



EMPLOYEE RETENTION POLICY

Policy No.: HRM 05

Effective Date: 29 March 2021

Revised Date: 29 March 2021

Electronic File:

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1. PURPOSE OF THE POLICY

Staff retention is a process which seeks to keep employees whose skills are critical and difficult to replace given the myriad conditions experienced by the labour market, i.e. the shortage of technical skills in South Africa.

2. OBJECTIVES OF THE POLICY

- To enable MRTT to be an employer of choice
- To attract, retain and motivate skilled employees
- To have a better understanding of the kinds of skills that are in short supply with a clear reason thereof
- To develop strategies that seek to counter-act against staff turnover

3. SCOPE OF THE POLICY

This policy applies to a specific category of employees as determined by SMCO comprised of the Chief Executive Officer and General Managers.

4. APPLICABLE LEGISLATIVE

This Policy shall be read in conjunction with the following legislation, where applicable:-

5.1.1 Labour Relations Act No. 66 of 1995, as amended; and

5.1.2 Basic Conditions of Employment Act No. 75 of 1997, as amended.

5. DEFINITIONS

5.1 Unless the context of this Policy indicates otherwise, words denoting the masculine gender also include the feminine gender and any reference to the singular shall include the plural and vice versa. The following terms shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings: -

5.2 “**Employee**” means any person who is employed by MRTT and who receives, or is entitled to receive, any remuneration from MRTT;

5.3 “**HR Sub-Programme**” means the Human Resources department;

5.4 “**Line Manager**” means the manager the Employee is directly reporting to, and

“**Supervisor**” shall have a corresponding meaning;

5.5 “**Management**” means the managers, senior managers, general managers and/or executives of MRTT;

5.6 “**MRTT**” means the Mpumalanga Regional Training Trust, a non-profit company, bearing registration number: 1993/006132/08; “**the Company**” and/or “**the Employer**” shall have corresponding meanings;

5.7 “**Policy**” means this document including all annexures and, schedules;

5.8 “**Scarce skills**”: refers to occupations in which there is a scarcity of qualified and experienced people, currently or anticipated in the future, either (a) because such skilled people are not available or (b) because they are available but do not meet employment criteria”.

5.9 “**Critical Scarce Skills**”: refers specific key or generic and ‘top -up’ skills within an occupation including critical cross-field outcomes. These would include cognitive skills (problem solving, learning-to learn), language and literacy skills, mathematical skills, ICT skills and skills at working in teams, skills required for performance within that occupation to fill a ‘skills gap’ that might have arisen as a result of changing technology or new forms of work in an organisation.

5.10 “**Trade Union Representative**” means an elected representative of a registered trade union, or of two or more registered trade unions acting jointly, within MRTT’s workplace;

5.11 “**Working Day(s)**” means any day which is not a Saturday, Sunday or a public holiday in the Republic of South Africa except the Hotel and Tourism Academy since it operates even on weekends.

5.12 “**Flexi hours**” means reporting to work on different times and also scheduled rotation including working from home in response to the COVID-19 Regulations.

5.13 “**SMCO**” means the Senior Management Committee of the entity

6. POLICY PRINCIPLES

6.1 REASONS WHY EMPLOYEES ARE LEAVING

Employees leave their employers for a variety of reasons. Some of the reasons are unavoidable and beyond control e.g. death, retirement, health or family relocation. The following statements are based on the doctrine of systematic control:

(a) *Financial considerations*

Most people leave because they are offered better salaries and/or benefits elsewhere.

(b) *Work environment*

A poor work environment can lead to employees being unhappy and makes other jobs / employers attractive. These are some of the reasons for poor work environment:

- Low morale (most employees)
- Little motivation of employees
- Lack of strategic direction
- Lack of leadership and communication
- Poor work challenges and
- Lack of empowerment of employees (training)
- Lack of recognition
- Unrealistic working volume attached to individual employee and Programme.

(c) *Career Development and succession planning*

Most employees want to grow in their work and will continually search for better opportunities for growth.

(d) *Demand for employees from designated groups*

There is high demand for employees from the designated groups and both the private and public sector have to comply with the legislation, e.g. EEA and SDA. Employees can easily move to other organizations.

(e) *Resistance to change*

Other employees leave because they do not agree with change being initiated, the most common reasons are:

- Fear of the unknown
- Reluctance to change old habits
- Self interests
- Economic insecurities (e.g. pension, salary, etc) (perception that permission will be at risk)
- Failure to recognize why the change is necessary
- General mistrust

(f) *Personal reasons*

Some staff refuse to have exit interviews and some say that they are leaving for personal reasons.

(g) *Leadership and Management Style (both politically and administratively)*

Many talented employees leave as a result of leadership and management style, which stifle growth and empowerment. Lack of performance assessment and failing to identify development opportunities is also one of the reasons why people leave.

(h) Grievance procedures and disciplinary procedures

As result of ineffective application of grievance and disciplinary procedures, employees become disillusioned and adopt wrong procedures which are contrary to the entity rules.

(i) Lack of clear performance standards

Employees who do not have clear performance standards against which they can measure their own performance and against which they can be measured will be insecure and frustrated.

6.2 STRATEGIES TO RETAIN STAFF

- (a) Making enough resources available to meet the demands of the job required to be performed, e.g. This includes availing latest technology and proper maintenance.
- (b) Employee empowerment is generally achieved through training and development to meet the job standards of individual development and to create a culture of ownership.
- (d) Give employees challenging work coupled with talent management and staff rotation.
- (e) Provide opportunities for both individual employees and team work.
- (f) Reward good work properly
- (g) Make sure that there is proper communication and provide feedback to employees.
- (h) Provide sufficient opportunities for growth and development and training.
- (i) Provide good leadership and management style that is conducive to the working environment.
- (j) Set clear attainable performance standards for each job against which employees can be measured.

6.3 RETENTION STRATEGIES THAT MAY BE IMPLEMENTED

Offering facilities that other employers cannot provide may keep staff to work for entity.

(a) Premium for skills in demand (Scarcity Allowance)

A premium rate ranging between 10% and 15% to be paid for specific job functions as determined by SMCO for a specified period subject to review.

(b) Performance Bonus Payment

Additional annual bonus which may be fixed on a certain percentage of an employer's salary could be paid to individual employees or team who are high flyers. The performance bonus will be based on approved performance management system and budget.

(c) Recruitment and Promotion

Through our recruitment policy and procedures, give internal candidates who are suitable priority for appointment and promotion. This will be in-line with our employment equity plan. The competence of applicants should be properly aligned to the requirements of the job and the needs of the entity. This will ensure that there is an equal employment mobility opportunity for all employees.

(d) Career-Path

Career progression will be done through individual employee's assessment and linked to training and development. Employees will be assisted to plan their careers according to individual development profiles. It will therefore be necessary to review the current organizational structure and make adjustments.

(e) Performance Appraisal System

A performance appraisal system aligned to a reward system aimed at continuous improvement of individual performance in order to achieve the objective of the entity as per the 5 year Plan. The following systems should be put in place as the point of departure:

- Design a personnel performance management system
- Create performance agreements based upon the operational plan
- Conduct quarterly performance reviews of individual employees by immediate supervisors
- Attach an incentive scheme to be linked to a personnel performance management system

Reward for excellent work can be both monetary and non-monetary, depending on available resources. Non-monetary incentives can include family holidays, recognition certificate, employee of the month/year notice board and on newsletters, etc.

(f) Employees Wellness Programmes

A holistic approach to managing employees requires the entity to take care of its employees and this include adopting the counseling and referral to EAP on the following matters; stress, HIV and AIDS and other life threatening diseases (e.g. COVID-19, Cholera, cancer, heart illnesses, stress related matters etc.) alcohol abuse, drugs, financial burdens, etc. This should cover immediate family members.

(g) Link staff retention with an effective induction process

Effective induction and orientation will make employees feel empowered and be part of the organization. It will also improve communication and establish employee commitment. A well structured induction programme that stretches from day one and beyond will prepare new employees full integration into the entity.

(h) Exit Interview

It is critical to know why employees leave to understand and address problems related to staff turn-over. This will assist in developing further staff retention interventions.

(i) Designated groups in terms of employment equity

As our competitors also need to meet employment equity targets, there is therefore a need to retain them and the following techniques can be used to counter any move:

- Establishing mentorship and coaching programmes;
- Benchmarking
- Accessibility of work place by people with disabilities;
- Flexible conditions for women to take care of their families, environment if possible.

(j) Job Evaluation

The proper application of the job evaluation system as soon as the job content of an employee changes.

(k) Flexi-hours

Make flexi-hours possible in response to the COVID-19 pandemic

7. MONITORING

This strategy will be monitored on a monthly basis by the Corporate Services Programme and discuss its findings with the SMCO and report to the CEO, who will then present a report annually to the Board.

8. STRATEGY REVIEW

This strategy will be reviewed after 24 months, during the entity strategic planning session.

9. APPROVAL OF POLICY

The signatories hereof, being duly authorized thereto, by their signatures hereby authorize the execution of the work detailed herein, or confirm their acceptance of the contents of this Policy and authorize the implementation/adoption thereof, as the case may be, for and on behalf of the parties represented by them.

Name and Position	Date	Signature
Ms. TE Mawelele :Acting Chairperson of the Board	29-03-2021	