



SCARCE SKILLS POLICY DEVELOPED FOR CEDERBERG MUNICIPALITY

1. INTRODUCTION

It is the responsibility of the employer to determine the strategic and operational needs of the organization. The Employer needs to identify the critical skills shortages and how to attract individuals who have the skills required and retain those individuals once appointed.

2. LEGAL FRAMEWORK

The Systems Act
The Skills Development Levies Act
The employment Equity Act

The Skills Development Act
Labour Relations Act
Municipal Finance Management Act

3. OBJECTIVES

The scarce skills policy aims to:

- 3.1 Identify scarce skills within local government and in particular within the Municipality;
- 3.2 Attract individuals with such scarce skills.
- 3.3 Retain the employees with the scarce skills after appointment by inter alia implementing a reward strategy to retain their services.

4. FUNDAMENTAL PRINCIPLES

The scarce skills policy is based on the following fundamental principles:

- it is the responsibility of the employer to determine the strategic and operational needs of the organization;
- To allow for deviation when the employer is experiencing difficulty in attracting and retaining critical expertise in certain fields / jobs due to the

SMes

[Handwritten signature]

limitations set by the collective agreements on wages, salaries, job evaluation and the categorization of municipalities;

- The scarce skills policy and its implementation should be fundamentally aimed at identifying those critical skills shortages, attracting individuals who has the skills required and retaining those individuals once appointed;
- it is the responsibility of the employer to identify, develop and retain employees especially those employees who has skills that are limited and in high demand;
- To enable the employer to adhere to the requirements of the Employment Equity Act to ensure representation of previously disadvantaged groups in all occupational categories, it is necessary to take unusual steps to identify, develop and retain individuals that will relief the critical skills shortages in the long run and will ensure appropriate representation within all occupational categories and levels in these fields. Internal employees who possess the potential to be trained or developed to meet the required needs for scarce skills has to be identified and developed.
- Measures that deal with the attraction and retention of scarce skills must aim to address the problem in the short term and in the long term.
- The scarce skills policy needs to be reviewed on an annual basis to ensure that the identification, attraction and retention of individuals with the skills that are in need are updated and therefore relevant at all times.
- A prerequisite for the retention of scarce skills is that the necessary support in terms of backup, personnel and systems enable them to perform their duties adequately.

5.

DEFINITIONS

AFFIRMATIVE ACTION: means a policy of preferential treatment to those who have been disadvantaged (women, blacks and the disabled) and who are subject to special or preferential treatment to overcome those effects.

AFFIRMATIVE ACTION MEASURES: include identifying and eliminating employment barriers which adversely affect designated employees, positive measures to further diversity in the workplace and accommodating those with physical disabilities.

EMPLOYMENT EQUITY ACT: means the to Employment Equity Act (Act no 55 of 1998)

EXTERNAL CANDIDATE: means an individual who is not permanently employed with the municipality or who has not successfully completed an internship program at the Cederberg Municipality.



INTERNAL CANDIDATE / EMPLOYEE: means an employee who is permanently employed and has successfully completed a minimum of six months probation period or who has successfully completed an internship program with the Cederberg Municipality.

JOB EVALUATION: means the process through which jobs within local government are evaluated through the collective agreement on the Task Job evaluation system.

LABOUR RELATIONS ACT: refers to the Labour Relations Act (Act no 66 of 1995) as amended.

LGSETA: means the Local Government SETA

MUNICIPAL FINANCE MANAGEMENT ACT: refers to the Municipal Finance Act (Act 56 of 2003) as amended.

NUMERICAL GOALS: means designated goals based on relevant demographics whereby disadvantaged groups in the workforce achieve proportional representation in prescribed levels and categories.

REASONABLE ACCOMMODATION: means any modification or adjustment to a job or to the working environment that will enable a person from a designated group to have access to or participate or advance in employment.

RECOGNITION OF PRIOR LEARNING: means a way of recognising what individuals already know and can do and include learning from work and life experience.

RELEVANT DEMOGRAPHICS: means the most recent statistics of the economically active population of the Cederberg Municipal Area as provided by STATS SA (and if this is not readily available, the statistics of the Western Cape Province)

SCARCE SKILLS: means those skills that were identified as critical and of which a shortage is experienced and which is required for key projects and/or positions.

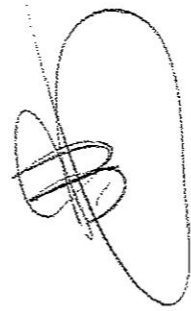
SKILLS DEVELOPMENT ACT: means the Skills Development Act (Act no 97 of 1998) as amended.

SKILLS DEVELOPMENT LEVIES ACT: means the Skills Development Levies Act (Act 9 of 1999) as amended.

SYSTEMS ACT: means the Municipal Systems Act (Act 32 of 2000) as amended.

SUITABLY QUALIFIED PERSON: means a person qualified as a result of any one of, or any combination of that person's formal qualifications, relevant experience or capacity to acquire, within a reasonable time, the ability to do the job.

SMG



6. IDENTIFYING SCARCE SKILLS

- 6.1 The Municipality is struggling to fill certain positions in its organisational structure as they are scarce skills.
- 6.2 Directors shall in consultation with Human Resources identify occupational groups affected by a scarce skills challenge using the following criteria:
 - 6.2.1 Turnover rate of employees in a particular occupation. The turnover rate must be significantly above the average turnover experienced by the municipality.
 - 6.2.2 Ability of the units and/or incumbents to meet the demands of the tasks or the technical requirements defined by the tasks.
 - 6.2.3 The duration of the required input that cannot be achieved from inside the unit or the incumbents.
 - 6.2.4 High vacancy rate.
 - 6.2.5 The demand for a particular skill/s outweighs the supply.
 - 6.2.6 There should be a demand for the identified skill in the local and international market, indicating strong factors attracting such employees into the private sector.
 - 6.2.7 Vacancies should prove difficult to fill.
 - 6.2.8 The skills should require an advanced knowledge in a field / science or learning by a prolonged course of study and/or specialized instruction and/or years of service or experience.
 - 6.2.9 Individual skills / knowledge/experience critical to a specific project or service.
 - 6.2.10 Reasons / factors given by employees with these skills for leaving the service of the municipality after appointment (Exit Interview).
- 6.3 a list of all occupational groups which meet the above criteria must be submitted to the Municipal Manager who in consultation with Human Resources will designate the occupational groups as falling in the category of "scarce skills"
- 6.4 All occupational groups determined in terms of clause 6.3 above shall be reviewed every twelve (12) months to allow for the relevant adjustments, based on changing trends and to confirm whether the occupations remain scarce.

7. REWARD STRATEGY FOR ATTRACTING AND RETAINING INDIVIDUALS WITH SCARCE SKILLS

7.1 SHORT TERM SOLUTIONS FOR ATTRACTING AND RETAINING INDIVIDUALS WITH SCARCE SKILLS

The municipality is experiencing difficulty in attracting and retaining the services of individuals from designated and non-designated groups with scarce skills due to the obligation of the employer to adhere to collective agreements regulating the salary scales and evaluation of jobs of occupations / designations within the municipality.

7.1.1 Occupational groups, designations and individual cases identified in terms of clause 6 above may be rewarded at a different rate / salary to attract and retain their skills and the reward can be in one of the following ways:

7.1.1.1 A scarce skills allowance to be paid to the individual as set out in clause 8 below; or

7.1.1.2 Increase in guaranteed pay subject to the maximum of the pay range; or

7.1.1.3 Any other method recommended or agreed upon

7.1.2 The municipality should find a solution to address the middle income housing problem as high property prices in the Cederberg Municipal area can be a contributing factor to the municipality's inability to attract and retain scarce skills.

7.1.2.1 Housing could be identified and reserved for occupation by employees identified in the fields of scarce skills.

7.1.2.2 They would be required to pay market related rent to occupy the houses.

7.1.2.3 Occupation of the houses should be directly linked to the scarcity of their skills. A contract should deal with the occupation and reasons for vacating the house should the employee leave the services of the Cederberg Municipality, or should they apply for a position for which no scarcity of skills exists or should the particular skill no longer be regarded as scarce in the re-evaluation process.

7.1.3 Depending on the critical status of the skills needed; appointing a consultant on a short term basis to ensure the successful completion of a project / task could be considered.

7.2 LONGER TERM SOLUTION FOR ATTRACTING AND RETAINING INDIVIDUALS WITH SCARCE SKILLS

The municipality is experiencing difficulty in attracting and retaining the services of individuals from designated groups due to the high demand in the local and international market for these individuals and/or the prolonged course of study / years of service required for a specific designation / occupation.

SMOS



- 7.2.1 Learners who has the intention of studying the fields identified to be in high demand or which requires a prolonged course of study should be identified at High schools at an early stage to ensure that their subject choices supports the study fields.
- 7.2.1.1 Such identified learners should be offered bursaries to enable them to study in the various identified fields with an obligation to work for the municipality after obtaining their required qualifications for the number of years they received a bursary.
- 7.2.1.2 A Bursary fund should be put in place to which a designated amount is allocated by the municipality and to which members of the public and organizations can contribute and for which funds can be raised. The funds should be designated for the training of learners or individuals who intends studying in the fields identified as scarce. The fund should be administrated by trustees in a Trust or section 21 company, Councillors and/or Directors of the municipality should act as some of the trustees / directors of the board of the fund.
- 7.2.1.3 Learners who leave the employment of the municipality before they have worked back the years they received a bursary; should be obliged to pay back an amount proportional to the bursary they received and the number of years to be worked, into the bursary fund referred to in 7.2.3 above designated for the training of learners in the fields identified as scarce.
- 7.2.2 The municipality must ensure that in consultation with the LGSETA, Internships in fields that have been identified as scarce are identified and funded / supplemented through the Skills levy paid by Cederberg Municipality in terms of it's obligations under the Skills Development Levies Act.
- 7.2.2.1 The municipality must ensure that these internships are taken up and implemented to enable the municipality to attract individuals at an early stage in fields of scarce skills and where experience is a necessity for the performance of a function / job.
- 7.2.2.2 Individuals who formed part of an internship should be accommodated by providing time off to obtain the necessary qualifications in the fields identified.
- 7.2.2.3 Individuals who formed part of an internship program at Cederberg Municipality should be equipped with the right skills to be able to compete for jobs after finishing their internship.
- 7.2.3 Internal employees who have demonstrated a desire to qualify themselves in fields where a scare skill exists should be identified.
- 7.2.3.1 Such identified employees should be offered bursaries to enable them to study part time in the various identified fields with an obligation to work for the municipality after obtaining their required qualifications for the number of years they received a bursary.

7.2.3.2 Funds for these bursaries can be obtained from the same fund referred to in 7.2.1.2 above

7.2.3.3 Employees who leave the employment of the municipality before they have worked back the years they received a bursary should be obliged to pay an amount proportional to the bursary they received and the years work into the bursary fund referred to in 7.2.3 below designated for the training of the learners / individuals in the fields identified as scarce.

7.2.3.4 Employees who are studying part time have to be accommodated to enable them to attend classes and exams where necessary during work hours.

The Municipality must put measures in place to ensure a transfer of skills by employees with scarce skills takes place during their employment with the municipality by putting a mentoring program in place. Council must also ensure that a sustainable pool of individuals is established for future use. Proposals and submissions in this regard must be obtained from the directors who have identified the scarce skills within their directorates.

8. PAYMENT OF A SCARCITY ALLOWANCE

8.1 FACTORS THAT INFLUENCE THE SCARCITY ALLOWANCES

The payment of a scarcity allowance should enable the municipality to attract and retain scarce skills within its budgetary constraints.

8.1.1 Managers requesting a scarcity allowance to be paid for a specific post should submit a motivation to Human Resources. Human Resources will make a recommendation to the Municipal Manager for approval.

8.1.2 Scarcity allowance will range from 10% to 30% of the annual basic salary or as defined by provincial / national trends.

8.1.3 The scarcity allowance will be implemented on a sliding scale i.e., the higher grading the position has the lower the percentage offered.

8.1.4 Senior managers may be granted a scarcity allowance under exceptional circumstances.

8.1.5 All normal recruitment processes must have being exhausted before a motivation is submitted for the payment of a scarcity allowance.

Allowances should allow for both the possession of skills and extent of the utilization of those skills in the general performance of duties.

Provide employees from post level three (3) onwards the opportunity to structure their salary packages.

Handwritten initials

Handwritten initials: S.Meg.

Handwritten signature

8.1 PAYMENT OF A HIGHER SALARY WITHIN THE RANGE

The municipality is bound by collective agreements relating to job evaluation and salary scales which provide for the appointment of external candidates on the starting notch/salary of a specific post. The municipality can offer an individual a commencing salary within the range of the scale.

8.2.1 When external candidates are appointed they may be offered a commencing salary between the minimum and high point pay range based on the candidates experience, knowledge, competence and scarcity of the skill he / she possesses.

8.2 REVIEW OF SCARCITY ALLOWANCE

The scarcity allowance should be re-evaluated on an annual basis to allow for the relevant adjustments, based on changing trends and to confirm whether the occupations remain scarce.

8.2.1 The review of the scarcity allowance should no longer be linked to the review process for the identification of scarce skills referred to in clause 6 above.

8.2.2 Should a skill no longer be identified as scarce the allowance should no longer be applicable for any new appointments.

8.2.3 The performance of an employee who receives a scarcity allowance should be evaluated and should his/her performance not be satisfactory, the scale of the allowance should be adjusted accordingly and in some instances, should be taken away completely. Measures in regard to poor performance should be instituted against the said individual prior to any change in the allowance for poor performance is implemented.

8.2.4 The sliding scale for the payment of a scarcity allowance should be linked to the identification of the scarcity of or demand for the skill and may be adjusted in accordance with the findings in the process indicated in clause 6 above.

9. STAFF RETENTION CRITERIA AND PROCEDURE

It is the intention of the Municipality to make every reasonable effort to retain highly qualified and skilled employees.

9.1 CRITERIA :

9.1.1 the department recommending the retention should verify the offer and provide a concise written justification, along with a copy of the offer letter to the Municipal Manager,

9.1.2 the recommendation should include a new proposed salary level and be in line with budgetary constraints and any other ramifications / implications the action could have on the department and the municipality in general;

- 9.1.3 any counter offers made to the employee which modify their current employment contracts must be made via a new employment contract and accepted by the employee.
- 9.1.4 The employee must be in service in the same position for a year or longer in order to qualify for a scarcity allowance, except if extraordinary circumstances dictates otherwise, in which case the municipal manager may approve a deviation of this clause after receiving a written application from the relevant to director for such deviation.

9.2 ROLES AND RESPONSIBILITIES

- 9.2.1 The Municipal Manager is responsible for determining and approving the awarding of salaries above the salary level for the retention of employees with skills or experience in a scarce field (where recruitment is difficult) and employees from designated groups.
- 9.2.2 Human Resource is responsible for ensuring that the criteria to determine the retention of staff are followed.
- 9.2.3 Line Managers in so far as it is within their control, are responsible for ensuring that the Department does not lose competent, scarce and skilled employees particularly with regard to employees from designated groups.

9.3 STAFF RETENTION TECHNIQUES

The cost of staff turnover can be substantial. Not only are there the direct financial costs of replacing staff but also other repercussions such as the potential loss of key skills, knowledge and experience, disruption to operations and negative effect on workforce morale. High turnover represents a considerable burden both on human resource and line managers as they are constantly recruiting and training new staff.

In this light, the following additional retention techniques can be utilised:

9.3.1 Employment Equity

- (a) The Employment Equity Act, 1998, requires every employer to retain and develop people from the designated groups.
- (b) Decisions of this nature must be taken with due consideration to the Employment Equity Plan of the municipality.

9.3.2 Encourage performance

- (a) Employees are encouraged when they are given exciting jobs. This gives them the determination to do their job.
- (b) Avoid overloading your top performers with secondary tasks.
- (c) Reward employees who are performing well so that those that are under performing can be motivated.

B

9

SM-07

- (d) Balance the performance level by pairing new employees or under performers with top performers.

9.3.3 Morale Building

- (a) Lead by example as a manager to achieve better results.
- (b) Give employees a chance to develop by trusting them with high profile responsibilities.
- (c) When an employee has performed well, show appreciation. If an employee goes unacknowledged, a message of their importance will be sent.
- (d) Attend to staff needs timeously.

9.3.4 Boost Employee's Self Esteem

- (a) A conducive environment should be provided where an employee can learn from his / her mistake.
- (b) Recognize a job well done.
- (c) Value employees who are performing well and make them feel valued.

9.3.5 Sense of Ownership

- (a) Less supervision is important. Employees do not like to be followed at each and every step they take because they may not feel trusted with the work they are doing.
- (b) Involve employees in decision-making processes. This will instill a sense of ownership in employees of what has been proposed and they will do their best to achieve high results.
- (c) Avoid de-motivating employees because once they are de-motivated it is difficult to motivate them again. Employees are de-motivated when they are doing the same job for many years. Introduce staff rotation to allow for exposure to learn new activities.
- (d) Allow employees to see a project through from start to finish.

9.3.6 Communication

- (a) Interact with employees equally. Do not create the impression that there is favouritism within the department.
- (b) Listen to employee's ideas and take them seriously.
- (c) When in a meeting, give an employee your full attention. This makes an employee feel valued.
- (d) Encourage feedback and exchange ideas by meeting in an informal basis with the employee.

9.3.7 Staff Development and Training

- (a) Staff development and training embraces the formal and informal acquisition of knowledge, skills, attitudes, thinking and habits required of an employee to render quality service and secure

- him/her a rewarding career.
- (b) Practices that promote staff development include self-development, formal and informal training, career development, study aid, job rotation, job enrichment/enlargement and mentorship and coaching.
 - (c) In a situation where the employee cannot be accommodated in a suitable post, his / her job should be reviewed with an intention of adding more responsibilities and re-evaluating the post to ensure the maximum utilization of the employee's potential.

9.3.8 Succession Planning

Succession planning is fostering activities like job rotation to expose staff to the workings of the department. Rotating to more than one job is known as multi-skilling.

9.3.9 Multi-Skilling

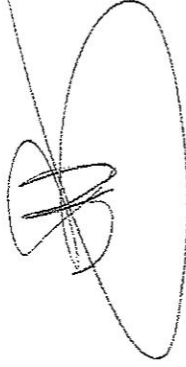
- (a) Multi-skilling is a process that organizes work in a manner that enables staff to acquire and use a greater range of skills.
- (b) Multi-skilling must be linked to the skills requirements of the department and should form part of its strategic empowerment and employment equity plans.

10. THE ROLE OF THE UNIONS

The employer should consult with the recognized labour unions in identifying the scarce skills and request them to make inputs regarding the strategy and measures to be used to attract and retain individuals with scarce skills prior to implementing the policy. The responsibilities of the Labour Union Representatives shall be to observe the fairness of the process and whether applicable legislation, policies and procedures are being adhered to in the implementation of the policy. If there is any evidence of contravention of the abovementioned, the matter should be reported to the Human Resources Manager.

11. IMPLEMENTATION OF THE POLICY

The policy shall be implemented after consultation with the labour unions and the approval of the Municipal Manager.



It is hereby confirmed that this policy has been consulted with the Unions, and accepted as a policy of the Cedarberg Municipality. This policy will be revised at least every two years by the Employer.

No amendments will be made to this policy without prior consultation with the Trade Unions.

Signed at CANNANBURG on this 30th day of SEPTEMBER 2009

Samwu: 

Imatu: 

Employer: 