

# UMZIMVUBU LOCAL MUNICIPALITY



**UMZIMVUBU**  
— LOCAL MUNICIPALITY —

## RETENTION STRATEGY

**13**

# MUNICIPAL RETENTION STRATEGY

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## **1. INTRODUCTION**

In today's employment market, competition for employees who are talented, creative, and driven to satisfaction is fierce, amounting to what has been characterized as a war for talent. Thus, a company's success hinges on their ability to attract, motivate and retain a talented pool of employees. Evidence is mounting that a company's corporate social responsibility activities is a legitimate, compelling and increasingly important way to attract and retain good employees as it becomes clear that "The best professionals in the world want to work in organizations in which they can thrive, and they want to work for companies that exhibit good corporate citizenship." But despite this injection of enthusiasm of retention, it is suggested that very few municipalities are able to optimally leverage their retention efforts in winning the war for talent. In this policy / strategy, UMZIMVUBU LOCAL MUNICIPALITY identifies the key barriers to effective staff retention and turnover and introduces steps that can be taken to increase the effectiveness in the employee realm.

## **2. VISION**

2.1 Moving to limitless possibilities

## **3. MISSION**

3.1 To plan and deliver quality and sustainable services to improve the socio- economic status within the broader uMzimvubu community

## **4. APPLICATION OF THIS STRATEGY**

4.1 The policy shall apply to all municipal employees who are eligible.

## **5. OBJECTIVES**

51 Attracting employees to join the municipality

52 Motivating municipal staff

5.3 To deal with both the psychological aspects of the employees and the operational aspects attached to the tasks for which they were appointed

5.4 Change of management's approach that takes both the internal and external factors into consideration

5.5 achieving the mandate that the municipality has by ensuring that high skilled staff are retained

## **6. DEFINITION OF RETENTION**

6.1 The definition of retention has two meanings: "to hold or keep in possession" and "to engage the services of".

6.2 The traditional focus has been to hold or keep rather than to engage a service. High – value employees want to be "engaged" and not "kept".

6.3 The municipality needs to shift its thinking and focus on what needs to be done to help the employees become fully engaged in the services of the municipality.

## **7. KEY ASPECTS TO STAFF RETENTION**

7.1 Staff retention is influenced by the following factors and the better these are managed the more likely staff will be attracted or remain with the municipality:

- Human Resource Planning, Recruitment and Selection
- Optimal Human Resource utilization
- Human Resource Development
- Compensation and benefits
- Employees and Labour Relations
- Health and Safety

7.2 The link between the organisational goals and the expectation of the employees should be maintained, for example

- Employees must see their work as worthwhile
- They must see themselves as personally accountable for performance outcomes and implementation
- They must be given feedback regarding their performance and quality of work

## **8. RESPONSIBILITY FOR IMPLEMENTATION STAFF RETENTION**

81 Managers, Assistant Managers and Supervisors and the Human Resource Section shall work together in people management issues because it is their responsibility.

### **8.1.1 The role of Line Managers is the following:**

- The ability to effectively lead, coach and mentor staff;
- The ability to provide proper feedback;
- The ability to align work processes and jobs with organisational goals;
- The ability to create a culture of life-long learning and development in which employees can grow and improve their own competencies.

### **8.1.2 The role of the human resource component is as follows:**

- The ability to provide line managers with relevant, efficient and strategic human resource advice and interventions;
- The ability to provide the line manager with cutting edge of new people management thinking.

## **9. REASONS WHY EMPLOYEES LEAVE**

91 Some of the reasons for staff turnover are unavoidable but the following can be avoided:

- Financial consideration
- Work environment
- Career development
- Lack of benefits
- Resistance to change
- Internal mobility and job-hopping
- Leadership and management style
- Lack of effective communication

## **10. COMMON SIGNALS THAT THE MUNICIPALITY IS LOSING TOP TALENT**

- 10.1 Employees who suddenly show an increase use of sick or annual leave
- 10.2 Employees who suddenly get a lower than average performance review
- 10.3 Employees who get transferred to another department against their wishes
- 10.4 Employees who have not had a material raise in 24 months.
- 10.5 Lack of enthusiasm in participating in the activities of the department or of the municipality.

## **11. TYPES OF SKILLS THAT ARE ON DEMAND AND UNAVAILABLE**

### **11.1 Scarce skills**

The following job categories in our municipality can be regarded as scarce skills, taking into consideration the difficulty in obtaining them, the rate of turnover and the demand for these skills in the labour market:

- 11.1.1. Engineering
- 11.1.2. Vehicle and drivers license examining skills
- 11.1.3. GIS
- 11.1.4. Survey
- 11.1.5. Technical skills

### **11.2. Valued skills**

By valued skills we refer to those skills which contribute significantly and which if loss would have a negative impact on the municipality's ability to achieve its goals and objectives. The following jobs can be categorised as valued skills:

- 11.2.1. Accountancy
- 11.2.2. Planning
- 11.2.3. Auditing
- 11.2.4. Human Resources Management
- 11.2.5. Legal profession
- 11.2.6. Payroll Administration

### **11.3. High risk skills**

High risk skills we refer to those skills that are highly demanded in the labour market and which if lost would have a very serious impact to the community. The following jobs may fall within this category:

- 11.3.1. Drivers license and motor vehicle examining skills
- 11.3.2. Law enforcement



12.1.5.2 It is the duty of the Manager or Manager to ensure that the department embarks on team building exercises.

#### **12.1.6 Rewarding good work**

12.1.6.1 Motivate employees with great relationships with their managers, appreciation and recognition for their efforts.

12.1.6.2 Continue to recognize and reward employees, even when financial rewards are not possible.

12.1.6.3 Each year the municipality will host an Award of Excellence event where employees will be encouraged towards excellence in service deliver.

12.1.6.4 Each department will recognize the best employee on a quarterly basis.

12.1.6.5 Rewards for good performance, such as a day off, when money is not a possibility should be done.

12.1.6.6 Departments will also write letters of appreciation to their staff on a regular basis.

#### **12.1.7 Benefits**

The municipality should strive to offer benefits according to the latest trends in the market which can be as follows:

- Discount on housing subsidy (interest rates)
- Insurances
- Group Scheme
- Develop a plan to prepare for future retirements

#### **12.1.10 Trends in salaries, Incentives**

12.1.10.1 Offering lump sums of R20 000 to the scarce skilled employees, subject to availability of funds with the intention of retaining them. Once the employee leaves the municipality he will be obliged to return the lump sum.

#### **12.1.11 Wellness Centre for the municipality**

Offering municipal employees wellness programmes that are suitable and according to their needs.

#### **12.1.12 Creating Win-Win Flexible Work Arrangements**

Offering employees flexible working hours within the department in appreciating extra effort.

#### **12.1.13 Delicate balance between success and burnout**

12.1.13.1 Promotion of departmental team building outings.

12.1.13.2 Each Manager with his/ her Assistant Managers should be able to identify an employee who has a burnout and offer the employee leave or implementing Clause 12.1.12

#### **12.1.14 Counter-offers**

12.1.14.1 Lucrative Counter offers be offered to deserving employees who are:-

- Scarce skilled;
- Being offered alternative employment outside ULM
- Being offered salaries which are within the notch bracket on his post level in the municipality.

**12.1.15 Ensure that policies are implemented in the same way throughout the entire organization**

12.1.15.1 Municipal policies should be accessible to all municipal employees

12.1.15.2 Managers and Assistant Managers should ensure that municipal policies are implemented fairly throughout their departments and the municipality as a whole.

**12.1.16 Foster the family-like atmosphere with more social events.**

12.1.16.1.1 Working environment for the employees should be made or viewed as if they are part of the organizational family.

12.1.16.1.2 This feeling is one that can best be maintained by allowing employees to have informal time together in non-threatening situations.

**12.1.17 Ensure that all supervisors receive training that emphasizes leadership and interpersonal skills.**

12.1.17.1 The training must include the skills for evaluating and providing feedback to employees about their work performance and dealing with conflict.

**12.1.18 Have community outreach programmes where all employees participate.**

12.1.18.1 Municipality should ensure that there is participation of the municipality in all community outreach programmes whether they are initiatives of provincial or National Government structures.

12.1.18.2 Employees should be motivated to participate in such events.

**13. PROCESSES ON RETAINING STAFF**

13.1 Retention will only be considered for only scarce - skilled staff as stated in Clause 11

13.2 The Manager of the employee to be retained has to make a motivation in writing to the Office of the Municipal Manager for retention of staff that is resigning from the municipality or being given a counter-offer by his/ her current employer if it is an employee who is being employed by the municipality

**14. COST OF LOOSING STAFF**

14.1 Before the municipality considers to give any retention drive to an employee who intends to leave, consideration should be made to the cost involved in losing a particular employee.

14.2 The following are some of the costs that should be considered:



#### **14.2.1. Separation costs**

These are costs which can be incurred during exit time e.g Administrative expenses, payment of entitlements such as leave gratuity.

#### **14.2.2. Vacancy costs**

These are costs relating to the appointment of an acting employee while at the same time engaging on recruitment, selection and appointment of a new incumbent.

#### **14.2.3 Replacement cost**

This refers to the cost of Recruitment and selection such as advertisement of post on newspapers, claims for travelling and accommodation by candidates etc.

#### **14.2.4 Training costs**

As per the Municipal Training and Development Policy when new employees are appointed, they need to undergo training.

### **15. COMMENCEMENT**

This strategy will come into effect on the date of adoption by Council.

### **16. INTERPRETATION OF THIS STRATEGY**

- 16.1 All words contained in this policy shall have a ordinary meaning attached thereto, unless the definition or context indicates otherwise.
- 16.2 Any dispute on interpretation of this policy shall be declared in writing by any party concerned.
- 16.3 The Office of the Municipal Manager shall give a final interpretation of this strategy in case of written dispute.
- 16.4 If the party concerned is not satisfied with the interpretation, a dispute may then be pursued with the South African Local Government Bargaining Council/ or Arbitration

### **17. PERMANENT/TEMPORARY WAIVER OR SUSPENSION OF THIS STRATEGY**

- 17.1 This strategy may be partly or wholly waived or suspended by the Municipal Council on a temporary or permanent basis after consultation with Management and Trade Unions.
- 17.2 Notwithstanding clause No. 17.1 the Municipal Manager may under circumstances of emergency temporarily waive or suspend this strategy subject to reporting of such waiver or suspension to Council and Trade Unions.

### **18. AMENDMENT AND/OR ABOLITION OF THIS STRATEGY**

This strategy may be amended or repealed by the Council after consultation with Management

and Trade Unions.

### 19. COMPLIANCE AND ENFORCEMENT

19.1 Violation of or non-compliance with this strategy will give a just cause for disciplinary steps to be taken.

19.2 It will be the responsibility of all Managers, Supervisors, Executive Committee and Council to enforce compliance with this policy.

### APPROVAL OF THE POLICY

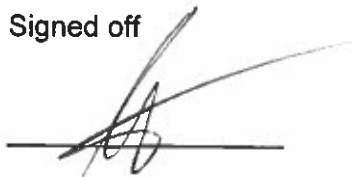
The Municipal Council has approved this policy and amendments thereof.

### AUTHENTICATION

The amendments of the policy and or the new policy was adopted by the Council on the  
23/01/2020

As per Council Resolution number 215/19/20

Signed off



Mr. G.P.T. Nota

Municipal Manager



Cllr. N.F Ngonyolo

Speaker of the Council