

# **OVERSTRAND MUNICIPALITY**

## **SCARCE SKILLS POLICY**

### **1. POLICY STATEMENT**

The Municipality recognizes that its most valuable asset is its Human Resources. A great deal of time and money is invested in the recruitment, training and development of employees and as such every effort should be made to retain those employees who have scarce skills. The application of the under-mentioned recruitment and staff retention strategies for scarce skills will contribute to a more competent and stable workforce to meet the objectives of local government in general, the objectives of the Municipality's Integrated Development Plan and the Service Delivery and Budget Implementation Plans of individual Directorates, Departments and the Municipality as a whole.

### **2. OBJECTIVES**

The Scarce Skills Policy aims at:-

- the identifying of scarce skills within the Municipality;
- the recruitment of individuals with such scarce skills; and
- retaining the employees with scarce skills.

### **3. FUNDAMENTAL PRINCIPLES**

The Scarce Skills Policy is based on the following fundamental principles:-

- it is the responsibility of the Council of the Municipality to determine the strategic and operational needs of the organization;
- the Municipality must experience difficulty in attracting and retaining critical expertise in certain fields / jobs due to the limitations set by the collective agreements on wages, salaries, job evaluation and the categorization of municipalities;
- the Scarce Skills Policy and its implementation must be fundamentally aimed at identifying those critical skills shortages, attracting individuals who have the skills required and retaining those individuals once appointed; and
- it is the responsibility of the Municipality to develop and retain especially those employees who have skills that are scarce and in high demand.

#### **4. IDENTIFYING SCARCE SKILLS**

It is the responsibility of Directors to identify certain posts and / or occupational groups affected by a scarce skills challenge, using any or all of the following criteria:

- 4.1 the turnover rate of employees in a particular occupation must be significantly above the average turnover experienced by the municipality;
- 4.2 the inability of the departments and / or incumbents to meet the demands of the tasks or the technical requirements defined by the tasks;
- 4.3 the duration of the skills shortfall that cannot be accommodated from within departmental staff;
- 4.4 high vacancy rate;
- 4.5 the demand for a particular skill exceeds the supply;
- 4.6 there must be a shortfall for the identified skill in the local, provincial and national government market, indicating strong factors attracting such employees into the private sector;
- 4.7 vacancies should be proven to be difficult to fill;
- 4.8 the skills must require an advanced knowledge in a field, science or discipline obtained through formal studies and / or specialized instruction and / or years of service or experience;
- 4.9 the skills / knowledge / experience must be critical to a specific project and / or service; and
- 4.10 reasons / factors given by employees with scarce skills for leaving the service of the Municipality.

#### **5. REWARD STRATEGY FOR ATTRACTING AND RETAINING INDIVIDUALS WITH SCARCE SKILLS**

- 5.1 Directors requesting a scarcity allowance to be paid for a occupational group and / or a specific post must submit, bearing *inter alia* paragraph 4 above in mind, (a) motivation(s) to the Director: Management Services who will make (a) recommendation(s) to the Municipal Manager for approval.

- 5.2 The scarcity allowance must be re-evaluated at least on an annual basis, or such shorter intervals as may be determined by the Municipal Manager to allow for the relevant adjustments, based on changing trends and to confirm whether the posts and/or occupational groups originally affected by a scarce skills challenge remain scarce.
- 5.3 The allowance will no longer be applicable for any new appointments should a skill no longer be identified as scarce by the Municipal Manager.
- 5.4 The performance of an employee who receives a scarcity allowance must continuously be evaluated by the relevant Director. The scale of the allowance must be adjusted accordingly and in some instances be taken away completely should his / her performance not be satisfactory. However, measures in regard to poor performance must be instituted against the said individual by the relevant Director prior to any change in the allowance as a result of poor performance being recommended for implementation to the Municipal Manager via the Director: Management Services.
- 5.5 Payment of scarcity allowance:
- 5.5.1 A maximum scarcity allowance (non-pensionable) calculated at 30% of an employee's annual basic salary may be payable following the provisions of paragraph 5.1 above.
- 5.5.2 Such allowance must allow for both the possession of skills and the extent of the utilization of the skills in the general performance of duties.
- 5.5.3 Candidates that are in possession of additional superior qualifications, that makes such an incumbent suitable for succession planning, may also be paid an allowance in order to ensure retention within the municipality.
- 5.6 Payment of a higher salary within a range:
- 5.6.1 Candidates may, in addition to paragraph 5.5, but subject to paragraphs 5.6.2 and 5.6.3, be offered a commencing salary between the minimum and high point pay range of a specific post.
- 5.6.2 Paragraph 5.1, adjusted as may contextually be necessary, applies for purposes of obtaining the Municipal Manager's approval for the payment of a higher salary within a range.

- 5.6.3 The Municipal Manager must, in considering a recommendation as provided for in paragraph 5.6.2, take into account a candidate's experience, knowledge, competence and the scarcity of the skill such a candidate possesses.

## 5.7 STAFF RETENTION CRITERIA AND PROCEDURES

In an effort to retain highly qualified and skilled employees any or all of the following criteria and responsibilities should apply when considering targeted allowances:

- 5.7.1 the employee must receive a *bona fide* offer of employment from another employer which offer must be in writing and includes details of the salary / remuneration offered to the employee, subject thereto that –  
the director recommending the retention must verify the offer and provide a concise written justification along with a copy of the offer letter;
- 5.7.2 the employee must, over and above the required qualifications, be in possession of additional superior qualifications making such an incumbent suitable for succession planning;
- 5.7.3 the corresponding provisions of paragraph 5.1 must be applied to the extent that that paragraph can be applied for purposes of obtaining the Municipal Manager's approval to institute retention measures;
- 5.7.4 the recommendation must contain measures as provided for in paragraphs 5.5 and / or 5.6 and must be in line with budgetary constraints and any other implications the action could have on the department and the municipality in general; and
- 5.7.5 any counter offers made to the employee in terms of paragraph 5.7.4 and which amend his / her current employment contract must be confirmed in writing and be duly accepted by the employee.

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