TO: SENIOR GENERAL MANAGERS
GENERAL MANAGERS AND MANAGERS
SUPERINTENDENTS OF EDUCATION: MANAGEMENT (SEMs)
HEADS OF EDUCATIONAL INSTITUTIONS/COMPONENTS/SECTIONS

HRM CIRCULAR No. 15 OF 2016

IMPLEMENTATION OF THE POLICY ON THE RETENTION OF EMPLOYEES IN THE WORKPLACE

1. The competition for skilled human resources is having a negative impact on the ability of the Department to retain skilled resources and this is evident by the high attrition rate. Consequently, it has become crucial for the Department to manage employee turnover to ensure as little disruption to the workplace as possible, as such, the attached Policy on the retention of staff in the workplace has been approved for implementation.

2. All Heads of Offices/Directorates/Institutions are required to ensure that the measures and procedures, as outlined in the Policy, are strictly adhered to. Any deviations would be viewed in a serious light and could result in disciplinary action being instituted.

3. The contents of this circular must be brought to the attention of all employees.

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Head of Department: Education
Date: 2014/03/08
POLICY ON THE RETENTION OF EMPLOYEES IN THE WORKPLACE

1. INTRODUCTION

In the past, employees had a tendency to depend on the Employer for employment and long-term job security. However, recent trends in labour markets have revealed that employees now take personal responsibility for their career growth and development to the extent that some employees undertake part-time studies at their own expense to advance their careers whilst others change jobs for a better position in another organisation rather than wait to be promoted by their current employer. Moreover, the Employment Equity Act, 1998 (Act 55 of 1998) as well as the global economic climate have significantly increased the competition for skilled human resources especially of persons from designated groups.

The competition for skilled human resources is having a negative impact on the ability of the Department to retain skilled personnel and this is evidenced by the high attrition rate. Consequently, it has become crucial for the Department to manage employee turnover to ensure as little disruption to the workplace as possible and therefore Staff Retention must be seen as a strategic human resource initiative.

2. PURPOSE

The purpose of this Policy is to provide staff retention techniques which will assist senior and line function managers to retain their staff thereby preventing the loss of skilled and competent employees essential for effective service delivery.

3. SCOPE OF APPLICATION

This policy applies to all employees employed in terms of the Public Service Act, 1994 (Act 103 of 1994), as amended and educators employed in terms of the Employment of Educators Act, 1998 (Act 76 of 1998), as amended.

4. AUTHORISATION

- Public Service Act, 1994 (Act 103 of 1994), as amended
- Public Service Regulations, 2001 as amended
- Employment of Educators Act, 1998 (Act 76 of 1998), as amended
- Personnel Administration Measures

Initial

Date
- Public Finance Management Act, 1999 (Act 1 of 1999)
- The Affirmative Action Policy

5. CATEGORISATION OF SKILLS

The skills of employees are categorised as follows:

(a) Scarce Skills

Scarce skills are those skills that are needed both current and anticipated to realise the goals and objectives of the Department and which are difficult to recruit and expensive to replace.

(b) Valued Skills

Valued skills focus not on the skill itself but on the employee whose performance contributes positively and whose loss would have a negative impact to meet the goals and objectives of the Department.

(c) Critical Skills

Critical skills are those skills that might not be difficult to recruit and expensive to replace but are crucial for effective service delivery.

6. UNDERSTANDING REASONS FOR EMPLOYEE EXITS

Employees leave the Department for various reasons, some of which are unavoidable and beyond its control whilst others are avoidable and can be managed. The avoidable reasons for staff turnover include, amongst others, the following:

6.1 Financial Consideration

Many employees leave as a result of better salaries and/or service benefits elsewhere and the remunerative system within the Public Service is considered as being inflexible and not competitive enough to attract and retain skilled and competent employees.

6.2 Work Environment

Poor work environment makes employees unhappy and as a result other job options become attractive to them. Some examples of a poor work environment are as follows:
- low morale;
- little motivation of employees;
- lack of direction;
- lack of leadership and communication;
- Poor work challenges; and
- Lack of empowerment of employees
- General mistrust and conflicts between employees

6.3 Career Development

Employees are continually seeking career advancement. Lack of opportunities for such career advancement within the Department would result in employees looking for such opportunities elsewhere.

6.4 Demands for Employees from Designated Group

Both the private and the public sectors are required to comply with laws relating to affirmative action and employment equity. The legal imperatives coupled with the skills shortage amongst historically disadvantaged employees has increased the competition for and poaching of those employees with the required skills.

6.5 Resistance to Change

This Department, like all other employing organisations undergo changes, some of which are minor whilst others are major. Some employees disagree or adapt to the changes and leave for the following reasons:

- Fear of the unknown;
- Reluctance to change old habits;
- Self interest;
- Economic insecurity;
- Failure to recognise or accept why the change is necessary; and
- General mistrust
- Forced relocation through restructuring

6.6 Job Hopping

There is a tendency amongst some employees to “job-hop” especially in instances where their skills and profile are in high demand. This problem is further complicated by the inequality in an economic sense of the different provinces within the country. As a result, young skilled and talented employees are attracted to other jobs especially in the economically stronger sectors.

6.7 Lack of Job Security

Lack of job security results especially amongst newly qualified contract employees which results in them seeking employment somewhere else.
6.8 Lack of effective performance incentive

Some employees especially high flyers leave the system to look for more rewarding opportunities. It is therefore important for line managers to reward employees of excellence through merit / performance rewards. This includes recognition even if it does not include monetary rewards.

7. RESPONSIBILITY TO MANAGE STAFF RETENTION

7.1 Managers at all levels and line function supervisors are the main link between the Department and its employees. As such, they need to display competencies not only in relation to their core functions but also in the effective management of human resources.

7.2 With regard to the effective management of human resources, all Managers and line function Supervisors will have to display the following attributes:

- The ability to effectively lead, coach and mentor staff
- The ability to give proper feedback;
- The ability to align work processes and jobs with organizational goals;
- The ability to create a culture of continuous learning and development in which employees can grow and improve their own competencies
- The ability to empower employees through effective delegations
- The ability to apply HR policies, procedures and systems including Performance Management Systems fairly and consistently to all employees
- The ability to understand the preferences of employees and what drives and motivates them
- The ability to motivate employees and create an enabling environment for employees to perform effectively
- The ability to implement diversity management and employment equity targets.

7.3 The attributes displayed by the Managers/Supervisors in managing human Resources would influence the attitude of employees. The more the Manager/Supervisor does to motivate the employee and meet their expectations and preferences, the more likely it is for the employee to remain with the Department. Consequently, it is the responsibility of all Managers and line function Supervisors to adopt staff retention techniques for the purpose of retaining their staff thereby preventing the loss of skilled and competent employees essential for effective service delivery.

8. STAFF RETENTION TECHNIQUES FOR MANAGERS/SUPERVISORS

8.1 Effective Recruitment and Selection of Employees

Accurate job profiles must be developed that clearly stipulate the core competencies required for successful performance and these must be used during the recruitment and selection process. In some cases it may be good practice to “hire for attitude and train for skills”. This is where
persons are appointed because they have the right attitude to be able to do the job, even though they might not yet have all of the skills required. Such employees could acquire the required skills through effective training.

8.2 Effective induction process

The first few weeks of employment are important for establishing employee loyalty, commitment and a sense of responsibility to employment. This could be addressed through a well structured and dynamic induction programme that stretches from the employees’ first day at work until they have been thoroughly introduced to their job.

8.3 Employee development

Rather than sending new employees for long periods of training away from work, provide them with ‘on the job training’ in a phased-in basis that allows them to gradually acquire the required knowledge and skills. This increases confidence in the work and also builds trust between the employee and the supervisor.

Where appropriate, developmental initiatives (awarding of bursaries) in respect of scarce skills should be accompanied by contractual obligation to service after completion of the relevant developmental period.

8.4 Align competencies with job requirements

Although this is not always easy to achieve, aligning the Department’s needs with the employee’s competencies results in a positive ‘Departments’ fit’. As far as possible, employees should be used in jobs that are aligned with their personal preferences, interests and strengths.

8.5 Provide growth opportunities

Besides making sure that employees are able to perform in their current jobs, they need to be given opportunities to grow by acquiring competencies that improve their ability to work in other areas or at other levels. In addition, consideration may be given for employees to be granted leave for developmental purposes in keeping with the Leave Measures and Special Leave Policy. Such leave could be with or without pay and will be dependent on the service delivery requirements.

8.6 Recognise employees who are high performers and value creators within the Department

Recognise excellent work performers and such recognition must be immediate, linked to performance and individualised. For example, a letter addressed directly to an employee that recognises their outputs and good work is much more valuable than a standard letter, addressed to all staff, once a year.
8.7 Lead by example

Most employees are more committed to their managers, immediate supervisor, fellow employees and the culture that drives the Department than to the Department itself. After establishing the Departments’ values it is essential that managers and supervisors are seen to be living up to them.

8.8 Conduct exit interviews

As already mentioned, knowing why employees leave is important to understanding and countering staff turnover. Exit interviews are an important tool in adopting staff retention techniques.

8.9 Performance management

Performance Management and Development Systems must be implemented in a fair, consistent and transparent manner. In this regard it is essential that Performance Agreements and accompanying Work plans are completed at the commencement of each assessment cycle in a way that not only demonstrates optimal utilisation but also results in an even distribution of work amongst all staff members in the same rank or level. Moreover, the processes for the awarding of pay progression, performance and merit awards should be managed fairly to avoid unhappiness and grievances. It is also essential that poor performance is dealt with in keeping with prescribed procedures as any lapses in this regard may affect the morale and productivity of other staff members.

8.10 Career-pathing

Employees need to be made aware that opportunities exist for career growth and these growth opportunities may not always be upwards. Career growth could be achieved through increased level of responsibility. For example, some employees may be satisfied with learning a new job that they are very interested in even though it will not mean a promotion or a higher salary to them. Moreover, the establishment of a personal development plan for each employee is the joint responsibility of line function supervisors and employees. Such plans must be linked to their current competencies, performance management outcomes and the Department’s needs and should be reviewed on a regular basis.

8.11 Designated groups in terms of employment equity

The Department is required to comply with laws and policies relating to employment equity and to meet specific targets in the employment and retention of employees from the designated group i.e. blacks, women and people with disabilities. The competition amongst employers has lead to an increase in the demand in the employment and retention of suitably qualified and experienced persons from the designated group. As such greater emphasis will have to be place for the retention of such employees with due regard to the techniques contained in this policy. Moreover, the Department’s Policy on the Provision of Support Personnel and/or Assitive Devices for Employees with Disability would also contribute to their retention and should be applied uniformly.
8.12 Diversity Management

Implement strategies to manage and promote diversity and treat all employees including employees with disabilities with due regards to their cultural and peculiar circumstances.

9. DEPARTMENTAL INITIATIVES FOR STAFF RETENTION

In instances where a serving employee with scarce/valued/critical skills has received a job offer and the departure of such an employee would seriously compromise service delivery, consideration could be given for the retention of such an employee by utilising either of the following:

9.1 Advancement in Salary

(i) The Public Service Regulations in Chapter 1, Part V C.3 provides as follows:

"An executing authority may set the salary for a post or an employee above the minimum notch of the salary range indicated by the job weight-

(a) if she or he has evaluated the job, but cannot recruit or retain an employee with the necessary competencies at the salary indicated by the job weight; and

(b) she or he shall record the reason why the salary indicated by the job weight was insufficient.

(ii) The advancement in Salary in accordance with this provision is limited to the maximum notch applicable to the grading of the post as determined by the job weight in terms of the job evaluation or the salary scale applicable to the post.

9.2 Counter Offer

(i) The Public Service Act in Section 37 (2) provides as follows:

"An executive authority may, only if it is allowed by regulation and to the extent prescribed-

(a) grant employees or classes of employees of the relevant department on appointment or transfer salaries higher than the minimum amounts of the appropriate salary levels of the applicable salary scales;

(b) grant employees or classes of employees of the relevant department special advancement in salaries within the salary level of the salary scale applicable to them; and

(c) grant an employee of the relevant department special advancement in salary within the salary level of the salary scale applicable to him or her or grant him or her a salary in accordance with a higher salary level or any other reward, if he or she has exceptional ability or special qualifications"
(ii) The aforesaid provision could be utilised for the retention of an employee who has been offered a promotion post elsewhere by offering him/her the salary equivalent to that post offered. This provision could only be utilised in instances where the retention of the employee is in the Department interest and is subject to the following:

(a) The availability of a vacant post on the approved establishment at a level at which the counter offer is being made; and

(b) Sufficient budgeted funds including funds for the remaining period of the MTEF are available

9.3 For the purpose of applying the aforesaid provisions, the relevant line-function supervisor must furnish, via the relevant Component Manager, compelling written motivation to justify the retention and/or advancement in salary of the employee concerned. The motivation in this regard must clearly demonstrate the following:

(i) nature and extent of the scarce/valued/critical skills possesses by the employee with special reference to effective service delivery;
(ii) the impact on service delivery should the scarce/valued/critical skills be lost to the Department; and
(iii) the implications of retaining the employee in relation to other employees with similar scarce/valued/critical skills and expertise.

9.4 The written motivation must be forwarded to the Directorate: HR Services who would obtain a decision in accordance with the Delegated Authority and thereafter give effect to the decision.

9.5 The retention of employees in terms of the aforesaid provision is at the discretion of the incumbent who is delegated with such authority and is not an entitlement

9.6 No employee has a right to a counter offer in instances where he/she has been offered a higher post elsewhere. This in essence would mean that the Department is not obliged to counter offer where an employee has been offered a higher post.

9.7 an employee who has received a counter offer will not receive another counter offer should he/she be successful for a higher post elsewhere within a period of 12 months from the date on which the initial counter offer was made.

10. DISPUTE RESOLUTION

Any dispute arising out of the interpretation and application of this Policy will be dealt with in accordance with the Dispute Resolution Mechanism of the relevant Sectoral Bargaining Council.
11. FORMAL APPROVAL

The Policy has been approved for implementation with effect from the first day of the month following the month of approval.

Signature ___________________________  Head of Department ___________________________  Date 29/02/2016

Initial ___________________________  Date ___________________________