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RETENTION AND SUCCESSION POLICY

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1. DEFINITIONS AND ACRONYMS

1.1 Statutory and Regulatory

This Procedure applies to the following meanings and interpretations:

#	TERM	DESCRIPTION
1.1	Compensation	refers to all forms of financial returns tangible services and benefits employees receive as part of an employment relationship and therefore includes both intrinsic and extrinsic. All terminology used in this shall bear the same meaning as in the applicable legislation
1.2	Competent Employee	refers to an employee who is above board and who knows his or her job and performs it well.
1.3	High Risk Skills	refers to the skills that employees have who may soon leave the organization. This includes employees who have indicated the need to leave the municipality
1.4	Highflyers	employees who perform well in his or her current job but needs to continue and are ready for promotion by virtue their commitment levels and outputs in their respective roles.
1.5	Municipality	Refers to Thulamela Local Municipality
1.6	Potential for development	Employees with potential for development must be placed on accelerated development program.
1.7	Staff retention	It is the system of focusing and harnessing all resources on both attracting employees to join an organisation through focused recruitment and selection strategies and keeping those who are already employed, especially those whose skills are crucial to the Municipality.
1.8	Scare Skills	refers to the skills that are needed to realize municipality's goals and objectives, but which are difficult to recruit and replace as they are also few in the market. Competent employee: refers to an employee who is above board and who knows his or her job and performs it well. Critical/scare/Hot skills: Employees with crucial rare expertise. Potential for development: Employees with potential for development must be placed on accelerated development program.
1.9	Star performers	Individual is developing faster than the demands of his current position and or division. This individual has been given additional assignments and has demonstrated high level commitment achieved significant results.
1.10	Valued skills	refers to valued staff members who contribute positively and whose exit would have negative impact on the municipality's ability to meet its goals rather than in the scarcity of skills.

2. PREAMBLE

- 2.1 Staff retention management has become one of the top priorities of strategic planning.
- 2.2 Municipality endeavours to recruit and select the best candidate to join the municipality through focused recruitment and selection efforts. The further challenge then is to retain the services of those employees who are already employed, especially those whose skills are crucial to the municipality.
- 2.3 This policy covers both the psychological and operational aspects attached to a person in a position, and it is also about motivating staff.
- 2.4 The policy also encapsulates a definition of staff retention, key aspects of staff retention, reasons for shortage statistics in terms of skills shortage and losses, key aspects of retention within the Municipality, costs of losing staff and roles and responsibilities with regard to staff retention. Furthermore, it deals with the classification of skills, what will make employees stay and the reasons why employees leave and what interventions or measures can be put in place to minimise staff turnover.
- 2.5 For the municipality to meet its demands and mandates, managers need to work in partnership on staff retention management.

3. PURPOSE

- 3.1 To ensure that there are processes and systems in place to ensure a smooth transition of key roles within the municipality by identifying, developing, and preparing potential successors. This policy aims to ensure that the municipality invests in its personal and professional development in order to boost motivation and job satisfaction, attract top talent, and retain competent staff and top talent.

4. OBJECTIVES

- 4.1 To attract and retain competent staff.
- 4.2 To retain key staff members whose services are regarded as critical or classified as scarce.
- 4.3 To ensure career development for staff.

- 4.4 To classify the role of managers/ line managers with regard to staff retention.
- 4.5 To ensure the creation of a conducive and harmonious working environment for employees.
- 4.6 To strengthen employees' health and wellness programmes.
- 4.7 To ensure employees' participation in all processes of staff recruitment and retention.
- 4.8 To reduce costs associated with staff loss and brain drain.
- 4.9 To position Limpopo Municipalities as an employer of choice.

5. SCOPE

- 5.1 This policy will apply to all employees of the Thulamela Local Municipality excluding contract workers and interns.

6. RETENTION

The municipality will ensure that the implementation of the retention process is aligned to the best practices outlined as follows:

- 6.1 Identify key critical roles within the municipality.
- 6.2 Assess the skills and the competencies required in those critical roles.
- 6.3 Create a talent development program to groom employees.
- 6.4 Provide training and support to high-potential individuals.
- 6.5 Offer opportunities for mentorship and exposure to different roles.

Furthermore, the following key processes will be followed:

HR PLANNING:

- 6.6 Human resource provision needs to work closely with all departments if it intends to reach its goal of staff retention. In order to provide a good basis for staff retention management and strategies, the municipality shall ensure that there are qualified employees at the right time and in the right places.

HUMAN RESOURCE DEVELOPMENT:

- 6.7 The workplace skills plan should be in place to ensure that opportunities for growth and development are created for the entire workplace through a competency profile. Training and development, mentoring and coaching is important for employees, without these employees will move elsewhere.

COMPENSATION AND BENEFITS:

- 6.8 To become an employer of choice, the municipality should strive to give/ provide better benefits vis-à-vis competing organisations.

OPTIMAL HUMAN RESOURCE UTILISATION:

- 6.9 To have motivated staff who will keep them busy with the job they are assigned to job rotation, secondment, promotions, and transfers shall be encouraged. Line managers should receive training on different leadership styles.

HEALTH, WELLNESS AND SAFETY:

- 6.10 Incentives such as money alone cannot play a decisive role in motivating employees. Employees need a sense of safety at the workplace, user-friendly buildings, employee wellness programmes e. g HIV/AIDS policy, health and safety policy, EWP policy and risk-free environment (safety and security).
- 6.11 The municipality will also ensure that when implementing the retention processes, the following factors are taken into account;
- 6.11.1 Historical reasons for the shortage of skills - everyone should have access to education and to acquire skills, the results of past policies continue to play an important role today, insofar as the shortage of skilled employees is concerned.
 - 6.11.2 Ensure support for the HIV and AIDS education and prevention programmes.
 - 6.11.3 Specification issues related to HIV and AIDS should be explicitly incorporated into planning, implementation, core department functions, strategies and plans for skills development.
 - 6.11.4 Increased Mobility.
 - 6.11.5 Lack of skills in the South African labour market.

6.11.6 Turnover rate.

6.11.7 Cost of losing staff.

7. PRINCIPLES THAT UNDERPIN THE RETENTION STRATEGY

The municipality will ensure that the following key retention strategies are followed:

- 7.1 The strategy developmental rather than punitive
- 7.2 Classification of post into scarce skills, valued skills and high-risk skills.
- 7.3 Task job evaluation outcomes shall serve as the basis to determine the job level and salary levels of post.
- 7.4 The culture of continually developing staff be maintained in line with the skills development Act and performance Management System.
- 7.5 The culture of creating and sustaining a pleasant and humane working environment where employees are given a chance to thrive shall be a norm.
- 7.6 The potential and reason for leaving shall be determined by conducting exit interviews and staff morale surveys.
- 7.7 The staff retention strategy should by no means be creating expectations for either promotion or monetary rewards.
- 7.8 Honesty, transparency, equity and fairness.

8. INTERVENTION TO RETAIN STAFF

Intervention to retain staff is the most effective:

- 8.1 If they are aimed at specific circumstances or skills group
- 8.2 At the same time, the interventions are integrated and linked with as a wide variety of human resource practices as possible
- 8.3 The following human resource practices need to be integrated and aligned with a staff retention strategy:

RECRUITMENT AND SELECTION PROCESS

- 8.4 A lot of staff losses are caused by bad selection decisions, where the wrong person is appointed for the job. To prevent this, an effective and efficient recruitment and selection process must be adhered to. An accurate job description must be developed and maintained that clearly identifies the core competencies required for successful performance.

EFFECTIVE INDUCTION METHODS

- 8.5 Best practice studies show that weeks of employment are important for establishing employee commitment to employment. It is therefore essential that the line manager and human resource practitioners lay a foundation for future commitment by being part of the induction process. A good way of addressing this is to have a well-structured and dynamic induction programme.

HUMAN RESOURCE DEVELOPMENT

- 8.6 Rather than sending employees for long training away from work, provide them with training that allows them to gradually acquire the required knowledge and skills on the job. This increases confidence in the work and also builds the employee's trust in the employer. Developmental initiatives for scarce skills should be accompanied by contractual binding to serve the municipalities after completion of the relevant developmental programme.

LEARNERSHIPS

- 8.7 The municipality may register with the LGSETA to be the provider of training. After such accreditation, it may provide skill training to both employees and the unemployed. Graduates from universities and colleges may be taken through a specific programme of practical experience. After the completion of those learnerships, students may be encouraged to apply for vacancies if they become available.

BURSARY SCHEMES AND INTERNSHIPS (APPLICABLE TO INDIVIDUAL MUNICIPALITY)

- 8.8 Aligned together with the provision of sound corporate social responsibilities, most organisations develop the skill by introducing internships. Specific skill analysis reveals that in the municipality, there is also a scarcity of some skills. Projection of those Skills may be made for periods ranging from five to ten years. Expressions of

interest may be advertised for students in those fields to be awarded internships, which should give an obligation to serve the municipality over a certain period of time.

ALIGNMENT OF COMPETENCIES

- 8.9 Although this is not always easy to achieve, aligning the needs of the municipality with the employee's competencies will result into positive organisational fit. A competency profile of each individual employee should be development and kept in the skills development file of the employee which should be kept and maintained by the training and development section.

CAREER OPPORTUNITIES

- 8.10 Technology is improving on a daily basis and employee need to be put abreast of this. Although modern departments no longer need focus on long-term employment, employees still need to be made aware that opportunities exist for career growth and an increased level of responsibilities. These growth opportunities might not always be upwards though. 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 higher salary to them. The establishment of persona development plan for each employee is the joint responsibility of the line managers and employees and should have it to their current competencies, performance management outcomes and the needs of the municipality. Line managers and employees should review these plans on a regular basis.

PERFORMANCE MANAGEMENT SYSTEM

- 8.11 One of the most important management tools in the local government sector is the implementation of a performance management system. The present system, which is applicable to senior managers and heads of divisions on must be cascaded to all levels of staff. Utmost care is to be taken to ensure the fair, consistent and transparent application of employee appraisal.

JOB ROTATION

- 8.12 Job rotation can serve as an important tool for achieving job satisfaction, making the job more challenging, enhancing skills and knowledge, and ultimately assisting in employee retention. It shall be implemented through "on-the-job" training by the relevant managers.

8.13 Management shall rotate employees on the same level within their respective divisions; however, care shall be taken to ensure consultation of employees first before embarking on the job rotation so as to ensure by in.

9. STAFF RETENTION IMPLEMENTATION APPROACH IN THE MUNICIPALITY

Human resources practitioners shall involve line managers in the municipality in the staff rotation process, these shall determine the quality and variety of retention 'drivers'(things that encourage people to stay, such as work culture, opportunities for growth, rewards for performance and grievances handling). This should be done by the following actions.

COUNTER-OFFER

9.1 This practice is utilised when the prospective candidate's remuneration package offered is more than the current remuneration package of the Thulamela municipality. A counter-offer is calculated within the salary range applicable to the advertised post. Therefore, a justifiable counter-offer may be made on the following condition. The all-inclusive salary package includes inter alia:

9.1.1 The basic monthly salary

9.1.2 Non-pensionable allowances

9.1.3 Service bonus

9.1.4 Homeowner's allowance

9.1.5 Pension contribution

9.1.6 Medical allowance

9.2 Other serving officials may not be adversely by such an appointment.

9.3 Municipality must ensure that adequate proof of the candidate's remuneration package is obtained.

9.4 The labour market must be tested and no other persons who comply with the prescribed requirements must be available to fill the vacancy.

- 9.5 Before a counter-offer can be considered or is made to the prospective candidates, the HR manager should ensure that funds are available to fill and counter-offer should not be above 10%.
- 9.6 Once the prospective candidates accept the offer in writing, the HR manager is not obligated to review the package after the assumption of the duty.
- 9.7 The Municipal manager will approve with the recommendation of the senior manager, corporates Services in consultation with the senior manager of that specific department.

EXIT INTERVIEWS

- 9.8 Exit interviews are an important tool for designing staff retention interventions, and it will be conducted whenever an employee is leaving the municipality or when turning down the employment offer.

ANALYSING STAFF MOBILITY AND TURNOVER TRENDS

The municipality can achieve this through the following:

9.9 ASSESSING STAFF MORALE

- 9.9.1 The human resource division will conduct a perception, attitude morale survey (which could point out where things need to be improved) every second year to find out how employees feel about the municipality, their managers and the nature of their work.

9.10 CONDUCT EXIT INTERVIEWS

- 9.10.1 Knowing why employees leave will help you to identify and deal with any problems within the organisation. One of the ways of doing so is for human resource practitioners to conduct exit interviews. The result of these interviews should be analysed as soon as the employee resigns and feedback should be given to the relevant line managers as soon as possible.

9.11 KEEP STAFF STATISTICS

- 9.11.1 Information on staff turnover, age profile and length of service, staff composition, promotion, disciplinary action and grievances should be kept.

Human resource practitioners should analyse this information to help them understand staff movement.

9.12 ANALYSE THE INFORMATION AND LOOK FOR TRENDS

Having gathered information on how employees feel and why they leave, the information will be properly analysed. The following will be taken into consideration:

9.12.1 For which groups of employees is turnover likely to have the greatest impact on the municipality's strategic goals and performance?

9.12.2 How would the municipality's goals and objectives be compromised by the unplanned and unforeseen loss of employees?

9.12.3 What are the likely solutions to counter undesired staff losses?

10. IMPLEMENTATION: ROLES AND RESPONSIBILITIES

Staff retention is best achieved through a partnership between line managers and the human resources division.

10.1 HUMAN RESOURCE PRACTITIONERS

10.1.1 The human resource division needs to facilitate the execution of this strategy.

10.2 LINE MANAGERS

10.2.1 Line managers are the main link between the municipality and the employees, as such, they need to be both competent technical managers as well as people managers. Their role in this regard, though not easy, requires the following competencies to be able to play this role:

10.2.1.1 The ability to effectively lead, coach and mentor staff;

10.2.1.2 The ability to give proper feedback

10.2.1.3 The ability to align work process and job with organisational goals, and the ability to create a culture of continuous learning and development, in which employees can grow and improve their own competencies.

10.3 MANAGEMENT BUY-IN

10.3.1 The buy-in of management for staff retention is of great importance as it will be reflected in the strategy of the municipality.

10.3.2 The roles and responsibilities of Human resources practitioners and line managers can best in the following table:

Function	The role of the Human resource practitioners	In partnership	The role of the line Managers
Provide human resource administrative services	To establish appropriate policies, procedures and system human resources management		To apply human resource policies, procedures and consistently to all employees.
Provide expert advice on human resource matters	To translate the municipality's business strategy into a human resource strategy. To identify employees or categories of employees who might leave, To analyse staff movement trends and identify high risk employees or occupations for line managers.	Developed an effective human resource plan. Identify positions and or occupations where sudden departures would derail strategic objectives or have an immediate negative impact on operations.	To effectively manage staff. To motivate employees and create an enabling environment for employees to perform. To provide training and other support to employees.
	To perform constant skills audits within the municipality	Identify core and scarce skills within the municipality. Develop focused retention programmes.	To implement diversity management and employment equity programmes. To implement staff retention strategies. To manage performance effectively. To give employees challenging work. To empower employees through effective delegation.

Monitoring and benchmarking	To analyse labour market trends. To analyse internal staffing trends and give feedback to line managers on an ongoing basis.		
	To perform constant skills audits within the municipality	Identify core and scarce skills within the municipality. Develop focused retention programmes.	To implement diversity management and employment equity programmes. To implement staff retention strategies. To manage performance effectively. To give employees challenging work. To empower employees through effective delegation.
Monitoring and benchmarking	To analyse labour market trends. To analyse internal staffing trends and give feedback to line managers on an ongoing basis.		

11. LEGISLATIVE AND REGULATORY FRAMEWORK

- 11.1 Employment Equity Act 55, 1998.
- 11.2 Employment Equity plan & targets.
- 11.3 Training and Development Policy.
- 11.4 Skill is Development Act 97 of 1998.
- 11.5 Integrated Development Plan.
- 11.6 Labour Relations Act 1995.
- 11.7 The Constitution of SA.
- 11.8 SALGBC Collective Agreements.

11.9 Municipal System Act.

12. STAKEHOLDER ENGAGEMENT

12.1 All the relevant stakeholders, internal and external, will be consulted through the development and implementation of this policy.

13. MONITORING AND EVALUATION

13.1 This policy will be assessed to determine its relevance and effectiveness and to assess whether it has achieved the intended objectives on a continuous basis.

14. CONCLUSION

14.1 In conclusion, the Retention and Succession Policy outlines critical matters raised in the purpose and the objectives. The provisions in the policy contents highlights the need for municipality to adhere to the key issues narrated which will address challenges encountered and lead to effective and efficient implementation of the policy.

14.2 The Municipality commits to make resources available, monitor and evaluate the effectiveness of the policy, thus encouraging all relevant stakeholders to familiarise themselves with the policy and take necessary actions to fully participate and ensure compliance of the policy.

14.3 It is important to note that any failure to comply with the rules and the standards set out in this policy will be regarded as misconduct. All misconduct or breaches will be dealt with within the municipality's appropriate disciplinary procedures.

15. REVISION DATE

15.1 This policy shall be reviewed every 3 years or as and when the needs arise

16. ANNEXURES

16.1 Business process map

16.2 Standard operating procedure