



KWAZULU-NATAL

PROVINCIAL TREASURY

RETENTION POLICY

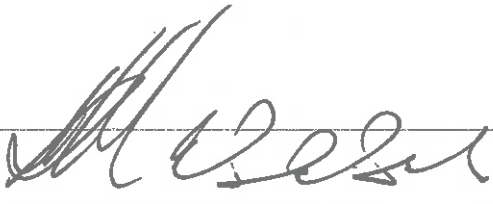
Signed:	 MR LS MAGAGULA
Designation:	HEAD OF DEPARTMENT
Date:	30/03/2017

TABLE OF CONTENTS

1. Introduction	3
2. Purpose	3
3. Objectives	3
4. Authority	3-4
5. Definition of terms	4
6. Scope of application	4
7. Principles	4-5
8. Policy provisions	5
9. Retention Strategies	
i) Human Resource Planning	5-6
ii) EPMS	6
iii) Employee Wellness Programme	6
iv) Training and Development.....	6
v) Employee Relations Procedure	7
vi) Recruitment and Selection.....	7
vii) Succession Planning	7-8
ix) Job Rotation	8
x) Incentives for retention of skills	8-9
xi) Working environment	9
xii) Exit interviews	10
10. Retention Strategies for Designated Groups	10
11. Roles and responsibilities	
i) Executing Authority	10
ii) Head of Department	11
iii) Head: Human Resource Management	11
12. Communication	11
13. Monitoring and Evaluation	12

1. INTRODUCTION

It is apparent that KwaZulu Natal Provincial Treasury has a number of employees that are leaving the Department to join the private sector or are being offered better salaries by other Departments. It has become imperative for the Provincial Treasury to come up with a strategy in terms of retaining its employees.

Due to staff turn over the Department is losing a number of skilled resources. One needs to take into account the cost involved in recruiting replacement staff and the investment made in training both new and existing staff.

The department therefore seeks to undertake strategies to ensure employees with valued or needed skills or experience in a scarce / critical field are retained. This will also assist the Department in reducing cost in recruitment and training of new employees.

2. PURPOSE

To provide a policy framework within which the Department retains employees with valued high risk and critical skills as well as employees with scarce skills.

3. OBJECTIVES

- The main objective of this policy document is to attract employees to join the Department through focused recruitment and selection strategies, training and development strategies, performance management, compensation and benefits strategies, health and wellness strategies as well as employee relations strategies.
- To provide **Directors** and Line Managers with relevant, efficient and strategic human resource advice and interventions.
- **The main object of this policy is** to prevent loss of competent staff by the Department and to provide policy guidelines on staff retention, especially in areas related to scarce, valued, high-risk and critical skills.

4. AUTHORITY

- Constitution of the Republic of South Africa, 1996
- Public Service Act, 1994.
- **Public Service Regulations, 2016.**
- White Paper on Human Resource Management.

- Skills Development Act, 97 of 1998.
- Employment Equity Act, 1998.
- The Scarce Skills Strategy for the Public Service, 2002.
- Department of Public Service and Administration Information Guide for Government Department on Managing Staff Retention, 1 March 2006.
- Public Service Co-ordinating Bargaining Council Resolution 3 of 1999, 7 of 2004 and 7 of 2007.

5. DEFINITION OF TERMS

For the purposes of the policy framework, unless the context indicates otherwise, the following definitions are set out for the terms indicated:

Employee - mean a person contemplated in terms of Section 8(1)(k) of the Public Service Act, 1994 as amended.

Incentives - means a positive motivational influence that may be used to attract and retain staff within the Department.

Retention - means the retaining of employees who possess the required skills, expertise and competencies that are pertinent to realize the Department's goals and objective through appropriate attraction, recruitment, training and development methods.

6. SCOPE OF APPLICATION

This policy is applicable to **all permanent employees** employed by the KwaZulu-Natal Provincial Treasury in terms of the Public Service Act, 1994 as amended.

7. PRINCIPLES

This policy framework is based on the following principles:

- i) The most valuable asset in the Department is its human resources.
- ii) The existence of scarce skills and competencies in the **department** emphasizes the need to develop methods to retain those who possess these skills and competencies.

- iii) The public sector is competing in respect of attracting employees who possess skills that are in high demand and without retention methods the Department will fail to recruit and retain these skills.
- iv) Scarce skills and critical skills will be taken into account when formulating human resource policies, practices and procedures to systematically provide for, train and develop current and potential employees to acquire the necessary skills which will reduce the identified discrepancy in demand and supply.

8. POLICY PROVISIONS

8.1 CATEGORIES OF EMPLOYEES TO BE RETAINED

Retention of employees will be based on the following **categories**:

- i) Scarce skills are those skills that are needed to realize the Department's goals and objectives, but which are difficult to recruit and expensive to replace.
- ii) Those valued employee (s) who contribute positively and whose loss would have a negative impact on the department's ability to meet its goals.
- iii) Critical skills are skills that are unique and crucial to the Department which might not be difficult to recruit and expensive to replace but are crucial to service delivery.
- iv) High-risk skills are those skills that employees have but that the department may lose if employees who possess them leave. These include employees who have indicated a need to leave the department, those who are de-motivated and those who have reached a career ceiling.

9. RETENTION STRATEGIES

The following measures/strategies must be put in place to ensure that scarce skills, critical skills, high risk skills, knowledge, experience and competencies are retained within the department.

i) Human Resource Planning

The Department will engage in an effective HR Planning process on an annual basis most importantly, to conduct a thorough **analysis of critical and core competencies**, so as to establish challenges experienced and which may contribute to staff leaving the department. This planning process would also allow

for the department to put in place HR strategies that will foster a more conducive workplace in line with the needs of both the department and its human resources.

ii) Employee Performance Management and Development System

The Department shall continuously reward good performance in line with the provisions of the EPMDS. This will be one of the strategies of ensuring that good performance is rewarded accordingly thereby motivating staff to improve performance thereby improving on service delivery.

This will in turn motivate employees to be loyal and remain in the Department. The **Directorate: Human Resources** must ensure that all employees are assessed continuously on a quarterly basis.

iii) Employee Health and Wellness Programme

The department shall continuously implement an effective employee health and wellness programme which offers assistance to employees. Assistance will be offered in social, health and other related problems that may affect employees and thereby having a negative impact on service delivery and employee's personal well being.

iv) Training and Development

The Department will provide ongoing access to training that would support employees work performance and career development. This will be done in line with individual's Personal Improvement Plans (PIP's) and the Workplace Skills Plan of the Department. Bursaries will also be granted to employees to improve their level of education and bind the employees in line with the provisions of the Bursary Policy of the Department. All new recruits of the Department will be expected to attend a **Compulsory Induction Programme** as mandated by the Minister of Public Service and Administration. This will assist the new recruits to feel welcome and be familiar with the policies and procedures of the Department. Further to the formal **Compulsory Induction Programme**, supervisors have a responsibility of ensuring that a new recruit is thoroughly introduced to his/her job which fosters employee commitment to employment within the Department.

Human Resources will offer the services of Career Planning as a means of encouraging career growth of an employee. **Mentorship and coaching programmes may be used to transfer knowledge and skills to assist in making managers more competent in the management role. Training on key executive or senior management competencies which is required may be provided by enhancement programmes.**

v) Employee Relations Procedures

The Department will be offering workshops in terms of how employees are expected to conduct themselves within Department and outside the Department as ambassadors of the Public Service.

Employees must be work-shopped regarding **employee** relations issues to make them aware of their rights as employees.

vi) Recruitment and Selection

The department must:

- a) Implement recruitment and selection strategies that are informed by the Department's Human Resource Plan which determines the demand for and the supply of skills and competencies that are strategic to achieving service delivery objectives.
- b) Design accurate job descriptions to guide the recruitment and selection process in appointing the individuals with the right skills and competencies to do the job.
- c) Develop and use a skills database to facilitate the identification of potential candidates in scarce skills occupations.
- d) In highly technical/ specialists posts, mostly from salary level 7-12, where there are no subordinate posts (in other words staff reporting to these posts) whereas the next senior post requires supervisory experience as a requirement, the department will consider informal supervisory experience in terms of mentoring or coaching of interns/learners/temporary or contract staff that the employee would have accumulated during their career as formal supervisory experience during the recruitment and selection process. This will be applicable to internal staff only.

vii) Succession Planning

The Department shall implement the Succession Planning Programme as a means of retaining high achievers. The implementation thereof will be in line with the approved programme:

Promising and talented employees/ high performers

- Special assignments with greater responsibility shall be assigned to those that have a need to be further challenged/ stimulated. Such employees shall receive recognition through the department's EPMDS.
- Assign them to project teams.

ix) Job Rotation

Job rotation may be applied in those areas that are considered as non-specialist areas and where the flow of service delivery is not hampered.

x) Incentives for retention of skills

(a) In terms of the Public Service Regulations, 2016, **Regulation 44**, "An Executing Authority may set the salary for a post or an employee above the minimum notch of the salary level indicated by the job weight:- **The following circumstances apply:**

- 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. **Reasons for the higher notch must be recorded.**
- **To recruit/ retain an employee with the competencies, for example, where a potential new appointee earns more than that of the advertised post.**
- **The setting of a higher salary notch, recruit an employee shall only take place on the first day of the month following the date of approval.**
- **If an employee is awarded a higher salary notch (or a higher salary level) he or she shall not be disqualified from the progression to a higher notch or grade if he or she meets the requirements for such progression.**
- **In the instance of an employee receiving an external offer (counter offer from any other body or organ of state) the following conditions apply:**
 - **The department has verified the validity and content of the external offer;**
 - **The counter offer made is limited to the salary notch closest to the external offer; and**
 - **The counter offer shall not exceed the salary level of the post.**

- (b) Counter offers in respect of scarce skills and critical skills, in line the Department's Human Resource Plan valued skills and high risk skills combined with excellent performance may be utilized by the Department for the retention of employees where an employee has acquired a promotion post elsewhere:
- Sufficiently budgeted funds, including funds for the remaining period of the relevant Medium Term Expenditure Framework (MTEF) being available for the filling of the vacant post.
 - The department has verified the validity and content of the external offer.
 - The counter offer made is limited to the salary notch closest to the external offer.
 - The counter offer shall not exceed the salary level of the post. Effective date of the counter offer shall only take place on the first day of the month following the date of approval.
 - Retention on a higher notch shall be effective on the first day of the month, following the date of approval.
- (c) A counter offer to an employee who emulates the values of the department will be at the discretion of the executive authority and is not an entitlement. No employee has a right to a counter offer when he/she has been offered a higher post elsewhere.
- (d) An employee who has received a counter offer will not be counter offered again should he or she receive a new job offer within twelve (12) months after being given a counter offer.
- (f) An employee who has been counter offered for retention purposes must stay within the department for at least 12 months before accepting any other employment. An undertaking in this regard will be entered into by the employee and the Head of Department.

xi) Working environment

The Department will also ensure that employees are provided with all the necessary equipment and resources to meet the demands of the job.

xii) Exit Interviews

The department must conduct exit interviews to exiting employees since they could provide valuable information about barriers and other factors that contribute to staff turnover. Interviews can also be conducted with candidates who turn down employment offers with a view of understanding what the department can do to attract and retain candidates.

10. RETENTION STRATEGIES FOR DESIGNATED GROUPS

- a) The Department must, in order to achieve employment equity, ensure the equitable representation of suitably qualified people from designated groups in all occupational categories and levels in its workforce. To reduce the risk that might in future cause designated employees to leave, the Department must implement the following measures:
 - i) Identify barriers to employment that have a negative impact on the provision of equal employment opportunities for employees from the designated groups, which barriers may exist in current practices and procedures;
 - ii) Promote diversity management strategies in the workplace based on dignity and respect for all people;
 - iii) Make reasonable accommodation for employees from designated groups to ensure that they enjoy equal opportunities and are equitably represented **in the department; and**
 - iv) Make reasonable efforts to facilitate the efficient functioning of people with disabilities in the workplace.
- b) Allow parents, **especially women** some flexibility to take care of their family responsibilities. It must be ensured that service delivery is not negatively affected, that there is a prior approval and arrangement with the immediate supervisor and that other departmental policies such as Working Hours and Leave Policy provisions are still adhered to.

11. ROLES AND RESPONSIBILITIES

i) Executing Authority

To enable the Head of Department to manage his/her department efficiently, the Executing Authority shall provide the Head of Department with appropriate powers and authority.

ii) Head of Department

- a) The Head of Department has been delegated to promote efficient management and administration of his Department. He or she has to promote the efficient, economic and effective use of resources.
- b) The Head of Department supports and is committed to retain skilled officials in order to promote service delivery of the Department.
- c) To ensure that sufficient funds are available for the purposes of retaining staff and for implementing some of the strategies as stated above.
- d) Must encourage and create an environment that encourages employees to stay within the Department by;
 - Providing the necessary resource to meet the demands of the job.
 - Empower employees.
 - Create culture of ownership.
 - Give employees challenging jobs.
 - Rewarding good performance.
 - Ensure proper communication with, and feedback to employees.
 - Provide sufficient opportunities for growth and development.

iii) Director: Human Resources

- a) To develop, review, monitor and evaluate the implementation of this policy.
- b) To make the policy known to all officials of the Department.
- c) To advise the Head of Department and Line Management about the retention strategies that will be implemented within the Department.

12. COMMUNICATION

The **Directorate: Human Resources** is responsible for communicating this policy to all employees within the department.

13. MONITORING AND EVALUATION

The **Directorate: Human Resources** is responsible for the development of this Policy and ongoing monitoring thereof. The following monitoring and evaluation mechanisms will be utilized:-

- Periodic assessment of the turnover.
- Assessing skills movement within the Department.
- Check impact of interventions.

Any inputs or amendments to this policy can be directed to the **Director: Human Resources**.