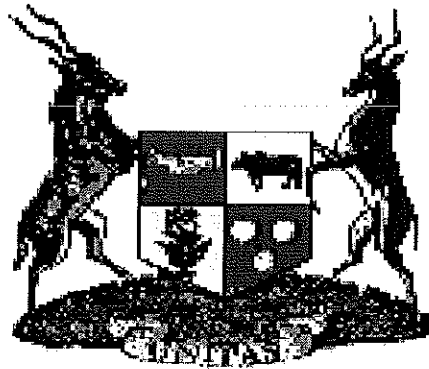


*RUSTENBURG
LOCAL
MUNICIPALITY*



**POLICY: REMUNERATION
STRUCTURE FOR SCARCE SKILLS**

SCARCE SKILLS POLICY

1. INTRODUCTION

Staff turnover is expensive and finding replacement skills, as well as attracting of new talent can be difficult, it is important to have sound retention strategies in place.

2. AIM OF THE POLICY

The aim of this policy is to create sound procedure to attract and engage the services of employees in identified positions of scarce skills, within the stipulations of all applicable legislation and policies of Council.

The purpose of this Policy is to retain Employees whose skills could be regarded as indispensable to the Municipality. This Policy is meant to allow Senior and line managers to effectively retain skilled staff by providing information on staff retention and some possible staff retention techniques. The aim of this policy is to prevent the loss of competent staff from the Municipality, which could have an adverse effect on service delivery.

3. SCOPE OF THE POLICY

The Municipality aspires by means of this policy the following objectives:

- 3.1.1 To address the development role of the Municipality by providing and engaging the services of skilled and talented employees in crucial areas, in accordance with the IDP key objective of Council.
- 3.2 To appoint and engage the services of suitably qualified persons, as defined in Chapter 3, Section 20 (3), (4) and (5) of the Employment Equity Act in positions of scarce skills to ensure service delivery in terms of IDP objectives.

4. CRITERIA

4.1 Quality

- 4.1.1 The Policy must be implemented in such a way that the quality of service delivery is enhanced and not affected in a negative sense.

4.2 Democracy

4.2.1 The Policy must adhere to the requirements of democracy, as far as openness and transparency are concerned.

4.3 Personal Gain

4.3.1 The Policy will not be used to provide higher salaries and/or better benefits to any employee for any reason other than to address the problem of unobtainability of scarce skills.

5. **STIPULATIONS TO IDENTIFY AREAS OF SCARCE SKILLS / TALENTS**

5.1 Scarce skill positions will be identified in terms of difficulty to fill specific positions, and to retain quality employees, by experiencing the following:

5.1.1 Vacancies for a specific post have to be re – advertised on 2 or more occasions, because suitable applicants cannot be found.

5.1.2 Successful applicants decline offered positions on a regular basis, as a result of the applicable salary scale of the position.

5.1.3 Employees are lost to other companies on a regular basis, due to higher salaries and/or better benefits.

5.1.4 Only positions directly linked to core functions of the Municipality, and in accordance with IDP priorities, shall be considered to be identified as scarce – skill positions.

5.1.5 In order to be identified as a scarce – skill position, the following distinction needs to be made:

5.1.5.1 Scarcity of skills (i.e. required qualifications, providing one with the knowledge to perform a specific task well).

5.1.5.2 Scarcity of talents (i. e required experience, enhancing a special natural ability to perform a specific task well).

5.1.6 The Scarce Skills Allowance will not be applicable to positions on 1st, 2nd, 3rd and 4th reporting levels, where a performance bonus is payable.

6. LEGAL IMPLICATIONS

- 6.1 Municipalities are bound by a Collective Agreement on national level, as far as salaries and benefits for all positions are concerned.
- 6.2 Job levels are determined by means of the TASK Evaluation System, and a specific salary scale (remuneration band) will then apply to a specific
- 6.3 A non – pension able scarce skills allowance to the value of a specific percentage of the relevant annual salary notch, may however be approved by the Council to address engaging of scarce skills and talents.

7. GUIDELINES

- 7.1 According to the result of a study by the Department of Labour, the following technical skill as applicable to Local Government, have been identified as scarce skills:

- 7.1.1 Fitters;
- 7.1.2 Turners;
- 7.1.3 Plumbers;
- 7.1.4 Diesel Mechanics, Motor Mechanics
- 7.1.5 Electricians;
- 7.1.6 Brick Layers.

- 7.2 A retention strategy and an accompanying reward strategy shall be implemented.
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- 7.3 An environment where skill transferral and knowledge sharing in terms of the Career and Succession Management Policy shall be created.
- 7.4 Team reward system which support multi - skilling and team work shall be developed and implemented in terms of the Workplace Skill Plan and utilization of the Study Bursary Scheme of Council.
- 7.5 The approved Scarce Skill Allowance shall form part of the advertisement for the filling of identified vacant positions.
- 7.6 All recruitment, assessment, selection and appointments for scarce-skill – position shall be done in terms of the Appointment Policy of Council

8. IMPLEMENTATION

Allocated percentages of Scarce Skill Allowance per position.

	Position	Percentage
a)	<u>Scarce Skills</u>	
	Mechanic, Artisan, Electrician	10% X top notch of level 9
b)	<u>Scarce Talents</u>	
	<ul style="list-style-type: none"> Accountants (Directorates Finance), with required qualifications plus 4 years Municipal experience as Accountant). 	5% X top notch of level 6
	<ul style="list-style-type: none"> Special Workman (Directorates Infrastructure Development & Management), with required qualifications plus 4 years Municipal experience in the specific area of expertise (i. e. water, electricity, etc.). 	10% X top notch of level 10

9 STAFF RETENTION

Staff retention is a process of ensuring that employees are kept within the Municipality with valued or needed skills or experience / critical field (where recruitment is difficult) and employees from designated groups (as defined in the Employment Equity Act, 1998) namely black people, women and people with disabilities, using various techniques.

Staff retention stems from the employment process. Employment process is a crucial process that should receive careful and sufficient attention to ensure that its objectives and goals are achieved.

The three employment processes (recruitment, selection and placement) predetermine the effectiveness of retention strategy of the Municipality.

For staff retention to be successful it has to be linked positively to the processes and practices of recruitment, selection, placement, training and development, remuneration and performance appraisal

10 SUPPORTING LEGISLATION.

The objective of retaining suitable personnel within the Municipality is informed by, inter alia, the following legislations:-

- (i) Labour Relation Act,
- (ii) Municipal Systems Act;
- (iii) Employment Equity Act, 1998;
- (iv) Skills Development Act, 1998
- (v) Municipal Finance Management Act (MFMA),

11. STAFF RETENTION TECHNIQUES

11.1 Scarce skills;

11.1.1 The staff turnover may be compared with that of competitors and the Labour market as a whole. In so doing, areas of concern and good practices may be identified;

11.1.2 The risk of losing staff (scarce/critical skills) must be assessed;

11.1.3 In assessing the supply / demand, the department must determine the scarce/critical skills on an annual basis;

11.1.4 Where scarce/critical skills have been identified, an executing authority may set the salary for a post or an employee above the minimum notch of the salary range indicated by the job weight;

11.1.5 If he or she has evaluated the job, but cannot recruit or retain an employee with the necessary competencies at the salary indicated by the job weight; and

11.1.6 He or she shall record the reason why the salary indicated by the job weight was insufficient;

11.1.7 The process may also be initiated where an employee with scarce/critical skills and/or experience has received a higher job offer and the Municipal Manager may authorize a counteroffer to retain his/her services.

11.2 Employment Equity

- 11.2.1 The Employment Equity Act, 1998, requires every employer to retain and develop people from the designated groups. In certain instances the Department may experience difficulty in retaining black (African, Indian and Coloured) people, women and people with disabilities in certain areas.
- 11.2.2 Decisions of this nature must be taken with due consideration to the relevant Directorate's Employment Equity Plan and the Department's Affirmative Action Policy.

11.3 Service providers;

- (a) Every effort must be made to use the skills or create capacity within the department before engaging the services of service providers;
- (b) The use of consultants must be limited and, where internal capacity exists, allocate additional duties (identified for consultants) to suitably qualified and experienced employees. This could result in a higher job evaluation of the person's post and more challenging work, thus improving the Department's ability to retain the services of certain employees;
- (c) Where the service providers such as consultants are used, comparison must be made to ensure that the service is fair, equitable, transparent, competitive and cost effective. (PFM Act, 2000 Section 38(1)(iii)).

11.4 Encourage performance.

- (a) Employees are encouraged when they are given exciting jobs. This gives them the determination to do their job;
- (b) Have flexible work arrangements that will suit the employee and their families;
- (c) Avoid overloading your top performers with secondary tasks;
- (d) Reward employees who are performing well so that those that are under performing can be motivated;
- (e) Balance the performance level by pairing new employees or under performers with top performers.

11.5 Morale building

- (a) Lead by example as a manager to achieve better results;
- (b) Give employees a chance to develop by trusting them with high profile responsibilities;
- (c) When an employee has performed well, show appreciation. If an employee goes unacknowledged, a message of their unimportance will be sent;
- (d) Attend to staff needs timeously;
- (e) Introduce rewarding techniques such as issuing a certificate for a project/task well done.

11.6 Boost employee's self esteem

- (a) A conducive environment should be provided where an employee can learn from his / her mistake;
- (b) Recognize a job well done;
- (c) Value employees who are performing well and make them feel valued.

12. MONITORING AND EVALUATION

- (a) The effectiveness of any retention strategy or technique needs to be evaluated and monitored.
- (b) Methods to be used for this purpose are:
 - (i) Analysis of internal staff turnover trends; and
 - (ii) Analysis of Labour market trends.

13. ROLES AND RESPONSIBILITIES.

- (a) An executing authority is responsible for determining and approving the awarding of salaries above the maximum range for the retention of employees with skills or experience in a scarce field (where recruitment is difficult) and employees from designated groups;
- (b) The Director: Corporate Support is responsible for ensuring that the criterion to determine the retention of staff is followed;

- (c) Line Managers are responsible for ensuring that the Municipality does not lose competent, scarce and skilled employees particularly with regard to employees from designated groups.

14. CONCLUSION

The Rustenburg Local Municipality recognizes that its most valuable asset is its human resources. A great deal of time and money is invested in the recruitment, training and development of employees and, as such, every effort should be made to retain those employees who have scarce/critical skills, and/or experience. The application of the various staff retention techniques will contribute to a more competent, motivated workforce and improved service delivery.

15. IMPLEMENTATION AND REVIEW.

This policy is effective once approved. The Director: Corporate Support will review the policy on an annual basis.