



## **SCARCE SKILLS AND RETENTION POLICY**

### **1. Introduction**

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

- 2.1 To provide suitable incentives and recognition to employees in order to facilitate the provision of a working environment which is conducive to meeting the needs of employees and which will ensure that the required talent is sourced, acknowledged and retained.
- 2.2 This policy is applicable to all employees within Msinga Municipality insofar as they qualify for incentives and retention strategies as per the prescriptions of each of these within their specific areas.

### **3. Objectives**

- 3.1 To facilitate employee retention, provision of incentives and a working environment, this fosters the employer- employee relationship;
- 3.2 To reduce the current skills shortages through the provision of employee attractive and retention strategies, designed to attract, develop and retain staff with critical and necessary skills.

### **4. Areas of scarcity**

- 4.1 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.

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

4.3 The following positions within Msinga Municipality are generally considered to be in short supply: **Suggested list**

- (1) Technical staff e.g Technicians (all levels) within mechanical and civil engineering.
- (2) Artisans- within the fields of plumbing, heavy plant operators, mechanical and operational environment.
- (3) Municipal Town Planning (GIS, town planning, architecture, surveyors and the like).
- (4) ICT Skills
- (5) Financial Management Skills
- (6) Project management skills
- (7) Agricultural skill

4.4 While these represent generally accepted levels of scarcity nationwide, it must be reiterated that scarcity issues within Msinga Municipality are further exacerbated by the need to attract skilled personnel to a location which is more remote and which is not necessarily in close 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 employees within this location and therefore other categories may be included.

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

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

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

5.2 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:

- (1) Scarce Skills Allowance
- (2) Notch Increments
- (3) Acting Allowance
- (4) Long- Service Leave
- (5) Qualification Recognition Bonus
- (6) Career Development (Succession Planning)
- (7) Personal Development
- (8) Adjustment to salary within the applicable pay scale

5.3 Each of these strategies and incentive type schemes aimed at addressing the scarcity and retention of skills will be examined more fully as follows.

## **6. Scarce skills allowance**

6.1 In instances where it is recognized that a skills shortages 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 by the Municipal Manager of the motivation submitted to this to this effect, (received from the Director Corporate Services).

6.2 Any such appointment and/ or adjustment made to the existing or newly appointed employee's salary would be taken as " personal to holder". Should this incumbent leave and a new appointment is required to made, the necessity of this allowance would be re-evaluated prior to any formal commitment and appointment of the employee.

## **7. Notch increments**

7.1 Newly- appointed staff that falls within Council's list of scarce skills, or in areas where difficult has been experienced in filling these positions, will be able to be appointed on the highest notch of the level currently applicable to this position, should this be deemed necessary. An approval should be requested from the Municipal Manager by the respective Head of Department before implement. Such a request be made in writing.

7.2 In cases where existing employees require incentivising, within areas reflecting as scarce and critical skills, it may be necessary to incentivize them by increasing their notch level (up to the highest notch). This may only be based on performance must be presenting by the relavant Head of Department for final approval by the Municipal Manager.

7.3 Under normal circumstances, newly appointed employees are appointed on the lowest notch and notch increments occur annually on employee's anniversary month.

## **8. Long service leave**

8.1 An employee shall qualify once for the following long services leave at the completion of the following periods from date of this agreement:

- |                       |         |
|-----------------------|---------|
| (1). 5 years services | 05 days |
| (2). 10 years service | 10 days |
| (3). 15 years service | 20 days |
| (4). 20 years service | 30 days |
| (5). 25 years service | 30 days |
| (6). 30 years service | 30 days |
| (7). 35 years service | 30 days |
| (8).40 years service  | 30 days |

(1) 45 years service                      30 days

8.2 The taking of leave must take place in the same year that the employee qualifies for the long service leave subject to operational requirements where the employee elects to take leave.

8.3 An employee with 10 (ten) or more years service with the municipality and who reaches pensionable age, who is medically boarded or retrenched will be paid a pro rate long service bonus for any uncompleted period stipulated in 8.1 above.

## **9. Qualification recognition bonus**

9.1 In situation where an employee 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 qualification bonus. This bonus will be equivalent to 50% of one month's salary or one (1) month's currently applicable salary (for that position).

9.2 In order to qualify, employees must enroll for qualifications that are in line with the municipal core functions. The 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.

9.3 Motivations are to be provided by the respective Head of Department and finally approved by the Municipal Manager.

## **10. Career Development (Succession Planning)**

10.1 In order to incentivise all staff (current and future) who work within Msinga 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.

10.2 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 that every effort is made towards realizing these aspirations and potential.

## **11. Personal development**

11.1 Personal Development Plans (PDPs) are to be developed for all employees in line with the implementation of a Performance Management System throughout the organization.

11.2 Through the normal process of skills auditing and the development of Workplace Skills Plan for the organization, Personal Development Plans will be developed for all employees 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.

## 12. LGSETA Strategic focus areas

12.1 The LGSETA offers discretionary grants to municipalities to support training. The intervention areas are demonstrated as follows:

STRATEGIC AREA	FOCUS	PROJECT NAME	MODE OF DELIVERY
Infrastructure and Service Delivery		<ul style="list-style-type: none"> <li>▪ Artisans</li> <li>▪ Technicians</li> <li>▪ Engineers</li> <li>▪ Roads</li> <li>▪ EPWP labour</li> <li>▪ Intensive</li> </ul>	<ul style="list-style-type: none"> <li>▪ RPL</li> <li>▪ Learnership</li> <li>▪ Skills programme</li> <li>▪ Internship</li> <li>▪ Bursary</li> <li>▪ Apprenticeship</li> </ul>
Financial Viability		<ul style="list-style-type: none"> <li>▪ Municipal finance</li> <li>▪ Internal Audit</li> <li>▪ Infrastructure asset management</li> </ul>	<ul style="list-style-type: none"> <li>▪ RPL</li> <li>▪ Learnership</li> <li>▪ Skills programme</li> <li>▪ Internship</li> <li>▪ Bursary</li> </ul>
Community-based participation & planning		<ul style="list-style-type: none"> <li>▪ IDP</li> <li>▪ LED</li> <li>▪ Co-operatives</li> <li>▪ Municipal planning (including urban planning)</li> </ul>	<ul style="list-style-type: none"> <li>▪ RPL</li> <li>▪ Learnership</li> <li>▪ Skills programme</li> <li>▪ Internship</li> </ul>
Management & Leadership		<ul style="list-style-type: none"> <li>▪ Traditional leaders</li> <li>▪ Management</li> </ul>	<ul style="list-style-type: none"> <li>▪ Learnership</li> <li>▪ Skills programme</li> </ul>
Adult Education & Training (AET)			<ul style="list-style-type: none"> <li>▪ Structured learning</li> </ul>
Workplace Training System		<ul style="list-style-type: none"> <li>▪ Skills Development Facilitators</li> <li>▪ Training Committees</li> <li>▪ Local Labour Forums</li> <li>▪ Shop stewards</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bursary</li> <li>▪ Skills programme</li> <li>▪ Structured learning</li> </ul>

## 13.

13.1.1 The municipality will apply for Discretionary Grant for funding to facilitate Learnerships training interventions.

13.1.2 The purpose of discretionary grant is to encourage employers, accredited training providers and stakeholders to contribute towards the achievement of the objectives of the Human Resources Development Strategy, National Skills Development Strategy, the LGSETA Sector Skills Plan and other objectives of other government policies/strategies relevant to the municipal sector.

#### **14. Adjustment to salary within the applicable pay scale**

14.1. Where an employee with designated scarce skills receives a written higher paid job offer and is not in receipt of a market allowance, Department may recommend to the CMC the granting of additional notches within the applicable task level, to retain his/ her services.

#### **15. Governance**

15.1. This policy will be reviewed when necessary and updated for formal approval accordingly.

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



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**Resolution No: 32/2020 FC**



**Mr. SL Sokhela**  
(Accounting Officer)

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