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HUMAN RESOURCE DEVELOPMENT STRATEGY

Approved Date:	Effective Date:
Review Date:	Signature:

1. Objectives

The Harry Gwala Development Agency recognises that the achievement of its service delivery objectives is dependent on its ability to attract and retain quality and committed staff, especially to "key" positions. It has accordingly set the goal of becoming an Agency "employer of choice". To achieve this goal, it shall adopt a Human capital retention strategy which shall ensure that all staff are remunerated fairly and are treated consistently throughout the Harry Gwala Development Agency, whilst at the same time it shall adopt a proactive approach to attract, retain and motivate management employees and staff with scarce and critical skills. This strategy forms the basis for the way retention is applied within the Agency and the Agency shall establish Retention Remuneration Committee that shall ensure good governance and oversight of this strategy. This strategy has been benchmarked against the remuneration policies of the Department of Public Service Administration and takes into account its guidelines.

2. GENERAL OBJECTIVES

- 2.1. To compete effectively in the labour market
- 2.2. To recruit and retain high calibre human capital
- 2.3. To put in place mechanisms to attract and retain employees with scarce critical skills
- 2.4. To establish and apply remuneration practices that fair equitable, competitive and cost effective
- 2.5 To convert all FTC to permanent employment contracts with all company benefits to retain skilled staff
- 2.6. To enhance service delivery through improve conditions of service for management, scarce and critical skills employees.
- 2.7 To provide for capacity building for the Board Members

3. APPLICATION OF THIS STRATEGY

- 3.1. This strategy will apply to all the employees with scarce skills
- 3.2. This strategy will apply to all the employees with critical skills
- 3.3. This strategy will apply to all Senior Management and Middle Management positions

4. LEGAL FRAMEWORK AND REQUIREMENTS

- 4.1. This strategy is premised on the requirements of the Basic Conditions of Employment Act(75 of 1997)
- 4.2. This strategy is based on the guidelines issue by SALGA on retention of employees

5. GUIDING PRINCIPLES OF RETENTION

5.1. Support for Strategic Objectives:

- The Municipality shall compare its remuneration practices and salary scales against both the local and national market through the use of reputable remuneration surveys and shall apply these benchmarks where it is experiencing difficulty in attracting and retaining staff with critical and scarce skills.
- Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the institution whilst complying with relevant tax and other legislation.

- The Municipality shall entrench a culture of performance remuneration through the implementation of the Performance driven Management System
- The overall cost of salaries and benefits shall be within the established budgetary parameters and shall be sustainable over the medium to long-term

5.2. Transparency:

5.3. Internal equity:

5.4. Compliance:

5.5. Market-Related Remuneration:

5.6. Flexibility:

5.7. Performance-Driven Remuneration:

5.8. Affordability and Sustainability

Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Agency 's vision and strategy. The process of remuneration management shall be transparent, conducted in good faith and in accordance with the appropriate levels of confidentiality. Agency shall remunerate all staff fairly in terms of their roles within the organisation. All positions shall be formally evaluated and graded to determine their relative weight in relation to other positions within the Agency. The TASKTM method shall be used to determine the job grade on which the remuneration shall be based. The Agency shall base its salary scales on the applicable SALGBC wage curve.

6. APPROACHES TO REMUNERATION

- 6.1. The "Base Pay Add "on approach is based on the SALGBC salary structure for a particular grade to which prescribed benefits are added on which will be applicable to permanent employees.
- 6.2. Another approach is the Total Cost of Employment (TCOE) is a commonly applicable to relatively senior position which will be applicable to Senior Management and Middle Management positions.
- 6.3. For the attraction and retention of Senior and Middle Management employees, the TCOE will be implemented for the following advantages:
 - 6.3.1. Transparent budgeting and planning
 - 6.3.2. Greater flexibility in remunerating individuals according to their market scarcity and individual worth.
 - 6.3.3. Flexibility for employees in structuring packages of the personal needs within the prevailing legislation and Agency parameters.
 - 6.3.4. Reduction of the Agency 's exposure to open ended benefit liabilities
 - 6.3.5. More equitable and defensible approach to remuneration
 - 6.3.6. Supports modern organizational designs
 - 6.3.7. Fair and accurate market comparisons
 - 6.3.8. Employment costs are known upfront allowing for more accurate budgeting and planning
 - 6.3.9. Supports performance remuneration

6.3.10. Favourable environment for the Agency to attract and retain high quality staff.

7. DEFINITION AND APPLICATION OF RETENTION PRINCIPLES

- 7.1. The definition of retention has two meanings: "to hold or keep in possession" and "to engage the services of".
- 7.2. 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".
- 7.3. The Agency 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.
- 7.4. The Agency will in consistency with the objectives of this strategy make all efforts to retain and employees by top skilling and exposing them to a new set of ideas and technology.
- 7.5. The HGDA will set aside funding for funding various Human Capital Retention programmes.

8. APPLICATION OF THE TCOE APPROACH

- 8.1. All Management positions shall be benchmarked against a set of key and strategic post levels or grades or ranks of management positions within any prevailing job evaluation system in the local government undertaking.
- 8.2. The principles of uniformity and consistency with the organizational positioning, job knowledge, complexity and responsibility will be applied in bench marking management positions.
- 8.3. All management employees falling within positions post levels of 0 to 4 or equivalent will be appointed on Total Guaranteed Remuneration Package (TCOE) principles.
- 8.4. For the purposes of this strategy, all benefits, allowances, awards, adjustments and gratuities shall be calculated and expressed as a percentage of the total remuneration package.
- 8.5. Staff members shall be permitted to revise the breakdown of their total remuneration package once every year at the time of the salary increase or more than once a year should there be any need for such review, in terms of requirements expressed in the Remuneration policy of the Agency

9. ROLES AND RESPONSIBILITIES OF THE HUMAN RESOURCES AND LINE MANAGEMENT IN THE IMPLEMENTATION OF HUMAN CAPITAL RETENTION

- 9.1. Managers and Supervisors and the Human Resources Section shall work together in people management issues in discharging the following:
 - 9.1.1. to effectively lead, coach and mentor staff.
 - 9.1.2. to provide proper feedback.
 - 9.1.3. to align work processes and jobs with organisational goals.
 - 9.1.4. to create a culture of life-long learning and development in which employees can grow.
 - 9.1.5. to grow and improve their employee competencies.
 - 9.1.6. to provide line managers with relevant, efficient, and strategic human resource advice and interventions; to provide the line manager with cutting-edge of new people management thinking.

10. REASONS WHY EMPLOYEES LEAVE

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

- 10.1.1. Financial consideration
- 10.1.2. Work environment
- 10.1.3. Career development
- 10.1.4. Lack of benefits
- 10.1.5. Resistance to change
- 10.1.6. Internal mobility and job-hopping
- 10.1.7. Leadership and management style
- 10.1.8. Lack of effective communication

11. EARLY WARNING SIGNALS TOWARDS LOOSING TALENTED AND HIGH-QUALITY EMPLOYEES

- 11.1. Employees who suddenly show an increased use of sick or annual leave
- 11.2. Employees who suddenly get a lower-than-average performance review
- 11.3. Employees who get transferred to another department against their wishes
- 11.4. Employees who have not had a financial increase for over 24 months

12. TYPES OF SKILLS THAT ARE ON DEMAND AND UNAVAILABLE

- 12.1. Electrical
- 12.2. Engineering; Civil Mechanical and Building
- 12.3. Storm water and Roads
- 12.4. Town Planning
- 12.5. Horticulture
- 12.6. Skills development management
- 12.7. Financial management
- 12.8. Information Communication Technology
- 12.9. Geographic information system

13. CHOICES ON STAFF ENGAGEMENT AND RETENTION

13.1. According to best practices there is no "one-size-fits-all" retention strategy but the following strategic options will be considered for implementation:

- 13.1.1. Availability of enough resources to meet the demands of the job
 - 13.1.1.1. The Agency must be ready to avail the resources to meet the demands of the job and create an environment conducive to productivity and creativity with a provision of tools for the execution of the duties.
 - 13.1.1.2. The process of review of the Employment Contract of a fixed term contract employee must commence 24 months before the expiry date of the employment

contract and be finalised twelve months before the expiry date as a practice of good faith by the Agency towards the employee

- 13.1.1.3 Once the process of the review of the Employment Contract has been finalised, the agency may consider to automatically absorb the employee on a permanent basis based on the performance of the incumbent and on new employment conditions.
- 13.1.1.4 Should the review reveal non satisfactory performance, the Agency may consider advertising the position. Such decision must be communicated with the incumbent six(6) months prior to the expiry of the contract.
- 13.1.2. Employee empowerment through training and skills development to meet the job requirements
 - 13.1.2.1. It is the duty of the Agency to train its staff in order to enhance its performance.
 - 13.1.2.2. Each Manager should assess the training needs of his/her staff in order for their skills to be developed.
 - 13.1.2.3. Employees will be asked what they would like to learn and be helped in order to unlock their full potential and talent.
 - 13.1.2.4. Rotating employee assignments and cross training should also be done within the departments.
- 13.1.3. Culture of ownership-where employees feel part of the organisation
 - 13.1.3.1. Employees must own the successes of the Agency
 - 13.1.3.2. Involvement of employees will empower them to perform at higher levels.
 - 13.1.3.3. Information sharing and requesting suggestions of strategic choices from the employees will keep them involved in contributing to major decisions and shaping legacy of the Agency
 - 13.1.3.4. Each department will have a monthly or bi-monthly departmental meetings so as to give effect to the objects of this strategy.
- 13.1.4. Provision of challenging work
 - 13.1.4.1. Employees will be given a job that provides more opportunity for growth and excitement.
 - 13.1.4.2. Each department should motivate and utilize scarce skilled employees to the best of their ability.
 - 13.1.4.3. Employees will be given the opportunity to voice out what they would like to achieve for the Agency.
- 13.1.5. Opportunities for individual teamwork and building
 - 13.1.5.1. Employees will be encouraged to work individually and also to work in a team
 - 13.1.5.2. It is the duty of the Manager to ensure that the on cost effective Departmental individual and team building exercises.
- 13.1.6. Reward for Good Work and Excellence
 - 13.1.6.1. Immediate superiors and Managers will create positive and sound relationships with their subordinates their as an integral part of recognition of their good efforts.

- 13.1.6.2. The Agency will continue to recognize and reward employees 'hard work, outstanding achievements, excellence, long service with no record of ill-discipline, long service awards, service with loyalty and other good performance or conduct warranting such recognition.
- 13.1.6.3. Each year the Agency will host an annual Awards event for recognition of Excellence arising from performance and any other act of achievement or good conduct by the employees of the Agency
- 13.1.6.4. Each department will evaluate and recognize performance of employees on a quarterly basis.
- 13.1.6.5. Rewards for good patriotic performance and working during awkward hours, such as a day off, when money is not a possibility may be done.
- 13.1.6.6. Departments will also write letters of appreciation to their staff as and when necessary.
- 13.1.7. Extra Remuneration for employees designated as occupying Management positions and possessing scarce and critical skills
 - 13.1.8.1. The above category of employees shall be limited to those employees appointed in positions ranging from post level 6 to 0 or equivalent.
 - 13.1.8.2. The Agency may pay a monthly scarce skills/ critical skills allowance of between 10 and 35% of the employee's basic salary should a need arise as approved by the CEO subject to the recommendation of the Retention Remuneration Committee.
 - 13.1.8.3. The Scarce/Critical Skills Allowance may be paid as a counteroffer to an employee meeting the criteria set out in Section No 13 of this Strategy

14. COMPOSITION AND TERMS OF REFERENCE OF THE AD HOC RETENTION REMUNERATION

- 14.1. In order to ensure good governance and oversight a Retention Remuneration Committee shall be established.
- 14.2. The membership of the ad hoc committee shall be as follows:
 - 14.2.1. The CEO
 - 14.2.2. The Executive Manager: Corporate Services Or HR Manager
 - 14.2.3. The Chief Financial Officer
- 14.3. The chairperson shall be chaired by the CEO
- 14.4. The Committee shall meet as and when required
- 14.5. The Committee shall report directly to the CEO
- 14.6. This committee shall make recommendations to the CEO
- 14.7. The Committee shall deal with the retention remuneration for employees below section 56/57 posts.

14.8. Retention remuneration for section 56/57 employees will be dealt with by the Office of the CEO.

14.9. The ad hoc Retention Remuneration Committee shall discharge the following:

14.9.1. Evaluation of a request or motivation for payment of a retention remuneration in terms of this strategy and other sister policies.

14.9.2. Making recommendations of the best form retention option within the ambit of this policy

14.9.3. Advise the CEO on whether to approve funding for a particular retention or not.

14.9.4. Sign off the report or memorandum and its recommendations sent to the CEO

14.9.5. Maintain a high level of confidentiality with regard to discharging its responsibilities

15. COMMENCEMENT

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

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 CEO shall give a final interpretation of 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. COMPLIANCE AND ENFORCEMENT

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

17. It will be the responsibility of the CEO and all Managers to enforce compliance with this policy.