



**STAFF RETENTION POLICY FOR THE JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY**

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| <b>Council Resolution: 6.4 29/05/2018</b> | <b>Approved Date: 29/05/2018</b>                         |
| <b>Effective Date: 01 July 2018</b>       | <b>Review Date: Annually and/or As and when required</b> |

**Mr. D. Molaole**

**Municipal Manager** .....

**Ms. P. Mogatle**

**Speaker** .....

**RE-AFFIRMED**

**Ms P Q Mogatle**

**Speaker.**

**JOHN TAOLO GAETSEWE  
DISTRICT MUNICIPALITY**



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**RETENTION POLICY**

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**Ms P Q Mogatle**

**Speaker**

## 1. INTRODUCTION

In order to manage the effect of a normal staff turnover to ensure that it results in as little disruptions as possible, staff retention has to be seen as a strategic function of both the Corporate Services Department as well as line managers.

This policy is aimed at directing the Corporate Services Department as well as line managers in the John Taolo Gaetsewe District Municipality on how to manage staff in order to minimize staff retention.

## 2. DEFINITION AND INTERPRETATION

In this policy, unless the context indicates otherwise:

|                   |  |
|-------------------|--|
| Staff retention - | A specific strategy and an integrated staff management approach applied by the Corporate Services Department and line management, aimed at keeping staff in the employ of the John Taolo Gaetsewe District Municipality. |
| JTGDM-            | The John Taolo Gaetsewe District Municipality.   |
| CS -              | The Corporate Services Department of the JTGDm.  |
| Incentives -      | Positive things that can be used to retain staff such as monetary and Non-monetary rewards.  |
| Disincentives -   | Negative things that can make staff think twice when they want to leave the employ of the JTGDm such as re-payment of study Assistance and relocation costs and forfeiture of service bonus.                             |
| Line managers -   | Staff members who have other staff members under their control, including Assistant Managers, Heads of Departments, the Municipal Manager, the Executive Mayor.  |
| Policy -          | Relevant policies approved and applicable to the JTGDm.  |
| Scarce Skills -   | Civil engineering and Town Planning are identified as scarce Skills  |

## 3. OBJECT OF THE POLICY

This policy seeks to give guidelines in dealing with staff retention in the JTGDm.

## 4. SCOPE OF THE POLICY

This policy is applicable to all staff of the JTGDm and will only be limited by other policies in place relating to the matter discussed. The policy is to be read in integration with other human resource management policies such as:

- The Recruitment Policy
- Study Policy
- Performance Management Policy

The responsibility for staff retention remains with the HR & Corporate Services Department and line managers. The following functions are delegated to be performed in order to manage staff retention in the JTGDm.

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| Functions  | The role of Corporate Services   | In partnership with                       | The role of the line management  |
|--|--|---|--|
| Provide human resource functions   | To identify positions where sudden departures may derail attainment of strategic objectives.                   | Line management                           | Motivate staff and create an environment for staff to perform.   |
| Develop retention interventions strategies                               | Develop policies and monitor implementation. Identify trends and develop practices to manage negative effects. | Line management and staff.                | Understand the individual preferences of staff and what motivates them.  |
| Effective change management.   | To communicate change and ensure full cooperation of staff.  | Line management and staff.                | To communicate all information that involve change and can create uncertainty among staff                            |
| Monitoring and evaluation  | Analyze labour market trends as well as internal staffing trends and provide feedback to line management       | Line Management                           | Communicate information to management that may have effect on policies   |
| Identify and mitigate causes of staff loss                               | Conduct job satisfaction survey  | Line Management and staff                 | Conduct survey to determine job satisfaction   |
| Developing clear guidelines that will assist the committee.              | Establish a staff retention committee to advise Management on how to address causes of staff loss.             | HR unit                                   | Facilitate the establishment of the committee, and to ensure that if functions accordingly.                          |
| Identify factors that lead to the resignations.                          | Conduct staff exit interviews  | Staff retention committee and management. | Learn from responses of officials leaving the Municipality in order to develop mechanisms that can limit staff loss. |
| Accommodate staff members who are not beneficiaries of employment equity | Accommodate all groups for possibility for career development  | Line management                           | Staff are considered for career development.   |

##### 5. SOURCE OF AUTHORITY OF THE POLICY

This policy needs to be understood within the context of the general public service, and specifically, the municipal and local government environment. If any conflict

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therefore presented to deal with the factors discussed above in order to manage staff retention in the JTGDM.

## 7. STAFF RETENTION

| PRINCIPLE               | ACTIVITIES/FUNCTIONS  | TIME FRAME  | RESPONSIBILITY   | SOURCES   |
|-------------------------|---|---|--|---|
| 7.1<br>Communication    | Induction is conducted to communicate processes and understanding of the JTGDM. Orientation to all policies applicable to the post, and used in the JTGDM generally. All Grievances are handled within the prescribed period. Performance management is conducted regularly and feedback is provided. | Two weeks within appointment<br>One month after appointment       | Line manager<br>Corporate Services<br>Line manager and Corporate Services        | Main Collective Agreement                                   |
| 7.2<br>Work environment | Resources are made available to perform the functions of the post. Establish Workplace Safety Committees. Operationalise safety committees<br>Operationalise the employee wellness programme  | Before commencing with appointment<br>One month after appointment | Municipal Manager<br>Municipal Manager<br>Municipal Manager<br>Municipal Manager | Occupational Health and Safety Act<br>Employee Wellness Act |
| Team Building           | Team building sessions are conducted for all departments<br>Closing functions are held by departments or for the whole staff<br>Staff meetings are held by departments<br>Staff are provided with an opportunity to present their frustrations by all departments                                     | Bi-monthly<br>Annually<br>Bi-monthly<br>Daily                     | Line managers<br>Line managers<br>Line managers<br>Line managers                 |   |

Ms P U Mogatle

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arises relating to the matters addressed in this policy and any relevant legislation, the affected legislation will prevail. The policy has the following as its source of authority:

- The Public Service Regulations, 2001
- The Basic Conditions of Employment Act;
- The Labour Relations Act
- The Systems Act
- The Municipal Finance Management Act
- The Main Collective Agreement.
- The Occupational Health and Safety Act
- The Employee Wellness Act

## 6. BACKGROUND

Although recruitment can be seen as a positive event as it presents an opportunity for the JTGDM to reorganize itself, if not properly controlled, staff turnover may have crippling effects. Staff turnover results in high direct and inherent costs for the JTGDM. Although it cannot be fully quantified, the direct cost of staff turnover is estimated at 30% of the annual remuneration of the post affected. This cost can be made up of:

- The loss of efficiency during the notice period;
- The cost of recruitment of a new staff member;
- Low performance at the induction period and development of the incumbent.

Turnover may further have:

- Severe impact on productivity and service delivery of the JTGDM.
- Increased training costs.
- Substantial loss to institutional knowledge.

Although these effects have not been experienced at a high level in the JTGDM, the work environment is very dynamic and requires preparedness on the part of the institution at all times.

Reasons for staff turnover include the following:

- Financial consideration
- The work environment
- The job itself
- Internal mobility
- Job hopping
- Leadership and management styles
- Lack of efficient communication
- Resistance to change.

Of all the above factors, the most important are the work environment, the job itself, leadership and management styles, and lack of efficient communication. These are also the factors that the JTGDM can do something about. The following guidelines are

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| 7.3 Job analysis and job enrichment | <p>Conduct placement interview</p> <p>Conduct job evaluations</p> <p>Ensure that staff understand the contribution their job makes in the total performance of the municipality.</p> <p>Make work worthwhile and important.</p>  | <p>1 month after appointment</p> <p>Annually</p> <p>Daily</p> <p>Daily</p> | <p>CS</p> <p>CS</p> |  |
| 7.4 Culture of ownership            | <p>Develop corporate values and apply at all times</p> <p>Conduct placement interviews to place staff in positions aligned with their competencies, personal interest, preferences, and strengths.</p>   | <p>Annually and daily</p> <p>Annually</p>                                  | <p>CS</p> <p>CS</p> |  |
| 7.6 Rewarding performance           | <p>All staff has to be rewarded for good performance and valuable suggestions for improvement.</p> <ul style="list-style-type: none"> <li>• Non-monetary rewards such as performance award ceremony</li> <li>• Awarding study opportunities in a certain field</li> <li>•</li> </ul>                   | <p>Annually</p>  |                     | <p>Section 37(2) of the Act and the Public Service Regulations 2001 (Chapter 1, Part VIII F and G)</p> |
| 7.7 Opportunities for development   | <p>Career planning should be developed for each non-Section 57 staff member and re-viewed on annual basis.</p> <p>After job evaluation and individual performance evaluation, staff who are found competent and perform above their job description, can have their positions upgraded or be moved</p> |  |                     |  |

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|                     | <p>to other departments in line with their career development. Every staff member should receive at least one development opportunity per year, supports their work performance or her position and contributes to his or her career development. Study assistance will be provided to staff in order to help them improve their levels of education. Staff members will be granted special leave for development purposes.</p> |  |  |   |
| 7.8 Matching offers | <p>If a staff member gets an offer higher than her or his current notch, an offer may be negotiated higher than the current level, within the affordability means of the JTGDM. A once-off payment (scarcity allowance) of 10% of monthly salary will be made to employees who start work in the JTGDM for positions that the JTGDM struggle to fill for a period exceeding one year due to scarcity of skills.</p>             |  |  | Public Service Regulations 2001 (Chapter 1, Part V C.3) Remuneration policy |
| 7.9 Disincentives   | <p>Should non-Section 57 staff resign before November, they will not qualify for a service bonus. If staff resigns within 12 months of employment to the JTGDM, any relocation</p>  |  |  |   |

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|  | <p>cost paid to them will be recovered.</p> <p>A staff member has to serve 12 months in a position before undergoing individual performance evaluation and consideration for promotion.</p> <p>A staff member who received study assistance will have to serve the JTGM for a period of 1 year for every year of assistance, or such money equivalent to the number of years (R8000-00) for each year, will be recovered.</p> <p>Staff members who received a scarcity allowance may not resign within 12 months of their employment to the JTGDM or the money has to be recovered.</p> |  |  |  |
| 7.10 Effective leadership and management | <p>Every manager to receive induction and development training.</p> <p>A job satisfaction survey to be conducted</p> <p>Evaluation of employees to be applied properly in terms of the prescribed format,</p> <p>Discipline to be aimed at developmental rather than punitive goals.</p>  |  |  |  |
| 7.11 Stimulate ideas from employees      | <p>Encouraging employees to contribute ideas, solutions and suggestions.</p> <p>Holding small competitions for new</p>  |  |  |  |

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|  | ideas, while encouraging employees to be more involved. |  |  |  |
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**8. POLICY REVIEW**

Once approved by Council, this policy will have an implementation period of one year to assess its effectiveness and applicability, after which the final adjustments will be made. The Policy will be reviewed annually and/or as and when required.

**9. POLICY EFFECTIVE DATE**

The policy will be implemented after council approval.

**Ms P Q Mogatle**

**Speaker**