect on workforce morale. High turnover represents a considerable burden both on human resource and line managers as they are constantly recruiting and training new staff. In this light, the following additional retention techniques can be utilised:

11.2.1 Employment Equity

- 11.2.1.1 The Employment Equity Act, 1998, requires every employer to retain and develop people from the designated groups.
- 11.2.1.2 Decisions of this nature must be taken with due consideration to the Employment Equity Plan of the municipality.

11.2.2 Encourage performance

- 11.2.2.1 Employees are encouraged when they are given exciting jobs. This gives them the determination to do their job.
- 11.2.2.2 Avoid overloading your top performers with secondary tasks.
- 11.2.2.3 Reward employees who are performing well so that those that are under performing can be motivated.
- 11.2.2.4 Balance the performance level by pairing new employees or under performers with top performers.

11.2.3 Morale Building

- 11.2.3.1 Lead by example as a manager to achieve better results.
- 11.2.3.2 Give employees a chance to develop by trusting them with high profile responsibilities.
- 11.2.3.3 When an employee has performed well, show appreciation. If an employee goes unacknowledged, a message of their unimportance will be sent.
- 11.2.3.4 Attend to staff needs timeously.

11.2.4 Boost Employee's Self Esteem

- 11.2.4.1 A conducive environment should be provided where employees can learn from their mistakes.
- 11.2.4.2 Recognize a job well done.
- 11.2.4.3 Value employees who are performing well and make them feel valued.

11.2.5 Sense of Ownership

- 11.2.5.1 Less supervision is important. Employees do not like to be followed at each and every step they take because they may not feel trusted with the work they are doing. Employees are to be given a chance to develop by trusting them with high profile responsibilities.
- 11.2.5.2 Involve employees in decision-making processes. This will instill a sense of ownership in employees of what has been proposed and they will do their best to achieve high results.
- 11.2.5.3 Avoid de-motivating employees because once they are de-motivated it is difficult to motivate them again. Employees are de-motivated when they are doing the same job for many years. Introduce staff rotation to allow for exposure to learn new activities.

11.2.5.4 Allow employees to see a project through from start to finish.

11.2.6 Communication

11.2.6.1 Interact with employees equally. Do not create the impression that there is favoritism within the department.

11.2.6.2 Listen to employee's ideas and take them seriously.

11.2.6.3 When in a meeting, give an employee your full attention. This makes an employee feel valued.

11.2.6.4 Encourage feedback and exchange ideas by meeting in an informal basis with the employee.

11.2.7 Staff Development and Training

11.2.7.1 Staff development and training embraces the formal and informal acquisition of knowledge, skills, attitudes, thinking and habits required of an employee to render quality service and secure him/her a rewarding career.

11.2.7.2 Practices that promote staff development include self-development, formal and informal training, career development, study aid, internal staff bursary scheme, job rotation, job enrichment/enlargement and mentorship and coaching.

11.2.7.3 In a situation where the employee cannot be accommodated in a suitable post, his / her job should be reviewed with an intention of adding more responsibilities and re-evaluating the post to ensure the maximum utilization of the employee's potential.

11.2.8 Succession Planning

11.2.8.1 Succession planning is fostering activities like job rotation to expose staff to the workings of the

department. Rotating to more than one job is known as multiskilling.

11.2.9 Multi-Skilling

11.2.9.1 Multi-skilling is a process that organizes work in a manner that enables staff to acquire and use a greater range of skills.

11.2.9.2 Multi-skilling must be linked to the skills requirements of the department and should form part of its strategic empowerment and employment equity plans.

12. TALENT IDENTIFICATION

The Municipality shall identify talent through the following means:

12.1. Talent identification by the direct manager, using the elements:

12.1.1 personal experience with the person;

12.1.2 performance appraisal; and

12.1.3 past performance and results.

12.2. For each category of talent requiring identification, the following indicators will be used:

12.2.1 the capability to cope with change, flexibility, and agility;

12.2.2 to have a positive attitude; and

12.2.3 to be a convincing and ambitious person, shall be applied.

12.3 In addition, potential shall be considered, each time, under one or a combination of the following components:

12.3.1 Fundamental components are stable and not changeable over a lifetime (e.g., personality and cognition).

12.3.2 Latent components need the right context and support to express themselves (e.g., motivation).

- 12.3.3 Intervening components influence the degree an individual can grow and develop in different areas (e.g., openness to feedback).
- 12.3.4 Evolving components are acquired by an individual through career experience (e.g., technical knowledge).
- 12.4 The willingness to move into a key position and commitment to the Municipality.
- 12.5 Mobility of the staff member or candidate, in terms of acquiring knowledge and filling in expert positions in different locations of the Municipality.
- 12.6 The history and ability with social and business networks and relationships that are critical for the Municipality's success and coming with respectable referees.

13. ROLES AND RESPONSIBILITIES

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

13.1 Municipal Manager

The Municipal Manager is responsible for determining and approving the awarding of salaries within the approved salary scale for the retention of employees with skills or experience in a scarce field (where recruitment is difficult) and employees from designated groups.

13.2 Department Human Resource Services

Human Resource is responsible for ensuring that the criteria to determine the retention of staff are followed.

13.3 Line Managers

The following are roles and responsibilities of Line Managers:

- To apply human resources policies, procedures and systems fairly and consistently to all employees;
- To effectively manage staff;

- To motivate employees and create an enabling environment for employees to perform;
- To provide training and other support to employees;
- To implement the talent management and staff retention policy;
- To empower employees through effective delegation; and
- To understand employees' preferences and what drives and motivate them.

13.4 Corporate Services Committee

The Guidelines for the Implementation of the Municipal Staff Regulations (Regulation 1(5) of Guideline 2F) determines that a committee of council established in terms of Section 79 of the Structures Act must monitor the implementation of the approved staff attraction and retention strategy.

The Corporate Services Committee is established in terms of Section 79 of the Structures Act and will therefor monitor the process of staff attraction and retention.

14. DATE OF EFFECT OF THIS POLICY

This internal policy will be effective from the first day of the calendar month following the date on which Council has approved this internal policy.