MNQUMA LOCAL MUNICIPALITY

ATTRACTION AND RETENTION POLICY

MNQUMA MUNICIPALITY
P.O. BOX 36, BUTTERWORTH 4960
2025 -05- 29
MUNICIPAL MANAGER

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PREAMBLE

WHEREAS the Mnquma Local Municipality is located in the South Eastern of the Eastern Cape Province with a population that has low levels of education and lack of skills base amongst its challenges.

NOW THEREFORE the municipality has to provide a range of services in order to deliver its mandate, some of these services require critical and scarce skills. The municipality has to compete with other employers in order to attract competent and experienced employees.

NOW THEREFORE The attraction and retention strategy seeks to address the current and possible future attraction and retention concerns.

1. LEGISLATIVE FRAMEWORK

1.1 Mnquma Municipal Council is required in terms of ***Chapter 5 of the Municipal Systems Act,*** to adopt a single, inclusive and strategic plan for the development of the municipality within a prescribed period after the start of its elected term;

1.2 Mnquma Local Municipality must in compliance with the provisions of ***Section 36 of the Municipal Systems Act,*** give effect to its integrated development plan and conduct its affairs in a manner which is consistent with it;

1.3 Consequently, for Mnquma Local Municipality to be able to realise its delivery objectives, and to attain the levels of efficiency that will enable it to deliver on its constitutional mandate it must be able to attract and retain personnel with requisite competencies, and in particular with regard to critical occupational posts; and

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2. PURPOSE

The purpose of this policy is to provide guidelines that will assist the Mnquma Local Municipality to attract and retain personnel with competencies that are necessary for the realisation of municipal goals and in line with its vision for long term development and transformation set out in its Integrated Development Plan.

3. FOUNDATION ON WHICH THE ATTRACTION AND RETENTION POLICY AND STRATEGY IS FOUNDED

The attraction and retention policy rests on the following fundamental tenets:

a) Corporate Services Directorate based on sound principles to ensure directed and motivated employees;
b) A competitive salary package informed among others by recognition and rewarding of superior performance;
c) A Human Resources Development programme that inspires employees to exceed expectations and ensure a culture of continuous learning and improvement; and
d) Creation of a work environment and climate that is supportive and conducive to attracting the calibre of persons with competencies that are appropriate to the needs of the Municipality.

Each of the above-stated four key elements has to be weighted and balanced within the ambit of a practical attraction and retention policy and strategy.

4. KEY PRINCIPLES TO ATTRACTION AND RETENTION

The following principles are key to the attraction and retention policy and strategy:

a) The need to take special retention steps is motivated by defined municipal objectives. These objectives may range from short term to the long term, so as to avoid decisions based purely on expedience or crisis management;
b) Retention is a targeted initiative aimed at a defined group of critical skills and individuals;
c) The effort and cost incurred to retain certain groups of employees must yield commensurate municipal value;
d) Effective and value adding retention strategy will only work in a true performance culture, where mediocre and poor performance is not tolerated, and consistent and superior performance is valued and recognised; and
e) The Attraction and Retention Policy needs to be flexible and should be reviewed at appropriate intervals to ensure that it remains effective and that management avoids locking in people who might at some stage lose the "critical status".

f) The better each of these is managed, the more likely staff will be attracted to the Mnquma Municipality and the less likely they will leave. Talent attraction and retention also has a strong focus on the psychology of employees and how motivated employees are. The more compatible the municipality service delivery goals to the employees expectations and personal preferences, it is more likely that the employees will stay.

For example-

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- Employees must see their work as worthwhile and important;
- They must see themselves as personally accountable for performance outcomes and task execution; and
- They must be told about their performance and the quality of their work

5. SCOPE OF THE ATTRACTION AND RETENTION POLICY AND STRATEGY

This Attraction and Retention Policy are part of broader initiatives of talent management which include Skills Development, Human Resource Development, Employment Equity Planning, Mentorship, etc.

5.1 The Attraction and Retention Initiative is aimed at 3 categories as defined below:

a) Critical Occupations: The critical nature of these positions is largely determined by market demand and supply factors, as well as the impact a shortage would have on the sustainability of the core municipal business (as defined by business requirements and market dynamics). For example, Planners, Accountants, Engineers, etc;

b) Individuals Identified for Succession purposes as demonstrated by their performance and potential - inclusive of Employment Equity candidates. Certain defined critical and strategic municipal business successes may be dependent on technical and managerial capacity, which warrants the attraction, development and retention of successors to key incumbents or positions. This involves identification of individuals with potential to advance to key positions within municipalities. The candidates will have to meet set performance standards for inclusion in this category. Mnquma Local Municipality will have, to implement a Performance Management System which will enable it, by measuring performance of employees to identify individuals with potential to advance to key positions; and

c) Strategically Critical Individuals are those whose retention is crucial to ensure the achievement of key strategic objectives as indicated in the IDP. Such employees will fall into boxes 6, 7, 8 and 9 of the 9 Box Matrix appended as Annexure A. Certain defined critical and strategic municipal business successes may be dependent on the retention of these individuals, without whom such strategic objectives or projects may be seriously compromised. The determining factor is individual position, accountability, and performance.

5.2 Although retention remains primarily the accountability of the line manager, formal, collaborative process, between Human Resources and Line Management, must be employed to identify candidates.

5.3 While the attraction and retention strategies will utilise both the monetary and non-monetary interventions this objective shall be approached objectively and holistically.

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6. INITIATIVES FOR ATTRACTION AND RETENTION OF CRITICAL EMPLOYEES

All initiatives to attract and retain critical employees will be subject to sound and good corporate governance.

6.1 Monetary Interventions

6.1.1 Salary Surveys

To enable the Mnquma Local Municipality to benchmark salaries and benefits accurately and with adequate regularity, the following will be commissioned:

a) At least one standard salary survey for all staff categories per annum; and

b) A specific "job category" survey if the industry specific survey needs to be complemented.

The monetary interventions include:

6.1.2 Guaranteed Competitive Remuneration on at least the 50th percentile of the National Market (based on supply and demand factors) — this shall ensure 50% chances of retaining critical employees.

a) Guaranteed salary of existing employees in the critical occupations category will be reviewed as a group annually, based on the general and specific surveys;
b) The employees' remuneration will be managed within the afore-stated percentile of the market position depending on the affordability of the municipality;
c) The Corporate Services Director in collaboration with line managers must continually ensure that they have up to date information with regard to employees in the critical skills category, and ensure that their total packages or flexi-packages supports retention; and

d) The Corporate Services Director must review and interpret turnover of staff annually and, must identify and address areas of concern with regard to remuneration, in consultation with their respective line managers. Such a submission must be formally presented to the Municipal Manager who will then present it to Council for consideration and resolution.

6.1.3 Market Premium: In certain defined cases, it may be necessary to pay a market premium to attract or to retain skills within critical occupations. This should be done according to the following provisions:

a) The market premium is used primarily when the market has changed quickly, and the salary scales have not kept up or been adjusted to attract a candidate;

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b) The market premium may be set at a maximum amount of up to 15% above the guaranteed annual salary. Ideally this must be paid over a determined period until the municipal salaries have caught up with the market;

c) The market premium should be defined as a separate item in the remuneration package, distinct from the guaranteed salary; and

d) The market premium is not guaranteed, and can be removed or adjusted in consultation with the employee as circumstances dictate, and as the guaranteed salary is brought in line again with market trends.

6.1.4 Retention Premium not exceeding 15% of guaranteed salary paid over a defined period, ideally of 1 year.

6.1.5 **Retention Bonus**

In the case of critical retention requirements, a retention bonus may be paid within the following provisions:

a) In cases where retention warrants payment above market rates for no longer than one (1) year at a time;

b) Such retention bonuses will not exceed 15% of the guaranteed annual salary;

c) The retention bonus is structured in such a way that the employee is contractually bound to stay for the agreed period;

d) A third (1/3) of the retention bonus is paid out quarterly and 2/3 upon completion of the agreed upon period; and

e) The retention bonus can be replaced by an increase (incorporation) in the guaranteed remuneration once market trends have caught up with the employee's

6.1.6 Sign-on Bonus (Recruitment Premium) not exceeding 15% of guaranteed salary paid within a defined period (ideally 6 months to 1 year so as to ensure that the employee is part of the normal incentive scheme processes). 2/3 may be paid when the employee starts employment and 1/3 paid over a defined period of time. This would especially be applicable to the critical occupations category.

6.1.7 **Benefits**

Benefits entail such as pension, provident, insurance benefits and health benefits. Amongst these, two take priority:

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a) Retirement - The ability to save and make provisions for retirement. The competitiveness of this benefit needs to be reviewed annually in a formal manner, tabled at the appropriate forums, and corrective action taken where necessary; and

b) Medical Aid - Although an increasingly expensive benefit, the Municipality should assist with adequate and competitive cover for its employees, and allow employees to top up their medical cover through flexible remuneration practices.

C) Eligibility for any of the above will be based on the Mnquma Municipal Council's discretion and prerogative. Careful consideration needs to be given to whether payments made over and above a guaranteed salary are in the form of a premium, or a retention bonus, or a sign-on bonus etc. Each of these mechanisms has a defined purpose and use and needs to be clearly identified as such.

6.2 **Non-Monetary Interventions**

Monetary interventions, although very important, are limited in their overall and long-term effectiveness. Competitors can also quickly match them. Non-monetary interventions are valuable. However, these depend on management skill and effort, are often less tangible and are also far harder to copy. Non-monetary interventions include:

6.2.1 Leadership interventions and accessibility

(i) Although it might not be easy due to the size of Mnquma Local Municipality, a culture of caring, knowing, interest and visibility can be established if the leadership and the second tier management and subordinate supervisory cadre develop this behaviour as a strength that adds significantly to retention and well-being of staff; and

(ii) Managers need to know "where the problem areas are" among their employees. They need to be in touch with their employees. A culture of caring, knowing and interest can be established if the leadership and the second tier management and supervisory cadre develop this behaviour, not as a "soft skill" but as a strength that adds significantly to retention and well-being of staff. Training in this area can be included in the training related to Performance Management.

6.2.2 Performance Management

(i) In the context of retention, the importance of performance management cannot be emphasized enough. The culture of a municipality is very much driven and affirmed through the way in which performance is managed;

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(ii) It is counter-productive to have creative retention and reward schemes in an environment where average or mediocre performance is tolerated. Best practices work well in a high performance culture; and

(iii) It is imperative that whilst high performance and critical skills may be rewarded, poor performance must be aggressively managed. The retention of poor or mediocre performers seriously compromises the retention of high performers, both with regard to the cost of carrying poor performance and with regard to the culture promoted which high performers may find intolerable.

6.23 Personal career and development.

Personal and intellectual growth remains a top challenge amongst skilled employees. The following development initiatives should be encouraged and supported by the Mnquma Local Municipality:

(i) Formal training - including further study bursaries, funded courses, and internal training;

(ii) Study Tours - these must be aimed at gaining best practice and experience by visiting other municipalities nationally and internationally. Whilst the individual is expected to gain knowledge which can be applied back in his/her home work station, such an exercise can be personally rewarding, and can include elements of "spoiling" or "treating" the employee with regard to travel and hospitality arrangements. Mnquma Local Municipality can benefit positively if best practices are applied after the study tour.

(iii) Correct Placement — Mnquma Local Municipality needs to ensure that its employees are placed correctly and that placement is optimized by means of sound recruitment procedures.

(iv) Succession Management

Succession planning should be linked to the identification of strategically critical positions, in that Mnquma Local Municipality would wish to ensure that in the event the retention of such individuals fails, or a tragedy befalls them, adequate depth of skill and experience is in place to fill the gap.

6.2.4 Quality of work life.

Mnquma Local Municipality should within reasonable means create an environment that enhances the quality of work life. Some of these elements are physical, and others are less tangible.

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(i) Facilities - these include office environment, security, housing benefits, sport facilities etc;

(ii) Support Services - the quality of support services, including Human Resources, Administration, Budget & Treasury and ICT support given to employees, if bureaucracy is reduced this enhances quality of work life;

(iii) Culture and Climate - Leaders should be mindful of the culture they create, and the steps to promote a positive enabling culture. They must live and promote the values of Mnquma Local Municipality. Failure to live these municipal values should lead to disciplinary action in serious cases of non-compliance or defiance;

(iv) Managerial Practices - The way managers behave is a key determinant of how people experience their immediate work lives. Managers need to be mindful of the impact they have on their employees and environment, and take steps to promote a positive and enabling climate; and

(v) Values - Mnquma Municipal Council and management should aggressively and openly drive the municipal values, and act as custodians of these values. These values and their direct impact on performance and realization of objectives should be integrated into daily business language.

6.2.6 **Exit and Retention Interviews**

(i) Exit interviews will be conducted by both Human Resources and Line Management;

(ii) As part of the performance management cycle, managers should also be doing retention interviews, which take place whilst the person is firmly in the employ.

(iii) In the critical skills and key individual category ongoing interaction and interviews (information gathering) should take place, to ensure that Mnquma Local Municipality understands the issues which may increase the risk of losing key skills.

7. ATTRACTION

7.1 Attraction of skills within Critical Occupations category

a) Attraction and recruitment of new incumbents entails an inherent risk, namely the risk of bringing a new person into the Mnquma Local Municipality whose capabilities one has assessed in a limited way only. This risk can be lessened by professional recruitment practice;

b) Another alternative is to keep track of high performers who have left Mnquma Local Municipality and may be willing to re-join it. Usually these people are better known, and the assessment of their

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capabilities, potential, and attitude is far more reliable. Further, they know the Mnquma Local Municipality from past experience and the induction and learning curve is lessened considerably; and

c) Mnquma Local Municipality should undertake an aggressive "repatriation" strategy, to identify and attract previous high performing employees in the critical skills category.

7.1.1 **Recruitment Strategy and Effectiveness**

Potential candidates' impressions of Mnquma Local Municipality are largely formed by information in the public domain, and also from their recruitment experience. When recruiting the Mnquma Local Municipality must:

a) Ensure a highly professional and efficient recruitment process;

b) Reduce waiting and response times to the minimum;

c) Treat people with the utmost respect;

d) Ensure Line Management involvement early in the recruitment process, and not abdicate the process to the Human Resources Division; and

e) Ensure that the process of setting remuneration and making/negotiating offers is done in the most professional and efficient manner.

7.1.2 **Induction**

(a) Induction is a key step in ensuring that new incumbents feel cared for, affirm their positive impressions of having made the right decision in joining Mnquma Local Municipality, and giving them the best chance for some quick wins and success.

(b) Mnquma Local Municipality should ensure that induction includes the following:

(i) Providing new employees with a minimum mandatory package of up-to-date information;

(ii) Opportunity to meet and spend professional work-focussed time with the right people;

(iii) Providing them with their role descriptions and a clear documented indication of performance expectations;

(iv) Providing the required formal and on-the-job training within a set time; and

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(v) A structured induction evaluation form, which the employee completes and signs off, mapping and recording the complete induction process. This control sheet must be on every employee's file.

7.1.3 **Coaching, Mentoring and Performance Management in the first year**

a) During the first year the new incumbent is most at risk of failing. This risk is also shared by Mnquma Local Municipality. It is therefore, important that additional effort is put into coaching, mentoring and performance management of the new incumbent within the first year; and

b) Management must be held accountable for ensuring that new incumbents get the attention they need. As part of the formal performance management process, the following steps should be built into the performance management process:

(i) Formal review sessions undertaken every month for the first three months and accompanied by a formal report;

(ii) Training and Development Plan (formal training, development, coaching and mentoring interventions undertaken) formally documented and checked off; and

(iii) Formal review sessions undertaken every three months, and these should include a short meeting with management.

7.2 Criteria for Defining Critical Occupations

	Defining Criterion
	Core skills in support of the core municipal business
2.	Critical shortage demonstrated by consistent turnover trend
3.	Market scarcity and highly sought after skills
4.	Technical skill requiring significant experience, and thus having a high replacement cost (direct and indirect)
5.	Specific Skills required to resource a specific organisational initiative.

7.3 Job Categories Selected (Example)

	JOB NAME	DIRECTORATE	JOB GRADING/LEVEL
1	Engineer	Infrastructure	
2.	Town Planner	Infrastructure	
3.	ICT Specialist	Budget and Treasury	

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4	Chief Financial Officers	Budget and Treasury	

7.4 Within the Critical Skills group there are also key individuals who, whilst not being strategically critical, possess skills that are regarded as operationally critical.

8. RETENTION OF STRATEGICALLY CRITICAL INDIVIDUALS

8.1 The initiatives listed under section 6 may be applicable in the retention of strategically critical individuals. This category requires special attention, and the initiatives in the afore-stated section may not be as suitable as with the critical skills category;

8.2 The management of this group is characterized by:

i. Discretion and sensitivity; ii. Judgement; iii. High performance expectations; and iv. Personalised mentoring and support, and close management involvement.

8.3 The policy statement with regard to strategically critical individuals is as follows:

8.3.1 It is the policy of Mnquma Local Municipality to identify strategically critical individuals, without whom municipal strategic objectives may be compromised, and that Mnquma Municipal Council within its discretion will take steps to retain such individuals;

8.32 Such retention steps should be fairly consistent in application, whilst allowing for flexibility and discretion that will meet the needs of the individual;

8.3.3 The cost and effort of retaining such individuals will be matched by the expected contribution of such individuals, and dependent on contracted superior performance; and

8.3.4 Sound governance will be ensured by the Remuneration Committee.

8.4 Guideline for Selecting Strategically Critical Individuals

	CRITERION
1.	Likely to be in a critical skills category;
2.	A strategically critical municipal business result/outcome is contingent on their retention and performance;
3.	The loss of the individual would really constitute a crisis;
4.	Maximum periods ranging between 3 to 5 years;
5.	The individual has managerial accountability and/or influence;
6.	The individual must be a consistently superior performer (rating above average);
7.	There must be consensus in the Human Resource Committee in the selection of the individual; and
8	Within boxes 6, 7, 8 and 9 of the Nine Box Matrix See Annexure A

8.5 Initiatives to Retain Strategically Critical Individuals

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	INITIATIVE
1.	Retention Bonus - around 15% of annual guaranteed salary. 1/3 of the bonus is paid quarterly, and 2/3 is paid as a lump sum at the end of the agreed period upon successful completion of agreed targets or on defined achievement of project milestones;
2.	Retention Premium - A market Premium over and above guaranteed salary of up to 15% of guaranteed salary for a defined period;
3.	Flexible use of retention bonuses or other monetary payout for studies, etc, which could be paid
4.	via/by the Engcobo Local Municipality;
5.	Very focussed performance management by his/her direct superior;
	Retention of the Strategically Critical Individuals is a target in superiors Performance Contract;
6.	Locally desirable or International study trips;
7.	Each Strategically Critical Individual shall be discreetly placed with a Senior Management Member, who will initiate informal meetings to talk about personal growth, well being, career and
8.	challenges; and
	The Municipal Manager should meet each Strategically Critical Individual in an informal one-to-one session at least once eve six months a ear.

9. SUCCESSION CANDIDATES

9.1 Certain defined critical and strategic municipal business successes may be contingent on technical and managerial capacity, which warrants the development and retention of successors to key incumbents and positions; and

9.2 This category comprises of a group of individuals identified for succession purposes as demonstrated by their performance and potential, inclusive of the Employment Equity candidates. This involves identification of individuals with potential to advance to key positions within Mnquma Local Municipality.

9.3 The Management of Succession Candidates is also Characterised by:

a) Discretion and sensitivity;

b) Judgement;

c) Very high performance expectations; and

d) Personalised mentoring and support, and close management involvement.

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9.4 Guidelines regarding this category

9.4.1 Mnquma Local Municipality will select a defined number of critical succession candidates, who will be groomed to fill certain key roles within the municipality;

9.4.2 The selection of such candidates does not mean that Mnquma Local Municipality guarantees the individual's career path. This depends on municipal business performance, personal performance, and opportunity;

9.5 The cost and effort of retaining such individuals will be matched by the expected contribution of such individuals, and dependent on contracted superior performance;

9.6 The candidates must meet set performance standards for inclusion in this category; and

9.7 The identification of these key individuals is based on a set of guiding criteria, but final identification rests with the discretion of Mnquma Municipal Council.

9.8 Selection Criteria for Successors

	SELECTION CRITERIA FOR SUCCESSORS
1.	Real potential to be groomed to occupy a strategically critical position within a defined time period;
2.	Likely to be in a critical skills category;
3.	Individual maturity and integrity;
4.	The individual must be a consistently superior performer; and
5.	Individuals within the 6, 8 and 9 of the Nine Box Matrix Annexure A

9.9 Initiatives for Succession Candidates

	INITIATIVE
1.	Retention Bonus — around 15% of annual guaranteed salary. 1/3 of the bonus is paid quarterly, and 2/3 is paid as a lump sum at the end of the agreed period upon successful completion of agreed targets; or Retention Premium - A Market Premium over and above guaranteed salary of up to 15% of guaranteed salary for a defined period;
2.	
3.	Very focussed performance management by his/her direct superior; Funded
4.	development and Study Tours (National and International);
5.	Focussed Leadership Development;
6.	Each Succession Candidate shall be discreetly placed with a Senior Management Member, who will initiate informal meetings to talk about personal growth, well being, career and challenges; and
7.	Retention of the succession candidate is a target in superior's Performance Contract.

10. STRATEGIC IMPORTANCE

10.1 Mnquma Local Municipality should have a strategic intent to ensure that:

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a) People are managed well to ensure they have clear direction, motivated, and that the best are retained;

b) Staff is remunerated competitively and superior performance is rewarded aggressively;

c) Staff is developed, retained and perpetual learning and challenging opportunities provided; and

d) Work-life culture and climate that is attractive and supportive are cultivated.

10.2 Each of the above elements shall be weighted and balanced based on importance. This document defines the programme to achieve that end;

10.2 Attraction and Retention strategies will operate within the context of broader municipal initiatives on talent management;

10.3 The attraction and retention strategies will be reviewed annually by the Portfolio Committee on Corporate Services and recommendations made to the Council for approval;

10.4 Although attraction and retention remains primarily the accountability of Line Management, formal, collaborative process, between Corporate Services and Line Management, will be employed to identify candidates;

10.5 Attraction and retention strategies will include both monetary and non-monetary interventions, and will be approached objectively and holistically;

10.6 Allocating double benefits in automatic manner must be avoided, and each retention case needs to be decided upon individually;

10.7 Wherever possible a retention initiative (apart from initiatives of a general nature) must be linked to a reciprocal contractual obligation by the employee in question; and

10.8 All retention initiatives will be subject to sound good corporate governance.

11. MARKET AND BEST PRACTICE

1 1.1 Attraction and retention initiatives generally target key elements. When discussing and planning retention, especially with regard to Strategically Critical Individuals, all areas need to be explored comprehensively, resulting in a "tailor made" package for the individual; and

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11.2 Organisations that are successful in attracting and retaining critical skills and key individuals generally excel at:

a) Avoiding merely throwing money at the problem but rather approach attraction and retention holistically;

b) Not relying on institutionalising or formalising retention activities — they rather retain people because people see Mnquma Local Municipality as a great place to work in and this is determined largely by the quality of leadership, culture, municipal climate, management practices, and organisational performance;

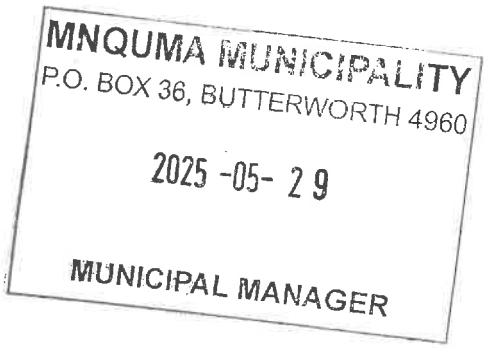
(c) Remunerating staff well;

(d) Rewarding exceptional performance;

(e) Developing their employees;

(f) Communicating openly and sharing information;

(g) Caring for their employees;



(h) Recognising achievement publicly and celebrating successes;

(i) Not tolerating poor performance; and

(j) Developing and maintaining a reputation as being "an employer of choice". This reputation is often best promoted by own employees.

12. IMPLEMENTATION

12.1 Governance and Management Structure

The governance and management structure regarding retention initiatives will be made up of the following:

a) Management - All nominations and motivations will be made by the relevant Managers in line with the talent management processes;

b) Corporate Services Directorate - The Corporate Services Director will be responsible for reviewing and proposing selection criteria, initiating communication and nomination processes, reviewing all nominations prior, and preparing all matters for approval to the Municipal Manager.

c) The Portfolio Committee on Corporate Services and Council - All issues with regard to retention will be approved by the Portfolio Committee on Corporate Services and ratified by the Council.

12.2 Process and Decision Making 122.1 Critical Occupations

The following process is to be followed:

(a) The Corporate Services Director will review the critical skills criteria and the list of critical skills job categories every 6 months, in collaboration with Management Committee;

(b) The Critical Occupations list and the initiatives proposed including the cost implications will be presented to the Council on a yearly basis to gain an overall mandate. However, should the need arise during the year the Portfolio Committee on Corporate Services will convene to review the Critical Occupation list;

(c) The Corporate Services Director and Management will compile a retention plan regarding the Critical Skills for each Department once a year; and (d) Line Management is accountable for budgeting for retention costs.

12.2.2 Strategically Critical Individuals and Succession

The following process is to be followed:

(a) The Committee on Corporate Services, facilitated by the Human Resources Director, will meet to prepare the process of selecting Strategically Critical Individuals and Succession candidates;

(b) The Corporate Services Director will prepare motivations and submit them to the Portfolio Committee on Corporate Services, including the initiatives proposed and the cost of such proposals. The presentation to Council will be done by the Municipal Manager;

(c) Council will approve each Strategically Critical Individual and Succession Candidate's retention plan;

(d) The Corporate Services Director will ensure that all contracts related to retention are completed and placed on the employee's Personal File; and

(e) The Portfolio Committee on Corporate Services will review the Strategically Critical Individuals and Succession candidates every six (6) months, and the criteria used to select the individuals, and to discuss the effectiveness of retention strategies.

12.3 Communication

a. The Attraction and Retention Policy will be communicated to all Managers and staff; b. Initiatives related to the retention of critical occupations will be communicated to all staff and especially those employees who fall within the critical skills job category; and

c. Retention initiatives related to Key Individuals and Succession candidates will be discussed with the relevant candidates by the respective Manager on a one-to-one basis.

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12.4 Contracting

a. Wherever possible, it should be mandatory for Strategically Critical Individuals and Succession Candidates who have been identified, to sign a contract which will include at least:

i. The obligation to remain in service of Mnquma Local Municipality for a given time; ii. The performance objectives that need to be achieved;

iii. The retention and performance benefits to be provided by Mnquma Local Municipality; and iv. The process of review.

b. This would be applicable especially in cases whereby Mnquma Local Municipality has been paying attraction or retention allowance to employees over a specified period of time.

12.5 Control, Reporting and Auditing

The retention initiatives are subject to sound and accountably management practice. This must be achieved through:

i. Control - The Portfolio Committee on Corporate Services must meet quarterly, review turnover reports, surveys, and any other information with regard to the retention of the identified groupings, and must produce formal records of such meetings and any action that needs to be taken;

ii. Reporting - The Portfolio Committee on Corporate Services must produce a formal report, which will be tabled before the Council every six months, detailing the status of retention, and making recommendations for improvement. Each Manager will complete an individual report for each Strategically Critical Individual and Succession Candidate every six months, and submit it to the Portfolio Committee on Corporate Services via the Corporate Services Director for inclusion into the Council report;

iii. Auditing - internal audit will be conducted into the remuneration practices as approved by the Portfolio Committee on BTO for the retention of candidates once a year to ensure compliance and sound practice. They will issue a formal Audit Report to the Audit Committee for approval.

iv. Administration — Corporate Services is responsible for the administration and management of the attraction and retention process.

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2025 -05- 29
MUNICIPAL MANAGER

14. MONITORING AND EVALUATION

Municipal Manager will be responsible for implementation of this policy.

15. POLICY AUDIT AND REVIEW

The policy requires monitoring and its effectiveness will be audited on a quarterly basis and the policy will be reviewed annually in order to ensure it remains responsive and relevant.

16 APPROVAL OF THE POLICY

This policy was adopted by Council on the **29 May 2025** as per resolution number **SCM7/25/007.1.3.3.**

AUTHENTICATION

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MR. S. MAHLASELA
MUNICIPAL MANAGER

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CLLR MANXILA - NKAMISA
EXECUTIVE MAYOR

MNQUMA MUNICIPALITY
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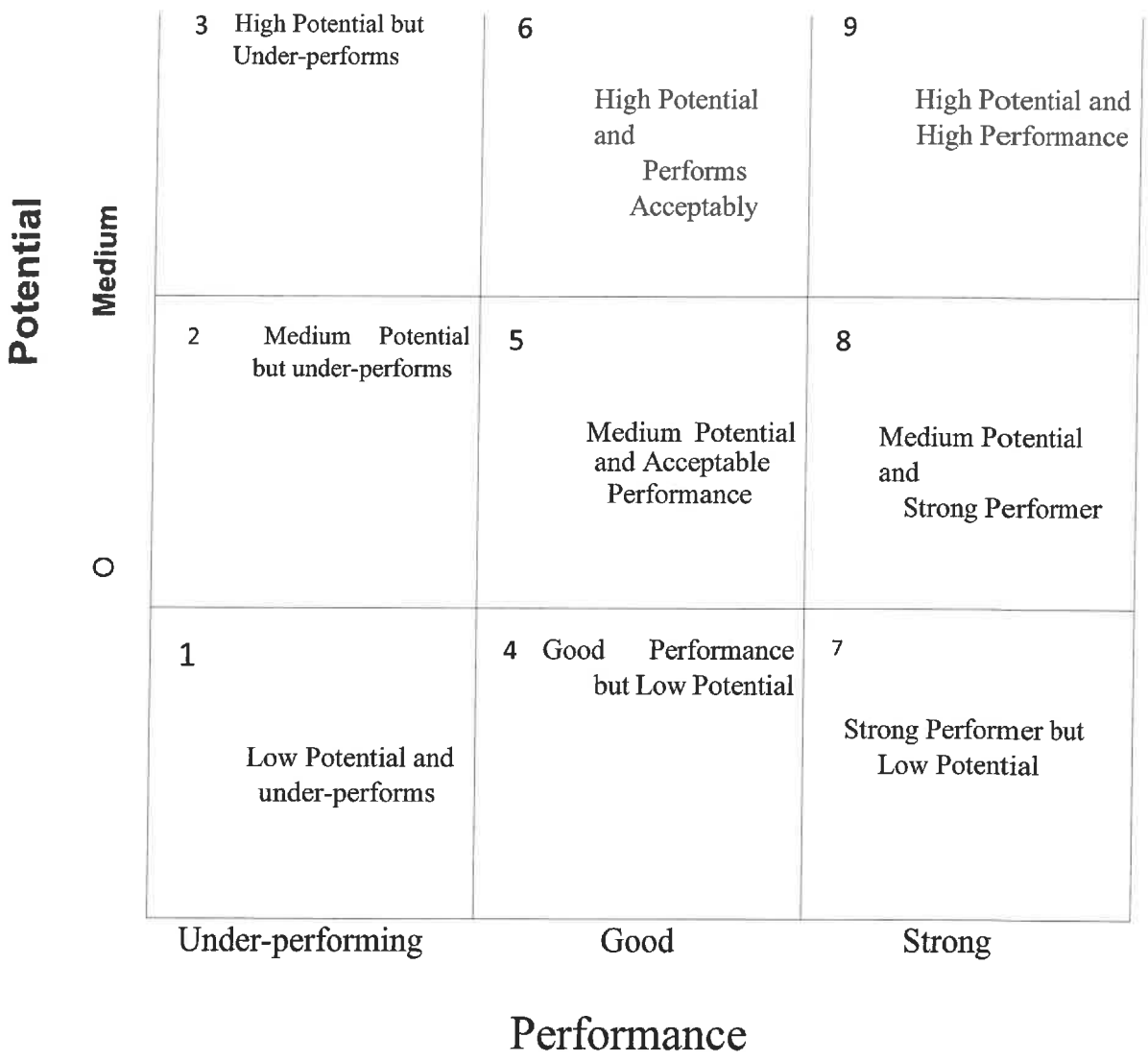
Potential
Medium
O
3 High Potential but Under-performs
6 High Potential and Performs Acceptably
9 High Potential and High Performance
2 Medium Potential but under-performs
5 Medium Potential and Acceptable Performance
8 Medium Potential and Strong Performer
1 Low Potential and under-performs
4 Good Performance but Low Potential
7 Strong Performer but Low Potential
Under-performing
Good
Strong
Performance